



Water Supply District of Acton

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

TELEPHONE (978) 263-9107

FAX (978) 264-0148

Board of Water Commissioners

Meeting Agenda

Monday, June 24, 2024 @ 7:00 PM

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

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83928385345>

Or One tap mobile :

+19292056099,,83928385345# US (New York), +13017158592,,83928385345# US (Washington DC)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 929 205 6099 US (New York), +1 301 715 8592 US (Washington DC), +1 305 224 1968 US, +1 309 205 3325 US
+1 312 626 6799 US (Chicago), +1 646 931 3860 US, +1 689 278 1000 US, +1 719 359 4580 US, +1 253 205 0468 US

Webinar ID: 839 2838 5345

International numbers available: <https://us02web.zoom.us/j/kcQd0Q6AKg>

- **Comments from the public**
- **Approve minutes from the meetings of 6/3**
- **Appoint one Commissioner to sign warrants while conducting meetings virtually**

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Discussion of Additional PFAS Upgrades
- Update on 549 Main Street
 - Conservation Restriction Status
 - Preview Event June 27th
- Approve the District's updated financial policies

NEW BUSINESS:

- Request for waiver of fees Acton Housing Authority
- Consumer Confidence Report for Calendar Year 2023

EXECUTIVE SESSION: -- To discuss strategy with respect to litigation if an open meeting may have a detrimental effect on the litigating position of the District. To consider the purchase, exchange, lease of real property as an open meeting may have a detrimental effect on the negotiating position of the District.

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

Joint Meeting of Board of Water Commissioners and Finance Committee

Meeting Agenda

Monday, June 3, 2024 @ 7:00 PM

AGENDA

- Comments from the public
- Approve minutes from the meetings of 5/13 and 5/28
- Appoint one Commissioner to sign warrants while conducting meetings virtually

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
- Current sample data, if available
- Discussion of Additional PFAS Upgrades
- Update on BALDCO Acquisition
- Update on 549 Main Street
- Conservation Restriction Status
- Rules & Regulations for Public Use
- Discuss Flume Rebate Program

DRAFT

NEW BUSINESS:

- Meeting Schedule July-December 2024
- Discuss Special District Meeting on June 13, 2024

In attendance

Board: Barry Rosen (Chair), Erika Amir Lin, Stephen Stuntz

District Manager: Matt Mostoller

District Treasurer: Christine McCarthy

Environmental Manager: Alexandra Wahlstrom

District Counsel: Spencer Holland

Finance Committee: Ron Parenti, John Petersen

Members of the Public: Dave Boccuti, Diane Baum, Kim Kastens

DRAFT

START OF MINUTES

Mr. Rosen opened the meeting of the Board of Commissioners at 7:00 pm.

Mr. Petersen opened the meeting of the Acton Water District's Finance Committee.

Comments from the public

Ms. Kim Kastens congratulated the board on recent achievements on the North Acton Project. She continued that other communities with PFAS issues reported diminished water production after the treatment media was added, she asked if this would be an issue with North Acton.

Mr. Mostoller explained that this was an issue some communities found who had acted very early on to addressing PFAS contamination. He clarified that the District is using different filter media at the North Acton plant and we have a slightly different set up which uses an equalization tank to prevent diminished output. After a follow up question Mr. Mostoller explained how the equalization tank works to do this.

Mr. Dave Boccuti commented that he learned of the upcoming special meeting because of the legal notice in the mail, and he wanted to know why it was not sent out earlier.

Mr. Mostoller explained that the special meeting was called on May 28th, and direct notice to customers followed. The clerk posted the warrant for the meeting 14 days prior. He explained that the timeline is tight for this meeting as they have a three-week window to work within.

Mr. Petersen added that the background of this special meeting is on the agenda for tonight and will be explained further.

Approve minutes from the meetings of 5/13 and 5/28

Ms. Amir Lin motioned to approve the minutes of 5/13/24. Mr. Rosen seconded, and it was unanimously approved via a roll call vote, Ms. Amir Lin, Mr. Stuntz, Mr. Rosen.

Mr. Stuntz motioned to approve the minutes of the 5/28/24 meeting. Ms. Amir Lin seconded, and it was unanimously approved via a roll call vote, Mr. Stuntz, Ms. Amir Lin, Mr. Rosen.

Appoint one Commissioner to sign warrants while conducting meetings virtually

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

OLD BUSINESS:

Per- and Polyfluoroalkyl Substances (PFAS)

DRAFT

Current sample data, if available

Mr. Mostoller presented the data from May 14th, when South and Center Acton were providing water to the system. Center Acton sampled at 6 ppt, South Acton sampled at 11.3 ppt. Mr. Mostoller noted that they expect these sample results to go up through October and November as they have during recent summers of sampling.

Mr. Rosen asked if they had heard anything from MassDEP about their adoption of the new EPA guidelines. Mr. Mostoller responded that he and Ms. Wahlstrom attended a meeting MassDEP held where they spoke about the process broadly. He expects that MassDEP may be stricter than the federal guidelines, which may affect our operating costs.

