

Water Supply District of Acton

693 MASSACHUSETTS AVENUE
P.O. BOX 953
ACTON, MASSACHUSETTS 01720

TELEPHONE (978) 263-9107

FAX (978) 264-0148

Board of Water Commissioners Meeting Agenda

Monday, September 23, 2024 @ 7:00 PM

Due to the COVID-19 Pandemic, meetings are being held virtually via Zoom

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- **Comments from the public**
- **Approve minutes from the meetings of 9/9 and 9/18**
- **Appoint one Commissioner to sign warrants while conducting meetings virtually**

NEW BUSINESS:

- Representatives of Marcum LLP for annual audit report
- Outdoor Water Use Restrictions Effective 9/11/24
- Fall Flushing Program
- Distinguished Public Involvement Award

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Discussion of Additional PFAS Upgrades
- Kelley's Corner Project
- US EPA Lead & Copper Rule Improvements

Any agenda item(s) which did not come to the attention of the Board of Water Commissioners 48 hours prior to this meeting and were not reasonably anticipated.

Board of Water Commissioners

Meeting Agenda

Monday, September 9, 2024 @ 7:00 PM

AGENDA

- Comments from the public
- Approve minutes from the meetings of 7/29
- Appoint one Commissioner to sign warrants while conducting meetings virtually

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
- Current sample data, if available
- Discussion of Additional PFAS Upgrades
- MDL Update
- Kelley's Corner Project
- Update on Baldco
- MWRA MetroWest Expansion

EXECUTIVE SESSION: To consider the purchase, exchange, lease of real property as an open meeting may have a detrimental effect on the negotiating position of the District.

In attendance

Board of Commissioners: Barry Rosen, Erika Amir Lin, Steve Stuntz

Finance Committee: Ron Parenti

District Manager: Matt Mostoller

District Treasurer: Christine McCarthy

Members of the Public: Kim Kastens, John Petersen, Bill Guthlein, Allison Jones

START OF MINUTES

Mr. Rosen opened the meeting at 7:01 pm

Comments from the public

Ms. Kastens provided the board with a comment and a question. Ms. Kastens commented that on the Green Acton website there was a post about Nashoba Brook's salinity, which briefly mentioned the Acton Water District.

Ms. Kastens, as a member of the Town's Hazard Mitigation Working Group, asked about the town's water capacity to adequately combat brush fires, especially as the community experiences the effects of climate change.

Mr. Mostoller responded that broadly, the water system is designed based on fire protection needs of the community. Wild land firefighting efforts may not exclusively use public water sources. Mr. Mostoller said that the system design includes fire protection, and they keep several days' worth of water stored in the tanks, which keeps them adequately prepared.

Approve minutes from the meetings of 7/29

Ms. Amir Lin motioned to approve the minutes of 7/29/24. Mr. Stuntz seconded, and it was unanimously approved via a roll call vote, Ms. Amir Lin, Mr. Stuntz, Mr. Rosen.

Appoint one Commissioner to sign warrants while conducting meetings virtually

Ms. Amir Lin motioned to appoint Mr. Rosen to sign warrants until the next regularly scheduled meeting. Mr. Stuntz seconded, and it was unanimously approved via a roll call vote, Mr. Stuntz, Ms. Amir Lin, Mr. Rosen.

OLD BUSINESS:

Per- and Polyfluoroalkyl Substances (PFAS)

Current sample data, if available

Mr. Mostoller shared the most recent PFAS sample data. Sample data was collected on August 19th. From these samples North Acton remains at non-detect, and Center Acton is at 9.4 ppt. Mr. Mostoller warned that in October, November, and December they frequently see these numbers increase at Center Acton, which they are prepared for as they are using this facility part time until PFAS treatment is complete. On August 20th, South Acton was sampled, and the results were 14.6 ppt. September sampling of the North and South Acton

plants will take place this week, and Center Acton will be sampled in late September. This week the PFAS website and email list will be updated with these new sample results.

Discussion of Additional PFAS Upgrades

Mr. Mostoller informed the board that the North Acton project has some outstanding items as they work to close out the project. In August, the engineering firm met with the General Contractor to negotiate price reductions, forgo some outstanding items, and make up for some issues identified during construction. They expect they will be able to close the project by the end of October.

Mr. Mostoller then switched to South Acton which is not moving as quickly as they would like. The contractor has not mobilized to the site or broken ground, putting them behind the desired schedule. Mr. Mostoller is working with the engineer to come up with a schedule that reflects the contract and will get it back on track. This project was also delayed due to trouble transferring the building permit from the engineer to the general contractor. In the next week they plan to mobilize to the site and begin breaking ground.

Mr. Mostoller updated the board on Center Acton which is making progress. He shared some photos of the site, as they began clearing land and running the electrical conduit from the existing site, putting in erosion control, and establishing the access road to the bedrock well site. The contractor on that project is ready to submit the first pay requisition.

Mr. Rosen asked if the South Acton project could catch up and make up for lost time. Mr. Mostoller responded that once they are mobilized to the site, they should be able to make up for lost time. He emphasized that the design of South Acton is very straightforward and allows for ease of construction. The building is scheduled to arrive in November, and the vessels are scheduled to arrive November 1st. They are pushing to have site work done to accommodate the vessels being placed directly on the footings and then construct the building before winter. After that piping and electrical work will begin.

MDL Update

Mr. Mostoller informed the board that their special needs claim was filed on August 23. It included a robust package of expenses that we believe qualifies, totaling nearly \$5.5 million. It is unclear what kind of funding is available for special needs claims so it is unclear how much the District might receive.

Kelley's Corner Project

Mr. Mostoller informed the board that the south leg of the intersection down Main Street is finished. There is one connection at the very southern end that needs to be made. This final

connection is waiting for Stop and Shop to upgrade the water main near the old McDonalds building. Heading east down Mass Ave, near route 2, is mostly complete. They have passed the pressure tests, and bacteria tests. The contractor is working on making connections to individual buildings. The northern leg of the intersection towards Acton Medical is the last segment for water related work. The Town has begun work on their sewer crossing under Route 2 in this same area. Mr. Mostoller believes the State contractor and the Town's contractor are working out the details of the over-lapped project areas. There could be some delays with this, but Mr. Mostoller is hopeful to have the water related work finished by the end of the calendar year.

Update on Baldco

Mr. Mostoller congratulated the board on the official closing. The closing date was August 15. They have not been able to complete the taking of the property, as they are awaiting the final plan of land from the surveyor. Once that is done, then Attorney Bassett and her team will do the taking, which is the final piece relative to the acquisition. Mr. Mostoller reminded the board they had identified some contaminants of concern, and they notified MassDEP on August 21, and a release tracking number was issued for the property. The Licensed Site Professional (LSP) is working on a down gradient property status filing; Mr. Mostoller reviewed this process's timeline.

Mr. Rosen asked if Ms. Bassett would stay on this project until the taking. To which Mr. Mostoller affirmed she would.

Mr. Rosen asked how the registered land fits into this. Mr. Mostoller responded that the registered land is not part of the taking and is its own piece. The plan is being revised to reflect this piece of registered land.

MWRA MetroWest Expansion

Mr. Mostoller reminded the board of the past approval for the district to spend \$75,000 to study alternative water sources, they are still working on establishing the scope of that study including some of the mechanics of cost sharing for infrastructure that would allow an MWRA connection in this area. The neighboring Town of Maynard has been going through a similar process and is reaching out to neighboring communities to ask if they would like to share the cost of a study to explore different cost allocation models.

Mr. Mostoller explained the importance of understanding the allocation model for joining the MWRA and the challenges of understanding the financial mechanisms of joining. The board has discussed the pros and cons of joining a regional water system or maintaining a

local system, but this study would begin to approach the question of cost and how that might be shared.

Maynard is looking to move forward with this study before the end of the year. Mr. Mostoller recommended joining Maynard in this study as it's an opportunity to share costs on work they were likely going to do anyways. Maynard has informed Mr. Mostoller that there may be 6 more neighboring communities joining this study. Mr. Mostoller added that by joining there would be money allocated left over for the district to spend on a separate study about Acton's specific needs, such as evaluating water quality concerns. The board then shared their thoughts on this item.

Mr. Rosen asked if they need a memorandum of understanding (MOU) between the participating towns on how the study costs will be shared, who will be responsible for the contract, and other particulars will be spelled out. He noted that the District could volunteer to write up the MOU as the District and its attorney has a lot of experience in crafting that kind of agreement. Mr. Stuntz agreed with this idea.

Ms. Amir Lin asked what Maynard is estimating the cost to be. Mr. Mostoller responded that they estimate it will take \$100,000, and will be done through Maynard's consultant Stantec. Stantec has done similar work on large scale infrastructure projects through North America. Mr. Mostoller noted that if several communities join in this study, it may catch the attention of the MWRA and bring them back to the table for more in-depth discussions.

Ms. Amir Lin agreed hypothesizing that the District can contribute up to \$20,000 to get information that would be beyond what they could get by themselves, while building relationships with their neighbors, and signaling their clear interest to the MWRA. She also agreed with Mr. Rosen's suggestion that the District offer to write the MOU for participating communities. Mr. Mostoller clarified that the agreement may be an inter municipal agreement (IMA).

The board then discussed the language of the following motion.

Mr. Rosen motioned for the Acton Water District to offer to write an MOU, IMA, or whatever appropriate agreement is necessary, that would incorporate joining with Maynard and other interested parties to fund the Maynard Stantec MWRA Cost Allocation Analysis.

Ms. Amir Lin seconded, and it was unanimously approved via a roll call vote, Mr. Stuntz, Ms. Amir Lin, Mr. Rosen.

Mr. Mostoller had asked the board about scheduling an additional meeting. A General Obligation Bond sale is approaching on the 12th, so an off-schedule meeting is necessary

on or around the 19th to approve the sale and collect the necessary signatures. This would be a single item meeting followed by coordination with the Clerk to certify and send the documentation to Bond Counsel. The board then shared their availability for that week and discussed options for this off-schedule meeting. The board agreed on an afternoon meeting on September 18th, time to be determined based on Mr. Mostoller's travel schedule.

Noting the absence of Mr. Mostoller and Ms. McCarthy, Mr. Petersen had a question for the board about hiring for vacant positions and the impact these vacancies have on existing staff. Mr. Mostoller responded they are looking to fill the vacancies. In the interim, Mary Jo Bates, the former Treasurer, has come back to work part time in the office to provide customer service coverage and handle other administrative tasks.

EXECUTIVE SESSION:

Mr. Rosen motioned to close the regular open meeting currently in session, and have the Commissioners enter an executive session pursuant to General Law chapter 30A section 21a6 to consider the purchase, taking or value of real property, and to not reconvene in open session.

Mr. Stuntz seconded, and it was unanimously approved via a roll call vote, Ms. Amir Lin, Mr. Stuntz, Mr. Rosen.

Opening meeting closed at 7:43 pm

Board of Water Commissioners

Meeting Agenda

Wednesday, September 18, 2024 @ 4:30 PM

held in person at 693 Massachusetts Avenue, Acton MA 01720

AGENDA

- Comments from the public

NEW BUSINESS:

- Vote to approve the award of the \$2,710,000 General Obligation Water Bonds dated September 26, 2024

Present at Tonight's Meeting:

Commissioners: Erika Amir Lin, Stephen Stuntz

District Manager: Matt Mostoller

District Treasurer: Christine McCarthy

START OF MINUTES

Ms. Amir Lin opened the meeting at 4:31 PM

Comments from the public

None at this time.

