



# **FINANCIAL REPORTS**

## **FY 2025-2026**

### **BUDGET MEMO, BUDGET SUMMARY, TRUST FUND ACTIVITY, CAPITAL IMPROVEMENT PLAN (CIP) & FUND BALANCE**

**2025 Annual Meeting  
(Fiscal Year: 2025-2026)**

**Date/Time:  
Tuesday, March 25, 2025, 7:00 PM**

**Location:  
James Masticola Upper Elementary School  
26 Baboosic Lake Rd  
Merrimack, NH 03054**



# **BUDGET MEMO**

**FY 2025-2026**

**PREPARED:** January 23, 2025

**TO:** Merrimack Village District (MVD) Customers and Town of Merrimack Voters

**FROM:** MVD Board of Commissioners (BOD)

**RE:** Fiscal Year (FY) 2025-2026 Budget Information

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The purpose of this memo is to assist in reviewing MVD's proposed Budget as recommended by the BOC.  
(Glossary on Last Page)

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### **BUDGET SUMMARY COMPARISON**

	Approved <u>2024-2025</u>	Proposed <u>2025-2026</u>	2025 vs. 2026 <u>Increase/(Decrease)</u>
Operating Budget	\$6,266,356	\$6,470,953	\$204,597
Capital Budget	<u>\$15,000</u>	<u>\$68,000</u>	<u>\$53,000</u>
<b>TOTAL BUDGET:</b>	<b>\$6,281,356</b>	<b>\$6,538,953</b>	<b>\$257,597</b>

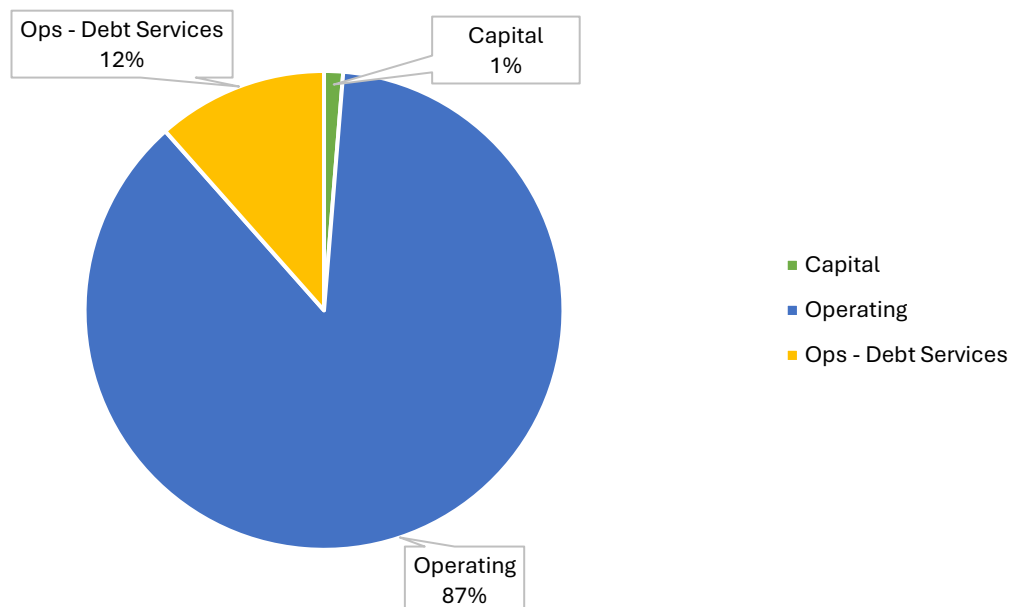
The MVD Board of Commissioners recommendation for the 2025-2026 Total Budget (NOT including any Financial Warrant Articles) is \$6,538,953. This is equal to a 4.1% increase over the 2024–2025 Total Budget. The Total Budget being recommended will NOT require a rate increase for 2025-2026.

The 2025–2026 Total Budget includes \$68,000 in Capital Budget costs, \$15,000 of that is required each year as part of the Town Ordinance deductible. If the town does not do any work, this will NOT be spent. Refer to “Capital Budget Detail” Section for further details.

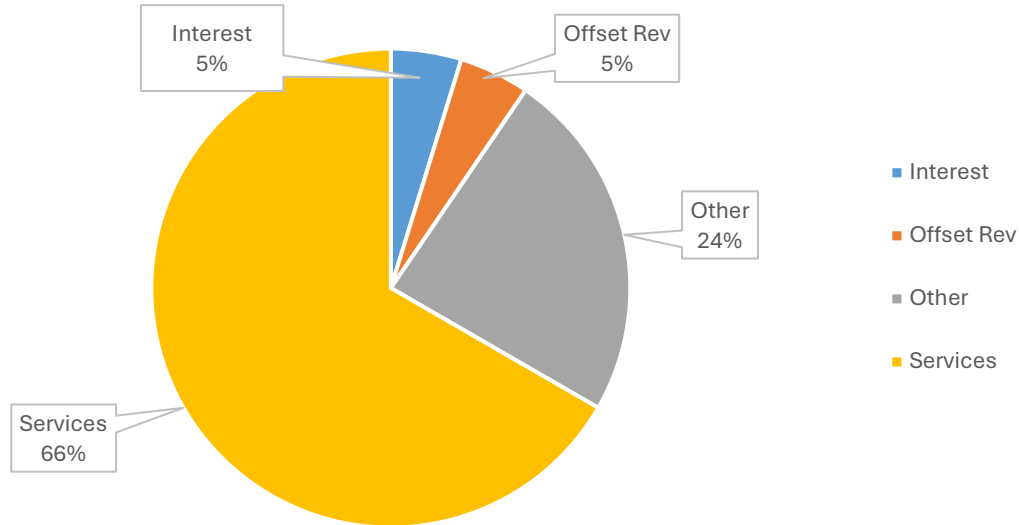
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The graphic breakdown of proposed expenditures and appropriations are shown below:

### **PROPOSED APPROPRIATIONS 2025-2026**



## PROPOSED REVENUE 2025-2026



The Revenues to support this Budget are projected to balance the Proposed Budget of \$6,538,953. The BOC and staff have made considerable adjustments (both increases and decreases) in the proposed budget to match the proposed revenue projections.

