

# Annual Report

# ACTON WATER DISTRICT

For the year ending December 31, 2025



Warrant Articles for the Annual Meeting

March 18, 2026

The 113-year history of the Acton Water District is distinctively marked by the services of exceptional leaders and citizens. In 2025, William "Bill" Kingman, and Stephen "Pete" Peterson, passed away.

William "Bill" Kingman was a long-time member of the Finance Committee, serving from 1983 until 2011. After graduating high school in Concord, Bill attended Yale University then joined the Navy where he served from 1953-1956. Following his service to our Country, Bill began his career at Franklin Management Corporation and moved to Acton where he stayed for the next 60 year.

In addition to serving on the Finance Committee, Bill served as a Scout Master, Acton's Finance Committee, and the Acton Conservation Trust.

Stephen "Pete" Peterson served as the District's Treasurer/Collector from 1971-1991. Pete was born and raised in West Acton and attended Lawrence Academy in Groton. He attended Boston University for a short time before enlisting in the Air Force. Following his service to our country Pete settled back in Acton with his high school sweetheart where they raised their five children. Pete's passion for public service and the Acton Water District was passed down to his family as many of his children and grandchildren have and still work for the district.

On behalf of all members of the Acton Water District, past and present, we extend condolences and warmest thanks to the families of these two gentlemen for their distinguished service.

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**The Acton Water District welcomes you to visit our website at:**

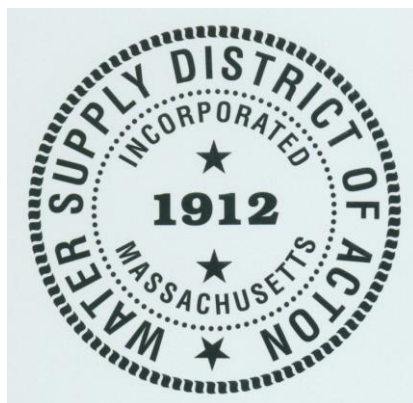
**[www.actonwater.com](http://www.actonwater.com)**

**Our publications are always available on our website.  
If you would prefer to opt out of receiving certain future mailings by U.S. Postal Service,  
please visit our website and click on Go Paperless.**

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COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.



To the Clerk of the Water Supply District of Acton, GREETINGS:

You are directed to notify the inhabitants of the Town of Acton who are qualified to vote in elections and town affairs, to assemble at their precinct:

*All Precincts voting at Blanchard Auditorium  
R.J. Grey Junior High School  
16 Charter Road  
Acton, Massachusetts*

On Tuesday, April 28, 2026  
Between 7:00 A.M. and 8:00 P.M.

Then and there to bring their votes on one ballot for the following officers:

**Commissioner for three years**

**Clerk for three years**

You are further directed to notify the legal voters of the Town of Acton, as aforesaid, to assemble at:

**Acton Public Safety Facility  
371 Main Street  
Acton, Massachusetts 01720**

**On Wednesday, March 18, 2026  
6:00 P.M.**

**Then and there to act on the following Articles:**

**Article 1.** To fix salaries of the elected officials.

**Article 2.** To act on the reports of the Commissioners, the Treasurer, and other officers and committees of the District.

**Article 3.** To see if the District will vote to authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2026 in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17, or to take any other action relative thereto.

**Article 4.** To see what sums of money the District will vote to raise and appropriate to defray the usual expenses of the District.

**Article 5.** To see if the District will vote, pursuant to General Laws, Chapter 44, Section 53E½, to establish a \$100,000 limitation on expenditures from the revolving fund captioned "District Revolving Fund for Mitigation," or to take any other action relative thereto.

**Article 6.** To see if the District will vote, pursuant to General Laws, Chapter 44, Section 53E½, to establish a \$100,000 limitation on expenditures from the revolving fund captioned "District Revolving Fund for New Service Meter Installations," or to take any other action relative thereto.

**Article 7.** To see if the District will vote to transfer from Surplus Revenue the sum of \$100,000 to clean and rehabilitate existing wells throughout the District, or to take any other action relative thereto.

**Article 8.** To see if the District will vote to transfer from Surplus Revenue the sum of \$75,000 for the purpose of replacing old water mains, renewing old water services, and replacing old fire hydrants, or to take any other action relative thereto.

**Article 9.** To see if the District will vote to transfer from Surplus Revenue the sum of \$75,000 for the purpose of repairing emergency water main breaks, or to take any other action relative thereto.

**Article 10.** To see if the District will vote to transfer from Surplus Revenue the sum of \$100,000 for the replacement of filtration media at the District's water treatment plants, or to take any other action relative thereto.

**Article 11.** To see if the District will vote to transfer from Surplus Revenue the sum of \$30,000 for Website ADA compliance with Web Content Accessibility Guidelines (WCAG) 2.1 Level AA required by April 26, 2027, or to take any other action relative thereto.

**Article 12.** To see if the District will vote to transfer from Surplus Revenue the sum of \$150,000 for the management of the North Acton Water Treatment Plant filtration residuals or to take any other action relative thereto.

**Article 13.** To see if the District will vote transfer from Surplus Revenue \$250,000 for the engineering and costs associated with repairs and improvements to the Flagg Hill Tank, piping, disinfection systems, and access road or to take any other action relative thereto.

**Article 14.** To see if the District will vote transfer from Surplus Revenue the sum of \$500,000 for improvements to the District's water distribution system and water mains in Acton or to take any other action relative thereto.

**Article 15.** To see if the District will vote to accept the provisions of Massachusetts general laws Chapter 44 section 53 to establish a special revenue fund to be known as the "PFAS Settlement Fund", said funds upon appropriation to be expended for any purpose allowed pursuant to the 3M and Dupont settlements as voted by a future District meeting or to take any other action relative thereto.

**Article 16.** To see of the District will vote to transfer the sum of \$330,000 from the PFAS Settlement Fund for the FY27 expenses for the North Acton Water Treatment Plant PFAS system lease, or to take any other action relative thereto.

**Article 17.** To see if the District will vote to transfer the sum of \$150,000 from the PFAS Settlement Fund for PFAS Media Replacement, or to take any other action relative thereto.

**Article 18.** To see if the District will vote to transfer the sum of \$150,000 from the PFAS Settlement Fund to reimburse the FY26 General Fund for emergency water interconnections with Littleton and Concord, or to take any other action relative thereto.

Hereof fail not and make due returns of this Warrant with your doings thereon to the Water Commissioners on or before the time of holding of said meeting.

Given under our hand this 23rd day of February in the year two thousand and twenty-six.

Erika Lin  
Barry Rosen  
Stephen C. Stuntz, Water Commissioners

A true copy. ATTEST:

Joe Robb  
District Clerk

## FY 2027 Budget and Estimated Revenue

	Actual FY 25	Budget FY 26	6 month actual	Budget FY 27
<b>EXPENSES</b>				
Audit/Accounting	16,000	28,000	20,600	35,000
Auto Maint & Fuel	53,560	75,000	18,282	75,000
Short Term Debt	258,639	-	-	-
Long Term Debt	1,959,978	2,255,740	441,429	3,032,586
Chemicals	122,802	184,800	78,520	190,344
DEP Withdrawal	4,791	5,000	4,583	5,000
Employee Education	8,028	17,500	13,794	17,500
Engineering	53,305	60,000	12,646	60,000
Health/Life Insurance Active	204,164	295,601	129,580	330,190
Health/Life Insurance Retiree	113,824	131,121	61,493	181,150
Information Reports	11,120	40,000	1,571	40,000
Insurance	110,593	141,650	128,765	169,980
Laboratory Analysis	77,887	85,000	55,192	89,250
Legal	58,185	110,000	22,477	110,000
Lights/Power/Fuel	600,000	600,000	313,847	660,000
Maintenance & Operations	535,403	750,000	374,397	750,000
Media Replacement	-	100,000	-	-
NAWTP PFAS Filter Lease	315,311	322,000	160,828	-
Middlesex Retirement	354,740	397,791	397,791	438,431
Meters	124,715	400,000	67,320	400,000
Office Supplies & Postage	41,622	50,000	19,484	50,000
Software Subscriptions/ IT Maintenance	46,067	125,000	44,778	100,000
Telephone	21,000	21,000	11,097	21,000
Reserve Fund	69,391	100,000	-	100,000
Salaries & Wages	1,443,969	1,675,000	797,739	1,725,000
Vehicle	-	60,000	-	-
<b>Total</b>	<b>6,605,094</b>	<b>8,030,203</b>	<b>3,176,215</b>	<b>8,580,431</b>
<b>REVENUE</b>				
Water Revenue	4,471,297	4,602,230	2,595,192	4,577,973
Service Fee	537,810	534,000	269,325	534,000
Debt Fee	2,366,364	2,260,600	1,140,143	3,034,900
Total Water Revenue	7,375,471	7,396,830	4,004,659	8,146,873
Fire Protection Sprinklers	42,939	41,000	41,177	41,000
Rent/Lease	143,763	115,000	67,577	115,000
Solar Field lease revenue	372,500	385,000	-	385,000
Repairs/Installation	23,344	50,000	14,669	50,000
Cross Connection	23,797	21,000	16,628	21,000
Demand Fees	245,600	250,000	38,100	150,000
Mitigation Fees	235,060	-	7,905	-
New Services Meter Installation RF	12,164	-	9,389	-
Total Other Revenue	1,099,167	862,000	195,445	762,000
<b>Total</b>	<b>8,474,637</b>	<b>8,258,830</b>	<b>4,200,104</b>	<b>8,908,873</b>

**Report of the Treasurer**  
**Audited Account Balances**  
**June 30, 2025**

Santander Bank	65,114
Enterprise Bank	1,907,491
MMDT	3,363,444
UniBank	309,800
Total	5,645,848

**Report of the Collector**  
**Audited Account Balances**  
**June 30, 2025**

Accounts Receivable June 30, 2024	140,493
Charges	8,586,694
Interest Charges	50,128
Refunds	7,955
	8,785,270
Payments	8,474,637
Abatements	37,835
Adjustments	-
Outstanding June 30, 2024	272,798
	8,785,270

**Outstanding Debt**  
**June 30, 2025**

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Treatment Plant	6,000,000	4.00%	2/15/2009	2/15/2029	1,200,000
SA Treatment Plant	13,470,767	2.00%	1/17/2015	1/7/2035	7,456,689
CA Treatment Plant	11,796,097	1.50%	12/14/2022	1/15/2043	10,783,830
549 Main Street & Kelley's Corner	2,710,000	5.00%	9/26/2024	9/15/2039	2,710,000
NAWTP PFAS	684,000	0.00%	2/6/2025	7/15/2035	684,000

**Mitigation Revolving Fund**  
**June 30, 2025**

	6/30/24 Balance	Receipts	Expenditures	Balance
Mitigation Revolving Fund	\$ 37,799	\$ 235,060	\$ 9,024	\$ 263,835

**New Service Meter Revolving Fund**  
**June 30, 2025**

	6/30/24 Balance	Receipts	Expenditures	Balance
New Service Meter Revolving Fund	\$ 40,392	\$ 12,164	\$ 12,772	\$ 39,785

Respectfully submitted,  
Christine M. McCarthy  
Treasurer/Collector

## Report of the Commissioners for 2025

It is easy to focus on what's new or interesting, the latest projects, changes in the District, or advances in technology. Yet the heart of our work does not change: we exist to provide an on-demand supply of water to most of the homes and business in Acton, without exception. If we don't deliver water—reliably, safely, and continuously—we have not fulfilled our mission.

The District Manager's Report provides details on the many projects and initiatives that were completed, initiated, or ongoing this past year, including two water main lining projects, installation of two new wells, and significant upgrades to two of our four water treatment facilities. Here, we want to reaffirm our primary mission and underscore the necessity of planning ahead. The Acton Water District has a strong tradition of forward-looking planning, and that discipline has earned us community support, the cooperation of the Commonwealth of Massachusetts, and sound financial backing for treatment plants, land acquisitions, and regulatory compliance.

In order to deliver on our mission, we continue to execute projects, and develop new ones, that will allow us to continue our history of outstanding service. In the last several years we have added over 80 acres to our landholdings in order to protect our source of supply into the future. This was most visible in the addition of the 549 Main Street parcel (57 acres including the meadow) in the center of the town. The Board was pleased to have named the public access of this land "the trails at Brewster's meadow" in honor of the late Brewster Conant Senior, who stewarded this land for over 50 years. That parcel contains two new bedrock wells that supplement the existing wells which we have traditionally relied upon and which now add climate resiliency to our water supply.