Vote to approve the award of the \$2,710,000 General Obligation Water Bonds dated September 26, 2024

Mr. Mostoller presented the results of the bond sale and the required closing documents.

After a brief discussion, Ms. Amir Lin motioned:

To approve the award of the \$2,710,000 General Obligation Water Bonds dated September 26, 2024.

Voted: that the sale of the \$2,710,000 General Obligation Water Bonds (Municipal Purpose Loan of 2024 Bonds) of the District dated September 26, 2024 (the "Bonds"), to Roosevelt & Cross, Inc. at the price of \$2,959,752.85 and accrued interest is hereby approved and confirmed. The Bonds shall be payable on September 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2025	\$185,000	5.00%	2033	180,000	4.00%
2026	185,000	5.00	2034	180,000	4.00
2027	185,000	5.00	2035	175,000	4.00
2028	185,000	5.00	2036	175,000	4.00
2029	185,000	5.00	2037	175,000	4.00
2030	185,000	5.00	2038	175,000	4.00
2031	185,000	5.00	2039	175,000	4.00
2032	180,000	5.00			

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated September 5, 2024, and a final Official Statement dated September 12, 2024 (the “Official Statement”), each in such form as may be approved by the District Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the District, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: that the District Treasurer and the Board of Water Commissioners be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the District, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the District Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the District Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds and to comply with relevant securities laws.

Further Voted: that any certificates or documents relating to the Bonds (collectively, the “Documents”), may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document; delivery of an executed counterpart of a signature page to a Document by electronic mail in a “.pdf” file or by other electronic transmission shall be as effective as delivery of a manually executed counterpart signature page to such Document; and electronic signatures on any of the Documents shall be deemed original signatures for the purposes of the Documents and all matters relating thereto, having the same legal effect as original signatures.

Further Voted: that each member of the Board of Water Commissioners, the District Clerk and the District Treasurer be and hereby are, authorized to take any and all such actions,

and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

Mr. Stuntz seconded the motion and it was approved unanimously.

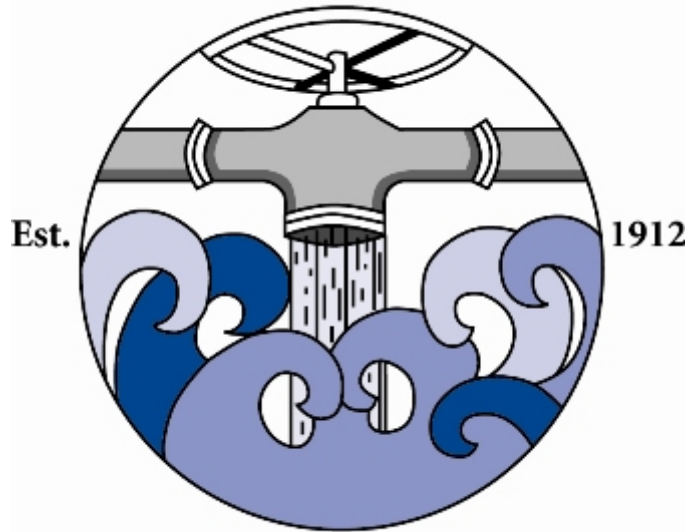
Mr. Stuntz motioned to adjourn until the next regularly scheduled meeting. Ms. Amir Lin seconded, and it was unanimously approved.

Meeting Closed at 4:43PM.

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Acton Water



District

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(With Independent Auditors' Report Thereon)

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Water Supply District of Acton

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Water Supply District of Acton, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Water Supply District of Acton's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Water Supply District of Acton, as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water Supply District of Acton, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Period Financial Statements

The financial statements of the Water Supply District of Acton, as of June 30, 2023, and for the year then ended, were audited by Powers & Sullivan, LLC, whose practice was combined with Marcum LLP as of February 1, 2024, and whose reported dated October 16, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Water Supply District of Acton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, and *government auditing standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Supply District of Acton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Water Supply District of Acton's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining schedules and additional information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining schedules and additional information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE**, on our consideration of the Water Supply District of Acton’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water Supply District of Acton’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Supply District of Acton’s internal control over financial reporting and compliance.

DRAFT

Boston, MA
REPORT DATE, 2024

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2024

As management of the Water Supply District of Acton (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2024. The District complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. These basic financial statements include the single purpose business-type activity statements, the fiduciary fund statements and the notes to the financial statements. The proprietary fund and entity-wide financial statements use the same basis of accounting and are therefore reported as the proprietary fund statement of net position and statement of revenues, expenses, and changes in net position.

The District's *business-type activities* account for all operating, capital and debt service activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not available to support the District's own programs.

The *other postemployment benefit (OPEB) trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information, combining schedules, and additional information*. A schedule of the District's proportionate share of the net pension liability and a schedule of contributions have been provided to show a multi-year trend information on the District's net pension liability in relation to the Middlesex County Retirement System. A schedule of changes in the District's net other postemployment benefit liability/(asset) and related ratios had been provided to show the components of changes in the District's net other postemployment liability/(asset). Also, combining schedules have been provided to show the impact of the combining of the District's operating funds with the long-term liabilities and assets to total the full-accrual financial statements. Also, a budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the District's annual appropriated budget; a schedule of reserve for capital projects has been provided to show the activity of the individual projects included in the basic financial statements; and a general operations – schedule of changes in net position – current year and prior two periods has been provided to show a three year trend schedule for the District's general fund activity.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2024

Financial Highlights

The District entered into an interim loan with the Massachusetts Clean Water Trust (MCWT) in 2024 totaling \$1.0 million for the purposes of financing costs of a drinking water project. As of June 30, 2024, the District incurred \$789,000 of eligible construction costs related to the project and has received the corresponding loan proceeds from the MCWT. In 2024, the District was awarded \$316,000 in principal loan forgiveness from the MCWT. The District has recorded the net of \$472,974 in short-term debt payable as of June 30, 2024.

In 2024, the District issued bond anticipation notes to purchase land totaling \$4.9 million. The District acquired the land for water supply and protection purposes to replace the land now used as a solar energy generating and storage field, satisfying the requirements as outlined in special legislation passed for the District under Article 97 of Massachusetts General Laws.

In 2024, the District also issued \$1.18 million in bond anticipation notes (\$1 million for water mains and \$180,000 for land acquisition at Kelly's Corner/Powder Mill). During fiscal year 2024, upon maturity, the District retired the \$180,000 with available funds and refinanced the \$4.9 million and \$1 million into a \$5.9 million BAN which will mature in fiscal year 2025.

The District issued a bond anticipation note totaling \$976,000 for per- and poly fluoroalkyl (PFAs) contamination mitigation design services.

The District has several lease agreements related to land usage for the operation of solar energy generating and storage fields as well as for cellular towers. The District is scheduled to receive lease payments through 2028, and reported a lease receivable and corresponding deferred inflows of resources related to leases totaling \$1.5 million.

In 2024, the District has entered into a lease agreement for the use of filtration equipment in one of the District's treatment plants for per- and poly fluoroalkyl contamination mitigation efforts. The cost of the assets acquired through the lease totaled \$2.4 million, and the accumulated depreciation on those assets totaled \$150,000. At June 30, 2024, the lease liability totaled \$2.3 million.

As measured in the updated other postemployment benefit (OPEB) liability actuarial valuation report, the District has begun paying retiree health insurance from the OPEB Trust fund. This update resulted in a decrease to the District's discount rate from 7.00% to 5.98%. Previously, the District reported a net OPEB asset totaling \$273,416, and in the current year, the District reported a net OPEB liability totaling \$421,829.

Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35.1 million at the close of year 2024. This represents an increase of \$3.1 million from the prior year.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2024

The following table demonstrates the changes in the District's net position at June 30, 2024 and 2023:

	2024	2023
Assets:		
Current assets.....	\$ 8,431,190	\$ 6,555,755
Noncurrent assets (excluding capital).....	986,769	1,750,885
Nondepreciable capital assets.....	11,377,661	4,049,050
Capital assets, net of accumulated depreciation..	50,933,381	48,709,733
Total assets.....	71,729,001	61,065,423
Deferred outflows of resources.....	1,135,203	637,831
Liabilities:		
Current liabilities (excluding debt).....	396,189	452,024
Noncurrent liabilities (excluding debt).....	5,133,638	1,659,135
Current debt.....	9,075,654	4,500,937
Noncurrent debt.....	21,454,072	20,912,208
Total liabilities.....	36,059,553	27,524,304
Deferred inflows of resources.....	1,625,319	2,182,585
Net position:		
Net investment in capital assets.....	31,781,316	30,187,440
Restricted.....	26,796	25,350
Unrestricted.....	3,371,220	1,783,575
Total net position.....	\$ 35,179,332	\$ 31,996,365

The largest portion of net position, \$31.8 million, reflects the District's investment in capital assets (e.g., land improvements, vehicles, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its users; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position restricted by special legislation has a year-end balance of \$26,796.

The remaining balance of *unrestricted net position* has a year-end balance of \$3.4 million.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2024

The following table demonstrates the changes in revenues and expenses between 2024 and 2023:

	2024	2023
Operating revenues:		
Water user charges & other services..... \$	6,388,115	\$ 6,235,183
Mitigation fees.....	17,402	66,776
Solar field land-use rental.....	545,337	502,073
Total operating revenues.....	6,950,854	6,804,032
Operating expenses:		
Salaries & wages.....	1,388,640	1,513,117
Other postemployment benefits expense.....	138,859	(11,637) (A)
Depreciation.....	1,554,031	1,332,250
Lights, power, & fuel.....	581,747	554,572
Health & life insurance.....	205,109	236,718
Maintenance & operations.....	389,733	466,116
Middlesex retirement.....	512,065	421,886
Insurance.....	98,781	97,645
Auto maintenance & fuel.....	35,039	38,197
Chemicals.....	128,371	101,504
Legal.....	81,393	55,170
Laboratory analysis.....	80,371	83,991
Education.....	10,899	9,627
Information reports.....	38,163	34,130
Office supplies.....	63,361	82,576
D.E.P. withdrawal & fees.....	4,967	5,121
Accounting.....	15,800	16,000
Total operating expenses.....	5,410,435	5,036,983
Nonoperating revenues (expenses):		
Investment income (loss).....	205,358	148,228
Interest expense.....	(626,082)	(607,056)
State and Federal grant revenue.....	1,747,272	437,735
State grant revenue - principal forgiveness.....	316,000	-
Total nonoperating revenues (expenses).....	1,642,548	(21,093)
Change in net position.....	3,182,967	1,745,956
Net position, beginning of year.....	31,996,365	30,250,409
Net position, end of year..... \$	35,179,332	\$ 31,996,365

(A) Represents a decrease in the estimated net other postemployment benefit liability/(asset), net of related deferred outflows/(inflows) of resources.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2024

The District's net position increased by \$3.2 million over the prior year. This increase was primarily due to income from operations totaling \$1.5 million, state and federal grant revenue, including principal loan forgiveness, totaling \$2.1 million, and investment income of \$205,000, offset by interest expense totaling \$626,000.

