



Water Supply District of Acton

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Board of Water Commissioners

Meeting Agenda

Monday, September 24, 2018 @ 7:30 PM

- **Maureen Mara of Mara & Associates for FY '18 Audit report**
- **Comments from Citizens**
- **Approve minutes of August 13th meeting**

NEW BUSINESS:

- Request for a waiver of water related fees
 - Local builder Mark Starr request for a waiver for new construction home on Cherry Ridge Road that he is building with all-volunteer services and donated funds and materials to be gifted to a disabled veteran
- Discussion and approval of the Warrant for fall Special District Meeting
 - Special District Meeting is scheduled for Wednesday, 10/10 @ 7:30 PM at the Acton Public Safety Facility--Emergency Operations Center (EOC)
- Review and approve Reserve Fund transfer
 - Request for transfer of \$60,000 from Reserve Fund to Budget Account #15290-Maintenance & Operations

OLD BUSINESS:

- Rollover of Bond for Indian Village water main improvement
- Update from Water Resources workshop held on Saturday, 9/22

Mara CPA, PC
Certified Public Accountant – Professional Corporation
PO Box 1555, Concord, MA 01742 maureen@maracpa.com 978-371-2113

August 28, 2018

To the Board of Commissioners
Acton Water District

We have audited the financial statements of Acton Water District for the year ended June 30, 2018, and have issued our report thereon dated August 24, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 8, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of Acton Water District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you during our preliminary fieldwork on June 8, 2018.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Acton Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 24, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Commissioners and management of Acton Water District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely yours,

Maureen Waters Mara, CPA

Mara CPA, PC

Certified Public Accountant – Professional Corporation

PO Box 1555, Concord, MA 01742

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Commissioners Parenti, Stuntz and Amir-Lin
Water Supply District of Acton

August 28, 2018

During our audit of the June 30, 2018 financial statements, we made several observations that I would like to bring to your attention. I discussed these observations with Mary Jo Bates and Christopher Allen when the audit fieldwork was completed.

UNSOLD WATER PERCENTAGE

Every year, as part of the audit, I review the statistics for quantity of water pumped from the ground versus water metered/sold to customers. The improved statistics since 2016 are attributed to the completion of the South Acton Water Treatment Plant where updated technology is more accurately metering the water pumped. The District has also been very aggressive in its leak detection and leak prevention strategies. The current year results are quite impressive!

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Cubic Feet Pumped	73,000,228	74,600,000	83,000,000	83,000,000	83,000,000
Cubic Feet Sold	64,115,099	66,100,000	69,700,000	64,000,000	66,200,000
Percentage Unsold	12.17%	11.4%	16.0%	22.8%	20.2%

NET PENSION LIABILITY

Governmental accounting standards mandated that municipalities report their Net Pension Liability starting with their 2015 financial statements. This is a summary of the District's activity with its pension fund at Middlesex County Retirement System:

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Net Pension Liability beginning of year	\$3,319,310	\$2,784,648	\$2,562,079	\$2,455,110
Plus actuarially calculated expense	413,458	394,725	269,434	231,684
Less payments to MCRS	(203,213)	(177,725)	(165,791)	(133,367)
Plus (minus) change to net deferred outflows	(158,961)	317,662	118,926	8,652
Equals Net Pension Liability end of year	\$3,370,594	\$3,319,310	\$2,784,648	\$2,562,079

The ongoing increase in the liability can be attributed to several calculations, including the reduction this year in the System's anticipated rate of return from 7.75% to 7.50%. (When the percentage goes down, the liability goes up). See this interesting disclosure from the audit report that illustrates the impact that the anticipated rate of return has on the net pension liability calculation.

	1% Decrease to 6.50%	Current Rate 7.50%	1% Increase to 8.50%
The District's share of the net pension liability	\$4,136,860	\$3,370,594	\$2,724,544

OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District has had three actuarial valuations of its OPEB liability to provide health insurance to retirees. The amounts needed to fund the future liability were calculated at the following amounts:

Valuation Date	July 1, 2015	July 1, 2012	July 1, 2009
Liability Amount	\$1,075,000	\$2,400,000	\$3,500,000

The dramatic decreases are primarily the result of changes in assumptions on rates of return for invested assets for the District. In addition, the most recent OPEB valuation reflects the changes the District made in its health plans offerings, as well as adjustments to the percentage of employee and retiree contributions. The District has cumulatively funded \$800,000 toward the OPEB liability, and those funds have been invested and are currently worth \$975,000. The District will have a new valuation done this fall as of July 1, 2018.