The community came together on October 28, 2025 to celebrate the shared success of the land protection and water supply development at 549 Main Street. Learn more about public access and benefits of this property at [www.actonwater/549main](http://www.actonwater/549main). Group picture of the individuals who collaborated to secure the purchase of the property and the conservation restriction placed on that parcel. From left to

right: Meredith Houghton, Meghan Cerino, Bianca Coghi-DeSousa, Alissa Nicol, Erika Lin, Michelle Rowden, Matthew Mostoller, Katherine Antos, Phoebe Conant, Brewster Conant Jr., David Martin, Susan Mitchell-Hardt, Stephen Stuntz, Dean Charter, and Barry Rosen. Photo Courtesy of Ron Parenti.

With the impending completion of two new PFAS treatment facilities that have required much of our efforts over the past few years, we are refocusing on future needs. We anticipate relationships with neighboring communities will be increasingly important, whether that be through a joint connection to the Massachusetts Water Resources Authority (MWRA) or smaller-scale regional efforts to improve water supply resiliency and operational efficiency. As we invest in these relationships, we have also begun planning for future investments in our water system's distribution and storage infrastructure, which are fundamental to our ability to provide clean, safe water every day.

As always, the strength of the District is built on having qualified and dedicated staff to run the new treatment systems, navigate the ever-expanding regulatory environment, and install and maintain the critical infrastructure that we all rely on. To that end, we welcomed three new employees to the District in 2025, including a new Deputy District Manager, Environmental Analyst, and Water Systems Laborer. We have deep appreciation for all of our employees. Their dedication underpins the District's success and ensures that our customers receive the high-quality service they expect and deserve. Thank you to our entire staff, past and present, for your service to the community.

As you may know, the commissioners typically meet twice a month. Our meeting schedule is posted on our website along with up-to-date information on other District activities. The commissioners encourage you to attend our meetings whenever possible. We make it a practice to begin each meeting with time for any attendee to ask questions, seek clarifications, tell us about a problem/issue or just let us know how we are doing. Of course, you are always welcome to phone (978-263-9107), visit the staff at our office, or by emailing us at [commissioners@actonwater.com](mailto:commissioners@actonwater.com).

Respectfully submitted,

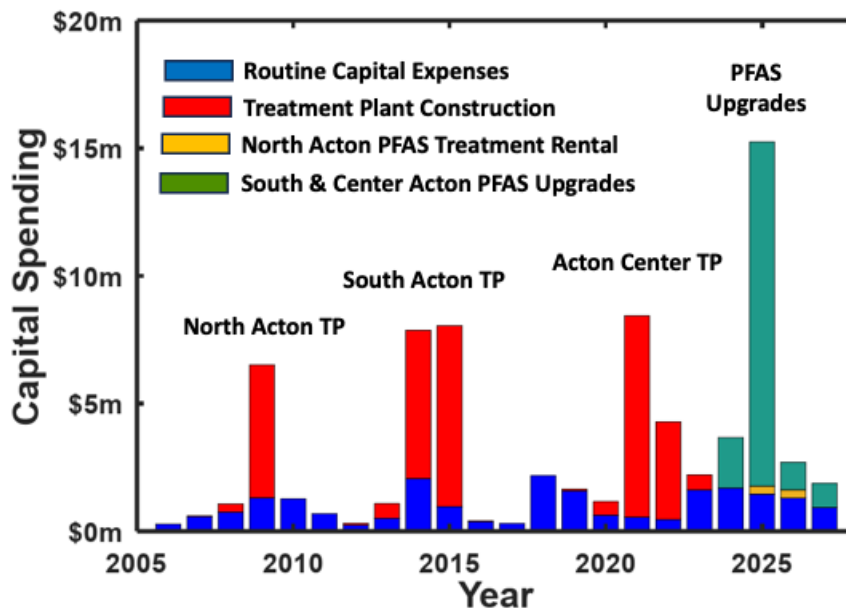
Stephen Stuntz, Chair  
Erika Lin  
Barry Rosen

## Report of the Finance Committee for 2025

The Finance Committee is pleased to report that the financial health of the Acton Water District continues to be sound owing to its careful management of expenses, the use of a well-designed billing structure, and aggressive grant application efforts. The progressive volume-based rates that have been established by the Water District Commissioners generate sufficient revenue to cover normal operating costs, and each customer is charged a debt service fee that is used to pay for debts incurred for long-term capital improvements. As a result of its prudent approach to both short-term and long-term borrowing, the Water District has maintained a AA+ Standard & Poor's bond rating. The District's finances are independently audited every year, and the results of those audits are published in the annual report.

The Water District OPEB fund, which is currently valued at \$1.56 million, is essentially fully funded based on an actuarial analysis that assets are 95% of liabilities.

Routine operational costs and personnel salaries have historically accounted for the majority of the Water District's expenses. The District has continued its capital investments in supply and purification initiated in 2009. In addition to PFAS related capital investments, the District has increased supply by adding bedrock wells (549 Main St). Capital costs incurred prior to the PFAS regulation have totaled approximately \$38 million, and it is anticipated that the cost for the upgrades required for PFAS remediation will be at least \$20 million. All the major capital programs are expected to complete in FY26. These projects will add to the long-term debt of the District.



*Capital expenditures for routine improvements to the Water District's distribution system and treatment plant construction. Recent capital costs have been dominated by upgrades for PFAS mitigation.*

Expenditures for the PFAS-related plant modifications and future media replacement costs will be mitigated somewhat by payments from nation-wide litigation settlements with 3M, DuPont, and several other companies. The Acton Water District has already received \$2 million for its portion of these billion-dollar settlements, and may eventually receive reimbursements totaling between \$5 and \$9 million. The District intends to establish a PFAS special revenue fund similar to that created following the successful W.R. Grace litigation in the 1980s. Withdrawals from this fund will be

restricted to PFAS related needs. The Finance Committee believes that the District has the financial strength necessary to address future capital spending requirements related to possible additional treatment facilities, conversion of water sourcing from town wells to the Massachusetts Water Resource Authority’s reservoirs, upgrading the town’s water distribution system and other needs identified in a soon-to-be- released engineering assessment.

The proposed operating budget, including debt service, for FY27 is \$8.58 million, which represents an increase of \$0.61 million (+7.7%) from the projected expenses for FY26. A moderate increase in salaries and wages is expected (+3%), but significant increases will be seen in health insurance (+12%), Middlesex Retirement (+10%), and debt service (+34%). As indicated in the summary below, about half of the projected revenue will be raised by volume-based water use rates and the fixed debt-service fees will account for a third of the total income.

**Revenue Summary**

<b>Revenue</b>	<b>FY 24 Actual</b>	<b>FY 25 Actual</b>	<b>FY 26 Projected</b>	<b>FY 27 Budget</b>
Water (volume)	\$2,887,849	\$4,471,297	\$4,602,230	\$4,577,973
Service Fees	\$537,645	\$537,810	\$534,000	\$534,000
Other Revenue <sup>1</sup>	\$713,520	\$1,099,167	\$837,000	\$762,000
<b>Revenue (excl. debt)</b>	<b>\$4,139,014</b>	<b>\$6,108,274</b>	<b>\$5,973,230</b>	<b>\$5,873,973</b>
Debt Fee	\$2,486,668	\$2,366,364	\$2,260,600	\$3,034,900
<b>Total Revenue</b>	<b>\$6,625,682</b>	<b>\$8,474,638</b>	<b>\$8,233,830</b>	<b>\$8,908,873</b>

<sup>1</sup>Other Revenue is principally from a solar field lease, demand fees, and other rent/lease agreements.

The end-of-year free cash balance is an important indicator of overall fiscal health and financial management practices. For FY25 the District’s free cash situation is expected to improve significantly following the delayed recovery of MA Clean Water Trust reimbursement funds. Although free cash has not yet been certified, after the proposed warrant articles appropriating surplus revenue, a level of \$1 million is expected. This number is well within the recommended range for a governmental entity with an annual budget of \$8.6 million.

The work of the Finance Committee is performed in collaboration with the Commissioners, the District Manager, the Treasurer/Collector, and the other members of the Acton Water team. We thank them all.

Respectfully submitted,

Ron Parenti, Chair  
 William Guthlein  
 John Petersen

## Report of the District Manager 2025

We started the year with a fresh team and high hopes! This quickly led to additional new staff, including our first Deputy District Manager, Corey Godfery, and a new Environmental Analyst, Shawn Case. Both of these employees bring experiences relevant to the work we do. Corey was previously the Water & Sewer Superintendent in Littleton, making him our ideal second in command. Shawn has a background in hydrogeology consulting and worked on our bedrock well exploration and permitting project with his former employer. We also said goodbye to Nick Richard of our operations team, who went to a neighboring community. Fortunately, we were able to hire Christian Lima to replace Nick and keep our basic meter reading and meter appointment work moving forward. Finally, we began the process of identifying a new Treasurer/Collector, as Christine McCarthy announced she would be leaving in January 2026. Finding qualified applicants for this role is almost as challenging as recruiting water operators. In consultation with the Board of Water Commissioners, it was decided to prolong our search, even if that meant no overlap between the new and old employees.

We would like to thank William Stanford for his service as District Clerk between 2015 and 2025. Having moved from Acton, we needed to appoint someone to fill out his term in 2026. Two interested voters applied and the Board of Water Commissioners appointed Joe Robb as District Clerk.

To assist with recruiting the next generation of water workers, we participated with the Massachusetts Water Works Association to produce a video [Water Works: A Career with Purpose](#). Our facilities are featured prominently as are our staff and Commissioner Erika Lin.

In addition to Christine's impending departure, we were already preparing for a challenging free cash certification process. This was driven by the challenges we experienced in FY 24 and with a delay in receiving our completed Financial Audit for FY 25. Once the free cash is certified in spring of 2026, we expect a healthy surplus of revenue, which will go back to work funding capital improvements without the need for borrowing. This is a good opportunity to remind our customers that all water revenue goes back into improving the system. Although we sometimes have a surplus in revenue, which can be driven by lower-than-expected expenses, higher than expected water sales, or a variety of other reasons, that money is still used for covering expenses of operating and maintaining a system that is reliable, sustainable, safe, and available whenever you need it. For dollars a day, you would be hard pressed to find a public or private service that is both reasonably priced and truly essential for life. We take our role as stewards of this system seriously and want to make sure we leave it in great shape for future generations.

Once again, we had a busy year relative to project work!

Both the Center Acton and South Acton Per- and Polyfluoroalkyl Substances (PFAS) filtration projects were under construction. Major milestones occurred, although later than planned due to manufacturing and transportation issues with the filter vessel supplier, AqueoUS Vets. The vessels ultimately arrived on April 23<sup>rd</sup> and 24<sup>th</sup> at the South and Center projects, respectively. With the vessels in place, building construction could continue. Granular activated carbon was delivered by Calgon Carbon Corporation on November 5<sup>th</sup> and November 24<sup>th</sup> at the South and Center projects, respectively. Weeks of media conditioning occurred, largely facilitated by District staff, to ensure the media was functioning properly, had the fine particulates removed, and the pH was stabilized for drinking water. In anticipation of this conditioning work, a level 4 water use restriction was put in place and emergency interconnections were activated with the public water systems in Concord and Littleton. We are appreciative of the help afforded to us by our neighbors and expect to return the favor in future years as all three communities deal with PFAS treatment!

The North Acton PFAS system required its first media change out, approximately one year after operations began. Staff worked to better understand the media life through monthly testing of each separate carbon vessel (12 total) to help optimize replacement cycles. Understanding if replacing all media at the same time is more efficient than one treatment train (6 vessels) at a time is the goal. An ongoing catalog of the many PFAS related tasks is available on our dedicated PFAS webpage at [www.actonwater.com/pfas](http://www.actonwater.com/pfas).

The Kelley's Corner project is still underway with final paving and street level work to be completed. In 2025, the water main improvements were completed with only minor work to raise hydrants and valve box covers remaining. We are already seeing the benefits of this improved pipe network through the shifting of weak points in our system towards the Route 2 crossing at Massachusetts Avenue, Piper Road, and Taylor Road. Three water main breaks occurred in the Massachusetts Department of Transportation (MassDOT) right of way at this intersection in 2025. Due to the high traffic nature of Route 2, repairs were completed overnight and required more effort to complete. One break was not repaired, and after conducting a hydraulic analysis, two dead ends currently exist at Taylor and Piper Roads. Staff are working to evaluate options for a long-term solution in this area, including evaluating having the work done with planned changes which MassDOT has for this area.

Two smaller projects to enhance our distribution system began this year. One project, conducted by the developer of Powdermill Place Apartments, sought to improve the 6-inch water main in Powdermill Road between Sudbury Road and the Maynard town line. This work was necessary to improve water quality and fire flow to the project site, which is located at the very end of the water system. Efforts to clean and line 545 linear feet of water main were undertaken utilizing FerPal cast in place pipe (CIPP) lining. This provides a structural liner and a clean interior wall to prevent mineral buildup. The District has successfully deployed this technology for rehabilitating watermains in Indian Village and utilizing an abandoned watermain in Main Street to transfer raw water between the Conat 1 well and CAWTP. Additional work needs to occur in the intersection of Sudbury Road to fully improve this water main.