Budgetary Highlights

The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. In 2024, District Annual Meeting authorized appropriations of \$7.2 million. Additional appropriations totaling \$1.3 million were voted for capital projects and funded from free cash. Actual revenues came in under budget by \$314,000, primarily due to water user charges and services revenue. Actual expenditures came in under budget and unexpended appropriations totaled approximately \$960,000. The District's voted budget does not include the mitigation activities, which are included within the District's general fund, and does not include the recognition of lease financing and the full cost of the lease.

Capital Asset and Debt Administration

In 2024, the District reported \$11.1 million in capital asset additions. Of the \$11.1 million in capital asset additions, \$2.4 million related to the right to use lease entered into by the District for the use of filtration equipment. Furthermore, \$4.9 million in additions related to the purchase of land, which satisfies the requirements of special legislation passed for the District. Other capital asset additions mainly consisted of construction in progress and infrastructure. The construction in progress was mainly for PFAS related projects.

In 2024, the District drew down \$789,000 of interim loans with the Massachusetts Clean Water Trust (MCWT) for a clean drinking water project, of which \$316,000 was forgiven by the MCWT. The District also had \$6.9 million in outstanding bond anticipation notes at year end, mainly to fund the purchase of land.

The District has \$20.9 million in long-term debt outstanding at June 30, 2024, relating to general obligation bonds and loans from the Massachusetts Clean Water Trust (MCWT).

Please refer to Notes 4, 6, 7, and 8 of the basic financial statements for further discussion of the capital assets and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at 693 Massachusetts Ave, Acton, MA 01720.

Basic Financial Statements

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Water Supply District of Acton

Proprietary Funds Statement of Net Position

June 30, 2024

ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,330,436
Investments.....	613,226
Receivables, net of allowance for uncollectibles:	
Billed user charges.....	140,493
Unbilled user charges.....	1,856,335
Leases.....	490,700
	<hr/>
Total current assets.....	8,431,190
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Leases.....	986,769
Capital assets, non depreciable.....	11,377,661
Capital assets, net of accumulated depreciation.....	50,933,381
	<hr/>
Total noncurrent assets.....	63,297,811
TOTAL ASSETS.....	<hr/>
	71,729,001
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	526,956
Deferred outflows related to OPEB.....	608,247
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	1,135,203
LIABILITIES	
CURRENT:	
Warrants payable.....	220,559
Accrued interest.....	175,630
Lease obligations.....	255,128
Notes payable.....	7,348,974
Bonds payable.....	1,471,552
	<hr/>
Total current liabilities.....	9,471,843
NONCURRENT:	
Lease obligations.....	2,013,416
Compensated absences.....	197,000
Net pension liability.....	4,514,809
Net OPEB liability.....	421,829
Bonds payable.....	19,440,656
	<hr/>
Total noncurrent liabilities.....	26,587,710
TOTAL LIABILITIES.....	<hr/>
	36,059,553
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases.....	1,477,469
Deferred inflows related to pensions.....	17,150
Deferred inflows related to OPEB.....	130,700
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,625,319
NET POSITION	
Net investment in capital assets.....	31,781,316
Restricted for:	
Article 97 Stabilization.....	26,796
Unrestricted.....	3,371,220
	<hr/>
TOTAL NET POSITION.....	\$ 35,179,332

See notes to basic financial statements.

Water Supply District of Acton

Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

<u>OPERATING REVENUES:</u>	
Water user charges & other services.....	\$ 6,388,115
Mitigation fees.....	17,402
Solar field land-use rental.....	545,337
	<hr/>
TOTAL OPERATING REVENUES	6,950,854
 <u>OPERATING EXPENSES:</u>	
Salaries & wages.....	1,388,640
Other postemployment benefits expense.....	138,859
Depreciation.....	1,554,031
Lights, power, & fuel.....	581,747
Health & life insurance.....	205,109
Maintenance & operations.....	389,733
Reserve.....	83,106
Middlesex retirement.....	512,065
Insurance.....	98,781
Auto maintenance & fuel.....	35,039
Chemicals.....	128,371
Legal.....	81,393
Laboratory analysis.....	80,371
Education.....	10,899
Information reports.....	38,163
Office supplies.....	63,361
D.E.P. withdrawal & fees.....	4,967
Accounting.....	15,800
	<hr/>
TOTAL OPERATING EXPENSES.....	5,410,435
	<hr/>
OPERATING INCOME.....	1,540,419
 <u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	205,358
Interest expense.....	(626,082)
State and Federal grant revenue.....	1,747,272
State grant revenue - principal forgiveness.....	316,000
	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	1,642,548
	<hr/>
CHANGE IN NET POSITION.....	3,182,967
	<hr/>
NET POSITION AT BEGINNING OF YEAR.....	31,996,365
	<hr/>
NET POSITION AT END OF YEAR.....	\$ 35,179,332
	<hr/>

See notes to basic financial statements.

Water Supply District of Acton

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2024

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 6,660,880
Payments to vendors.....	150,707
Payments to employees.....	<u>(1,430,640)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>5,380,947</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	7,844,974
Acquisition and construction of capital assets.....	(11,106,290)
Principal payments on bonds and notes.....	(1,839,135)
Interest expense.....	(662,758)
State and Federal grant revenue.....	<u>1,747,272</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(4,015,937)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Sale of investments.....	50,219
Investment income.....	<u>205,358</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>255,577</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,620,587
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>3,709,849</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,330,436</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income	\$ <u>1,540,419</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	1,554,031
Deferred inflows related to leases.....	(475,607)
Deferred (outflows)/inflows related to pensions.....	(22,645)
Deferred (outflows)/inflows related to OPEB.....	(556,386)
Changes in assets and liabilities:	
Billed user charges receivable.....	53,900
Unbilled user charges receivable.....	(395,212)
Intergovernmental receivable.....	51,338
Lease receivable.....	475,607
Warrants payable.....	29,841
Lease payable.....	2,268,544
Compensated absences.....	(42,000)
Net pension liability.....	203,872
Net OPEB liability/asset.....	<u>695,245</u>
Total adjustments.....	<u>3,840,528</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 5,380,947</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
State grant revenue - principal forgiveness.....	\$ 316,000

See notes to basic financial statements.

Water Supply District of Acton
Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	Other Postemployment Benefit Trust Fund
ASSETS	
Cash and cash equivalents.....	\$ 66,799
Investments:	
Corporate bonds.....	424,515
Real estate.....	14,579
Equity securities.....	728,713
Equity mutual funds.....	143,415
TOTAL ASSETS.....	1,378,021
NET POSITION	
Restricted for other postemployment benefits.....	\$ <u>1,378,021</u>

See notes to basic financial statements.

Water Supply District of Acton
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	<u>Other Postemployment Benefit Trust Fund</u>
<u>ADDITIONS:</u>	
Contributions:	
Employer contributions for other postemployment benefit paymer \$	<u>39,297</u>
Net investment income:	
Investment income.....	<u>144,553</u>
TOTAL ADDITIONS.....	<u>183,850</u>
<u>DEDUCTIONS:</u>	
Other postemployment benefit payments.....	39,297
Direct postemployment benefit payments.....	<u>109,347</u>
TOTAL DEDUCTIONS.....	<u>148,644</u>
NET INCREASE (DECREASE) IN NET POSITION.....	35,206
NET POSITION AT BEGINNING OF YEAR.....	<u>1,342,815</u>
NET POSITION AT END OF YEAR..... \$	<u><u>1,378,021</u></u>

See notes to basic financial statements.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Water Supply District of Acton (District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant District accounting policies are described herein.

A. Reporting Entity

The District is a municipality incorporated in the Commonwealth of Massachusetts with the purpose of providing water and related services to the residents and business in the Town of Acton, Massachusetts. The District is a separate municipality, distinct from the Town of Acton. The basic operations of the District are financed by water user charges and other service charges. Inhabitants of the Town of Acton who are qualified to vote in elections and Town affairs are eligible to vote on matters concerning the District and to act on articles of the District.

For financial reporting purposes, the District has included all funds, organizations, agencies, boards, commissions and institutions. The District has also considered all potential Component Units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the basic financial statements to be misleading or incomplete. There are no Component Units to report within the District.

B. Government Wide and Fund Financial Statements

Government Wide Financial Statements

The District engages only in business-type and fiduciary activities. Accordingly, the proprietary fund and entity-wide financial statements use the same basis of accounting and are therefore reported as the proprietary fund statement of net position and statement of revenues, expenses, and changes in net position.

There are no differences to be reported between the proprietary fund financial statements and the government wide financial statements.

Fund Financial Statements

Separate financial statements are provided for both proprietary and fiduciary funds.

Fiduciary funds are reported by fund type.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government Wide Financial Statements

The government wide financial statements (i.e. proprietary fund statement of net position and statement of revenues, expenses and changes in net position) report all non-fiduciary activities of the primary government. There are no differences to be reported between the proprietary fund financial statements and the government wide financial statements.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Financial Statements

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the business-type programs.

The *other postemployment benefits (OPEB) trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefits) liabilities.

D. Cash and Investments

Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The District reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the District's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the proprietary funds financial statements and the fiduciary funds financial statements are reported under the accrual basis of accounting.

User Charges

Water usage is charged to all commercial and residential users based on consumption. All users are billed quarterly in January, April, July, and October, and are billed based on actual meter readings of water usage on an inclining block rate schedule, which is set by the Commissioners.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Other Services

Other services consist of new installations, repairs and upgrades to services, cross connections, sprinkler services, and rentals.

Mitigation Fees

Mitigation fees are charged for new connections or additional connections to the system. An individual who applies for water use that requires an extension or addition to the system must provide a Water Impact Report. The fee is calculated from the average estimated demand and is charged per gallon of projected use.

Lease Receivable

Leases are reported at the present value of noncancelable lease payments and is offset by a corresponding deferred inflow of resources. Lease revenue is recognized when earned.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met.

Since the receivables are secured via the lien process, the accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the fund financial statements, and therefore are not reported.

H. Capital Assets

Proprietary Fund Financial Statements

Capital assets, which include land, construction in progress, vehicles, buildings, machinery and equipment, and infrastructure, are reported in the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. All purchases and construction costs are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. The District does not have a minimum capital

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

threshold. Capital assets (except for land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Vehicles.....	6
Buildings.....	40
Right-to-use lease - equipment.....	8
Machinery and equipment.....	5-50
Infrastructure.....	10-100

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

I. Deferred Outflows/Inflows of Resources

Proprietary Fund Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has reported deferred outflows of resources related to OPEB, and pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has reported deferred inflows of resources related to OPEB, pensions and leases in this category.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Proprietary Fund Financial Statements (Net Position)

Transactions of a buyer/seller nature between and within the District funds are eliminated from the Proprietary fund financial statements (net position).

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources can be permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Proprietary Fund Financial Statements (Net Position)

Transfers between and within District funds are eliminated from the proprietary fund financial statements (net position).

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in/(out).

L. Net Position

Proprietary Fund Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Net position has been restricted for “Article 97 Stabilization,” which represents amounts restricted by special legislation for specified uses.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Middlesex County Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Debt

Proprietary Fund Financial Statements

Long-term debt is reported as a liability in the proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

O. Right-to-Use Lease Liability

Right to use lease liabilities are reported at the present value of their future minimum lease payments. Lease payments are reported as reductions of the lease liability and as interest expense during the lease term.

P. Investment Income

Investment income derived from business-type activities is recorded in the respective fund.

Q. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on state laws and executive policies.

Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

R. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position as "Cash and cash equivalents." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year-end, the carrying amount of deposits totaled \$2,862,693 and the bank balance totaled \$3,170,663. Of the bank balance, \$755,602 was covered by Federal Depository Insurance, \$2,111,368 was covered by an IntraFI cash service agreement, and \$303,694 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy related to interest rate risk.

The District participates in MMDT, which maintains a cash portfolio fund with combined average maturities of 43 days.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

As of June 30, 2024, the District’s had the following investments and maturities:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>		
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 24,625	\$ -	\$ 24,625	\$ -
Corporate bonds.....	693,283	73,614	598,463	21,206
Total debt securities.....	717,908	<u>\$ 73,614</u>	<u>\$ 623,088</u>	<u>\$ 21,206</u>
<u>Other investments:</u>				
Equity securities.....	1,005,312			
Equity mutual funds.....	177,902			
Real estate investment trust.....	23,326			
MMDT - Cash portfolio.....	<u>2,534,541</u>			
Total investments.....	<u>\$ 4,458,989</u>			

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District’s shares in MMDT are not subject to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form. The District does not have a formal investment policy related to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District’s investments in U.S. Treasury notes totaled \$24,625 and the District’s \$693,283 investments in Corporate Bonds were rated as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>
AA-.....	\$ 43,996
A+.....	23,483
A.....	97,091
A-.....	241,074
BBB+.....	176,592
BBB.....	70,856
BBB-.....	21,206
Not Rated.....	<u>18,985</u>
Total.....	<u>\$ 693,283</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Concentration of Credit Risk

A concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a formal policy related to the concentration of credit risk. The District did not have an investments that exceeded 5% of the total investments.

Fair Value of Investments

The District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the District's mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District chooses a tabular format for disclosing the levels within the fair value hierarchy.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

U.S. treasury notes, equity securities, equity mutual funds, and real estate investment trusts, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship benchmark quoted price.

MMDT, which is an external investment pool that is overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, "Certain External Investment Pools and Pool Participants", to report its investments at amortized cost; therefore the District reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Investment Type	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 24,625	\$ 24,625	\$ -	\$ -
Corporate bonds.....	693,283	-	693,283	-
Total debt securities.....	717,908	24,625	693,283	-
<u>Other investments:</u>				
Equity securities.....	1,005,312	1,005,312	-	-
Equity mutual funds.....	177,902	177,902	-	-
Real estate investment trust.....	23,326	23,326	-	-
Total other investments.....	1,206,540	1,206,540	-	-
Total investments measured at fair value.....	1,924,448	\$ 1,231,165	\$ 693,283	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	2,534,541			
Total investments.....	\$ 4,458,989			

NOTE 3 – RECEIVABLES

At June 30, 2024, the following receivables are all considered to be collectible:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Billed user charges.....	\$ 140,493	\$ -	\$ 140,493
Unbilled user charges.....	1,856,335	-	1,856,335
Leases.....	1,477,469	-	1,477,469
Total.....	\$ 3,474,297	\$ -	\$ 3,474,297

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,682,750	\$ 4,876,132	\$ -	\$ 7,558,882
Construction in progress.....	1,366,300	2,452,479	-	3,818,779
Total capital assets not being depreciated..	4,049,050	7,328,611	-	11,377,661
<u>Capital assets being depreciated:</u>				
Vehicles.....	\$ 765,574	\$ 244,957	\$ -	\$ 1,010,531
Buildings.....	13,813,375	-	-	13,813,375
Right to use lease - equipment.....	-	2,397,499	-	2,397,499
Machinery and equipment.....	3,138,581	121,245	-	3,259,826
Infrastructure.....	60,023,758	1,013,978	-	61,037,736
Total capital assets being depreciated.....	77,741,288	3,777,679	-	81,518,967
<u>Less accumulated depreciation for:</u>				
Vehicles.....	(696,470)	(68,991)	-	(765,461)
Buildings.....	(650,880)	(29,261)	-	(680,141)
Right to use lease - equipment.....	-	(149,844)	-	(149,844)
Machinery and equipment.....	(2,753,777)	(80,475)	-	(2,834,252)
Infrastructure.....	(24,930,428)	(1,225,460)	-	(26,155,888)
Total accumulated depreciation.....	(29,031,555)	(1,554,031)	-	(30,585,586)
Total capital assets being depreciated, net.....	48,709,733	2,223,648	-	50,933,381
Total capital assets, net.....	\$ 52,758,783	\$ 9,552,259	\$ -	\$ 62,311,042

NOTE 5 – LEASE RECEIVABLE

The District has several lease agreements related to land usage for the operation of solar energy generating and storage fields as well as for cellular towers. The lease agreements related to land usage for the operation of solar energy generating and storage fields was the result of special legislation passed for the District. See Note 12 for further information.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Under the current lease agreements, the District is scheduled to receive lease payments through 2028. The future scheduled lease revenues as of June 30, 2024, are as follows:

	Governmental Activities		
Year	Principal	Interest	Total
2025.....	\$ 490,700	\$ 37,380	\$ 528,080
2026.....	433,081	24,965	458,046
2027.....	445,759	14,008	459,767
2028.....	107,929	2,732	110,661
Total.....	\$ 1,477,469	\$ 79,085	\$ 1,556,554

NOTE 6 – LEASE PAYABLE

The District has entered into a lease agreement for the use of filtration equipment in one of the District’s treatment plants for per- and poly fluoroalkyl contamination mitigation efforts. The cost of the assts acquired through the lease totaled \$2.4 million, and the accumulated depreciation on those assets totaled \$150,000.

The future operating lease payments under this agreement are as follows:

Year	Principal	Interest	Total
2025.....	\$ 255,128	\$ 60,283	\$ 315,411
2026.....	268,755	52,965	321,720
2027.....	282,896	45,258	328,154
2028.....	297,563	37,154	334,717
2029.....	312,784	28,628	341,412
2030.....	328,571	19,669	348,240
2031.....	344,945	10,260	355,205
2032.....	177,903	1,458	179,361
Total.....	\$ 2,268,544	\$ 255,675	\$ 2,524,219

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue notes (RANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. The District had the following short-term debt activity during 2024:

<u>Type</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Due Date</u>	<u>Balance at June 30, 2023</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance at June 30, 2024</u>
BAN	MCWT Interim Loan.....	0.00%	On Demand	\$ -	\$ 788,974	\$ (316,000)	\$ 472,974
BAN	Bond Anticipation Note.....	4.75%	7/25/2024	-	976,000	-	976,000
BAN	Bond Anticipation Note.....	4.75%	3/20/2024	-	1,180,000	(1,180,000)	-
BAN	Bond Anticipation Note.....	5.00%	3/20/2024	-	4,900,000	(4,900,000)	-
BAN	Bond Anticipation Note.....	4.25%	9/27/2024	-	5,900,000	-	5,900,000
Total				\$ -	\$ 13,744,974	\$ (6,396,000)	\$ 7,348,974

The District entered into an interim loan with the Massachusetts Clean Water Trust (MCWT) in 2024 totaling \$1.0 million for the purposes of financing costs of a drinking water project. During the interim funding period, the District is allowed to draw funds from the Trust on an interest free basis. Upon completion of the project, and notice from MCWT, the interim financing will be converted to long-term debt, by the Trust. At this point, a permanent debt funding schedule will be established and will be payable over 20 years. As of June 30, 2024, the District incurred approximately \$837,000 of eligible construction costs related to the project and has received the corresponding loan proceeds from the MCWT. In 2024, the District was awarded \$316,000 of principal loan forgiveness from the MCWT.

Subsequent to year end, the District renewed the \$976,000 BAN at 5.05%, which will mature in October of 2024.

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Details related to the outstanding indebtedness at June 30, 2024, and the debt service requirements are as follows:

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024
General Obligation Bonds:				
General Obligation Bond of 2009.....	2029	\$ 6,000,000	2.00-4.30	\$ 1,500,000
Direct Borrowings and Placements:				
MCWT Loan DW-19-16.....	2043	11,796,233	1.50	11,294,276
MCWT Loan DW-12-19.....	2035	13,470,767	2.00	8,117,932
Total Direct Borrowings and Placements.....				19,412,208
Total Bonds Payable.....				\$ 20,912,208

Debt service requirements for principal and interest for business-type bonds payable in future years are as follows:

Year	General Obligation Bonds		Direct Borrowings and Placements		Total
	Principal	Interest	Principal	Interest	
2025.....	\$ 300,000	\$ 62,850	\$ 1,171,552	\$ 331,770	\$ 1,866,172
2026.....	300,000	50,550	1,194,413	310,893	1,855,856
2027.....	300,000	38,250	1,217,728	289,596	1,845,574
2028.....	300,000	25,650	1,241,505	267,880	1,835,035
2029.....	300,000	12,900	1,265,755	245,730	1,824,385
2030.....	-	-	1,290,487	223,140	1,513,627
2031.....	-	-	1,315,709	200,104	1,515,813
2032.....	-	-	1,341,433	176,606	1,518,039
2033.....	-	-	1,367,669	152,640	1,520,309
2034.....	-	-	1,394,425	128,200	1,522,625
2035.....	-	-	1,421,713	103,272	1,524,985
2036.....	-	-	611,870	77,846	689,716
2037.....	-	-	622,050	68,668	690,718
2038.....	-	-	632,399	59,336	691,735
2039.....	-	-	642,921	49,850	692,771
2040.....	-	-	653,617	40,206	693,823
2041.....	-	-	664,492	30,402	694,894
2042.....	-	-	675,547	20,436	695,983
2043.....	-	-	686,923	10,302	697,225
Total.....	\$ 1,500,000	\$ 190,200	\$ 19,412,208	\$ 2,786,877	\$ 23,889,285

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Changes in Long-term Liabilities

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
General obligation bonds.....	\$ 2,010,000	\$ -	\$ (510,000)	\$ -	\$ -	\$ 1,500,000	\$ 300,000
Direct borrowings and placements.....	20,561,343	-	(1,149,135)	-	-	19,412,208	1,171,552
Total bonds payable.....	22,571,343	-	(1,659,135)	-	-	20,912,208	1,471,552
Lease payable.....	-	-	-	2,397,499	(128,955)	2,268,544	255,128
Compensated absences.....	239,000	-	-	7,000	(49,000)	197,000	-
Net pension liability.....	4,310,937	-	-	-	203,872	4,514,809	-
Net OPEB liability/(asset).....	(273,416)	-	-	734,543	(39,298)	421,829	-
Total.....	\$ 26,847,864	\$ -	\$ (1,659,135)	\$ 3,139,042	\$ (13,381)	\$ 28,314,390	\$ 1,726,680

The District is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2024, the District had the following authorized and unissued debt:

Purpose	Amount
NAWTP PFAS.....	\$ 162,505
Lead Service Line Inventory & Replacement Program.....	400,000
Construction of Bedrock Wells at 549 Main Street.....	2,400,000
SAWTP PFAS Filtration.....	8,274,000
CAWTP PFAS Filtration.....	4,870,000
Backwash Upgrades - Clapp/Whitcomb Treatment plant.....	955,000
Lead Service Line Inventory & Replacement Program.....	500,000
CAWTP PFAS Filtration and Construction of Bedrock Wells...	2,532,000
Total.....	\$ 20,093,505

NOTE 9 – RISK FINANCING

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District participates in a premium-based health care plan for its active employees. The District purchases insurance for workers' compensation and unemployment compensation activities.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 10 – PENSION PLAN

Plan Description

The District contributes to the Middlesex County Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 76 member units. The MCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan.