Discussion of Additional PFAS Upgrades

Mr. Mostoller reported that North Acton achieved a sample within the non-detect guidelines in May. Sampling will continue this month and they are in communication with MassDEP about future sampling schedules. This update was sent to the email list and will be presented with the rest of the May sample data.

Mr. Boccuti asked if water from the North Acton Plant serves North Acton or if the system is mixed. Mr. Mostoller explained North Acton primarily serves North Acton but there is some minor mixing when all three are contributing to the water system for services in and around Main Street and Nagog Park.

Returning to North Acton, Mr. Mostoller said MassDEP inspected the plant last Friday and gave their conditional approval; on Saturday the plant was delivering water to customers, and everything has been working well.

Mr. Mostoller asked the board if they would want to recognize this achievement in some way. Ms. Wahlstrom has been in contact with Acton TV to schedule coverage.

The board began their discussion on this idea. Ms. Amir Lin said it would be nice to do something small with Acton TV like similar past events. Mr. Rosen noted that other parties like the Selectboard and Town Manager should be invited to which Mr. Stuntz agreed. The board continued to discuss the details of this event. The board asked that District staff

begin looking for dates to plan this event, and Mr. Petersen suggested a visual aid to present chronology of these PFAS projects may be suitable for this commemoration.

Mr. Mostoller informed the board that for the South Acton project the authorization to award the main contract package had been sent to MassDEP. They were able to identify some cost savings for this project. Mr. Mostoller held off on Center Acton updates until a later agenda item.

Update on BALDCO Acquisition

The BALDCO acquisition has moved ahead to further site characterization which will help determine the next steps based on environmental conditions. Mr. Stuntz asked when the testing and results will be completed. Mr. Mostoller responded that in about two weeks they will conduct sampling and field screening while drilling, they anticipate the second meeting in July will have a relevant update on this item.

Update on 549 Main Street

Conservation Restriction Status

Mr. Mostoller reported there has been little movement on the Conservation Restriction (CR) status. This item will remain a standing item until they can sign. The contacts of the MVP grant have been updated on these challenges with the CR and have offered some assistance. Mr. Mostoller informed the board that if the CR comes back, they may need an off-cycle board meeting to approve and sign it in person, so Mr. Mostoller asked the board to inform him of any travel plans.

Rules & Regulations for Public Use

Mr. Mostoller gave some background on this item, saying that because the property will be open to the public the District needs rules and regulations in place for public use. The draft presented to the commissioners mimics what the Town's Conservation Commission uses for conservation land with slight changes made for the District's specific needs. The board discussed the draft rules as presented. Mr. Rosen asked about the relevance of number two on the list and its unique times. Mr. Mostoller explained that on Fourth of July and Patriot's Day reenactments can occur on the trail before sunrise, so this was drafted to carve time out for those activities. Mr. Petersen asked if number eleven in the rules allow people to pull things like garlic mustard on the property. Mr. Mostoller affirmed there is an exemption for that activity under property maintenance. The Board then discussed the restrictions around tents and other structures. Ms. Amir Lin asked if because e-bikes are not allowed on the property if that needs to be listed in number five, Mr. Mostoller explained that rule is listed in the CR. The Board then briefly discussed the timeline and the

DRAFT

|

possibility of making reflective changes in response to issues as they arise. The board then reviewed the use of bikes on the trail network.

Mr. Rosen asked how these rules and regulations will be made known to the public. Mr. Mostoller explained that they will be listed on the website, they hope to partner with the Town to make sure it's listed for the Town trail's page, and it will be displayed at a prominent location on the property. The Board then briefly discussed where on the property they may want to post this information, and the possibility of using a QR code to connect to the website.

Mr. Mostoller asked the board to designate the District Manager as the Designee as outlined in the rules to allow them to propose changes and to have a check-in period after changes are made. The Commissioners wrapped up their discussion.

Mr. Rosen motioned for the board to adopt the current rules and regulations for public use of 549 Main Street and to designate the District Manager as the Designee to update the rules and regulations as needed and to designate and assign any enforcement or enforcements necessary. Mr. Stuntz seconded the motion.

The board then took comments from the public. Ms. Kastens suggested that many average users may not know who the District Manager is and encouraged signage and website pages to say, "Manager of Acton Water District" and to provide a phone or email where people can report or text in any violations they see. Mr. Mostoller noted that the rules will be streamlined for public posting to ensure they are easy to understand for the public signage. What is being adopted tonight is the underlying document which will regulate the rules.

The motion was unanimously approved via a roll call vote, Ms. Amir Lin, Mr. Stuntz, Mr. Rosen.

DRAFT

Discuss Flume Rebate Program

Ms. Wahlstrom provided an update on the Flume Rebate Program. Ms. Wahlstrom provided the background on this item and the end use study the District is participating in. Flume agreed to provide 80 subsidized flumes for the study and 10 Flumes specifically for multi-family homes. Flume ended up sending 14 for multi-family homes, and the 80 available subsidized flumes were sold out within 4 hours of the District's WaterSmart notification. Flume then created a wait list of those who were still interested; the wait list currently has 76 customers on it. It was a welcome surprise to see how sought-after these devices were. In discussions with Flume, they affirmed to Ms. Wahlstrom that they are committed to honoring the existing subsidized price of \$75 per Flume.