Since mobilization is a significant cost for FerPal, the District worked with Wright-Pierce Engineers to rapidly develop a scope of work to clean and line Foster Street. The water main had experienced multiple failures in quick succession, and we wanted to prevent additional repairs and disruptions. A contract was awarded to Aqua Line Utility, Inc. of Weymouth, MA to utilize the FerPal CIPP lining. That project lined appropriately 750 liner feet of water main and improved valves and other water appurtenances in the area.

Last year we celebrated the final acquisition steps of over 80 acres in Center and South Acton. We are now focusing on land management and ensuring environmental risks identified at both the BALDCO and 549 Main Street parcels are adequately characterized. Work by our own consultants and those of neighboring properties, have been engaging with MassDEP to better characterize contamination and pursue reasonable cleanup efforts. We also completed a baseline documentation report on a Conservation Restriction (CR) the District holds on property abutting our Lawsbrook well in Concord. The approximately six-acre Wagner land provides an important buffer to our wellfield from a residential neighborhood along Lawsbrook and Bayberry Roads in Concord. This was a critical step in carrying out our duties as a CR holder.

Staff continued to work with Napoli Shkolnik PLLC to pursue claims against the manufacturers of PFAS chemicals. Claims were filed in April for the BASF and Tyco settlements. The claim against Kidde-Fenwal, Inc. continues to work its way through bankruptcy court. Although the amount we may receive continues to be uncertain, we received funds from 3M and Dupont/Chemours, totaling approximately \$2.3M. A working group was established to make a recommendation to the Board of Water Commissioners on what should happen with the funds. In August, we filed an amended supplemental claim in the amount of \$18.9M reflecting direct costs and lost revenue related to PFAS. The work of holding those responsible for PFAS contamination of our water supply is ongoing and

tedious. I assure you that the District is taking a long-term view at cost recovery and how to best utilize any funds recovered to improve water quality and manage PFAS-related expenses, including potential future costs for additional/alternative sources of supply, treatment, and disposal of PFAS-laden residuals.

Thank you to the staff, elected and appointed officials, volunteers, service providers, and customers for your contributions to our shared success. The Acton Water District continues to be recognized as a progressive utility that tackles issues head on and is working to meet the needs of today and well into the future. I appreciate the opportunity of leading this great organization and express my sincere gratitude for the trust placed in me to do so.

Respectfully submitted,

Matthew Mostoller

## **Report of the Deputy District Manager for 2025**

### **Environmental Compliance**

Monthly sampling of our operational sources of supply for Per- and Polyfluoroalkyl Substances (PFAS) continued through 2025. Ongoing PFAS response actions, including continued public outreach to the community, operation of the North Acton PFAS system, discussion of long-term solutions, and construction of two new PFAS treatment facilities required significant staff time. Following final activation approval from MassDEP, the bedrock wells at 549 Main Street have been successfully integrated into the Center Acton treatment system, providing a reduction in PFAS concentrations in the Center Acton finished water. We submitted our revised Service Line Inventory (SLI) in accordance with the federal Lead and Copper Rule Revisions for the December 31, 2025 submittal deadline. We issued the required public notice to all customers with service lines identified as galvanized requiring replacement or unknown. We have continued to update the SLI through records review, customer identification, and excavation. Additional sampling was completed throughout our system to improve the quality of your drinking water.

### **Water Conservation**

Beginning in 2024, our new default water use restriction limits lawn watering to 2 days per week (per our new Water Management Act Permit from MassDEP and the necessary District bylaw revisions). In accordance with these new requirements, the District instituted a Level 3 Water Use Restriction (1 day per week) effective July 26, 2025, based on low flow stream conditions in Nashoba Brook. In addition, a Level 4 Water Use Restriction (0 days per week) was instituted effective November 5, 2025 in order to accommodate the increased water demand required to activate the two new PFAS treatment facilities. The District continued to partner with the WaterSense program and the Alliance for Water Efficiency to provide tools for our customers to make better water use decisions. In 2025, we incentivized the replacement of 19 washing machines, 22 toilets, and 14 faucets or showerheads with more water efficient models through our rebate program. Customers also received 48 subsidized rain barrels. We received our 11<sup>th</sup> grant from MassDEP to perform a third-party audit of our water use. Finally, we continued our partnership with Water DM and Flume Water to participate in the Water Research Foundation sponsored Residential End Uses of Water Study, Version 3.

### **Source Water Protection**

The District continued to participate in the activities at the two Superfund Sites impacting Acton, collaborating to share necessary access and water quality sampling data. We collaborated with the Town of Acton on multiple fronts, including the Conservation office (deploying a pond leveler at Guggins brook to mitigate flood risks and water quality impacts at Whitcomb well), the Acton Open Space Committee, and the Water Resources Advisory Committee. We also worked with the Town of Boxborough on a land protection project near our Clapp Wells. This resulted in 7.6 acres of land being gifted to the Town of Boxborough for conservation purposes in our Zone 2.

### **Education and Outreach Programs**

We held programs for the Gates School 5<sup>th</sup> grade and hosted the high school Environmental Science class and Conant School Green team at the South Acton Water Treatment Plant. We remained active in the Town of Acton's Greening the Red House initiative and attended the Red House pocket park launch event, providing conservation devices, information on conservation programs, and showcasing water-wise practices. We also participated in the Acton-Boxborough Farmers Market and WAVMA Oktoberfest, allowing us to deploy numerous conservation and efficiency resources into the community. We also participated as an exhibitor for the 2025 DiscoverSTEM event, speaking with students about groundwater resources, source water protection, and water treatment technologies. We also attended the student introduction session for the AB STEAM Student Flood Solutions Hackathon, where we spoke to students about District flood concerns and impacts.

The public opening of the 549 Main Street property celebrated the collaborative effort behind its acquisition, highlighted the property's water-protection status through the coordinated development of its conservation restriction and management plans, showcased the newly activated bedrock Wells D & E, and officially opened the walking trails to the public; bringing our outreach programs for the year to a close.

In this relatively new role, I am working to assist management with a variety of tasks. These focus on staffing, safety, infrastructure improvements, training, and regional collaboration. Although I am new to Acton myself, my background in water is helping to support our newly hired Environmental Analyst, Shawn Case, in successfully integrating into our team.

Respectfully submitted,

Corey Godfrey

## Report of the M.I.S. Coordinator for 2025

This document summarizes the main achievements of the Management Information Systems Coordinator. I continue to support, program, and implement all mission critical applications.

### **Software/Hardware/Technology**

I continue to build and support all areas of I.T. to meet the changing needs of our customers and staff with careful consideration given to the security of such. Again this year, hardening the cyber position of the District was focused on with Firewall installations, trainings and a cybersecurity collaborative project. A multi town initiative to strengthen the Operational Technology (OT) position utilizing grant money, finally moved forward, we deployed hardware for monitoring, detection and response to cyber threats on our network. Windows 10 is end of life any PC's not able to be upgraded have been replaced or support was extended. We continue to build on our cybersecurity posture, staying up to date with emerging threats, investing in technology to protect our infrastructure, and securing sensitive information. We replaced all our failover technology with new Verizon cellular devices providing more reliable redundancy.

Did you know that we utilize the Town of Acton's ConnectCTY system to contact our customers in certain emergencies? If you have not registered your phone number with this system, we strongly encourage you to visit our [website](#) and follow the links to register. The more information you provide us with, the more informed we can keep you. Please take the time to review the phone number and email listed on your quarterly bill and update with any changes needed. We also reach out to our customers via Twitter and Facebook; please follow us @ActonWater and Facebook.com/ActonWater.

### **Cross Connection Control Program**

A cross connection is any actual or potential connection between a distribution pipe of potable water supplied by the public water system and any waste pipe, soil pipe, sewer, drain or other unapproved source. If not properly protected or eliminated, a cross connection can cause health problems and spread disease. There are two methods by which contamination can enter the drinking water, backpressure and backsiphonage. Backpressure occurs when the pressure in the property exceeds the drinking water pressure. Backsiphonage occurs when the drinking water pressure drops off and a vacuum pulls the water from a building. The property owner is responsible for the elimination or protection of all cross-connections on their premises. The District routinely surveys and tests all non-residential properties. Residential owners are required to have backflow protection on their irrigation systems as well as any other possible cross connections. All new water services are installed with a dual check backflow preventer at the meter.

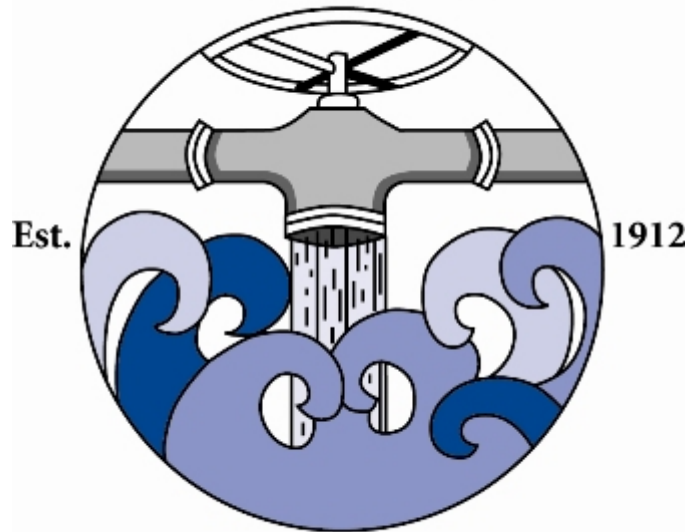
### **Meters and Billing**

We have continued our partnership with WaterSmart to provide improved customer service, timely leak alerts and paperless billing. The meter reading system detected more than 3,453 potential leaks in 2025, saving customers money and water. To date, we have installed 1,293 Neptune meters; Neptune is replacing the Orion technology, as Orion reaches its end of life. We anticipate a full replacement program to ramp up this year and take 6 years to be completed.

Respectfully submitted,

Robert Murch

**Acton Water**



**District**

**WATER SUPPLY DISTRICT OF ACTON**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

**(With Independent Auditors' Report Thereon)**



# WATER SUPPLY DISTRICT OF ACTON

## FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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## **Independent Auditors' Report**

To the Board of Commissioners  
**Water Supply District of Acton**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities and the fiduciary activities of the Water Supply District of Acton (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the fiduciary activities of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 District 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 District'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 GAAS and *Government 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 for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment 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 District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 is the responsibility of management and, 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 GAAS, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements and additional information, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The financial statements of the Water Supply District of Acton, as of June 30, 2024, and for the year then ended, were audited by other auditors whose report dated September 26, 2024, expressed unmodified opinions on those statements. The 2024 and 2023 supplementary information on page 66 was subjected to the auditing procedures applied in the audits of the 2024 and 2023 basic financial statements by other auditors whose reports stated that they were fairly stated in all material respects in relation to the 2024 and 2023 basic financial statements as a whole, respectively.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Merrimack, NH  
December 22, 2025

# Water Supply District of Acton

## Management's Discussion and Analysis

### Year Ended June 30, 2025

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, 2025. 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 sub-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, 2025

### *Financial Highlights*

In 2025, the District entered into interim loan agreements with the Massachusetts Clean Water Trust ("MCWT") in the amounts of \$7.6 million and \$10.4 million for the purposes of financing costs of the South Acton Water Treatment Plant ("SAWTP") and the Central Acton Water Treatment Plant ("CAWTP") drinking water projects, respectively. During the interim financing 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. As of June 30, 2025, the District incurred approximately \$4.2 million and \$6.6 million of eligible construction costs related to the SAWTP and CAWTP projects, respectively. In 2025, the District drew down on project costs, and was awarded \$2.4 million in principal loan forgiveness.

In 2025, the District was awarded a net settlement of \$4.2 million from 3M related to a class action lawsuit, payable over eight years. For 2025, the District reported, as a special item, the cash payment received of \$611,000 and a receivable of \$1.4 million for payments received after year-end and a receivable for \$1.1 million for the present value of payments scheduled to be received over an 8 year period. Additionally, the District was awarded a settlement from DuPont in the same lawsuit, and recorded a receivable of \$350,000 for the amount received subsequent to year end.

As measured in the updated other postemployment benefit (OPEB) liability actuarial report, the District has elected to pay retiree health insurance from operations rather than directly from the OPEB Trust fund, which increases the funding to the Trust. This update resulted in an increase to the District's discount rate from 5.98% to 7.00%, which decreased the District's net OPEB liability.

### *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 \$44.6 million at the close of year 2025. This represents an increase of \$9.5 million from the prior year.