Benefits Provided

The Systems provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The District is required to pay into the System a legislatively mandated actuarial determined contribution. The District's contribution totaled \$330,838 and was 28.08% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Pension Liabilities

At June 30, 2024, the District reported a liability of \$4,514,809 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2023, the District's proportion was 0.25%, which increased by 0.02% from the last measurement of December 31, 2022.

Pension Expense

For the year ended June 30, 2024, the District recognized pension expense of \$512,065. The balances of deferred outflows/(inflows) of resources related to pensions at June 30, 2024 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 129,898	\$ -	\$ 129,898
Difference between projected and actual earnings, net.....	231,458	-	231,458
Changes in assumptions.....	29,012	-	29,012
Changes in proportion and proportionate share of contributions.....	136,588	(17,150)	119,438
Total deferred outflows/(inflows) of resources.....	\$ 526,956	\$ (17,150)	\$ 509,806

The net deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025.....	\$ 101,114
2026.....	156,229
2027.....	237,841
2028.....	14,622
Total.....	\$ 509,806

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Actuarial Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2023:

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry age normal cost method.
Amortization method.....	through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; Early Retirement Incentive (ERI) liability amortized in level
Remaining amortization period.....	17 years from July 1, 2020 for non-ERI liability, and 2 years from July 1, 2020 for 2010 ERI.
Asset valuation method.....	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted as necessary to be within 20% of the market value.
Inflation rate.....	3.25%
Investment rate of return.....	7.15%.
Discount rate.....	7.15%
Projected salary increases.....	Varies by length of service with ultimate rate of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
Cost of living adjustments.....	3% of first \$16,000 of retirement income.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021. Annuitant table projected generationally with Scale MP-2021. For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of January 1, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.29%
International developed markets equity..	9.50%	6.39%
International emerging markets equity....	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High-yield fixed income.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Timber.....	4.00%	3.72%
Hedge funds, GTAA, risk parity.....	10.00%	2.87%
Private equity.....	16.00%	9.43%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% at December 31, 2023 and December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The District's proportionate share of the net pension liability.....	\$ 5,652,219	\$ 4,514,809	\$ 3,557,640
	\$ 5,652,219	\$ 4,514,809	\$ 3,557,640

Changes in Assumptions

None.

Changes in Plan Provisions

Pursuant to Chapter 269 of the Acts of 2022, the System’s Board voted to approve a one-time increase in the COLA from 3.00% to 5.00%.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Water Supply District of Acton administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute 80% of the cost medical benefits. The District is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The District contributed \$39,297 during 2024 toward these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For the year ended June 30, 2024, the District's average contribution rate as a percentage of covered-employee payroll was 3.22%.

The Commonwealth of Massachusetts passed special legislation that has allowed the District to establish the postemployment benefit trust fund and to enable the District to pre-fund its OPEB liabilities. During 2024, the District did not pre-fund future OPEB liabilities in the amount of by contributing funds to the other postemployment benefit fund in excess of the pay-as-you-go required contribution. As of June 30, 2024, the balance in the other postemployment benefit trust totaled \$1.4 million.

Plan Membership

The following table represents the Plan's membership at June 30, 2024:

Active members.....	14
Inactive members currently receiving benefits.....	<u>12</u>
Total.....	<u><u>26</u></u>

Components of Net OPEB Liability

The following table represents the components of the Plan's net OPEB liability as of June 30, 2024:

Total OPEB liability.....	\$ 1,799,850
Less: OPEB plan's fiduciary net position.....	<u>(1,378,021)</u>
Net OPEB liability.....	<u><u>\$ 421,829</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability..	76.56%

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023, actuarial valuation was determined by using the actuarial assumptions as noted, applied to all periods included in the measurement that was updated to June 30, 2024, to be in accordance with GASB Statement #74 and GASB Statement #75:

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate..	5.98%
Healthcare cost trend rates.....	5% for HMO and PPO Plan, Pre-Medicare, and 3.25% for Medicare Supplement Plan; 2% for Dental Plan. Ultimate Health Care Cost Trend Rate of 4.5% reached in fiscal year 2037.
Mortality rates.....	Determined pursuant to PubG.H-2010 Mortality Table - General, using scale MP-2020

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expense and a risk margin.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Money market funds.....	5.00%	2.00%
Fixed income.....	30.00%	6.00%
Equities.....	50.00%	8.00%
Exchange traded funds.....	10.00%	8.00%
Other assets.....	5.00%	6.00%
 Total.....	 <u>100.00%</u>	

Changes in the Net OPEB Liability/(Asset):

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(asset) (a) - (b)</u>
Balances at June 30, 2023.....	\$ 1,069,399	\$ 1,342,815	\$ (273,416)
Changes for the year:			
Service cost.....	17,546	-	17,546
Interest.....	69,655	-	69,655
Changes of benefit terms.....	(83)	-	(83)
Differences between expected and actual experience....	546,256	-	546,256
Changes in assumptions.....	136,374	-	136,374
Employer contributions for OPEB payments.....	-	39,297	(39,297)
Net investment income.....	-	144,553	(144,553)
Other benefit payments.....	(39,297)	(39,297)	-
Direct benefit payments.....	-	(109,347)	109,347
 Net change.....	 <u>730,451</u>	 <u>35,206</u>	 <u>695,245</u>
Balances at June 30, 2024.....	\$ <u>1,799,850</u>	\$ <u>1,378,021</u>	\$ <u>421,829</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

Discount Rate

The discount rate used to measure the total OPEB liability was 5.98% as of June 30, 2024, and 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. The District began paying retiree healthcare benefits from the Trust, and therefore, the OPEB plan’s fiduciary net position was projected to be insufficient to make all projected benefits to current plan members. Therefore, the District’s rate represents a blended interest rate based on a long-term rate-of-return for those payments prior to the date in which future contributions are no longer sufficient to pay expected future benefit payments. A 20-year high grade municipal bond index rate is used for all remaining payments after such date.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following table presents the net OPEB liability/(asset), calculated using the discount rate of 5.98%, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.98%) or 1-percentage-point higher (6.98%) than the current discount rate.

	<u>1% Decrease (4.98%)</u>	<u>Current Discount Rate (5.98%)</u>	<u>1% Increase (6.98%)</u>
Net OPEB liability..... \$	<u>254,513</u>	<u>421,829</u>	<u>623,721</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following table presents the net OPEB liability/(asset), calculated using the current healthcare trend rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability..... \$	<u>642,563</u>	<u>421,829</u>	<u>240,534</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the financial reporting year ended June 30, 2024, the District recognized OPEB expense of 178,157. The District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 460,886	\$ (51,763)	\$ 409,123
Difference between projected and actual earning, net.....	-	(14,078)	(14,078)
Changes in assumptions.....	<u>147,361</u>	<u>(64,859)</u>	<u>82,502</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 608,247</u>	<u>\$ (130,700)</u>	<u>\$ 477,547</u>

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense in the following periods:

Reporting year ended June 30:

2025.....	\$ 67,693
2026.....	114,819
2027.....	56,083
2028.....	89,734
2029.....	106,683
2030.....	<u>42,535</u>
Total.....	<u>\$ 477,547</u>

Changes of Assumptions

The discount rate decreased from 7.00% to 5.98%. In addition, the starting per capita costs were updated, the health care trend rates were reset, and the marital status assumption was changed.

Changes in Plan Provisions

None.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 12 – COMMITMENTS & CONTINGENCIES

Superfund Cleanup Projects

The District continues to be engaged in legal and environmental negotiations with the Massachusetts Department of Environmental Protection and the Federal Environmental Protection Agency regarding the Superfund cleanup projects. These efforts are also intended to protect the Assabet well field & School Street well fields.

Per – and Poly Fluoroalkyl Contamination

The District continues to conduct vigorous research regarding the extent and remediation of Per – and Poly fluoroalkyl (PFAS) contamination in the water supply. The District is a part of a class action lawsuit by a retaining law firm to prosecute any legal claim for negligence against any and all parties, individuals, or corporations that are found to be liable under the law for injuries and/or property damages arising from contamination of water supplies by PFAS.

To further address PFAS contamination based on currently known regulations, the District has assessed capital improvements to their existing Water Treatment Plants as well as the Bedrock Wells. The District was approved by the Massachusetts Clean Water Trust (MCWT) to borrow \$1.0 million, interest free, to finance modifications needed at the North Acton Water Treatment Plant to accommodate PFAS filtration equipment. The closing documents for the Interim Loan were executed and submitted to MCWT. In October of 2023, the District received notification that they qualify for partial loan forgiveness for this project in the amount of \$316,000. A financing agreement amendment was signed and submitted bringing the total amount to be borrowed down to \$684,000. The District is leasing the PFAS filtration equipment from Veolia WTS Services USA, Inc for a period of 8 years. The North Acton Water Treatment Plant project has been completed, and on June 1, 2024, the plant began sending water with non-detectable levels of PFAS to the distribution system. As of the close of 2024, the Interim Loan for this project is still in effect.

At the District's March 2023 Annual District Meeting, the District was authorized to borrow \$5.4 million, \$8.7 million, and \$2.4 million from the MCWT for the Center Acton Water Treatment Plant, South Acton Water Treatment Plant, and Bedrock Wells, respectively. These projects are currently in the pre-construction phases, and as of the date of the financial statements, the District has not yet borrowed for these construction costs. It should be noted that the District requested that the Center Acton Water Treatment Plant and Bedrock Wells projects be combined, and the request was granted by the Massachusetts Department of Environmental Protection (DEP) and MCWT. Following the bid openings for the Center Acton Water Treatment Plant and Bedrock Wells project, it was determined that the original borrowing authorization was inadequate. On June 13, 2024, the District held a Special District meeting and voters authorized the District to borrow an additional \$2,532,000 for the Center Acton Water Treatment Plant and Bedrock Wells projects.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

The District will continue to seek federal grant funding to reimburse other costs associated with PFAS mitigation efforts at all of the District's Water Treatment Plants.

The District currently incurs costs related to the PFAS contamination. It is possible that the District may be responsible for further costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2024. The full extent of the financial impact cannot be determined at the date of the financial statements.

Litigation

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2024.

NOTE 13 – ARTICLE 97 STABILIZATION FUND

Article 97 of the Amendments to the Massachusetts Constitution (the Article) establishes a right to a clean environment including its natural, scenic, historical, and aesthetic qualities for the citizens of the Commonwealth. The Article also declares the conservation of natural resources a public purpose and provides that land or easements subject to the Article cannot be used for other purposes or disposed of without a two-thirds roll call vote of the Legislature. On August 7, 2020, the Commonwealth enacted special legislation that authorized The Water Supply District of Acton (District) to enter into a lease, license or other disposition of land held for water supply purposes for the construction, operation, and maintenance of a solar energy generating and energy storage facility. The land under this authorization is located off Lawsbrook Road and Knox Trail within the Town of Acton.

The special legislation required that the District establish a stabilization fund for the purpose of acquiring qualified land for water supply and protection purposes to replace the land now used as solar energy generating and storage fields. The District must deposit 5% of each lease payment or any other proceeds received as compensation for the use of the leased land up to a cumulative amount equal to the fair market value or value in proposed use, whichever is greater, of the leased land.