FUND BALANCES

Here is a high level summary of the major activities within the funds this year:

	Free Cash	Capital Projects	Grace Trust Fund	OPEB Trust Fund
Net Position 6/30/17	\$1,608,275	\$1,728,558	\$2,408,568	\$819,891
P&L Activity	900,690	8,500	(8,074)	154,889
Xfers to Cap Projects Fund	(827,000)	827,000		
Xfer to Surplus M&O	(225,000)			
Xfers to Mitigation Fund	(137,020)			
Bond Funds Borrowed		1,000,000		
Cap Project Payments Made		(2,192,210)		
Net Position 6/30/18	1,319,945	1,371,848	\$2,400,494	\$974,780

DISTRICT INVESTMENTS

The District currently has two investment funds (Grace Fund and OPEB Trust Fund) that are managed by Boston Financial Management with the guideline that there is low risk to principal while providing a continuing revenue stream. This is a snapshot of the cost and fair values for the past five years:

Description	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Cost Basis	\$2,677,222	\$2,851,905	\$2,773,636	\$2,732,686	\$2,547,995
Fair Value	3,035,997	3,189,984	3,081,383	2,955,442	2,751,064
Difference	\$357,775	\$338,079	\$307,747	\$222,756	\$203,069

The management and staff of the District were most helpful and cooperative during the audit. It is my pleasure to be the auditor for the District, and I welcome the opportunity to be of service in any way.

Sincerely yours,

Maureen Waters Mara, CPA

 **DRAFT**

Board of Water Commissioners
Meeting Minutes
693 Massachusetts Avenue, Acton MA
Monday, August 13, 2018

 **DRAFT**

A. Comments from Citizens

B. Approve Minutes of July 16, 2018

C. OLD BUSINESS:

1. Follow-up on Request from Green Acton for Participation in the 1,4-Dioxane Forum Planned for Thursday, 10/25.
2. Update and Discussion of Water Resources Workshop Scheduled for Saturday, 9/22.

D. NEW BUSINESS:

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.

E. EXECUTIVE SESSION – To consider the purchase, exchange, lease or value of real estate property.

Present at Tonight's Meeting:

Commissioners: Ronald Parenti (Chair), Stephen Stuntz, Erika Amir-Lin

District Manager: Chris Allen

District Treasurer: Mary Jo Bates

Environmental Manager: Matthew Mostoller

District Counsel: Mary Bassett

Commissioner's Secretary: Lynn Protasowicki

Finance Committee: Dave Butler via phone

WLMAC: Barry Rosen

Acton Board of Selectmen: Janet Adachi

Green Acton: Kim Kastens

The Board of Water Commissioners meeting was called to order at 7:30 PM on Monday, August 13, 2018 at the Acton Water District office by Mr. Parenti.

A. Comments from Citizens

Kim Kastens stated that she was disappointed to not see any materials on the website for tonight's meeting. Ms. Bates will look into it.

B. Approve Minutes of July 17th Meeting

Mr. Stuntz motioned to approve the minutes of July 17, 2018. Mr. Parenti seconded the motion and it was unanimously approved.

C. OLD BUSINESS:

1. Follow-up on Request from Green Acton for Participation in the 1,4-Dioxane Forum Planned for Thursday, 10/25.

Matt Mostoller mentioned that he met with Kim Kastens and Lucy Kirchner of Green Acton to discuss what he would present at the forum taking place on October 25th. He stated that the presentation will take about 10 minutes and he will discuss where 1,-4 dioxane comes from and how it moves around in the aquifer; and then he will answer questions that the public may have. Kim Kastens informed the

Commissioners that this forum will be held at the Public Safety building and that the League of Women Voters is sponsoring it.

Mr. Allen presented a slide showing the last round of quarterly sampling from TetraTech. The sampling was taken in July for the following wells: Assabet IA .32; Assabet IIA less.20; Lawsbrook .123; and Scribner .21(did not sample Christofferson due to it not running at the time of the sample).

2. Update and Discussion of Water Resources Workshop Scheduled for Saturday, 9/22.

The Water Resources workshop will be held on Saturday, 9/22 from 9-2PM with ½ hour lunch. Enclosed is a draft agenda of the Water Resources Workshop however Mr. Rosen stated that this agenda has changed some but that the scenarios listed may remain the same. He stated that the invited attendees will be changing; that they are reducing the size of the breakout groups go from 5 to 4 and compress the breakout time. He said that the Town Manager is looking at the invited attendee list and that the WRAC will get final approval.

Mr. Parenti stated that after the Acton Board of Selectmen's meeting took place that Joan Gardner was wondering if there will be materials sent out prior to the workshop. Barry Rosen stated that there may be some sort of survey that goes out before the meeting but not 100%. Mr. Parenti suggests that there should be something provided to the attendees prior to the meeting for them to prepare.