# Water Supply District of Acton

## Management's Discussion and Analysis

### Year Ended June 30, 2025

The following table demonstrates the changes in the District's net position at June 30, 2025 and 2024:

	2025	2024
<b>Assets:</b>		
Current assets.....	\$ 11,177,752	\$ 8,323,651
Noncurrent assets (excluding capital).....	5,786,916	5,344,857
Nondepreciable capital assets.....	21,487,929	11,377,661
Capital assets, net of accumulated depreciation.....	51,159,299	50,933,381
<b>Total assets.....</b>	<b>89,611,896</b>	<b>75,979,550</b>
 <b>Deferred outflows of resources.....</b>	 <b>831,561</b>	 <b>1,135,203</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,124,453	396,189
Noncurrent liabilities (excluding debt).....	4,813,496	5,133,638
Current debt.....	8,053,117	9,075,654
Noncurrent debt.....	22,944,171	21,454,072
<b>Total liabilities.....</b>	<b>39,935,237</b>	<b>36,059,553</b>
 <b>Deferred inflows of resources.....</b>	 <b>5,864,510</b>	 <b>5,875,868</b>
<b>Net position:</b>		
Net investment in capital assets.....	41,649,940	31,781,316
Restricted.....	-	26,796
Unrestricted.....	2,993,770	3,371,220
 <b>Total net position.....</b>	<b>\$ 44,643,710</b>	<b>\$ 35,179,332</b>

The largest portion of net position, \$41.6 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.

The remaining balance of *unrestricted net position* has a year-end balance of \$3.0 million.

**Water Supply District of Acton**  
**Management's Discussion and Analysis**

**Year Ended June 30, 2025**

The following table demonstrates the changes in revenues and expenses between 2025 and 2024:

	2025	2024
<b>Operating revenues:</b>		
Water user charges & other services..... \$	7,939,259	\$ 6,372,723
Mitigation fees.....	235,060	17,402
Solar field land use and cell tower use.....	516,263	545,337
New service meter install fees.....	12,164	15,392
Other operating revenues.....	8,540	-
<b>Total operating revenues.....</b>	<b>8,711,286</b>	<b>6,950,854</b>
<b>Operating expenses:</b>		
Salaries & wages.....	1,645,971	1,388,640
Other postemployment benefits expense.....	(64,758) (A)	138,859
Depreciation.....	1,932,662	1,554,031
Lights, power, & fuel.....	600,000	581,747
Health & life insurance.....	317,988	205,109
Maintenance & operations.....	535,303	389,733
Reserve.....	69,391	83,106
Middlesex retirement.....	454,699	512,065
Insurance.....	110,593	98,781
Auto maintenance & fuel.....	53,560	35,039
Chemicals.....	122,802	128,371
Legal.....	58,185	81,393
Laboratory analysis.....	77,887	80,371
Education.....	8,028	10,899
Information reports.....	11,120	38,163
Office supplies.....	41,622	63,361
D.E.P. withdrawal & fees.....	4,791	4,967
Accounting.....	16,000	15,800
<b>Total operating expenses.....</b>	<b>6,062,911</b>	<b>5,410,435</b>
<b>Nonoperating revenues (expenses):</b>		
Investment income.....	222,232	205,358
Interest expense.....	(813,996)	(626,082)
<b>Total nonoperating revenues (expenses).....</b>	<b>(591,764)</b>	<b>(420,724)</b>
<b>Capital Contribution.....</b>	<b>3,924,011</b>	<b>2,063,272</b>
<b>Special Item.....</b>	<b>3,483,756</b>	<b>-</b>
<b>Change in net position.....</b>	<b>9,464,378</b>	<b>3,182,967</b>
<b>Net position, beginning of year.....</b>	<b>35,179,332</b>	<b>31,996,365</b>
<b>Net position, end of year..... \$</b>	<b>44,643,710</b>	<b>\$ 35,179,332</b>

(A) Represents a decrease in the estimated net other postemployment benefit liability,

# Water Supply District of Acton

## Management's Discussion and Analysis

### Year Ended June 30, 2025

The District's net position increased by \$9.5 million over the prior year. This increase was primarily due to operating income totaling \$2.6 million, as well as capital contributions for grant revenue totaling \$1.5 million and \$2.4 million in principal loan forgiveness, as well as \$3.5 million in settlement revenues recognized as a special item. Operating revenues increased \$1.8 million, mainly related to water user charges & other services, which was due to an increase in the rates charged.

#### ***Budgetary Highlights***

The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. In 2025, District Annual Meeting authorized appropriations of \$6.8 million. Actual revenues came in over budget by \$896,000, primarily due to water user charges and services. Actual expenditures came in under budget and unexpended appropriations totaled approximately \$228,000. The District's voted budget does not include the mitigation activities, which are included within the District's general sub-fund.

#### ***Capital Asset and Debt Administration***

In 2025, the District reported \$12.3 million in capital asset additions, mainly related to costs associated with PFAS mitigation efforts at two of the District's water treatment plants. These were capitalized as construction in progress. Other capital asset additions include costs related to land, infrastructure, machinery and equipment, and vehicles. Construction on the North Acton Water Treatment Plant was placed into service from construction in progress in 2025.

The District entered into interim loan agreements with the MCWT to fund project costs related to PFAS mitigation efforts at the Districts' water treatment plants. The project costs associated with the North Acton Water Treatment Plant were funded through 2025, and during 2025, interim loan draws, net of previously recognized principal loan forgiveness, was permanently financed. Remaining interim loan balances from the MCWT relate to the SAWTP, and the CAWTP, which had outstanding interim loan balances totaling approximately \$6.0 million at year end, which is net of principal loan forgiveness of \$2.4 million recognized in 2025.

The District used a combination of other grant revenue and available funds as well as proceeds from bonds issued in the current year to pay down the interim loan outstanding during the year totaling \$5.9 million. The bonds proceeds issued in the current year totaled \$2.7 million, and the District recognized an associated premium totaling \$190,000.

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 2044, and reported a lease receivable and corresponding deferred inflows of resources related to leases totaling \$5.5 million.

# **Water Supply District of Acton**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2025**

District has 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 \$450,000. At June 30, 2025, the lease liability totaled \$2.0 million.

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

#### ***Economic Outlook and Next Year***

Looking ahead to fiscal year 2026, the District is positioned to continue making significant investments in water infrastructure with draws remaining on the interim loans outstanding from the Massachusetts Clean Water Trust.

#### ***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*

# Water Supply District of Acton

## Business-Type Activities (Enterprise Fund) Statement of Net Position

**June 30, 2025**

<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 5,660,920
Investments.....	701,904
Receivables, net of allowance for uncollectibles:	
Billed user charges.....	272,798
Unbilled user charges.....	1,962,585
Leases.....	322,821
PFAS Settlement receivable.....	<u>2,256,724</u>
Total current assets.....	<u>11,177,752</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Leases.....	5,171,138
PFAS Settlement receivable.....	615,778
Capital assets, non depreciable.....	21,487,929
Capital assets, net of accumulated depreciation.....	<u>51,159,299</u>
Total noncurrent assets.....	<u>78,434,144</u>
TOTAL ASSETS.....	<u>89,611,896</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions.....	339,084
Deferred outflows related to OPEB.....	<u>492,477</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>831,561</u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	3,837,490
Accrued interest.....	255,963
Lease obligations.....	268,755
Compensated absences.....	31,000
Notes payable.....	6,012,328
Bonds payable.....	<u>1,772,034</u>
Total current liabilities.....	<u>12,177,570</u>
NONCURRENT:	
Lease obligations.....	1,744,661
Compensated absences.....	368,000
Net pension liability.....	4,367,590
Net OPEB liability.....	77,906
Bonds payable.....	<u>21,199,510</u>
Total noncurrent liabilities.....	<u>27,757,667</u>
TOTAL LIABILITIES.....	<u>39,935,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to leases.....	5,493,959
Deferred inflows related to pensions.....	76,456
Deferred inflows related to OPEB.....	<u>294,095</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>5,864,510</u>
<b>NET POSITION</b>	
Net investment in capital assets.....	41,649,940
Unrestricted.....	<u>2,993,770</u>
TOTAL NET POSITION.....	<u>\$ 44,643,710</u>

*See notes to basic financial statements.*

# Water Supply District of Acton

## Business-Type Activities (Enterprise Fund) Statement of Revenues, Expenses and Changes in Net Position

**Year Ended June 30, 2025**

<u>OPERATING REVENUES:</u>	
Water user charges & other services.....	\$ 7,939,259
Mitigation fees.....	235,060
Solar field land use and cell tower use.....	516,263
New service meter install fees.....	12,164
Other operating revenues.....	<u>8,540</u>
 TOTAL OPERATING REVENUES .....	 <u>8,711,286</u>
<u>OPERATING EXPENSES:</u>	
Salaries & wages.....	1,645,971
Other postemployment benefits expense.....	(64,758) (A)
Depreciation.....	1,932,662
Lights, power, & fuel.....	600,000
Health & life insurance.....	317,988
Maintenance & operations.....	535,303
Reserve.....	69,391
Middlesex retirement.....	454,699
Insurance.....	110,593
Auto maintenance & fuel.....	53,560
Chemicals.....	122,802
Legal.....	58,185
Laboratory analysis.....	77,887
Education.....	8,028
Computer maintenance.....	46,067
Information reports.....	11,120
Office supplies.....	41,622
Telephone.....	21,000
D.E.P. withdrawal & fees.....	4,791
Accounting.....	<u>16,000</u>
 TOTAL OPERATING EXPENSES.....	 <u>6,062,911</u>
 OPERATING INCOME.....	 <u>2,648,375</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	222,232
Interest expense.....	<u>(813,996)</u>
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 <u>(591,764)</u>
 INCOME (LOSS) BEFORE SPECIAL ITEM AND CAPITAL CONTRIBUTION.....	 <u>2,056,611</u>
<u>CAPITAL CONTRIBUTION:</u>	
Grant revenue - principal forgiveness.....	2,418,827
Grant revenue.....	<u>1,505,184</u>
 TOTAL CAPITAL CONTRIBUTIONS.....	 <u>3,924,011</u>
<u>SPECIAL ITEM:</u>	
PFAS Settlement revenues.....	<u>3,483,756</u>
 CHANGE IN NET POSITION.....	 9,464,378
NET POSITION AT BEGINNING OF YEAR.....	<u>35,179,332</u>
NET POSITION AT END OF YEAR.....	<u>\$ 44,643,710</u>

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

*See notes to basic financial statements.*

# Water Supply District of Acton

## Business-Type Activities (Enterprise Fund) Statement of Cash Flows

**Year Ended June 30, 2025**

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 8,472,731
Payments to vendors.....	(2,478,427)
Payments to employees.....	<u>(1,443,971)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>4,550,333</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	11,343,118
Premium from the issuance of bonds.....	190,000
Acquisition and construction of capital assets.....	(8,622,567)
Principal payments on bonds and notes.....	(8,391,601)
Interest expense.....	(733,663)
Grant receipts.....	1,505,184
Payments on lease financing.....	(255,128)
Proceeds from settlement agreement.....	<u>611,254</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(4,353,403)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of investments.....	(88,678)
Investment income.....	<u>222,232</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>133,554</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	330,484
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,330,436</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,660,920</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income .....	\$ 2,648,375
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	1,932,662
Deferred inflows related to leases.....	(234,059)
Deferred (outflows)/inflows related to pensions.....	247,178
Deferred (outflows)/inflows related to OPEB.....	279,165
Changes in assets and liabilities:	
Billed user charges receivable.....	(132,305)
Unbilled user charges receivable.....	(106,250)
Lease receivable.....	234,059
Warrants payable.....	(29,350)
Compensated absences.....	202,000
Net pension liability.....	(147,219)
Net OPEB liability/asset.....	<u>(343,923)</u>
Total adjustments.....	<u>1,901,958</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 4,550,333</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
State grant revenue - principal forgiveness.....	\$ 2,418,827
Permanent financing of MCWT bond and notes.....	630,888
Renewals of short term financing.....	931,951
Acquisition and construction of capital assets on account.....	(3,646,281)
Settlement receipts.....	2,872,502

*See notes to basic financial statements.*

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

**June 30, 2025**

		Other Postemployment Benefit Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$	63,166
Investments:		
Corporate bonds.....		539,549
Real estate.....		16,577
Equity securities.....		792,804
Equity mutual funds.....		9,634
U.S. Treasury notes.....		25,220
Exchange traded funds.....		134,345
		1,581,295
<b>TOTAL ASSETS.....</b>		<b>1,581,295</b>
<b>NET POSITION</b>		
Restricted for other postemployment benefits.....	\$	1,581,295

*See notes to basic financial statements.*

**Water Supply District of Acton**

**Fiduciary Funds  
Statement of Changes in Fiduciary Net Position**

**Year Ended June 30, 2025**

	<u>Other Postemployment Benefit Trust Fund</u>
<u>ADDITIONS:</u>	
Contributions:	
Employer contributions for other postemployment benefit payments.... \$	<u>109,440</u>
Net investment income:	
Investment income.....	211,472
Less: investment expense.....	<u>(8,198)</u>
Net investment income.....	<u>203,274</u>
TOTAL ADDITIONS.....	<u>312,714</u>
<u>DEDUCTIONS:</u>	
Other postemployment benefit payments.....	<u>109,440</u>
NET INCREASE IN NET POSITION.....	203,274
NET POSITION AT BEGINNING OF YEAR.....	<u>1,378,021</u>
NET POSITION AT END OF YEAR..... \$	<u><u>1,581,295</u></u>

*See notes to basic financial statements.*

# Water Supply District of Acton

## Notes to Basic Financial Statements

Year Ended June 30, 2025

### 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

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.