In 2024, the District used short term borrowings to purchase qualifying land, which satisfied the terms of the special legislation as of December 7, 2023. The balance of the Article 97 Stabilization Fund accumulated from previous deposits will be used upon permanent financing of the debt, which is intended to occur in 2025. At June 30, 2024, this balance was reported as restricted net position in the District's Statement of Net Position.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through **REPORT DATE** which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2024, the following GASB pronouncements were implemented:

- GASB Statement #100, *Accounting Changes and Error Corrections*. This pronouncement did not impact the District's financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB Issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB Issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB Issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

Pension Plan Schedules

The Schedule of the District's Proportionate Share of the Net Pension Liability presents multi-year trend information on the District's net pension liability and related ratios.

The Schedule of the District's Contributions presents multi-year trend information on the District's required and actual contributions to the pension plan and related ratios.

Water Supply District of Acton

**Schedule of the District's Proportionate Share of the Net Pension Liability
Middlesex County Retirement System**

<u>Year</u>	<u>Proportion of the net pension liability/(asset)</u>	<u>Proportionate share of the net pension liability/(asset)</u>	<u>Covered Payroll</u>	<u>Net position liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2023.....	0.27%	\$ 4,514,809	\$ 1,155,228	390.82%	55.21%
December 31, 2022.....	0.25%	4,310,937	1,296,052	332.62%	52.61%
December 31, 2021.....	0.24%	3,246,366	1,246,732	260.39%	61.14%
December 31, 2020.....	0.23%	3,548,184	1,275,867	278.10%	49.45%
December 31, 2019.....	0.23%	3,732,674	1,225,561	304.57%	49.45%
December 31, 2018.....	0.24%	3,740,627	1,188,771	314.66%	46.40%
December 31, 2017.....	0.24%	3,370,594	1,141,452	295.29%	49.27%
December 31, 2016.....	0.23%	3,319,310	1,136,133	292.16%	45.49%
December 31, 2015.....	0.22%	2,784,648	1,013,745	274.69%	46.13%
December 31, 2014.....	0.21%	2,562,079	974,755	262.84%	47.65%

See notes to required supplementary information.

Water Supply District of Acton

Schedule of the District's Contributions Middlesex County Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024.....	\$ 330,838	\$ (330,838)	-	\$ 1,178,333	28.08%
June 30, 2023.....	288,240	(288,240)	-	1,321,973	21.80%
June 30, 2022.....	268,502	268,502	-	1,271,667	21.11%
June 30, 2021.....	256,971	256,971	-	1,301,384	19.75%
June 30, 2020.....	243,164	243,164	-	1,250,072	19.45%
June 30, 2019.....	218,063	218,063	-	1,212,546	17.98%
June 30, 2018.....	203,213	203,213	-	1,164,281	17.45%
June 30, 2017.....	177,725	177,725	-	1,158,856	15.34%
June 30, 2016.....	165,791	165,791	-	1,034,020	16.03%
June 30, 2015.....	133,367	133,367	-	994,250	13.41%

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability/(asset). It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability/(asset) as a percentage of covered-employee payroll.

The Schedule of the District's Contributions presents multi-year trend information on the District's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

Water Supply District of Acton

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability								
Service Cost.....	\$ 18,046	\$ 18,605	\$ 19,350	\$ 22,376	\$ 24,148	\$ 21,401	\$ 25,954	\$ 17,546
Interest.....	58,372	73,230	78,986	82,041	75,789	78,652	68,263	69,655
Changes of benefit terms.....	-	-	-	-	-	-	-	(83)
Differences between expected and actual experience.....	-	33,670	-	(60,438)	-	(83,077)	-	546,256
Changes of assumptions.....	-	18,838	-	(66,514)	-	(50,328)	-	136,374
Other Charges.....	19,824	20,229	26,014	(46)	-	-	-	-
Benefit payments.....	(76,445)	(80,182)	(84,498)	(76,922)	(56,551)	(61,498)	(84,325)	(39,297)
Net change in total OPEB liability.....	19,797	84,390	39,852	(99,503)	43,386	(94,850)	9,892	730,451
Total OPEB liability - beginning.....	1,066,435	1,086,232	1,170,622	1,210,474	1,110,971	1,154,357	1,059,507	1,069,399
Total OPEB liability - ending (a).....	<u>\$ 1,086,232</u>	<u>\$ 1,170,622</u>	<u>\$ 1,210,474</u>	<u>\$ 1,110,971</u>	<u>\$ 1,154,357</u>	<u>\$ 1,059,507</u>	<u>\$ 1,069,399</u>	<u>\$ 1,799,850</u>
Plan fiduciary net position								
Employer contributions.....	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions for OPEB payments.....	76,445	80,182	84,498	76,922	56,551	61,498	40,083	39,297
Net investment income (loss).....	55,673	54,890	87,382	50,492	247,771	(206,757)	173,471	144,553
Other benefit payments.....	(76,445)	(80,182)	(84,498)	(76,922)	(56,551)	(61,498)	(40,083)	(39,297)
Direct benefit payments.....	-	-	-	-	-	-	(84,325)	(109,347)
Net change in plan fiduciary net position.....	155,673	154,890	187,382	50,492	247,771	(206,757)	89,146	35,206
Plan fiduciary net position - beginning of year.....	664,218	819,891	974,781	1,162,163	1,212,655	1,460,426	1,253,669	1,342,815
Plan fiduciary net position - end of year (b).....	<u>\$ 819,891</u>	<u>\$ 974,781</u>	<u>\$ 1,162,163</u>	<u>\$ 1,212,655</u>	<u>\$ 1,460,426</u>	<u>\$ 1,253,669</u>	<u>\$ 1,342,815</u>	<u>\$ 1,378,021</u>
Net OPEB liability/(asset) - ending (a)-(b).....	<u>\$ 266,341</u>	<u>\$ 195,841</u>	<u>\$ 48,311</u>	<u>\$ (101,684)</u>	<u>\$ (306,069)</u>	<u>\$ (194,162)</u>	<u>\$ (273,416)</u>	<u>\$ 421,829</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	75.48%	83.27%	96.01%	109.15%	126.51%	118.33%	125.57%	76.56%
Covered-employee payroll.....	\$ 1,167,318	\$ 1,191,141	\$ 1,230,570	\$ 1,249,659	\$ 1,317,826	\$ 1,344,183	\$ 1,371,066	\$ 1,218,805
Net OPEB liability/(asset) as a percentage of covered-employee payroll.....	22.82%	16.44%	3.93%	-8.14%	-23.23%	-14.44%	-19.94%	34.61%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Water Supply District of Acton

**Schedule of the District's Contributions
Other Postemployment Benefit Plan**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2024.....	\$ 39,297	\$ (39,297)	\$ -	\$ 1,218,805	3.22%
June 30, 2023.....	84,325	(84,325)	-	1,371,066	6.15%
June 30, 2022.....	61,498	(61,498)	-	1,344,183	4.58%
June 30, 2021.....	56,551	(56,551)	-	1,317,826	4.29%
June 30, 2020.....	76,922	(76,922)	-	1,249,659	6.16%
June 30, 2019.....	84,498	(184,498)	(100,000)	1,230,570	14.99%
June 30, 2018.....	80,182	(180,182)	(100,000)	1,191,141	15.13%
June 30, 2017.....	76,445	(176,445)	(100,000)	1,167,318	15.12%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Water Supply District of Acton
Schedule of Investment Returns
Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2024.....	10.91%
June 30, 2023.....	7.11%
June 30, 2022.....	-14.16%
June 30, 2021.....	15.38%
June 30, 2020.....	7.48%
June 30, 2019.....	8.53%
June 30, 2018.....	6.31%
June 30, 2017.....	7.81%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Water Supply District of Acton

Notes to Required Supplementary Information

Year Ended June 30, 2024

NOTE A – PENSION PLAN

Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability details the allocated percentages of the net pension liability, the proportionate share of the net pension liability, and the employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of employee payroll.

Schedule of the District's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. The District may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual District contributions may be less than the "total appropriation".

Changes in Assumptions

None.

Changes in Plan Provisions

Pursuant to Chapter 269 of the Acts of 2022, the System's Board voted to approve a one-time increase in the COLA from 3.00% to 5.00%.

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

The District administers a single-employer defined benefit healthcare plan ("The Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members.

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability/(asset). It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net OPEB liability/(asset) as a percentage of covered-employee payroll.

Water Supply District of Acton

Notes to Required Supplementary Information

Year Ended June 30, 2024

Schedule of the District's Contributions

The Schedule of the District's Contributions includes the District's annual required contribution to the Plan, along with the contributions made in relation to the actuarially determined contribution and the covered-employee payroll. The District is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method.
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate..	5.98%
Healthcare cost trend rates.....	5% for HMO and PPO Plan, Pre-Medicare, and 3.25% for Medicare Supplement Plan; 2% for Dental Plan. Ultimate Health Care Cost Trend Rate of 4.5% reached in fiscal year 2037.
Mortality rates.....	Determined pursuant to PubG.H-2010 Mortality Table - General, using scale MP-2020

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes of Assumptions

The discount rate decreased from 7.00% to 5.98%. In addition, the starting per capita costs were updated, the health care trend rates were reset, and the marital status assumption was changed.

Changes in Plan Provisions

None.

Combining Schedules

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Combining Schedules

The Water Supply District of Acton accounts for the general operations, the W.R. Grace stabilization fund, and capital acquisitions of the District as separate activities and the internal ledgers report them as indicated below. The schedules provide a reconciliation between the internal ledgers and financial statements.

General Fund – This fund is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Article 97 Stabilization Fund- This fund was established through special legislation in the current fiscal year with funds from District owned land leased by the District for solar energy generation and storage. 5% of the funds from the leases must be deposited into this fund. The purpose of this fund is for the District to acquire qualified land for water supply and protection purposes to replace the land now used as solar energy generating and storage fields.

W.R. Grace Stabilization Fund – This fund is used to maintain the purity of the District’s water sources upon approval of District meeting. This fund was established with proceeds from the W.R. Grace lawsuit settlement and was converted to a stabilization fund at the June 2020 Annual Meeting to enable investments to be managed under the prudent investment rule established under Massachusetts General Law Chapter 203c.

Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the District.

Long-Term Obligations Fund – This fund is used to account for liabilities that have maturities greater than one year.

Capital Assets Fund – This fund is used to account for capital asset additions, retirements and depreciation expense.