Kim Kastens stated that the goal of the workshop is to get a handle on what the dimensions of the water study should be and one of the ways to do this, which has been discussed, is to ask the participants what questions they would want to know the answers too. Ms. Amir-Lin agrees with Kim Kastens which is that that the focus of the workshop should be to generate a list of questions for each of these scenarios.

Mr. Allen mentioned that the agenda is heavily focused on water supply. He noted that much of this information about water supply is in the District's Master Plan. Mr. Allen stated that he thought the workshop was going to be focused on water conservation, waste water, and water resources. He is unclear as to what the objectives are of this workshop.

Mr. Allen also added an update on the current Master Plan update DRAFT that is being finalized by the Engineering consultant, and should be available on the District's website by the end of August.

Mr. Stuntz mentioned that he would like to see scenarios on how to protect present sources and operation of the Town and additionally planning and enforcement.

Mr. Stuntz mentioned that he won't be able to make the workshop.

Mr. Parenti asked Barry Rosen to share the new agenda once it has been finalized.

Other old business:

1. Mr. Allen informed the Commissioners that the pilot study of Greensand Plus at the Conant I Well is completed. Report will be shared when becomes available.
2. September Water Commissioner's meeting - new date scheduled for 9/24/18

D. NEW BUSINESS:

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

Matt Mostoller mentioned that there is some new service called Simple Water Tap Score (mytapscore.com) whereby a person can send in a water sample and this company will test it and provide

the customer with a report of the results. They are claiming that they are an award-winning science and health services company founded at the University of California in Berkeley with the mission of improving drinking water and long term health. He mentioned that one Acton Water District customer paid \$400 to test their water. Mr. Mostoller mentioned that they are comparing lab results with poor EPA data sets that aren't up to date. This company is not certified whereas actual drinking water labs are certified and are very heavily regulated.

Mr. Parenti moved to adjourn the meeting at 8:35 PM and they then moved into Executive Session.

Fee Waiver request

Chris Allen

From: Mark Starr <markstarrdev@verizon.net>
Sent: Thursday, September 06, 2018 1:53 PM
To: Chris Allen
Subject: waiver

I'm making a request of the Water District to waive the demand charge for the new home I'm about to build on Cherry Ridge Road. This home is being built to give to a disabled veteran and family for either nothing or a very small amount depending on the level of donations that I receive. I will be more than happy to come to a board meeting to further explain my plans if you wish. Thank you for any consideration you might give.

Veteran Project: Cherry Ridge Rd.

Mark Starr

Markstarrdev@verizon.net

Project Overview.

For over 10 years, it has been my desire to build a home in Acton for a disabled veteran and family. My dream will now finally be realized resulting from my petition to the Town to donate a lot on Cherry Ridge Road for the express purpose of building a home for a disabled veteran and family. In the beginning of August and after many months of testing and approvals - the Town of Acton has supported me and this cause, by selling this lot to me for \$1.00. We have closed on the sale, and I now own the lot.

Now the work continues, and I have multiple wheels in motion:

- I have reached out to a couple of Veteran's organizations, to begin the process of finding a family for the home. And to the extent that I can, I will share their story with all constituents as I learn more.
- An attorney and accountant have been retained to set up a non-profit organization to allow for all donations to be tax deductible.
- A civil engineer and architect have begun work on the site and house plans.
- To date, I have verbal commitments from multiple subcontractors: electricians, plumbers, site workers/companies, framers, and many more - all of whom have offered to donate their time. And in many cases, they will reach out to their suppliers for same.
- A local financial institution has expressed an interest to participate in this project.
- I am in the process of working on the community outreach for additional fundraising efforts – social media, the local paper, a go-fund-me-page, etc.

To summarize, my goal is to *professionally* build this home with 100% donations. I have no intention of taking any salary or fee, and any professionals to whom I have just made reference are volunteering their time as well. Every dime will go directly to the hard building costs. However, even with the labor and material donations that I have been promised to date, I will still need additional materials and funds to complete this home. Thus, the importance of the fundraising aspects of the project. The financials will be totally transparent, and books open to whomever has a desire to review them.

A little bit about me...

My wife and I are 58-year residents of Acton and for the past 40 years I have been developing land and building homes in Acton and the surrounding communities. It's my hope that this lends some credence to the fact that I can and will accomplish this goal because of my experience, relationships, and commitment to helping Acton become a place we can all be proud to call home. Ten years ago, I started the ABRHS Boys Volleyball team and built a volleyball court at NARA – all accomplished on a volunteer basis. I subsequently spent 8 years coaching and developing the program in Acton to the success it is today. So, it's also my hope that this is a testament to my drive and ambition to complete this project. My faith is in the townspeople of Acton to see this to be a way to partially repay a debt that none of us can ever truly repay. And finally, it's also my hope that we can inspire another town and another builder to similarly "pay this forward".