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

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

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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

**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.

**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

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 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, certain U.S. government obligations, and mutual funds with quoted market prices in active markets.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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, and certain U.S. government obligations 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

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.

#### *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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### *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. The implicit rate used to discount the future lease receipts to their present value is 2.5%. This implicit rate was determined based on municipal bond rates as of the lease commencement date, as they reflect the District's return expectations for similar credit risks and maturities.

#### *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.

The accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

#### G. Inventories

Inventories are supplies and 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

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 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

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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

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.

#### 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. 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 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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

Year Ended June 30, 2025

### N. Long-term Debt

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. The implicit rate used to discount the future lease payments to their present value is 2.8%. This implicit rate was determined based on municipal bond rates as of the lease commencement date, as they reflect the District's borrowing costs for similar debt instruments.

### P. Compensated Absences

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

Vested or accumulated vacation and sick leave benefits are reported as liabilities and expensed when the benefits are earned by employees.

### Q. 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.

## **NOTE 2 – CASH AND INVESTMENTS**

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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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 \$2,360,641 and the bank balance totaled \$2,376,209. Of the bank balance, \$587,430 was covered by Federal Depository Insurance, \$1,716,771 was covered by an IntraFI cash service agreement, and \$72,008 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 47 days.

As of June 30, 2025, 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.....	\$ 50,184	\$ 24,964	\$ 25,220	\$ -
Corporate bonds.....	845,035	44,914	646,922	153,199
Total debt securities.....	895,219	\$ 69,878	\$ 672,142	\$ 153,199
<u>Other investments:</u>				
Equity securities.....	1,116,568			
Equity mutual funds.....	13,337			
Real estate investment trust.....	26,523			
Exchange Traded Funds.....	168,386			
MMDT - Cash portfolio.....	3,363,445			
Total investments.....	\$ 5,583,478			

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### 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 \$50,184 are rated AAA, and the District's \$845,035 investments in Corporate Bonds were rated as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>
AA+.....	\$ 44,934
AA-.....	25,761
A+.....	50,492
A.....	148,729
A-.....	225,039
BBB+.....	188,550
BBB.....	73,622
BBB-.....	42,789
Not Rated.....	<u>45,119</u>
Total.....	\$ <u><u>845,035</u></u>

#### 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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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.

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.

Investment Type	June 30, 2025	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)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 50,184	\$ -	\$ 50,184	\$ -
Corporate bonds.....	845,035	-	845,035	-
Total debt securities.....	895,219	-	895,219	-
<u>Other investments:</u>				
Equity securities.....	1,116,568	1,116,568	-	-
Equity mutual funds.....	13,337	13,337	-	-
Real estate investment trust.....	26,523	26,523	-	-
Exchange traded products.....	168,386	168,386	-	-
Total other investments.....	1,324,814	1,324,814	-	-
Total investments measured at fair value.....	2,220,033	\$ 1,324,814	\$ 895,219	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	3,363,445			
Total investments.....	\$ 5,583,478			

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

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### NOTE 3 – RECEIVABLES

At June 30, 2025, the following receivables are all considered to be collectible:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Billed user charges.....	\$ 272,798	\$ -	\$ 272,798
Unbilled user charges.....	1,962,585	-	1,962,585
PFAS settlement.....	2,872,502	-	2,872,502
Leases.....	5,493,959	-	5,493,959
 Total.....	 \$ 10,601,844	 \$ -	 \$ 10,601,844

The following presents the District’s scheduled receipts of funds related to the PFAS Settlement receivables:

	Principal	Interest	Total
2026.....	\$ 2,256,724	\$ 27,426	\$ 2,284,150
2027.....	128,952	18,192	147,144
2028.....	138,991	32,676	171,667
2029.....	114,652	38,622	153,274
2030.....	72,028	32,199	104,227
2031.....	66,544	37,683	104,227
2032.....	51,020	40,945	91,965
2033.....	43,591	42,241	85,832
 Total.....	 \$ 2,872,502	 \$ 269,984	 \$ 3,142,486

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 7,558,882	\$ 144,147	\$ -	\$ 7,703,029
Construction in progress.....	3,818,779	11,050,881	(1,084,760)	13,784,900
Total capital assets not being depreciated.....	11,377,661	11,195,028	(1,084,760)	21,487,929
<u>Capital assets being depreciated:</u>				
Vehicles.....	\$ 1,010,531	\$ 84,530	\$ -	\$ 1,095,061
Buildings.....	13,813,375	1,084,760	-	14,898,135
Right to use lease - equipment.....	2,397,499	-	-	2,397,499
Machinery and equipment.....	3,259,826	124,715	-	3,384,541
Infrastructure.....	61,037,736	864,575	-	61,902,311
Total capital assets being depreciated.....	81,518,967	2,158,580	-	83,677,547
<u>Less accumulated depreciation for:</u>				
Vehicles.....	(765,461)	(85,897)	-	(851,358)
Buildings.....	(680,141)	(296,888)	-	(977,029)
Right to use lease - equipment.....	(149,844)	(299,687)	-	(449,531)
Machinery and equipment.....	(2,834,252)	(73,723)	-	(2,907,975)
Infrastructure.....	(26,155,888)	(1,176,467)	-	(27,332,355)
Total accumulated depreciation.....	(30,585,586)	(1,932,662)	-	(32,518,248)
Total capital assets being depreciated, net.....	50,933,381	225,918	-	51,159,299
Total capital assets, net.....	\$ 62,311,042	\$ 11,420,946	\$ (1,084,760)	\$ 72,647,228

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### 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.

Under the current lease agreements, the District is scheduled to receive lease payments through 2044. The future scheduled lease revenues as of June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026.....	\$ 322,821	\$ 135,225	\$ 458,046
2027.....	333,355	136,612	469,967
2028.....	318,569	127,598	446,167
2029.....	263,830	118,991	382,821
2030.....	271,341	111,805	383,146
2031-2035.....	1,475,304	445,646	1,920,950
2036-2040.....	1,690,007	240,651	1,930,658
2041-2044.....	818,732	36,814	855,546
Total.....	<u>\$ 5,493,959</u>	<u>\$ 1,353,342</u>	<u>\$ 6,847,301</u>

#### 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 assets acquired through the lease totaled \$2.4 million, and the accumulated depreciation on those assets totaled \$450,000.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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

Year	Principal	Interest	Total
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.....	177,902	1,458	179,360
Total.....	\$ 2,013,416	\$ 195,392	\$ 2,208,808

#### 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 2025:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2024	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2025
BAN	MCWT Interim Loan.....	0.00%	On Demand	\$ 472,974	\$ 157,914	\$ (630,888)	-
BAN	MCWT Interim Loan.....	0.00%	On Demand	-	3,019,340	(1,021,338)	1,998,002
BAN	MCWT Interim Loan.....	0.00%	On Demand	-	5,411,815	(1,397,489)	4,014,326
BAN	Bond Anticipation Note.....	4.75%	7/25/2024	976,000	-	(976,000)	-
BAN	Bond Anticipation Note.....	5.05%	10/25/2024	-	976,000	(976,000)	-
BAN	Bond Anticipation Note.....	4.25%	9/27/2024	5,900,000	-	(5,900,000)	-
Total .....				\$ 7,348,974	\$ 9,565,069	\$ (10,901,715)	\$ 6,012,328

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

- 1) 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 the NAWTP drinking water project. During the interim funding period, the District was allowed to draw funds from the Trust on an interest free basis. The interim loan was permanently financed during 2025 and is included in long-term debt.
  
- 2) In 2025, the District entered into interim loans with the Massachusetts Clean Water Trust (MCWT) in 2025, in the amounts of \$7.6 million and \$10.4 million for the purposes of financing costs of drinking water projects, related to two of the District’s water treatment plants. 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. As of June 30, 2025, the District incurred approximately \$4.1 million and \$6.6 million of eligible construction costs related to the two projects and has received corresponding loan proceeds in the amount of \$2.6 million and \$4.9 million, as well as reissuances of previous outstanding BANS totaling \$426,000 and \$506,000, for these projects respectively. In 2025, the District was awarded \$2.4 million of principal loan forgiveness from the MCWT.

#### 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, 2025, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2025
General Obligation Bonds:				
General Obligation Bond of 2009.....	2029	\$ 6,000,000	2.00-4.30	\$ 1,200,000
General Obligation Bond of 2014.....	2024	2,135,000	2.00-3.00	<u>2,710,000</u>
Total General Obligation Bonds.....				<u>3,910,000</u>
Direct Borrowings and Placements:				
MCWT Loan DW-19-16.....	2043	11,796,233	1.50	10,783,967
MCWT Loan DW-12-19.....	2035	13,470,767	2.00	7,456,689
MCWT Loan DW-23-01.....	2035	684,000	0.00	<u>630,888</u>
Total Direct Borrowings and Placements.....				<u>18,871,544</u>
Total Bonds Payable.....				22,781,544
Add: Unamortized premium on bonds.....				<u>190,000</u>
Total Bond Payable, net.....				<u>\$ 22,971,544</u>

## Water Supply District of Acton

### Notes to Basic Financial Statements

#### Year Ended June 30, 2025

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 (1)	Interest	
2026.....	\$ 485,000	\$ 169,937	\$ 1,194,413	\$ 310,893	\$ 2,160,243
2027.....	485,000	152,150	1,217,728	289,596	2,144,474
2028.....	485,000	130,300	1,241,505	267,880	2,124,685
2029.....	485,000	108,300	1,265,755	245,730	2,104,785
2030.....	185,000	86,150	1,290,487	223,140	1,784,777
2031.....	185,000	76,900	1,315,709	200,104	1,777,713
2032.....	185,000	67,650	1,341,433	176,606	1,770,689
2033.....	180,000	58,400	1,367,669	152,640	1,758,709
2034.....	180,000	49,400	1,394,425	128,200	1,752,025
2035.....	180,000	42,200	1,421,713	103,272	1,747,185
2036.....	175,000	35,000	611,870	77,846	899,716
2037.....	175,000	28,000	622,050	68,668	893,718
2038.....	175,000	21,000	632,399	59,336	887,735
2039.....	175,000	14,000	642,921	49,850	881,771
2040.....	175,000	7,000	653,617	40,206	875,823
2041.....	-	-	664,492	30,402	694,894
2042.....	-	-	675,547	20,436	695,983
2043.....	-	-	686,923	10,302	697,225
Total.....	\$ <u>3,910,000</u>	\$ <u>1,046,387</u>	\$ <u>18,240,656</u>	\$ <u>2,455,107</u>	\$ <u>25,652,150</u>

(1) The principal and interest debt service schedule for the MCWT Loan DW-23-01 has been excluded from the above future debt service requirements because the permanent schedule provided by MCWT is currently based on the total loan funds available, rather than the actual amounts drawn by the District. Once the MCWT reissues a permanent debt service schedule reflecting only the amounts drawn, the corresponding principal and interest debt service requirements will be included.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### Changes in Long-term Liabilities

During the year ended June 30, 2025, 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.....\$	1,500,000	\$ 2,710,000	\$ (300,000)	\$ -	\$ -	\$ 3,910,000	\$ 485,000
Direct borrowings and placements.....	19,412,208	630,888	(1,171,552)	-	-	18,871,544	1,262,352
Add: Unamortized premiums on bonds.....	-	190,000	-	-	-	190,000	24,682
Total long-term debt.....	20,912,208	3,530,888	(1,471,552)	-	-	22,971,544	1,772,034
Lease payable.....	2,268,544	-	-	-	(255,128)	2,013,416	268,755
Compensated absences.....	197,000	-	-	232,070	(30,070)	399,000	31,000
Net pension liability.....	4,514,809	-	-	207,521	(354,740)	4,367,590	-
Net OPEB liability/(asset).....	421,829	-	-	117,949	(461,872)	77,906	-
Total.....\$	<u>28,314,390</u>	<u>\$ 3,530,888</u>	<u>\$ (1,471,552)</u>	<u>\$ 557,540</u>	<u>\$ (1,101,810)</u>	<u>\$ 29,829,456</u>	<u>\$ 2,071,789</u>

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, 2025, the District had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
NAWTP PFAS.....	\$ 162,505
Lead Service Line Inventory & Replacement Program.....	400,000
SAWTP PFAS Filtration.....	1,134,538
Backwash Upgrades - Clapp/Whitcomb Treatment plant.....	955,000
Lead Service Line Inventory & Replacement Program.....	500,000
CAWTP PFAS Filtration and Construction of Bedrock Wells.....	231
Replacement of Filtration Media.....	<u>100,000</u>
Total.....	<u>\$ 3,252,274</u>

#### **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, 2025

### 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 \$354,740 and was 28.91% 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, 2025

#### *Pension Liabilities*

At June 30, 2025, the District reported a liability of \$4,367,590 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, 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 update 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, 2024, the District's proportion was 0.27%, which remained the same from the last measurement of December 31, 2023.