**To assist in the review of the budget document, details are provided for the following areas:**

### OPERATING BUDGET DETAIL

**GENERAL:**

Items such as Electricity (60000), Heating Fuel (60400), Gasoline/Diesel Fuel (60450/60), and Chemicals (60600) are estimates based on past usage and estimated future usage costs.

**PERSONNEL:**

**Administrative Wages (50100)** - The overtime estimate is for staff in Finance/HR and Administration. During the audit, budget process and through the course of the year additional hours are necessary to complete regular duties on schedule, particularly in the Finance department.

**OPERATIONAL ACCOUNTS:**

**Motor Vehicle Maintenance (60500)**

Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Approved 2024-2025	Proposed 2025-2026
\$22,000	\$22,000	\$35,129	\$33,915	\$15,000	\$14,000

Budget has been lowered based on the proposed purchase of new trucks for the fleet out of the Budget Capital and Capital Reserves.

**(OPERATIONAL ACCOUNTS CONTINUED)**

**Chemicals (60600)** - Chemicals are purchased for all 3 Treatment Facilities. Chemical costs can vary due to weather conditions. Hot temperatures and dry conditions can lead to increased water usage, subsequently requiring an increase in the amount of chemicals required for effective water treatment. For these reasons, cost projections are difficult, therefore it's essential to budget for worst-case scenarios.

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
Approved	\$228,507	\$488,900	\$758,098	\$701,000	\$747,600
Actual	\$166,541	\$333,301	\$279,475*		

\*Third Treatment Facility delayed in opening and a very wet summer.

**Property Taxes (60850)** - MVD budgets for taxes on wells 7 and 8. These wells are located in the town of Hollis. By law, a water district is required to pay taxes on the land if the water source is in a different town. MVD is not taxed on the buildings on this land. The valuation of that land is currently set at \$227,700. Depending on the Town of Hollis' tax rate, each year's tax bill may vary. MVD has budgeted \$7,000 for 2025-2026.

<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
\$6,500	\$5,123	\$5,910	\$7,020	\$7,000

**New Meters & Entrances and Enhancements to Water System (70040/70045)** - MVD will continue upgrades to our existing main lines that are old, problematic and those that may need to be looped. MVD has budgeted that 50 new dwellings will have finished construction and need meters to be added to the water system in 2025-2026. MVD is also diligently monitoring hydrants and mainlines for upgrades. This budget includes \$26,000 for these purposes. Entrance Fees offset these costs; they are not part of the Water Rate Appropriations.

**R&M Treatment Plants (70675)** - This account is for MVD's 3 Treatment Facilities and the repair and maintenance throughout the year. The amount of \$176,260 is proposed for both the structure and equipment associated with and around all the Treatment Facilities.

**Engineering (81900)** - The proposed budget for the engineering account is \$180,000 for 2025-2026. MVD's outside Engineers will continue to monitor sodium and chloride levels as well as track and plot quarterly sample data along with PFAS data. MVD has also designated funds within this account for additional Engineering costs for PFAS including investigation into PFAS polluters. Additional projects needed in this account are related to Design of Sewer Ejection from MVD's Distribution Warehouse and Salt Mitigation.

## CAPITAL BUDGET DETAIL

### CAPITAL BUDGET EXPENSE (90000)

The Capital Budget Expenses being proposed for 2025-2026 are:

New Vault Room for Archive Storage (at Well 3)	\$3,000
Town CIP Projects - Waterline Relocation	\$15,000*
Replacement Truck - W-44 (2015)	\$50,000

\*The \$15,000 in this account is due to the Town Ordinance change which requires that MVD pay the first \$15,000 of a Town Capital Improvement Plan (CIP) project that involves water line relocation.

### DEBT SERVICES

	Actual <u>2021-2022</u>	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	Approved <u>2024-2025</u>	Proposed <u>2025-2026</u>
Principal (90200/03/04)	\$500,032	\$683,091	\$432,052	\$898,171	\$838,438*
Interest (90300/03/04)	<u>\$163,111</u>	<u>\$143,705</u>	<u>\$127,235</u>	<u>\$252,231</u>	<u>\$278,507</u>
	<b>\$663,143</b>	<b>\$826,796</b>	<b>\$559,287</b>	<b>\$1,150,402</b>	<b>\$1,116,945</b>

\*New Loan for the PFAS Remediation for wells 2, 7, 8 & 9, started 2024-2025, construction was delayed, therefore pushed out initial loan payments.

### REVENUE

Actual revenues for 2023-2024 were \$6,576,309. This was \$556,642.62 over the projected \$6,019,666 for that fiscal year. The sources of the revenues are summarized below.

	Actual <u>2021-2022</u>	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	BOC Projected <u>2024-2025</u>	BOC Projected <u>2025-2026</u>
Water Sales & Service Charges	\$4,763,500	\$5,404,964	\$6,207,525	\$5,815,312	\$6,356,953
Budgeted Grants	\$20,000	\$22,500	\$22,410	\$178,344	\$0
*Miscellaneous	\$278,161	\$213,359	\$235,093	\$242,700	\$132,000
Interest	<u>\$1,286</u>	<u>\$69,628</u>	<u>\$111,281</u>	<u>\$45,000</u>	<u>\$50,000</u>
	<b>\$5,062,946</b>	<b>\$5,710,451</b>	<b>\$6,576,309</b>	<b>\$6,281,356</b>	<b>\$6,538,953</b>

\*This includes MVD's Operations & Maintenance payment for the Treatment Facility 4&5 from St. Gobain as part of the PFAS Settlement. As Merrimack grows and new residents join the water system, along with existing residents moving from private wells to our system, revenues will increase.