Water Supply District of Acton
Combining Schedule of Net Position

June 30, 2024

	General	Article 97 Stabilization	W.R. Grace Stabilization	Capital Projects	Long-Term Obligations	Capital Assets	Total
ASSETS							
CURRENT:							
Cash and cash equivalents.....	\$ 2,667,349	\$ 26,796	\$ 163,110	\$ 2,473,181	\$ -	\$ -	\$ 5,330,436
Investments.....	-	-	613,226	-	-	-	613,226
Receivables, net of allowance for uncollectibles:							
Billed user charges.....	140,493	-	-	-	-	-	140,493
Unbilled user charges.....	1,856,335	-	-	-	-	-	1,856,335
Leases.....	490,700	-	-	-	-	-	490,700
Total current assets.....	<u>5,154,877</u>	<u>26,796</u>	<u>776,336</u>	<u>2,473,181</u>	<u>-</u>	<u>-</u>	<u>8,431,190</u>
NONCURRENT:							
Receivables, net of allowance for uncollectibles:							
Leases.....	986,769	-	-	-	-	-	986,769
Capital assets, non depreciable.....	-	-	-	-	-	11,377,661	11,377,661
Capital assets, net of accumulated depreciation.....	-	-	-	-	-	50,933,381	50,933,381
Total noncurrent assets.....	<u>986,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,311,042</u>	<u>63,297,811</u>
TOTAL ASSETS.....	<u>6,141,646</u>	<u>26,796</u>	<u>776,336</u>	<u>2,473,181</u>	<u>-</u>	<u>62,311,042</u>	<u>71,729,001</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions.....	-	-	-	-	526,956	-	526,956
Deferred outflows related to OPEB.....	-	-	-	-	608,247	-	608,247
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,135,203</u>	<u>-</u>	<u>1,135,203</u>
LIABILITIES							
CURRENT:							
Warrants payable.....	172,038	-	-	48,521	-	-	220,559
Accrued interest.....	-	-	-	-	175,630	-	175,630
Lease obligations.....	-	-	-	-	255,128	-	255,128
Notes payable.....	-	-	-	7,348,974	-	-	7,348,974
Bonds payable.....	-	-	-	-	1,471,552	-	1,471,552
Total current liabilities.....	<u>172,038</u>	<u>-</u>	<u>-</u>	<u>7,397,495</u>	<u>1,902,310</u>	<u>-</u>	<u>9,471,843</u>
NONCURRENT:							
Lease obligations.....	-	-	-	-	2,013,416	-	2,013,416
Compensated absences.....	-	-	-	-	197,000	-	197,000
Net pension liability.....	-	-	-	-	4,514,809	-	4,514,809
Net OPEB liability.....	-	-	-	-	421,829	-	421,829
Bonds payable.....	-	-	-	-	19,440,656	-	19,440,656
Total noncurrent liabilities.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,587,710</u>	<u>-</u>	<u>26,587,710</u>
TOTAL LIABILITIES.....	<u>172,038</u>	<u>-</u>	<u>-</u>	<u>7,397,495</u>	<u>28,490,020</u>	<u>-</u>	<u>36,059,553</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to leases.....	1,477,469	-	-	-	-	-	1,477,469
Deferred inflows related to pensions.....	-	-	-	-	17,150	-	17,150
Deferred inflows related to OPEB.....	-	-	-	-	130,700	-	130,700
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>1,477,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,850</u>	<u>-</u>	<u>1,625,319</u>
NET POSITION							
Net investment in capital assets.....	-	-	-	(7,348,974)	(23,180,752)	62,311,042	31,781,316
Unrestricted:							
Reserved for capital.....	-	-	21,182	2,424,660	-	-	2,445,842
Reserved for maintenance and operations.....	111,182	-	127,178	-	-	-	238,360
Reserved for mitigation.....	37,799	-	-	-	-	-	37,799
Unassigned/unreserved.....	4,343,158	26,796	627,976	-	(4,321,915)	-	676,015
TOTAL NET POSITION.....	<u>\$ 4,492,139</u>	<u>\$ 26,796</u>	<u>\$ 776,336</u>	<u>\$ (4,924,314)</u>	<u>\$ (27,502,667)</u>	<u>\$ 62,311,042</u>	<u>\$ 35,179,332</u>

Water Supply District of Acton

Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

	General	Article 97 Stabilization	W.R. Grace Stabilization	Capital Projects	Long-Term Obligations	Capital Assets	Total
OPERATING REVENUES:							
Water user charges & other services.....	\$ 6,388,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,388,115
Mitigation fees.....	17,402	-	-	-	-	-	17,402
Solar field land-use rental.....	545,337	-	-	-	-	-	545,337
TOTAL OPERATING REVENUES	6,950,854	-	-	-	-	-	6,950,854
OPERATING EXPENSES:							
Salaries & wages.....	1,430,640	-	-	-	(42,000) (A)	-	1,388,640
Other postemployment benefits expense.....	-	-	-	-	138,859	-	138,859
Depreciation.....	-	-	-	-	-	1,554,031	1,554,031
Lights, power, & fuel.....	581,747	-	-	-	-	-	581,747
Health & life insurance.....	205,109	-	-	-	-	-	205,109
Maintenance & operations.....	389,733	-	-	-	-	-	389,733
Meters.....	121,245	-	-	-	-	(121,245) (B)	-
Reserve.....	83,106	-	-	-	-	-	83,106
Mitigation.....	59,822	-	-	-	-	(59,822) (B)	-
Middlesex retirement.....	330,838	-	-	-	181,227	-	512,065
Insurance.....	98,781	-	-	-	-	-	98,781
Auto maintenance & fuel.....	35,039	-	-	-	-	-	35,039
Chemicals.....	128,371	-	-	-	-	-	128,371
Legal.....	81,393	-	-	-	-	-	81,393
Laboratory analysis.....	80,371	-	-	-	-	-	80,371
Education.....	10,899	-	-	-	-	-	10,899
Information reports.....	38,163	-	-	-	-	-	38,163
Office supplies.....	63,361	-	-	-	-	-	63,361
Engineering.....	18,893	-	-	-	-	(18,893) (B)	-
D.E.P. withdrawal & fees.....	4,967	-	-	-	-	-	4,967
Leased equipment.....	2,397,499	-	-	-	-	(2,397,499)	-
Accounting.....	15,800	-	-	-	-	-	15,800
TOTAL OPERATING EXPENSES	6,175,777	-	-	-	278,086	(1,043,428)	5,410,435
OPERATING INCOME (LOSS)	775,077	-	-	-	(278,086)	1,043,428	1,540,419
NONOPERATING REVENUES (EXPENSES):							
Investment income.....	122,443	-	82,915	-	-	-	205,358
Capital outlay.....	-	-	(72,000)	(8,436,831)	-	8,508,831	-
Interest & fees expense.....	(633,722)	1,446	(3,293)	-	36,676	-	(598,893)
Interest related to leases.....	(27,189)	-	-	-	-	-	(27,189)
State and Federal grant revenue.....	1,500,000	-	-	247,272	-	-	1,747,272
State grant revenue - principal forgiveness.....	-	-	-	316,000	-	-	316,000
Lease financing.....	2,397,499	-	-	-	(2,397,499)	-	-
Debt service - principal.....	(1,659,135)	-	-	-	1,659,135	-	-
Debt service - principal related to leases.....	(128,955)	-	-	-	128,955	-	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET	1,570,941	1,446	7,622	(7,873,559)	(572,733)	8,508,831	1,642,548
INCOME (LOSS) BEFORE TRANSFERS	2,346,018	1,446	7,622	(7,873,559)	(850,819)	9,552,259	3,182,967
TRANSFERS:							
Transfers in (out).....	(1,320,000)	-	-	1,320,000	-	-	-
CHANGE IN NET POSITION	1,026,018	1,446	7,622	(6,553,559)	(850,819)	9,552,259	3,182,967
NET POSITION AT BEGINNING OF YEAR	3,466,121	25,350	768,714	1,629,245	(26,651,848)	52,758,783	31,996,365
NET POSITION AT END OF YEAR	\$ 4,492,139	\$ 26,796	\$ 776,336	\$ (4,924,314)	\$ (27,502,667)	\$ 62,311,042	\$ 35,179,332

(A) Represents a decrease in the estimated compensated absences liability.

(B) Represents capital asset additions from general fund expenditures.

Additional Information

Water Supply District of Acton

General Fund Schedule of Revenues, Expenses and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2024

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Water rates and services.....	\$ -	\$ 6,842,157	\$ 6,842,157	\$ 6,842,157	\$ 6,388,115	\$ -	\$ (454,042)
Mitigation fees.....	-	-	-	-	17,402	-	17,402 (A)
Solar field land-use rental.....	-	545,337	545,337	545,337	545,337	-	-
Interest income.....	-	-	-	-	122,443	-	122,443
TOTAL REVENUES.....	-	7,387,494	7,387,494	7,387,494	7,073,297	-	(314,197)
EXPENDITURES:							
Current:							
Salaries and wages.....	-	1,727,989	1,727,989	1,727,989	1,430,640	-	297,349
Lights, power, and fuel.....	-	600,000	600,000	600,000	581,747	-	18,253
Health and life insurance.....	-	376,795	376,795	376,795	205,109	-	171,686
Maintenance and operations.....	-	420,000	420,000	420,000	389,733	-	30,267
Meters.....	-	125,000	125,000	125,000	121,245	-	3,755
Reserve.....	-	100,000	100,000	93,600	83,106	-	10,494
Mitigation.....	-	-	-	-	59,822	-	(59,822) (A)
Middlesex retirement.....	-	330,838	330,838	330,838	330,838	-	-
Insurance.....	-	118,800	118,800	118,800	98,781	-	20,019
Chemicals.....	-	160,000	160,000	160,000	128,371	-	31,629
Laboratory analysis.....	-	100,000	100,000	100,000	80,371	-	19,629
Auto maintenance and fuel.....	-	52,000	52,000	52,000	35,039	-	16,961
Information reports.....	-	50,000	50,000	50,000	38,163	-	11,837
Legal.....	-	75,000	75,000	81,400	81,393	-	7
Office supplies.....	-	96,000	96,000	96,000	63,361	-	32,639
Education.....	-	17,500	17,500	17,500	10,899	-	6,601
Engineering.....	-	60,000	60,000	60,000	18,893	-	41,107
D.E.P withdrawal and fees.....	-	5,000	5,000	5,000	4,967	-	33
Accounting.....	-	20,000	20,000	20,000	15,800	-	4,200
Leased equipment.....	-	-	-	-	2,397,499	-	(2,397,499) (B)
Debt service:							
Debt principal.....	-	1,659,135	1,659,135	1,659,135	1,659,135	-	-
Debt interest.....	-	1,093,281	1,093,281	1,093,281	633,722	-	459,559
Debt principal - related to leases.....	-	-	-	-	128,955	-	(128,955)
Debt interest - related to leases.....	-	-	-	-	27,189	-	(27,189)
TOTAL EXPENDITURES.....	-	7,187,338	7,187,338	7,187,338	8,624,778	-	(1,437,440)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	-	200,156	200,156	200,156	(1,551,481)	-	(1,751,637)
OTHER FINANCING SOURCES (USES):							
Lease financing.....	-	-	-	-	2,397,499	-	2,397,499 (B)
State grant revenue.....	-	-	-	-	1,500,000	-	1,500,000
Use of free cash.....	-	-	-	1,320,000	-	-	(1,320,000)
Transfers out.....	-	-	-	(1,320,000)	(1,320,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	2,577,499	-	2,577,499
NET CHANGE IN FUND BALANCE.....	-	200,156	200,156	200,156	1,026,018	-	825,862
BUDGETARY FUND BALANCE, Beginning of year...	-	3,466,121	3,466,121	3,466,121	3,466,121	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 3,666,277	\$ 3,666,277	\$ 3,666,277	\$ 4,492,139	\$ -	\$ 825,862
COMPONENTS OF BUDGETARY FUND BALANCE:							
Reserved for maintenance and operations.....	\$			111,182			
Reserved for mitigation.....				37,799			
Unassigned/unreserved.....				4,343,158			
Total Budgetary Fund Balance, End of Year.....	\$			4,492,139			

(A) The District does not budget for mitigation revenue or mitigation expenditures as part of their operating budget, however this activity is reported within the General Fund.

(B) The District does not budget for the recognition of lease financing and the lease payment under GASB Statement #87.