#### *Pension Expense*

For the year ended June 30, 2025, the District recognized pension expense of \$454,699. The balances of deferred outflows/(inflows) of resources related to pensions at June 30, 2025, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 96,538	\$ -	\$ 96,538
Difference between projected and actual earnings, net.....	136,130	-	136,130
Changes in assumptions.....	14,583	-	14,583
Changes in proportion and proportionate share of contributions.....	91,833	(76,456)	15,377
Total deferred outflows/(inflows) of resources.....	\$ 339,084	\$ (76,456)	\$ 262,628

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

#### Year ended June 30:

2026.....	\$ 119,884
2027.....	202,004
2028.....	(22,323)
2029.....	(36,937)
Total.....	\$ 262,628

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### *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, 2024:

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry age normal cost method.
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.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021.  Post-retirement rates reflect the RP-2014 Blue Collar Healthy 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 generationally with Scale MP-2021.

#### *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 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.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

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:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	23.50%	5.82%
International developed markets equity.....	9.00%	5.91%
International emerging markets equity.....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High-yield fixed income.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Timber.....	4.00%	3.82%
Hedge funds, GTAA, risk parity.....	10.00%	2.77%
Private equity.....	16.00%	9.20%
Total.....	<u>100.00%</u>	

#### *Rate of Return*

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.07%. 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, 2024 and December 31, 2023. 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, 2025

*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.....	\$ 5,539,382	\$ 4,367,590	\$ 3,381,973

*Changes in Assumptions*

None.

*Changes in Plan Provisions*

None.

**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, 2025

#### *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 \$109,440 during 2025 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, 2025, the District's average contribution rate as a percentage of covered-employee payroll was 8.64%.

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 2025, the District did not pre-fund future OPEB liabilities by contributing funds to the other postemployment benefit fund in excess of the pay-as-you-go required contribution. As of June 30, 2025, the balance in the other postemployment benefit trust totaled \$1.6 million.

#### *Plan Membership*

The following table represents the Plan's membership at July 1, 2023:

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

#### *Components of Net OPEB Liability*

The following table represents the components of the Plan's net OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 1,659,201
Less: OPEB plan's fiduciary net position.....	<u>(1,581,295)</u>
Net OPEB liability.....	<u>\$ 77,906</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	95.30%

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### *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, 2025, to be in accordance with GASB Statement #74 and GASB Statement #75. For this valuation date and measurement date, the District has elected to use the Alternative Measurement Method (AMM) to determine the actuarial liability for its OPEB obligations. The AMM is a simplified approach, and the District's use of this method is permitted by accounting standards due to the limited number of active members and inactive members currently receiving benefits.

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method (Alternative Measurement Method)
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate.....	7.00%
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.
Average Retirement/Elections.....	Average Retirement Age was 65, and 100% of current employees are assumed to elect coverage at retirement.
Turnover rates.....	Table T-5 from the Pension Actuary's Handbook was used.
Coverage status.....	Employees are assumed to continue into retirement at their current coverage level.
Marital Status.....	50% of employees are assumed to be married with males three years older than females. Actual spouse data is used for current retirees.
Mortality rates.....	Determined pursuant to PubG.H-2010 Mortality Table - General, using scale MP-2020.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2025, and 5.98% as of June 30, 2024. A projection of cash flows used to determine the discount rate shows that the OPEB plan's Fiduciary Net Position is projected to be sufficient to make projected benefit payments for the lifetime of every individual in the census.

#### *Rate of Return*

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 14.75%. 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.

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>	

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

*Changes in the Net OPEB Liability/(Asset):*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan	Net OPEB Liability/(asset) (a) - (b)
		Fiduciary Net Position (b)	
Balances at June 30, 2024.....	\$ 1,799,850	\$ 1,378,021	\$ 421,829
Changes for the year:			
Service cost.....	13,552	-	13,552
Interest.....	104,397	-	104,397
Changes in assumptions.....	(149,158)	-	(149,158)
Employer contributions for OPEB payments.....	-	109,440	(109,440)
Net investment income.....	-	203,274	(203,274)
Benefit payments.....	<u>(109,440)</u>	<u>(109,440)</u>	<u>-</u>
Net change.....	<u>(140,649)</u>	<u>203,274</u>	<u>(343,923)</u>
Balances at June 30, 2025.....	\$ <u>1,659,201</u>	\$ <u>1,581,295</u>	\$ <u>77,906</u>

*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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	1% Decrease	Current	1% Increase
	(6.00%)	Discount Rate (7.00%)	(8.00%)
Net OPEB liability/(asset).....	\$ <u>247,513</u>	\$ <u>77,906</u>	\$ <u>(63,675)</u>

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

*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.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability/(asset)..... \$	\$ (76,052)	\$ 77,906	\$ 263,376

*OPEB Expense and Deferred Outflows of Resources Related to OPEB*

For the financial reporting year ended June 30, 2025, the District recognized OPEB expense of 140,060. The District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience..... \$	375,517	\$ (29,995)	\$ 345,522
Difference between projected and actual earning, net.....	-	(97,561)	(97,561)
Changes in assumptions.....	116,960	(166,539)	(49,579)
Total deferred outflows/(inflows) of resources..... \$	\$ 492,477	\$ (294,095)	\$ 198,382

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:

2026.....	\$ 69,238
2027.....	10,502
2028.....	44,153
2029.....	61,101
2030.....	18,533
2031.....	(5,145)
Total.....	\$ 198,382

# Water Supply District of Acton

## Notes to Basic Financial Statements

Year Ended June 30, 2025

### *Changes of Assumptions*

The discount rate increased from 5.98% to 7.00%.

### *Changes in Plan Provisions*

None.

## **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 Polyfluoroalkyl Substances Contamination

#### *Special Item*

The District was awarded a net payout of \$4.2 million from The 3M Company (“3M”) related to a class action law suit 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 Per – and Poly fluoroalkyl (“PFAS”) in the water supply. This award amount is scheduled to be paid to the District over an eight year period. The District reported a special item representing the cash payment received during 2025 totaling \$611,254, a receivable totaling \$1,400,928 for payments received subsequent to year end, and a receivable totaling \$1,121,749 for the present value of future payments to be received over an 8 year period.

In 2025, the District was also awarded a payout from DuPont de Nemours, Inc (“Dupont”) related to the same class action lawsuit against 3M. The District recorded a receivable for the payout amount received by the District from the Dupont settlement subsequent to year end totaling \$350,000.

Subsequent payouts from Tyco, and BASF are yet to be finalized, therefore the District did not report these as receivables.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### *Other*

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 2025, the Interim Loan was permanently financed with the MCWT for a period of ten years.

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. During 2025, the District began construction on the South Acton Water Treatment Plant and Center Acton Water Treatment Plant projects, and Bedrock Wells projects. 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. Interim financing for the projects through the MCWT was put in place in October 2024. In December 2024, the District received notification that they qualify for partial loan forgiveness for these projects. Total anticipated forgiveness totals \$1,021,338 for the South Acton Water Treatment Plant project and \$1,397,489 for the Center Acton Water Treatment Plant and Bedrock Wells project. These loans are scheduled to be permanently financed with the MCWT in February 2026 for a period of twenty years.

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, 2025. The full extent of the financial impact cannot be determined at the date of the financial statements.

# Water Supply District of Acton

## Notes to Basic Financial Statements

Year Ended June 30, 2025

### 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, 2025.

### **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 was used upon permanent financing of the debt, which occurred in 2025.

### **NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 22, 2025 which is the date the financial statements were available to be issued.

# Water Supply District of Acton

## Notes to Basic Financial Statements

### Year Ended June 30, 2025

#### NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, *Compensated Absences*. This pronouncement was implemented in 2025. The District has evaluated the impact of implementing GASB 101 and determined that the effect on the financial statements is not material. As a result, the District implemented GASB 101 at the beginning of the year.
- GASB Statement #102, *Certain Risk Disclosures*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, 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, 2024.....	0.27%	\$ 4,367,590	\$ 1,203,105	363.03%	58.24%
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%

*See notes to required supplementary information.*

# Water Supply District of Acton

## Schedule of the District's Contributions

### Middlesex County Retirement System

<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 payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2025.....	\$ 354,740	\$ 354,740	\$ -	\$ 1,227,167	28.91%
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%

*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	June 30, 2025
<b>Total OPEB Liability</b>									
Service Cost.....	\$ 18,046	\$ 18,605	\$ 19,350	\$ 22,376	\$ 24,148	\$ 21,401	\$ 25,954	\$ 17,546	\$ 13,552
Interest.....	58,372	73,230	78,986	82,041	75,789	78,652	68,263	69,655	104,397
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	(149,158)
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)	(109,440)
Net change in total OPEB liability.....	19,797	84,390	39,852	(99,503)	43,386	(94,850)	9,892	730,451	(140,649)
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	1,799,850
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>	<u>\$ 1,659,201</u>
<b>Plan fiduciary net position</b>									
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	109,440
Net investment income (loss).....	55,673	54,890	87,382	50,492	247,771	(206,757)	173,471	144,553	203,274
Other benefit payments.....	(76,445)	(80,182)	(84,498)	(76,922)	(56,551)	(61,498)	(40,083)	(39,297)	(109,440)
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	203,274
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	1,378,021
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>	<u>\$ 1,581,295</u>
<b>Net OPEB liability/(asset) - ending (a)-(b).....</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>	<u>\$ 77,906</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%	95.30%
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	\$ 1,266,764
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%	6.15%

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>Contributions</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2025.....	\$ (109,440)	\$ 1,266,764	8.64%
June 30, 2024.....	(39,297)	1,218,805	3.22%
June 30, 2023.....	(84,325)	1,371,066	6.15%
June 30, 2022.....	(61,498)	1,344,183	4.58%
June 30, 2021.....	(56,551)	1,317,826	4.29%
June 30, 2020.....	(76,922)	1,249,659	6.16%
June 30, 2019.....	(184,498)	1,230,570	14.99%
June 30, 2018.....	(180,182)	1,191,141	15.13%
June 30, 2017.....	(176,445)	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.

Note: There was no Actuarially Determined Contribution calculated.

*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, 2025.....	14.75%
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, 2025

### 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

None.

### 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, 2025

#### 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 (Alternative Measurement Method)
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate.....	7.00%
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.
Average Retirement/Elections.....	Average Retirement Age was 65, and 100% of current employees are assumed to elect coverage at retirement.
Turnover rates.....	Table T-5 from the Pension Actuary's Handbook was used.
Coverage status.....	Employees are assumed to continue into retirement at their current coverage level.
Marital Status.....	50% of employees are assumed to be married with males three years older than females. Actual spouse data is used for current retirees.
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.

# Water Supply District of Acton

## Notes to Required Supplementary Information

### Year Ended June 30, 2025

#### Changes of Assumptions

The discount rate increased from 5.98% to 7.00%.

#### 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.

*Per – and Poly Fluoroalkyl Substances (“PFAS”)* – This fund is used to account for the settlement receipts received by the District and the related uses of those settlement receipts. The settlement receipts are related to the class action lawsuit 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.