## GLOSSARY

(In Alphabetical Order)

<b><u>TERM</u></b>	<b><u>DEFINITION</u></b>
Account(s):	Defines a Financial Category within the Budget for Tracking
Appropriations:	The expenditure side of the budget. It is the legal authority for the governing body to provide a given level of service granted by the legislative body.
Capital Budget:	Funds that are used to acquire, repair, update, or improve MVD's Fixed Assets. Funds from the Capital Expense Budget are specific and may not be used for operating costs.
Capital Improvements Plan (CIP)	A document that outlines a community's long-term infrastructure needs and how to pay for them. It's a key tool for local governments to manage their finances and build community trust
Encumbered:	A commitment to spend money for a particular purpose at some point in the future.
Fixed Asset(s):	Items that have a long-term use, such as buildings, vehicles, equipment, and the like.
Fund Balance	In government accounting, fund balance is the difference between assets and liabilities resulting in a surplus or a deficit. A common misconception is that fund balance is a cash account, associated with or correlated to a government's bank account balance. But unlike a personal bank account, a general fund balance is not a "cash-account;" it is a measure of equity between revenues and expenditures. Government fund accounting is unique to the public sector (i.e. cities, towns, schools) and requires separate self-balancing accounting entries to track each fund's revenues and expenditures. In the private sector it would be defined as a company's working capital, but in the public sector, it is referred to as fund balance. In government finance, the retention and use of unassigned fund balance assists in measuring the financial health of an individual fund, such as the general fund.
Fund Types = Assets <i>LESS</i> Liabilities	The following are examples of MVD's Fund Types
Assigned:	Assets reserved for an intended purpose, e.g. Encumbered prior year purchases
Committed:	Assets constrained for specific purposes as approved by the Board of Commissioners, e.g. Capital Trust Accounts
General Fund:	Assets used for operational purposes, e.g. Operating Checking account
Non-Spendable:	Assets that are NOT in a spendable format, e.g. Inventory
Restricted:	Assets that can ONLY be spent on a designated specific purpose, e.g. System Development Fees collected
Unassigned:	This amount has not been categorized into a category, e.g. Net Income
Offset Revenue	Money received from Grants or Specialized Fees
Operating Budget:	Expenses needed for MVD to operate, such as payment of taxes, utility costs, office supplies, postage, payroll, maintenance and repairs. Also known as the General Fund.
R&M	Repair and Maintenance
Total Budget:	Total of both the Operating Budget and the Capital Budget.
Warrant Articles:	Items to be voted on during MVD's Annual Meeting. There are multiple types of Warrant Articles such as Election, Financial, and Petitioned.



# **BUDGET SUMMARY TOTALS**

## **FY 2025-2026**



**MERRIMACK VILLAGE DISTRICT  
2025/2026 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	SUPER REQUESTED	BOC RECOMMENDED	ANNUAL MEETING
<i>X</i> Account #	Description	2023 / 2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026
50010	Officers Salaries	\$12,288	\$13,995	\$12,995	\$12,995	
50100	Administrative Salaries	\$559,785	\$577,358	\$591,472	\$591,434	
50119	Salary Merit Pool (All Depts.)	\$0	\$43,000	\$37,600	\$32,500	
50120	Admin - Turnover Cost (Resignation/Retirement)	\$0	\$0	\$0	\$0	
50150	Employee Recognition	\$0	\$650	\$850	\$850	
50200	Field Staff Salaries	\$720,769	\$724,009	\$831,993	\$831,840	
50220	Field Staff - Turnover Cost (Resignation/Retirement)	\$0	\$0	\$10,583	\$10,583	
50300	Unemployment Compensation	\$544	\$500	\$500	\$500	
50350	Employee Wellness Program	\$5,357	\$6,500	\$6,500	\$6,500	
50400	Social Security/ Medicare Employer Tax	\$98,140	\$107,300	\$112,077	\$111,672	
50450	Retirement - Employer Contribution	\$170,586	\$179,374	\$182,576	\$181,909	
50500	Health Insurance	\$468,042	\$527,209	\$584,067	\$584,067	
50525	Dental Insurance	\$24,642	\$26,800	\$28,732	\$28,732	
50530	Flexible Spending Account Fees	\$168	\$400	\$300	\$300	
50550	Life/Short & Long Term Disability Insurance	\$10,660	\$11,300	\$12,114	\$11,672	
50575	Workers Compensation	\$13,464	\$12,755	\$14,286	\$14,286	
60000	Electricity	\$302,966	\$300,000	\$410,435	\$410,435	
60100	Telephone / Cable	\$29,527	\$33,060	\$32,260	\$32,260	
60200	Uniforms	\$7,522	\$6,190	\$6,770	\$6,770	
60225	Education/Seminars	\$5,497	\$9,000	\$7,500	\$7,500	
60250	Testing / Licensing	\$3,342	\$4,450	\$4,300	\$4,300	
60300	Water Purchase	\$318,894	\$50,000	\$75,000	\$75,000	
60400	Heating Fuel LPG/Propane	\$48,866	\$31,350	\$26,735	\$26,735	
60450	Gasoline	\$34,313	\$32,000	\$35,600	\$35,600	
60460	Diesel Fuel	\$3,851	\$4,000	\$4,000	\$4,000	
60500	Motor Vehicle Maintenance	\$33,915	\$15,000	\$14,000	\$14,000	
60550	Security	\$0	\$0	\$3,000	\$3,000	
60600	Chemicals	\$279,475	\$701,000	\$747,600	\$747,600	
60650	Filtration - PFAS	\$257,343	\$261,777	\$265,000	\$265,000	
60700	Safety Supplies/Equipment	\$7,491	\$5,965	\$8,425	\$8,425	
60800	Lease	\$8,528	\$9,628	\$7,151	\$7,151	
60850	Property Taxes	\$5,910	\$7,020	\$6,700	\$6,700	
66900	Reconciliation Discrepancies	\$0	\$1	\$1	\$1	
70000	Tools & Equipment	\$14,834	\$23,200	\$23,600	\$23,600	
70010	Office Equipment	\$15,267	\$19,920	\$6,800	\$6,800	