Water Supply District of Acton

Schedule of Reserve for Capital Projects

Year Ended June 30, 2024

	Beginning Balance 6/30/2023	Transfers (To) From General Fund	Grant Revenue Received	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2024
From Capital Projects Fund:						
Clean Rehab Wells.....	\$ 47,265	\$ 100,000	\$ -	\$ -	\$ 103,705	\$ 43,560
Easements Conant II.....	12,600	(1,011)	-	-	-	11,589
Eminent Domain Main Street.....	19,519	(19,519)	-	-	-	-
Flagg Hill Tank Repairs.....	3,504	-	-	-	615	2,889
Marshall Well Replacement.....	54	-	-	-	-	54
Media Replacement.....	230,000	200,000	-	-	124,615	305,385
New Vehicle.....	60,000	20,530	-	-	-	80,530
Replace Old Mains.....	27,069	30,000	-	-	7,425	49,644
Residuals Management Tank.....	15,513	-	-	-	-	15,513
Storage Tank Repairs.....	75	30,000	-	-	2,597	27,478
Water Main Emergency.....	26,570	30,000	-	-	28,681	27,889
Water Main Improvements.....	1,130,476	500,000	-	-	41,082	1,589,394
Master Plan Update.....	56,600	-	-	-	-	56,600
North Acton Water Treatment Plant - Funded from the MCWT.....	-	-	-	788,974 *	837,495	(48,521)
North Acton Water Treatment Plant - PFAS Engineering.....	-	-	247,272	-	247,272	-
South and Central Acton Water Treatment Plant - PFAS Engineering..	-	-	-	976,000	969,391	6,609
Central Acton Water Treatment Plant - Funded from the MCWT.....	-	-	-	-	55,775	(55,775)
South Acton Water Treatment Plant - Funded from the MCWT.....	-	-	-	-	191,837	(191,837)
Kelley's Corner Water Mains.....	-	-	-	1,000,000	705,258	294,742
549 Main Street.....	-	-	-	4,900,000	4,876,132	23,868
Vacuum Tank Trailer Truck.....	-	200,000	-	-	172,400	27,600
Service Vehicle 2024.....	-	75,000	-	-	72,551	2,449
Office Roof 2024.....	-	30,000	-	-	-	30,000
Water Supply Alternative Study.....	-	75,000	-	-	-	75,000
Kennedy Pitless Adapters.....	-	50,000	-	-	-	50,000
Total Reserved for Capital - Capital Projects Fund.....	\$ 1,629,245	\$ 1,320,000	\$ 247,272	\$ 7,664,974	\$ 8,436,831	\$ 2,424,660

	Beginning Balance 6/30/2023	Transfers (To) From W.R. Grace Fund	Grant Revenue Received	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2024
From W.R. Grace Fund:						
Assabet III-(Grace).....	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60
ARPA/PILOT Central Acton Water Treatment Plant.....	70,906	-	-	-	70,906	-
PILOT South Acton Water Treatment Plant.....	22,216	-	-	-	1,094	21,122
Total Reserved for Capital - W.R. Grace Fund.....	\$ 93,182	\$ -	\$ -	\$ -	\$ 72,000	\$ 21,182

* In 2024, the District was awarded principal loan forgiveness in the amount of \$316,000.

Water Supply District of Acton

General Operations – Schedule of Changes in Net Position– Current Year and Two Years Prior

Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
	<u>General Fund</u>	<u>General Fund</u>	<u>General Fund</u>
<u>OPERATING REVENUES:</u>			
Water user charges & other services.....	\$ 6,388,115	\$ 6,235,183	\$ 6,184,742
Mitigation fees.....	17,402	66,776	125,000
Solar field land-use rental.....	545,337	502,073	-
	<u>6,950,854</u>	<u>6,804,032</u>	<u>6,309,742</u>
<u>OPERATING EXPENSES:</u>			
Salaries & wages.....	1,430,640	1,552,117	1,462,623
Lights, power, & fuel.....	581,747	554,572	429,004
Health & life insurance.....	205,109	236,718	281,469
Maintenance & operations.....	389,733	466,116	245,513
Meters.....	121,245	75,000	46,035
Reserve.....	83,106	-	-
Mitigation.....	59,822	59,780	90,683
Middlesex retirement.....	330,838	288,240	268,502
Insurance.....	98,781	97,645	93,476
Auto maintenance & fuel.....	35,039	38,197	50,597
Chemicals.....	128,371	101,504	91,772
Legal.....	81,393	55,170	58,247
Laboratory analysis.....	80,371	83,991	81,910
Education.....	10,899	9,627	11,696
Information reports.....	38,163	34,130	31,897
Office supplies.....	63,361	82,576	56,748
Paving.....	-	-	80,000
Engineering, maintenance, and other.....	18,893	30,319	76,643
D.E.P. withdrawal & fees.....	4,967	5,121	4,958
Leased equipment.....	2,397,499	-	-
Accounting.....	15,800	16,000	17,800
	<u>6,175,777</u>	<u>3,786,823</u>	<u>3,479,573</u>
OPERATING INCOME (LOSS).....	<u>775,077</u>	<u>3,017,209</u>	<u>2,830,169</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	122,443	53,375	3,609
Interest & fees expense.....	(633,722)	(519,114)	(334,281)
Interest related to leases.....	(27,189)	-	-
State grant revenue.....	1,500,000	-	-
Lease financing.....	2,397,499	-	-
Debt service - principal.....	(1,659,135)	(1,143,411)	(1,129,937)
Debt service - principal related to leases.....	(128,955)	-	-
	<u>1,570,941</u>	<u>(1,609,150)</u>	<u>(1,460,609)</u>
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	<u>1,570,941</u>	<u>(1,609,150)</u>	<u>(1,460,609)</u>
INCOME (LOSS) BEFORE TRANSFERS...	<u>2,346,018</u>	<u>1,408,059</u>	<u>1,369,560</u>
<u>TRANSFERS:</u>			
Transfers in (out).....	<u>(1,320,000)</u>	<u>(685,104)</u>	<u>(870,000)</u>
CHANGE IN NET POSITION.....	1,026,018	722,955	499,560
NET POSITION AT BEGINNING OF YEAR.....	<u>3,466,121</u>	<u>2,743,166</u>	<u>2,243,606</u>
NET POSITION AT END OF YEAR.....	<u>\$ 4,492,139</u>	<u>\$ 3,466,121</u>	<u>\$ 2,743,166</u>

Water Supply District of Acton

Notes to Additional Information

Year Ended June 30, 2024

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved at District Annual Meeting. The District Manager presents an annual budget at District Annual Meeting, which includes recommendations of expenditures and other financing uses.

Increases or transfers between and within line items in the District and other budget adjustments, subsequent to the approval of the annual budget, are authorized by a Special District Meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by Annual District Meeting.

The District adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2024 approved budget for the General Fund authorized \$7.2 million in appropriations. Additional appropriations totaling \$1.3 million were voted for capital projects and funded from free cash. The District Manager has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Water Supply District of Acton

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate remaining fund information of the Water Supply District of Acton (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Water Supply District of Acton's basic financial statements, and have issued our report thereon dated **REPORT DATE**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Reporting on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boston, MA

REPORT DATE

Matt Mostoller

From: Matt Mostoller
Sent: Wednesday, September 11, 2024 4:20 PM
To: AWD Commissioners; Town Manager's Office
Cc: AWD entire staff
Subject: One Day Per Week Non-Essential Water Use Restriction

Good afternoon,

In accordance with our May 2024 Water Management Permit, the District will be restricting non-essential water use to one day per week, effective today 9/11/24. This is in response to low flow conditions in Nashoba Brook. Our ability to supply water remains stable, this additional day of restricted use is due to environmental concerns and the long stretch of no significant rainfall. We plan to share this information via WaterSmart, the District website, and through our social media outlets. I also plan to reach out to the Acton Exchange and Action Unlimited.

<https://www.actonwater.com/conservation/outdoor-water-restrictions>

Please let me know if you have any questions or concerns.

-Matt

Matthew Mostoller

District Manager

Water Supply District of Acton

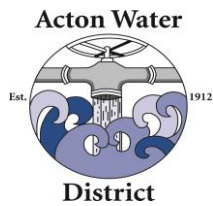
693 Massachusetts Avenue

P.O. Box 953 Acton, MA 01720

P 978-263-9107 F 978-264-0148

Follow us on Facebook and Twitter!





Water Supply District of Acton

693 MASSACHUSETTS AVENUE
P.O. BOX 953
ACTON, MASSACHUSETTS 01720

TELEPHONE (978) 263-9107

FAX (978) 264-0148

Acton Water District Fall Water Main Flushing 2024

The Acton Water District will begin its fall water main flushing program on Tuesday, October 1, 2024, and will continue through the month of October. We will be flushing water mains southeast of Rt. 2/111, and east of Main Street/Rt 27 (South Acton) to the Maynard town line including High Street, School Street, Parker Street, and interconnecting streets throughout that quadrant of town.

Discolored water and periods of low pressure may be experienced on, or in the general vicinity of, any of the streets being flushed. We will place road signs in the vicinity prior to initiating flushing on any street. Areas outside of the flushing zone may also experience some of these conditions, although the program is designed to minimize widespread impacts.

Flushing will occur between the hours of 8 AM and 8 PM Monday - Thursday. We will not be flushing on Monday, October 14th due to the Indigenous People's Day holiday. At any time during this period, customers may experience discolored water. It is advisable to draw and store some drinking water prior to flushing. Any customers experiencing discolored water should not launder light-colored clothing, or run their dishwashers, as the minerals in the water may cause staining.

We apologize for any inconvenience this may cause. This process is necessary for improving water quality in our distribution system, exercising valves and hydrants, and to clean mineral deposits from the pipes to minimize future incidents of discolored water.

For updates on areas being flushed, please refer to the Water District web site at www.actonwater.com, or call 978-263-9107, Mon-Fri 7:30 AM to 4:00 PM. You may also follow us on Twitter @Actonwater.

Thank you for your patience and understanding as we conduct this necessary maintenance activity.

Awards Ceremony

Distinguished Public Involvement Award

Recognizes individuals or organizations who have significantly contributed in one of the following areas: created or expanded a public education or information program about drinking water; developed public policy to conserve, nurture, protect, or improve public drinking water supplies; or made a significant effort to share programs as described.

Diversity Award

This award is bestowed yearly to an individual or organization that has, in the opinion of the Organizational Diversity Committee Award Subcommittee, made outstanding contributions in advancing diversity and inclusion within the water works profession.

Younger Member of the Year Award

Recognizes a NEWWA member under the age of 35 or new to the water works profession who has demonstrated outstanding service to NEWWA through active participation in NEWWA programs, committees, and/or presentations.

Utility of the Year Award

Recognizes utilities who made significant improvements to the water system infrastructure, customer service, staff training, and/or operations to further protect public health of the customers it serves.

Utility Service Award

Recognizes up to two utilities annually that made significant contributions to NEWWA via committees, programs, presentations, and/or volunteer service.

Volunteer of the Year Award

Recognizes a NEWWA member who has demonstrated outstanding service to NEWWA throughout the calendar year or outstanding service to a committee within NEWWA throughout the calendar year that goes above and beyond the expectations of the committee.

Award of Merit

Bestowed annually upon an individual who has been a member of the association for a minimum of the past 5 years and who has demonstrated, in the opinion of the Award of Merit Committee, the highest level of outstanding services to NEWWA, a water utility, the water works practice, or any combination thereof.