*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, 2025**

	General	Article 97 Stabilization	W.R. Grace Stabilization	PFAS Settlements	Capital Projects	Long-Term Obligations	Capital Assets	Total
<b>ASSETS</b>								
<b>CURRENT:</b>								
Cash and cash equivalents.....	\$ 3,229,907	\$ -	\$ 97,406	\$ 611,629	1,721,978	\$ -	\$ -	\$ 5,660,920
Investments.....	-	-	701,904	-	-	-	-	701,904
Receivables, net of allowance for uncollectibles:								
Billed user charges.....	272,798	-	-	-	-	-	-	272,798
Unbilled user charges.....	1,962,585	-	-	-	-	-	-	1,962,585
Leases.....	322,821	-	-	-	-	-	-	322,821
PFAS Settlement receivable.....	-	-	-	2,256,724	-	-	-	2,256,724
Total current assets.....	<u>5,788,111</u>	<u>-</u>	<u>799,310</u>	<u>2,868,353</u>	<u>1,721,978</u>	<u>-</u>	<u>-</u>	<u>11,177,752</u>
<b>NONCURRENT:</b>								
Receivables, net of allowance for uncollectibles:								
Leases.....	5,171,138	-	-	-	-	-	-	5,171,138
PFAS Settlement receivable.....	-	-	-	615,778	-	-	-	615,778
Capital assets, non depreciable.....	-	-	-	-	-	-	21,487,929	21,487,929
Capital assets, net of accumulated depreciation.....	-	-	-	-	-	-	51,159,299	51,159,299
Total noncurrent assets.....	<u>5,171,138</u>	<u>-</u>	<u>-</u>	<u>615,778</u>	<u>-</u>	<u>-</u>	<u>72,647,228</u>	<u>78,434,144</u>
<b>TOTAL ASSETS.....</b>	<b><u>10,959,249</u></b>	<b><u>-</u></b>	<b><u>799,310</u></b>	<b><u>3,484,131</u></b>	<b><u>1,721,978</u></b>	<b><u>-</u></b>	<b><u>72,647,228</u></b>	<b><u>89,611,896</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows related to pensions.....	-	-	-	-	-	339,084	-	339,084
Deferred outflows related to OPEB.....	-	-	-	-	-	492,477	-	492,477
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>831,561</u></b>	<b><u>-</u></b>	<b><u>831,561</u></b>
<b>LIABILITIES</b>								
<b>CURRENT:</b>								
Warrants payable.....	191,209	-	-	-	3,646,281	-	-	3,837,490
Accrued interest.....	-	-	-	-	-	255,963	-	255,963
Lease obligations.....	-	-	-	-	-	268,755	-	268,755
Compensated absences.....	-	-	-	-	-	31,000	-	31,000
Notes payable.....	-	-	-	-	6,012,328	-	-	6,012,328
Bonds payable.....	-	-	-	-	-	1,772,034	-	1,772,034
Total current liabilities.....	<u>191,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,658,609</u>	<u>2,327,752</u>	<u>-</u>	<u>12,177,570</u>
<b>NONCURRENT:</b>								
Lease obligations.....	-	-	-	-	-	1,744,661	-	1,744,661
Compensated absences.....	-	-	-	-	-	368,000	-	368,000
Net pension liability.....	-	-	-	-	-	4,367,590	-	4,367,590
Net OPEB liability.....	-	-	-	-	-	77,906	-	77,906
Bonds payable.....	-	-	-	-	-	21,199,510	-	21,199,510
Total noncurrent liabilities.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,757,667</u>	<u>-</u>	<u>27,757,667</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>191,209</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,658,609</u></b>	<b><u>30,085,419</u></b>	<b><u>-</u></b>	<b><u>39,935,237</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred inflows related to leases.....	5,493,959	-	-	-	-	-	-	5,493,959
Deferred inflows related to pensions.....	-	-	-	-	-	76,456	-	76,456
Deferred inflows related to OPEB.....	-	-	-	-	-	294,095	-	294,095
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>5,493,959</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>370,551</u></b>	<b><u>-</u></b>	<b><u>5,864,510</u></b>
<b>NET POSITION</b>								
Net investment in capital assets.....	-	-	-	-	(6,012,328)	(24,984,960)	72,647,228	41,649,940
Unrestricted - Internal Reservations:								
Reserved for PFAS Settlement.....	-	-	-	3,484,131	-	-	-	3,484,131
Reserved for capital.....	-	-	1,832	-	(1,924,303)	-	-	(1,922,471)
Reserved for maintenance and operations.....	28,775	-	83,578	-	-	-	-	112,353
Reserved for mitigation.....	263,835	-	-	-	-	-	-	263,835
Unassigned/unreserved.....	4,981,471	-	713,900	-	-	(4,639,449)	-	1,055,922
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 5,274,081</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 799,310</u></b>	<b><u>\$ 3,484,131</u></b>	<b><u>(7,936,631)</u></b>	<b><u>(29,624,409)</u></b>	<b><u>\$ 72,647,228</u></b>	<b><u>\$ 44,643,710</u></b>

# Water Supply District of Acton

## Combining Schedule of Revenues, Expenses and Changes in Net Position

### Year Ended June 30, 2025

	General	Article 97 Stabilization	W.R. Grace Stabilization	PFAS Settlements	Capital Projects	Long-Term Obligations	Capital Assets	Total
<b>OPERATING REVENUES:</b>								
Water user charges & other services.....	\$ 7,939,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,939,259
Mitigation fees.....	235,060	-	-	-	-	-	-	235,060
Solar field land use and cell tower use.....	516,263	-	-	-	-	-	-	516,263
New service meter install fees.....	12,164	-	-	-	-	-	-	12,164
Other operating revenues.....	8,540	-	-	-	-	-	-	8,540
<b>TOTAL OPERATING REVENUES</b> .....	<b>8,711,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,711,286</b>
<b>OPERATING EXPENSES:</b>								
Salaries & wages.....	1,443,971	-	-	-	-	202,000	-	1,645,971
Other postemployment benefits expense.....	-	-	-	-	-	(64,758) (A)	-	(64,758)
Depreciation.....	-	-	-	-	-	-	1,932,662	1,932,662
Lights, power, & fuel.....	600,000	-	-	-	-	-	-	600,000
Health & life insurance.....	317,988	-	-	-	-	-	-	317,988
Maintenance & operations.....	535,303	-	-	-	-	-	-	535,303
Meters.....	137,487	-	-	-	-	-	(137,487) (B)	-
Reserve.....	69,391	-	-	-	-	-	-	69,391
Mitigation.....	9,024	-	-	-	-	-	(9,024) (B)	-
Middlesex retirement.....	354,740	-	-	-	-	99,959	-	454,699
Insurance.....	110,593	-	-	-	-	-	-	110,593
Auto maintenance & fuel.....	53,560	-	-	-	-	-	-	53,560
Chemicals.....	122,802	-	-	-	-	-	-	122,802
Legal.....	58,185	-	-	-	-	-	-	58,185
Laboratory analysis.....	77,887	-	-	-	-	-	-	77,887
Education.....	8,028	-	-	-	-	-	-	8,028
Computer maintenance.....	46,067	-	-	-	-	-	-	46,067
Information reports.....	11,120	-	-	-	-	-	-	11,120
Office supplies.....	41,622	-	-	-	-	-	-	41,622
Engineering.....	53,305	-	-	-	-	-	(53,305) (B)	-
Telephone.....	21,000	-	-	-	-	-	-	21,000
D.E.P. withdrawal & fees.....	4,791	-	-	-	-	-	-	4,791
Accounting.....	16,000	-	-	-	-	-	-	16,000
<b>TOTAL OPERATING EXPENSES</b> .....	<b>4,092,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,201</b>	<b>1,732,846</b>	<b>6,062,911</b>
<b>OPERATING INCOME (LOSS)</b> .....	<b>4,618,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(237,201)</b>	<b>(1,732,846)</b>	<b>2,648,375</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>								
Investment income.....	132,386	-	89,471	375	-	-	-	222,232
Capital outlay.....	-	-	(62,951)	-	(12,006,081)	-	12,069,032	-
Interest & fees expense.....	(670,319)	485	(3,546)	-	-	(80,333)	-	(753,713)
Interest related to leases.....	(60,283)	-	-	-	-	-	-	(60,283)
Issuance of bonds.....	-	-	-	-	3,340,888	(3,340,888)	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	190,000	(190,000)	-	-
Debt service - principal.....	(1,471,552)	-	-	-	-	1,471,552	-	-
Debt service - principal related to leases.....	(255,128)	-	-	-	-	255,128	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(2,324,896)</b>	<b>485</b>	<b>22,974</b>	<b>375</b>	<b>(8,475,193)</b>	<b>(1,884,541)</b>	<b>12,069,032</b>	<b>(591,764)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b> .....	<b>2,293,526</b>	<b>485</b>	<b>22,974</b>	<b>375</b>	<b>(8,475,193)</b>	<b>(2,121,742)</b>	<b>10,336,186</b>	<b>2,056,611</b>
<b>CAPITAL CONTRIBUTION:</b>								
Grant revenue - principal forgiveness.....	-	-	-	-	2,418,827	-	-	2,418,827
Grant revenue.....	5,414	-	-	-	1,499,770	-	-	1,505,184
<b>TOTAL CAPITAL CONTRIBUTIONS</b> .....	<b>5,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,918,597</b>	<b>-</b>	<b>-</b>	<b>3,924,011</b>
<b>SPECIAL ITEM:</b>								
PFAS Settlement revenue.....	-	-	-	3,483,756	-	-	-	3,483,756
<b>TRANSFERS:</b>								
Transfers in (out), net.....	(1,516,998)	(27,281)	-	-	1,544,279	-	-	-
<b>CHANGE IN NET POSITION</b> .....	<b>781,942</b>	<b>(26,796)</b>	<b>22,974</b>	<b>3,484,131</b>	<b>(3,012,317)</b>	<b>(2,121,742)</b>	<b>10,336,186</b>	<b>9,464,378</b>
<b>NET POSITION AT BEGINING OF YEAR</b> .....	<b>4,492,139</b>	<b>26,796</b>	<b>776,336</b>	<b>-</b>	<b>(4,924,314)</b>	<b>(27,502,667)</b>	<b>62,311,042</b>	<b>35,179,332</b>
<b>NET POSITION AT END OF YEAR</b> .....	<b>\$ 5,274,081</b>	<b>\$ -</b>	<b>\$ 799,310</b>	<b>\$ 3,484,131</b>	<b>\$ (7,936,631)</b>	<b>\$ (29,624,409)</b>	<b>\$ 72,647,228</b>	<b>\$ 44,643,710</b>

(A) Represents a decrease in the estimated net other postemployment benefit liability, net of related deferred outflows/(inflows) of resources.  
(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, 2025**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Water rates and services.....	\$ 7,447,999	\$ 7,447,999	\$ 7,939,259	\$ -	\$ 491,260
Mitigation fees.....	-	-	235,060	-	235,060 (A)
Solar field land use and cell tower use.....	500,000	500,000	516,263	-	16,263
New service meter install fees.....	-	-	12,164	-	12,164 (A)
Other cost recovery programs.....	-	-	8,540	-	8,540
Interest income.....	-	-	132,386	-	132,386
<b>TOTAL REVENUES.....</b>	<b>7,947,999</b>	<b>7,947,999</b>	<b>8,843,672</b>	<b>-</b>	<b>895,673</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Salaries and wages.....	1,633,565	1,633,565	1,443,971	-	189,594
Lights, power, and fuel.....	600,000	600,000	600,000	-	-
Health and life insurance.....	374,265	374,265	317,988	-	56,277
Maintenance and operations.....	608,000	608,000	535,303	-	72,697
Meters.....	125,000	125,000	137,487	-	(12,487)
Reserve.....	100,000	93,600	69,391	-	24,209
Mitigation.....	-	-	9,024	-	(9,024) (A)
Middlesex retirement.....	354,740	354,740	354,740	-	-
Insurance.....	133,056	133,056	110,593	-	22,463
Chemicals.....	168,000	168,000	122,802	-	45,198
Laboratory analysis.....	85,000	85,000	77,887	-	7,113
Auto maintenance and fuel.....	53,560	53,560	53,560	-	-
Information reports.....	30,000	30,000	11,120	-	18,880
Telephone.....	21,000	21,000	21,000	-	-
Legal.....	100,500	106,900	58,185	-	48,715
Software subscriptions/IT maintenance.....	60,000	60,000	46,067	-	13,933
Office supplies.....	62,000	62,000	41,622	-	20,378
Education.....	17,500	17,500	8,028	-	9,472
Engineering.....	60,000	60,000	53,305	-	6,695
D.E.P withdrawal and fees.....	5,000	5,000	4,791	-	209
Accounting.....	22,500	22,500	16,000	-	6,500
<b>Debt service:</b>					
Debt principal.....	1,471,552	1,471,552	1,471,552	-	-
Debt interest.....	693,159	693,159	670,319	-	22,840
Debt principal - related to leases.....	-	-	255,128	-	(255,128)
Debt interest - related to leases.....	-	-	60,283	-	(60,283)
<b>TOTAL EXPENDITURES.....</b>	<b>6,778,397</b>	<b>6,778,397</b>	<b>6,550,146</b>	<b>-</b>	<b>228,251</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>1,169,602</b>	<b>1,169,602</b>	<b>2,293,526</b>	<b>-</b>	<b>1,123,924</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
State grant revenue.....	-	-	5,414	-	5,414
Transfers in.....	-	-	27,281	-	27,281
Transfers out.....	-	-	(1,544,279)	-	(1,544,279)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>(1,511,584)</b>	<b>-</b>	<b>(1,511,584)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>1,169,602</b>	<b>1,169,602</b>	<b>781,942</b>	<b>-</b>	<b>(387,660)</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>4,492,139</b>	<b>4,492,139</b>	<b>4,492,139</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 5,661,741</b>	<b>\$ 5,661,741</b>	<b>\$ 5,274,081</b>	<b>\$ -</b>	<b>\$ (387,660)</b>
<b>COMPONENTS OF BUDGETARY FUND BALANCE:</b>					
Reserved for maintenance and operations.....			\$ 28,775		
Reserved for mitigation.....			263,835		
Unassigned/unreserved.....			4,981,471		
<b>Total Budgetary Fund Balance, End of Year.....</b>			<b>\$ 5,274,081</b>		