**MERRIMACK VILLAGE DISTRICT  
2025/2026 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	SUPER REQUESTED	BOC RECOMMENDED	ANNUAL MEETING
<i>X</i> Account #	Description	2023 / 2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026
70020	Rentals	\$74	\$3,000	\$5,500	\$5,500	
70030	Town Sewer / Septic Pump	\$3,313	\$3,960	\$3,950	\$3,950	
<i>X</i> 70040	New Entrance Costs	\$30,340	\$15,000	\$26,000	\$26,000	
<i>X</i> 70045	Enhancements to Water System	\$17,579	\$29,000	\$32,000	\$32,000	
<i>X</i> 70050	Repairs & Maintenance - Backflows	\$529	\$1,600	\$1,500	\$1,500	
70100	Repairs & Maintenance - Communications Equipment	\$310	\$4,000	\$5,260	\$5,260	
70250	Repairs & Maintenance - Entrances	\$22,455	\$19,000	\$40,025	\$40,025	
70300	Repairs & Maintenance - Hydrants	\$11,522	\$23,800	\$26,400	\$26,400	
70400	Repairs & Maintenance - Main Lines	\$25,371	\$40,000	\$30,000	\$30,000	
70450	Repairs & Maintenance - Meters	\$86,036	\$60,000	\$60,000	\$60,000	
70500	Repairs & Maintenance - Compliance Sampling	\$129,213	\$151,247	\$146,827	\$146,827	
70525	Repairs & Maintenance - Office Equipment/Software	\$93,831	\$126,945	\$177,498	\$177,498	
70575	R & M - Booster Stations	\$3,831	\$5,000	\$5,000	\$5,000	
70600	Repairs & Maintenance - Main Structures	\$33,478	\$39,698	\$33,150	\$33,150	
70650	R & M - Tanks	\$2,143	\$10,000	\$9,000	\$9,000	
70675	R & M - Treatment Plants	\$198,019	\$176,800	\$176,250	\$176,250	
70700	Repairs & Maintenance - Tools & Equipment	\$2,535	\$4,910	\$4,350	\$4,350	
70750	Repairs & Maintenance - Watershed	\$0	\$39,224	\$2,500	\$2,500	
80000	Office Supplies	\$13,090	\$17,500	\$18,000	\$18,000	
80100	Postage	\$47,443	\$45,000	\$50,500	\$50,500	
80125	Shipping / Freight / Fuel Charge	\$4,900	\$6,200	\$5,700	\$5,700	
80150	Fees Miscellaneous	\$16,658	\$41,493	\$34,500	\$34,500	
80200	Dues / Subscriptions	\$2,271	\$3,465	\$3,855	\$3,855	
80300	Meeting Expense	\$4,304	\$4,000	\$4,500	\$4,500	
80350	Travel Expense	\$2,310	\$1,000	\$1,700	\$1,700	
80400	Advertising & Public Information Notices	\$1,760	\$6,000	\$5,000	\$5,000	
81400	Public Education	\$1,674	\$2,000	\$2,000	\$2,000	
81500	Wellhead Program	\$0	\$1,000	\$0	\$0	
81600	Land Improvement	\$0	\$0	\$0	\$0	
81700	Insurance	\$42,433	\$48,710	\$55,924	\$55,924	
81800	Outside Services	\$36,791	\$25,440	\$25,900	\$25,900	
81900	Engineering	\$59,844	\$323,750	\$180,000	\$180,000	
81901	Inspections / Plan Reviews	\$0	\$1,000	\$500	\$500	
81950	Professional Fees	\$45,097	\$90,000	\$75,000	\$75,000	
90000	Capital Budget Expense	\$24,299	\$15,000	\$68,000	\$68,000	
90100	Bad Debts	\$340	\$1,500	\$1,000	\$1,000	