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

# Water Supply District of Acton

## Schedule of Reserve for Capital Projects

### Year Ended June 30, 2025

	Beginning Balance 6/30/2024	Transfers (To) From General Fund	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2025
From Capital Projects Fund:					
Clean Rehab Wells.....	\$ 43,560	\$ -	\$ -	\$ 32,916	\$ 10,644
Easements Conant II.....	11,589	-	-	-	11,589
Flagg Hill Tank Repairs.....	2,889	-	-	-	2,889
Marshall Well Replacement.....	54	-	-	-	54
Media Replacement.....	305,385	-	-	72,372	233,013
New Vehicle.....	80,530	-	-	80,000	530
Replace Old Mains.....	49,644	-	-	21,513	28,131
Residuals Management Tank.....	15,513	-	-	-	15,513
Storage Tank Repairs.....	27,478	-	-	-	27,478
Water Main Emergency.....	27,889	-	-	27,889	-
Water Main Improvements.....	1,589,394	-	-	371,542	1,217,852
Master Plan Update.....	56,600	-	-	42,029	14,571
North Acton Water Treatment Plant - Funded from the MCWT.....	(48,521)	-	157,914	109,393	-
South and Central Acton Water Treatment Plant - PFAS Engineering.....	6,609	-	-	5,534	1,075
Central Acton Water Treatment Plant - Funded from the MCWT.....	(55,775)	-	4,905,864 (A)	6,625,171	(1,775,082)
South Acton Water Treatment Plant - Funded from the MCWT.....	(191,837)	-	2,593,340 (A)	4,174,302	(1,772,799)
Kelley's Corner Water Mains.....	294,742	-	-	294,742	-
549 Main Street.....	23,868	-	-	6,504	17,364
BALDCO Land Purchase.....	-	-	-	137,644	(137,644)
Vacuum Tank Trailer Truck.....	27,600	-	-	4,530	23,070
Service Vehicle 2024.....	2,449	-	-	-	2,449
Office Roof 2024.....	30,000	-	-	-	30,000
Water Supply Alternative Study.....	75,000	-	-	-	75,000
Kennedy Pitless Adapters.....	50,000	-	-	-	50,000
<b>Total Reserved for Capital - Capital Projects Fund.....</b>	<b>\$ 2,424,660</b>	<b>\$ -</b>	<b>\$ 7,657,118</b>	<b>\$ 12,006,081</b>	<b>\$ (1,924,303)</b>

	Beginning Balance 6/30/2024	Transfers (To) From W.R. Grace Fund	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2025
From W.R. Grace Fund:					
Assabet III-(Grace).....	\$ 60	\$ -	\$ -	\$ -	\$ 60
PILOT South Acton Water Treatment Plant.....	21,122	-	-	(B) 19,350	1,772
<b>Total Reserved for Capital - W.R. Grace Fund.....</b>	<b>\$ 21,182</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,350</b>	<b>\$ 1,832</b>

(A) In 2025, the District was awarded principal loan forgiveness in the amount of \$2,418,827.

(B) Exclusive of capital asset additions from the balance reserved for operations and maintenance totaling \$43,601

# Water Supply District of Acton

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

### Year Ended June 30,

	2025 General Fund	2024 General Fund	2023 General Fund
<b>OPERATING REVENUES:</b>			
Water user charges & other services..... \$	7,939,259	\$ 6,372,723	\$ 6,235,183
Mitigation fees.....	235,060	17,402	66,776
Solar field land use and cell tower use.....	516,263	545,337	502,073
New service meter install fees.....	12,164	15,392	-
TOTAL OPERATING REVENUES .....	8,711,286	6,950,854	6,804,032
<b>OPERATING EXPENSES:</b>			
Salaries & wages.....	1,443,971	1,430,640	1,552,117
Lights, power, & fuel.....	600,000	581,747	554,572
Health & life insurance.....	317,988	205,109	236,718
Maintenance & operations.....	535,303	389,733	466,116
Meters.....	137,487	121,245	75,000
Reserve.....	69,391	83,106	-
Mitigation.....	9,024	59,822	59,780
Middlesex retirement.....	354,740	330,838	288,240
Insurance.....	110,593	98,781	97,645
Auto maintenance & fuel.....	53,560	35,039	38,197
Chemicals.....	122,802	128,371	101,504
Legal.....	58,185	81,393	55,170
Laboratory analysis.....	77,887	80,371	83,991
Education.....	8,028	10,899	9,627
Information reports.....	11,120	38,163	34,130
Office supplies.....	41,622	63,361	82,576
Engineering, maintenance, and other.....	53,305	18,893	30,319
D.E.P. withdrawal & fees.....	4,791	4,967	5,121
Leased equipment.....	-	2,397,499	-
Accounting.....	16,000	15,800	16,000
TOTAL OPERATING EXPENSES.....	4,092,864	6,175,777	3,786,823
OPERATING INCOME (LOSS).....	4,618,422	775,077	3,017,209
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income.....	132,386	122,443	53,375
Interest & fees expense.....	(670,319)	(633,722)	(519,114)
Interest related to leases.....	(60,283)	(27,189)	-
State grant revenue.....	5,414	1,500,000	-
Lease financing.....	-	2,397,499	-
Debt service - principal.....	(1,471,552)	(1,659,135)	(1,143,411)
Debt service - principal related to leases.....	(255,128)	(128,955)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(2,319,482)	1,570,941	(1,609,150)
INCOME (LOSS) BEFORE TRANSFERS.....	2,298,940	2,346,018	1,408,059
<b>TRANSFERS:</b>			
Transfers in (out).....	(1,516,998)	(1,320,000)	(685,104)
CHANGE IN NET POSITION.....	781,942	1,026,018	722,955
NET POSITION AT BEGINNING OF YEAR.....	4,492,139	3,466,121	2,743,166
NET POSITION AT END OF YEAR..... \$	5,274,081	\$ 4,492,139	\$ 3,466,121

# Water Supply District of Acton

## Notes to Additional Information

Year Ended June 30, 2025

### 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 Sub-Fund in conformity with the guidelines described above. The original 2025 approved budget for the General Sub-Fund authorized \$6.8 million in appropriations. 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 (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the business-type activities, and fiduciary activities of Water Supply District of Acton (the “District”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2025.

***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 audit procedures that are appropriate in the circumstances for the purpose 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* 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 internal control 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 material weaknesses 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.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***CBIZ CPAs P.C.***

Merrimack, NH  
December 22, 2025

## Minutes of March 19, 2025 Annual District Meeting

Held at the  
Acton Memorial Library  
486 Main St  
Acton, Massachusetts 01720  
6:00 PM.

**Article 1.** VOTED to fix the salaries of the elected officials as follows:

Chairman of the Commissioners:	\$1,200.00 per year
Two Commissioners:	\$1,000.00 per year
Moderator:	\$50.00 per meeting
Clerk:	\$600.00 per year

*Unanimously approved*

**Article 2.** VOTED to accept the reports of the Commissioners, the Treasurer, and other officers and committees of the District.

*Unanimously Approved*

**Article 3.** VOTED that the District vote to authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2025, in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17.

*Unanimously Approved*

**Article 4.** VOTED that the District raise and appropriate the sum of \$8,030,202, for the fiscal year 2026 budget, as printed in the annual report, to defray the usual expenses of the District.

*Unanimously Approved*

**Article 5.** VOTED that, pursuant to General Laws Chapter 44, Section 53E½, to establish a \$100,000 limitation on expenditures from the revolving fund captioned “District Revolving Fund for Mitigation.”

*Unanimously Approved*

**Article 6.** VOTED that, pursuant to General Laws, Chapter 44, Section 53E½, to establish a \$100,000 limitation on expenditures from the revolving fund captioned “District Revolving Fund for New Service Meter Installations.”

*Unanimously Approved*

**Article 7.** VOTED that the District transfer from Grace Stabilization Fund (W.R. Grace settlement) the sum of \$100,000 to clean and rehabilitate existing wells throughout the District.

*Required 2/3 Vote - Unanimously Approved*

**Article 8.** VOTED that the District transfer from Surplus Revenue, pending free cash certification by the Department of Revenue, the sum of \$20,000 for the purpose of replacing old water mains, renewing old water services, and replacing old fire hydrants.

*Unanimously Approved*

**Article 9.** VOTED that the District transfer from Surplus Revenue, pending free cash certification by the Department of Revenue, the sum of \$20,000 for the purpose of repairing emergency water main breaks.

*Unanimously Approved*

**Article 10.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners, to borrow the sum of \$100,000 for the replacement of filtration media at the District’s water treatment plants.

*Required 2/3 Vote - Unanimously Approved*

**Article 11.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners, to transfer the following unexpended balances remaining after the completion of projects authorized by vote of the District, for the acquisition of a new general service vehicle:

- A. Unissued balance in the sum of \$23,070.06 from Article 14 of the Annual Meeting of 2024.
- B. Unissued balance in the sum of \$2,443 from Article 15 of the Annual Meeting of 2024.
- C. Unissued balance in the sum of \$529.92 from Article 12 of the Annual District Meeting of 2021.
- D. Unissued balance in the sum of \$53.98 from Article 12 of the Annual District Meeting of 2011.

*Unanimously Approved*

**Article 12.** VOTED that the District authorize the Commissioners to enter into a long-term written lease, for an initial term not to exceed twenty (20) years, for use of a cell tower on a portion of the land owned by the District located at and known as 211 Main Street, which lease shall provide the most favorable annual lease payments and other terms received in response to a request for proposal issued by the District, and subject to other terms, conditions and limitations as the Commissioners shall deem necessary and appropriate.

*Unanimously Approved*

*Motion to dissolve the meeting at 6:47 PM was seconded and unanimously approved.*

# Water District Organization

## ELECTED OFFICIALS

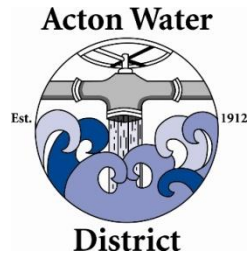
<b>Commissioners</b>	Stephen C. Stuntz	Term Expires 2026
	Erika Amir-Lin	Term Expires 2027
	Barry Rosen	Term Expires 2028
<b>District Clerk</b>	Joe Robb	Term Expires 2026
<b>District Moderator</b>	William Mullin	Term Expires 2027

## APPOINTED OFFICIALS

<b>Finance Committee</b>	John Petersen	Term Expires 2026
	William Guthlein	Term Expires 2027
	Ronald Parenti	Term Expires 2028
<b>District Manager</b>	Matthew L. Mostoller	Contract Expires 2026
<b>Treasurer/Collector</b>	Christine M. McCarthy	Term Expires 2026
<b>District Counsel</b>	Spencer Holland	Term Expires 2026
<b>District Assistant Clerk</b>	Corey Godfrey	Term Expires 2026
<b>Commissioner's Secretary</b>	Meredith Roberts/Mike Tusino	

<b>Water Land Management Advisory Committee</b>	Paul Malchodi John Cipar
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<b>Water District Staff</b>	Corey Godfrey	Deputy District Manager
	Robert Murch	MIS Coordinator
	Shawn Case	Environmental Analyst
	Julia Morse	A/P Bookkeeper/Secretary
	Elizabeth Secinaro	A/R Bookkeeper/Secretary
	Charles Rouleau	Water Operations Administrator
	Andrew Peterson	Foreman
	Robert P. Dionne, Jr.	Assistant Foreman
	James Trippier	Operator/Treatment
	Matthew Walsh	Operator/Treatment
	Joshua Richard	Operator/Treatment
	Joel Gilbert	Operator/Treatment
	Andrew Bozek	Water Systems Laborer
	Christian Lima	Water Systems Laborer



Water Supply District of Acton  
P.O. Box 953

Acton, MA 01720

### **GET INVOLVED**

Commissioners typically meet on the second and fourth Monday of each month, at 7:00 PM via Zoom. Some meetings are held in person at 693 Massachusetts Avenue, Acton. Meeting dates/times, agendas, minutes, and Zoom links are posted on our website [www.actonwater.com](http://www.actonwater.com)

The public is welcome and encouraged to attend. Please join us!

### **OUTDOOR WATER USE RESTRICTIONS**

Please visit our website at [www.actonwater.com/conservation/outdoor-water-restrictions](http://www.actonwater.com/conservation/outdoor-water-restrictions) for updates as we approach the growing season and throughout the year.