**MERRIMACK VILLAGE DISTRICT  
2025/2026 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	SUPER REQUESTED	BOC RECOMMENDED	ANNUAL MEETING
<b>X</b> Account #	Description	2023 / 2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026
90200	Debt Service Principal	\$180,000	\$180,000	\$180,000	\$180,000	
90203	NHDES - DWSRF Loan Principal	\$202,869	\$206,845	\$210,900	\$210,900	
90204	NHDES - DWGT Loan Principal	\$49,183	\$50,375	\$51,596	\$51,596	
90206	NHDES - PFAS RLF Loan Principal	\$0	\$460,951	\$395,943	\$395,943	
90300	Debt Service Interest	\$41,558	\$34,221	\$26,634	\$26,634	
90303	NHDES - DWSRF Loan Interest	\$59,091	\$55,114	\$51,060	\$51,060	
90304	NHDES - DWGT Loan Interest	\$26,586	\$25,394	\$24,173	\$24,173	
90306	NHDES - PFAS RLF Loan Interest	\$0	\$137,502	\$176,640	\$176,640	
<b>Total Operating Budget/Expense</b>		\$4,985,064	\$6,281,356	\$6,545,757	\$6,538,953	<i>TBD</i>
<i>Difference to FY25</i>				<i>4.21%</i>	<i>4.10%</i>	
<i>Petitioned Warrant Articles</i>		\$0	\$0	\$0	\$0	
<i>Contingency Fund</i>		\$20,000	\$0	\$0	\$0	
<i>Special Warrant Articles - Transfers to Capital Reserve Funds</i>						
	<i>10303 - System Development Capital (from 40600)</i>	\$248,162	\$99,943	\$68,490	\$68,490	
	<i>10302 - Equipment &amp; Facilities</i>	\$200,000	\$800,000	\$800,000	\$800,000	
	<i>10305 - Water &amp; WTP O&amp;M</i>	\$150,000	\$200,000	\$200,000	\$200,000	
<b>TOTAL APPROPRIATIONS:</b>		\$5,603,226	\$7,381,299	\$7,614,247	\$7,607,443	<i>TBD</i>
<b>These amounts are taken from Unassigned Funds from fiscal year ending:</b>		<b>FY2021-2022</b>	<b>FY2022-2023</b>	<b>FY2023-2024</b>	<b>FY2023-2024</b>	<b>FY2023-2024</b>
<b>Voted to move in March of :</b>		2023	2024	2025	2025	2025



**ACTUAL & PROJECTED  
REVENUES FY 2018 THROUGH FY 2026  
FY 2025-2026**

**MERRIMACK VILLAGE DISTRICT**  
**ACTUAL & PROJECTED REVENUE FY2018 - FY2026**

	ACTUAL 2017 / 2018	ACTUAL 2018 / 2019	ACTUAL 2019 / 2020	ACTUAL 2020 / 2021	ACTUAL 2021 / 2022	ACTUAL 2022 / 2023	ACTUAL 2023 / 2024	EXPECTED REVENUE 2024 / 2025	BOC PROJECTED 2025 / 2026
<b>Not Part of Rates</b>									
Domestic Water Sales	\$1,561,602	\$1,436,141	\$1,896,631	\$1,957,028	\$2,129,609	\$2,345,033	\$2,687,691	\$2,542,512	<b>\$2,837,653</b>
Mercantile Water Sales	\$260,526	\$262,934	\$290,966	\$254,704	\$354,023	\$423,257	\$508,670	\$420,000	<b>\$510,000</b>
Industrial Water Sales	\$29,178	\$19,122	\$26,588	\$21,872	\$25,753	\$23,263	\$29,420	\$30,000	<b>\$32,000</b>
Meter Charges	\$540,225	\$550,682	\$668,983	\$722,092	\$868,604	\$989,969	\$1,142,041	\$1,170,000	<b>\$1,170,000</b>
x Fines	\$23,813	\$28,941	\$39,212	\$7,998	\$56,236	\$43,068	\$82,037	\$50,000	<b>\$65,000</b>
Transfer Fee	\$13,430	\$13,610	\$12,620	\$14,950	\$12,680	\$9,350	\$9,890	\$10,000	<b>\$9,800</b>
Hydrant Charges	\$653,998	\$663,735	\$811,468	\$873,074	\$1,040,212	\$1,168,370	\$1,376,135	\$1,200,000	<b>\$1,350,000</b>
Sprinkler Charges	\$118,407	\$124,832	\$147,624	\$171,816	\$196,983	\$232,742	\$261,006	\$290,000	<b>\$276,000</b>
x Interest	\$14,321	\$23,514	\$15,875	\$1,679	\$1,286	\$69,628	\$111,281	\$45,000	<b>\$50,000</b>
x Communication Tower Rental	\$93,097	\$112,936	\$108,083	\$99,507	\$110,914	\$103,750	\$118,220	\$118,800	<b>\$120,000</b>
Miscellaneous Income	\$12,189	\$13,926	\$22,433	\$16,794	\$60,347	\$2,709	\$5,397	\$10,000	<b>\$6,000</b>
x O&M from St. Gobains (Offsets Acct 60650)				\$106,900	\$106,900	\$106,900	\$106,900	\$106,900	<b>\$0</b>
x Service Charge Mains	\$75	\$55,500	\$23,000	\$0	\$0	\$35,500	\$6,751	\$1,000	<b>\$1,000</b>
x Service Charge Hydrant Hook-Ups	\$234	\$225	\$444	\$1,032	\$791	\$511	\$319	\$800	<b>\$500</b>
x Service Charge Turn On/Off Water	\$21,049	\$22,136	\$7,595	\$7,160	\$7,185	\$4,388	\$4,800	\$6,000	<b>\$5,000</b>
Miscellaneous Service Charges	\$15,993	\$11,534	\$15,161	\$9,511	\$14,158	\$10,990	\$11,019	\$10,000	<b>\$10,000</b>
x Service Charge Backflow Tests (offsets acct 70050)	\$42,400	\$40,000	\$37,850	\$22,730	\$22,188	\$42,650	\$39,700	\$45,000	<b>\$40,000</b>
x Service Charge Entrances (offsets account 70040)	\$25,911	\$52,385	\$95,006	\$72,354	\$17,822	\$62,935	\$48,046	\$40,000	<b>\$50,000</b>
x Merchandise Sales	\$3,103	\$3,446	\$3,477	\$8,501	\$17,255	\$12,940	\$4,576	\$7,000	<b>\$6,000</b>
Gain on Asset Disposal / Sale	\$0	\$28,223	\$0	\$0	\$0	\$0	\$0	\$0	
Legal Fee Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$5,800	\$0	
Inspection / Plan Reviews	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Income Received from Grants	\$0	\$0	\$20,000	\$13,756	\$20,000	\$22,500			
Offsets account 70010 (NHDES - Lead Service Line)							\$16,610	\$16,620	
Offsets account 70750 (NHDES - Fencing)								\$36,724	
Offsets account 81900 (EPA - PFAS Polishing)								\$125,000	
	\$3,429,550	\$3,463,821	\$4,243,016	\$4,383,457	\$5,062,946	\$5,710,451	\$6,576,309	\$6,281,356	<b>\$6,538,953</b>



# **TRUST FUND ACTIVITY**

## **FY 2025-2026**

**MERRIMACK VILLAGE DISTRICT  
TRUST FUND ACTIVITY**

	Fiscal Year			2020			2021			2022			2023			2024				
	Est.	Balance end of 2019		Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total		
<b>LAND</b>	1996	\$1,510,666			\$30,134	<b>\$1,540,799</b>		\$15,252	<b>\$1,556,051</b>		\$7,119	<b>\$1,563,170</b>		\$34,383	<b>\$1,597,553</b>	-\$100,000	\$62,534	<b>\$1,560,086</b>		
<b>EQUIPMENT/FACILITIES</b>	1996	\$3,601,590	-\$584,079	\$71,057	<b>\$3,088,568</b>		\$635,746	<b>\$3,724,313</b>	-\$816,211	\$14,394	<b>\$2,922,496</b>		\$469,006	<b>\$3,391,502</b>	-\$289,192	\$931,046	<b>\$4,033,355</b>			
<b>SYSTEM DEV</b>	2020	\$609,662	-\$263,439	\$11,807	<b>\$358,030</b>		\$470,147	<b>\$828,177</b>		\$240,742	<b>\$1,068,920</b>		\$76,255	<b>\$1,145,175</b>		\$145,467	<b>\$1,290,642</b>			
<b>LEGAL</b>	2019	\$100,451		\$1,982	<b>\$102,433</b>		\$1,014	<b>\$103,447</b>		\$473	<b>\$103,920</b>		\$2,286	<b>\$106,206</b>		\$4,175	<b>\$110,381</b>			
<b>WATER O&amp;M</b>	2021	n/a			n/a		\$100,224	<b>\$100,224</b>		\$100,459	<b>\$200,682</b>		\$154,809	<b>\$355,491</b>		\$214,990	<b>\$570,481</b>			
		<b>What was done:</b>	WTP 2/3/7/8 Pilot Study & Prelim Design WTP 4&5 (Grant Match) Bryant Circle & Wire Rd Extensions						WTP 4&5 (Grant Match) Replace Well #4 WTP 4&5 (MVD Portion)						Replacement Trucks Land for possible New Well					

**Up Coming Projects:**

- New Dump Truck - \$121K
- 101A & Continental Blvd & Boston Post Rds - \$620K
- Everett Turnpike Widening - \$275K
- Wire Rd & Baboosic Bridges - Unknown \$
- Replacement Truck - \$96K
- Planned Infrastructure R&M - \$1.2 M
- Meter Project - \$2.2 M
- Additional GAC Replacements - \$400K/yr
- Parker Tank - \$500K
- Replace Existing Piping that's 50+ yrs old - Unknown \$
- Possible new Treatment Plant for New Source - Unknown \$
- New Water Source Land - Unknown \$



# **CAPITAL IMPROVEMENTS PLAN**

**FY 2025-2026**



**MERRIMACK VILLAGE DISTRICT**  
**WATER SYSTEM IMPROVEMENTS**

**Capital Improvements Plan**  
 As of 02/26/25

Projects	Notes/Reference	Source	Previous	10-Year CIP PROJECTS									
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
<b>Supply Improvements (as needed)*</b>													
Well #6 Treatment Evaluation		Ops	\$25,000			\$25,000							
Artificial Recharge at Wells 4&5	Water Supply Evaluation Update	On hold until Well #6	\$25,000	\$5,000		\$7,175,000							
New Well Site Installation (Mitchell Woods)	Water Supply Evaluation Update	On hold until Well #6	\$75,000	\$5,000		\$4,300,000							
Lead Service Line Inventory	Software and consulting to detect all LEAD lines in system	Grant/Ops	\$34,720	\$33,390									
Long-term Supply Investigations and Evaluations	Water Supply Evaluation - Every 5-years	CR			TBD								
MWW - Emergency Connection Infrastructure Upgrades	Water Supply Evaluation Update	Loan				\$1,200,000							
PWW - Wholesale Agreement	Water Supply Evaluation Update	CR/Ops	\$347,367	\$341,972	\$393,268	\$75,376							
Sodium & Chloride Reduction		Grant/Ops	\$1,500	\$98,500									
Wells #7/#8 Inspection and Cleaning (annual)	Cleaning/Inspection	Ops	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Chlorine Taste - Study to determine better way			TBD										
Iron & Manganese Filtration for Sediment			TBD										
<b>Treatment Facility Improvements</b>													
Polishing and/or Media Improvements - PILOT	Ongoing Water Quality Improvements	CR	\$60,274	\$190,726									
New Storage Tank - New Site		CR											
New Treatment Plant - New Site		CR/Loan											
<b>Treatment Facility GAC Replacements</b>													
GAC Replacements - 2&9	Master Plan and pending report	CR/Bud											
GAC Replacements - 4&5	Changed every 6 mths	CR/Ops		\$209,554	\$209,554	\$209,554	\$209,554	\$209,554	\$209,554	\$209,554	\$209,554	\$209,554	\$209,554
GAC Replacements - 7&8	Changed every 6 mths	Other/Ops		\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000
GAC Replacements - 7&8	Changed every 6 mths	CR/Ops		\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000
<b>Building Improvements</b>													
New Admin Office		CR/Ops	On HOLD										
<b>Storage Tank and Distribution System Improvements</b>													
Belmont Booster Station Pumps/controls and misc. piping	Asset Management	CR/Ops			\$100,000								
DOT - Everett TPK Widening project	Distribution System Improvements - AM	CR/Ops	\$274,340										
DOT - 101A & Continental Blvd & Boston Post Rds	Distribution System Improvements - AM	CR	\$611,819										
DOT - Replace Bridges for Everett widening (Wire, Baboosic, etc)	Distribution System Improvements - AM	TBD		TBD									
Eliminate Parallel Line	Various locations	CR/Ops			TBD								
Hutchinson Road Tank	Cleaning/Inspection	Ops/CR		\$10,000	\$50,000								
Hutchinson Road Tank	Altitude control valve	Ops											
Long-Term Supply Improvements	Distribution System Improvements - AM	Grant					TBD						
Loops, dead-ends, and system extensions	Distribution System Improvements - AM	CR				TBD							
Parker Drive Tank	blast/recoat (firm quote needed)	CR					\$1,000,000						
PFAS Water Main Extension(s) (Area 3, 4&5)	Eliminate private wells	Grant/CR/?		\$3,800,000									
Rate Update	Recommended every 2-3 years	Ops	\$7,500		\$20,000		\$7,500		\$7,500				
Rte. 3 North Improvements	Transmission Main Improvements	Private				TBD							
Turkey Hill Road Tank	Cleaning/Inspection	Ops					\$50,000						
Water Model Update - Hydraulic Review				\$25,000									

**MERRIMACK VILLAGE DISTRICT**  
**WATER SYSTEM IMPROVEMENTS**

**Capital Improvements Plan**  
As of 02/26/25

Projects	Notes/Reference	Source	Previous	10-Year CIP PROJECTS										
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	
<b>Equipment</b>														
Field Truck		CR	CR/Ops	\$96,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
10 Wheel Dump Truck	Replacement of W-15 1989 International	CR	\$121,320	\$121,320										
Backhoe/Loader	Replacement of 1995 JCB W-30	CR			\$135,000									
Cameras at all WTP		Ops			\$100,000									
New Financial & Utility Software		CR		\$186,000										
Portable Pressure Pump/High Service	Booster Evaluation - Turkey Hill redundancy	CR				TBD								
<b>Town Coordination Projects</b>	Master Plan													
Ongoing Town Road Projects	Town Project	Ops	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
<b>SUBTOTAL Projects</b>			<b>\$1,623,841</b>	<b>\$5,382,462</b>	<b>\$1,317,822</b>	<b>\$13,294,930</b>	<b>\$1,577,054</b>	<b>\$519,554</b>	<b>\$527,054</b>	<b>\$519,554</b>	<b>\$519,554</b>	<b>\$519,554</b>	<b>\$519,554</b>	<b>\$519,554</b>
<i>(Annual Funding to support CIP/AM) - Estimate</i>														
Equipment & Facilities Trust	Asset Management - target CR Contribution	Ops	\$2,000,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Water, WTP & O&M Trust	Asset Management - target CR Contribution	Ops	\$420,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>SUBTOTAL of CR Contributions (From Unassigned Balance)</b>			<b>\$2,420,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>TOTAL Capital Project Needs</b>			<b>\$4,043,841</b>	<b>\$6,382,462</b>	<b>\$2,317,822</b>	<b>\$14,294,930</b>	<b>\$2,577,054</b>	<b>\$1,519,554</b>	<b>\$1,527,054</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>

Target Source of Funds	Notes/Reference		Ongoing/ Previous	10-Year CIP FUNDING - <i>INCLUDES Projects under \$100K</i>										
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	
Bond/Loans							\$12,675,000							
<b>Budget - Operating (Ops)</b>				<b>\$1,397,277</b>	<b>\$1,227,777</b>	<b>\$1,232,777</b>	<b>\$1,262,277</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>	<b>\$1,254,777</b>
Budget - Target CR Contributions														
Capital Reserves (Trusts)				\$1,713,069	\$502,777	\$217,777	\$1,314,777	\$264,777	\$264,777	\$264,777	\$264,777	\$264,777	\$264,777	\$264,777
Grants (DWGTF, ARPA, SRF, PFAS, Etc.)				\$3,178,116										
Private				\$94,000	\$94,000	\$94,000								
<b>TOTAL CIP</b>				<b>\$6,382,462</b>	<b>\$1,824,554</b>	<b>\$14,219,554</b>	<b>\$2,577,054</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>	<b>\$1,519,554</b>

**Completed Projects (last 5 years)**

- Well #4/#5 PFAS Treatment, Chemical Feed, and replacement well (2020)
- Turkey Hill Booster Pumping Station (2021)
- Turkey Hill Tank Improvements (hatch, etc.)
- Master Plan Update (2021)
- Corrosion Control Study (2021)
- Hutchinson Tank (recoat)
- PWW Cost-of-Service Study (2022)
- Wells 7&8 PFAS Treatment (2022)
- Wells 2&3 PFAS Treatment/ New Well 9 (well 3 replacement) (2023)
- Water Mode Update (2023)
- Additional Monitoring Wells (2024) - Gettridge

\*All supply projects may not be needed

**From 2014 Asset Management Study: Future Expenses past 2034**

Funding Options	Cost
Total Annual Funding Requirement for future Replacement	\$1,680,000
Assume 50% funding from Capital Reserves, Annual Requirement	\$840,000
Initial Capital Reserves funding range (50% to 100%)	<b>\$420,000 to \$840,000</b>
Current operating budget (FY 2015)	\$2,930,000
Surplus required to contribute additional capital reserves, %	<b>14% to 28%</b>

	0 to 50 Years Out	50 to 100 Years Out
Supply	\$9,410,000	\$6,900,000
Pumping Stations	\$1,850,000	\$500,000
Storage	\$1,400,000	\$6,500,000
Other	\$1,300,000	\$1,400,000
Distribution	\$70,050,000	\$74,952,000
<b>Total</b>	<b>\$84,010,000</b>	<b>\$90,252,000</b>
Average cost per year	<b>\$1,680,000</b>	<b>\$1,805,000</b>



# **FUND BALANCE**

**FY 2025-2026**

## MERRIMACK VILLAGE DISTRICT MVD FUND BALANCE

		FY2022	FY2023	FY2024	FY2025
<b>ASSETS</b>					As of 02/18/2025
	<b>Operating Cash</b>	\$2,675,769	\$2,439,122	\$2,263,516	\$4,159,242
	Committed Cash (Projects & Capital Reserves)	\$8,130,633	\$7,729,332	\$8,457,649	\$8,518,185
	<b>Not Cash</b>				
	Accounts Receivable	\$1,681,099	\$1,686,432	\$1,674,498	\$840,585
	Inventory	\$115,769	\$149,323	\$269,292	\$263,247
	Prepaid Expenses	\$67,692	\$35,089	\$51,582	\$98,578
	Fixed Assets (Infrastructure)	\$32,796,620	\$35,963,477	\$36,074,016	\$36,711,332
	<b>Total Assets</b>	<b>\$45,467,583</b>	<b>\$48,002,775</b>	<b>\$48,790,553</b>	<b>\$50,591,169</b>
<b>LIABILITIES</b>					
	Current	-\$2,362,566	-\$307,402	-\$145,885	-\$1,079,556
	Long Term	-\$16,066,970	-\$15,708,766	-\$15,458,372	-\$14,345,744
	<b>Total Liabilities</b>	<b>-\$18,429,535</b>	<b>-\$16,016,168</b>	<b>-\$15,604,257</b>	<b>-\$15,425,300</b>
<b>FUND BALANCES</b>					
	Non-Spendable	-\$194,065	-\$149,323	-\$269,292	-\$269,292 <Inventory
	Assigned	\$0	-\$221,950	-\$24,087	-\$24,087 <Encumbered
	Restricted	\$0	-\$99,943	-\$68,490	-\$68,490 <System Dev.
	Committed	-\$5,699,009	-\$6,526,703	-\$7,559,176	-\$7,619,402 <Trusts
	Committed		-\$1,986,490	-\$2,072,847	-\$2,072,848 <Fund Reserve
	<b>Total</b>	<b>-\$5,893,074</b>	<b>-\$8,984,409</b>	<b>-\$9,993,892</b>	<b>-\$10,054,119</b>
	Net Income	-\$1,395,044	-\$4,946,802	-\$1,218,442	-\$1,978,556
	Unassigned	-\$19,749,930	-\$18,055,396	-\$21,973,962	-\$23,133,194
	<b>Total Funds</b>	<b>-\$27,038,048</b>	<b>-\$31,986,607</b>	<b>-\$33,186,296</b>	<b>-\$35,165,869 *</b>
					*Only 60% Thru Year
<b>Total Liabilities &amp; Funds</b>		<b>-\$45,467,583</b>	<b>-\$48,002,775</b>	<b>-\$48,790,553</b>	<b>-\$50,591,169</b>
	<b>% of Total that is Actual Cash</b>	<b>9.9%</b>	<b>7.6%</b>	<b>6.8%</b>	<b>11.8% *</b>
	<b>% of Total that is considered Fund Balance</b>	<b>59.5%</b>	<b>66.6%</b>	<b>68.0%</b>	<b>69.5% *</b>
					*Only 60% Thru Year

### Reasons for Healthy Fund Balance:

Adequate fund balance allows MVD to maintain a consistent set of public services throughout an entire budget cycle because a typical municipal cash flow cycle will have cash on hand amounts decreasing throughout the year. Unlike a business, municipalities do not have the ability to raise additional revenues during the fiscal year. A local government relies on drawing down existing fund balance (excess capital) to ensure adequate cash on hand is available to meet expenses before collections arrive. A municipality's ability to use Fund balance can be seen as a driving factor behind maintaining stable rates. Understanding that the natural revenue cycle within a local government is closely linked to fund balance reserves facilitates the prudent management of financial resources throughout the year. When cash flow experiences strain, a municipality may resort to issuing short-term debt to bridge the gap. This necessitates interest costs to maintain consistent operations and introduces associated risks. Maintaining an adequate fund balance eliminates this necessity, thereby conserving resources that would otherwise be allocated to debt servicing. A robust fund balance empowers the municipality to address cash flow requirements, complete scheduled projects, and establish a contingency plan for emergencies or disruptions in revenue streams. Furthermore, fund balance considerations have credit rating implications. According to the local government rating methodology published by Moody's Investors Service, "a fund balance between 15% and 30% of revenues is required to achieve a scorecard value of A." This underscores the significance of each municipality implementing a policy that emphasizes a strong fund balance strategy to successfully meet both short-term and long-term financial objectives.

### Advantages to moving funds out of Unassigned:

- Money moved to Capital Reserve Trusts earns significantly more interest, than MVD's checking account
  - NHPDIP - 0.3% (NHPDIP - MVD's prior bank where a large portion of Operating Funds were held)
  - TD BANK - 2.2% (TD Bank - MVD's current bank where all Operating Funds are held.)
  - Cambridge Trust - 4.4% (Cambridge Trust - MVD's current bank where the Capital Reserve Trusts are held)
- The Board of Commissioners (BOC) are Agent to Expend from Trusts. No Special Meeting required to spend from Unassigned Funds
- No need to use Bonds/Loans for Unexpected Projects and incur interest