The Board was extremely pleased with this outcome. Mr. Mostoller asked if the program can be expanded and if that expansion can be immediate or delayed in its rollout. Ms. Wahlstrom explained they can reach out to Flume and ask to see if the price would hold in an expansion. Mr. Stuntz asked how the Flume works for multi-family housing. Ms. Wahlstrom explained that the multi-family units must share a wall and need to be metered individually. The Board then discussed how irrigation systems may function in the measurements of the study and which types of homes have irrigation systems.

Mr. Boccuti asked the board how specific the measurements from the meter the Flume can get. Mr. Mostoller explained how the device works and how it interprets specific in-home water uses. The Board discussed the need for additional information, including seeing the data generated by existing Flume devices, before deciding to expand the program.

NEW BUSINESS:

DRAFT

Meeting Schedule July-December 2024

The Commissioners reviewed the proposed schedule. Ms. Amir Lin confirmed she will call in from out of town for a September meeting. Mr. Stuntz informed the board he will be unavailable for the July 15th meeting. Mr. Mostoller said they will keep the July 15th meeting on the books to conduct without Mr. Stuntz as Ms. Bassett and Ms. McCarthy has time sensitive business before the board for that meeting. Mr. Mostoller said he will reach out to Mr. Stuntz to confirm. The commissioners affirmed to Mr. Mostoller to adopt the meeting schedule.

Discuss Special District Meeting on June 13, 2024

Mr. Mostoller confirmed that the Special District meeting on June 13th will be held in the District garage building at 693 Massachusetts Avenue at 6:00 PM. Mr. Mostoller informed the board that in his discussions with the Finance Committee and staff on informational materials they have some options to discuss. The special meeting could be a bare bones presentation with the one-page handout used to provide key information. Mr. Petersen made some suggestions to the merit of a slide presentation with the same information. Mr. Mostoller asked the Board for their thoughts on this.

Mr. Rosen stated that he thought the meeting should be kept as simple as possible to be straightforward and transparent without going into too many of the specifics. He believed the general bid numbers could be explained for context. Mr. Rosen then reviewed the information so it could be simply explained to the voters. Mr. Stuntz agreed with Mr. Rosen

to keep it simple and added that it could be presented as an error in the original estimates. Mr. Stuntz did not believe it necessary to get into alternatives.

Ms. Amir Lin was very pleased with the handout and how it was put together. She expressed support for the meeting relying on the handout rather than making a presentation as this is a single-issue meeting.

The Commissioners then asked those present from the Finance Committee to share their thoughts. Mr. Parenti was also impressed with the quality of the handout but noted that they should be prepared to answer questions, and clearly convey the urgency. Mr. Parenti and Mr. Rosen then discussed this point about answering questions like how this relates to the MWRA study, the June 30th deadline, and the loan they want to use. Mr. Petersen explained that a presentation may be useful to ensure people get the information, to show the overages on the PFAS treatment construction in case people do not read the handout before the meeting begins. The Commissioners and the Finance Committee then discussed this topic at length. Ms. Amir Lin noted that the Commissioners will have to present the information as part of the flow of business. Mr. Mostoller confirmed that Mr. Rosen and Mr. Petersen are to present the warrant article. Mr. Rosen asked the other commissioners how they felt about the presentation of the information. Ms. Amir Lin stated that she felt like the explanation could be given when they put forth the article with the well-done handout. Mr. Stuntz agreed.

Mr. Boccuti commented that he agreed with the commissioners about the handout, and wanted it to be sent out as soon as possible and to stress the bottom line. He asked if the voting for this special meeting has to be done in person, which Mr. Mostoller affirmed that it does.

Ms. Kastens agreed, commenting that it's a good handout. She added that it might be useful to break down the cost of PFAS treatment versus the Bedrock Wells for comparison.

Ms. Diane Baum shared her thoughts that the handout is very dense with information, and it does not clearly say that the cost increase is because of the PFAS treatment materials not inflation as she originally assumed.

The board finalized their plans for the presentation of this item at the special meeting. Mr. Petersen asked about advertising it on Town signs, which the board briefly discussed.

Mr. Parenti motioned for the Finance Committee to recommend Article 1 of the Warrant for the Special District Meeting for June 13, 2024. Mr. Petersen seconded the motion, and it was approved via a roll call vote, Mr. Parenti, Mr. Petersen.

DRAFT

|

Mr. Parenti motioned to close the meeting of the Finance Committee. Mr. Petersen seconded the motion, and it was approved via a roll call vote, Mr. Parenti, Mr. Petersen. Finance Committee meeting closed at 8:51 pm.

Mr. Stuntz motioned to adjourn the meeting of the Board of Commissioners. Ms. Amir Lin seconded, and it was unanimously approved via a roll call vote, Ms. Amir Lin, Mr. Stuntz, Mr. Rosen.

Meeting Closed at 8:52 pm.

DRAFT

Financial Policies of the Water Supply District of Acton

DRAFT

October 2023 DRAFT; Comments added following 1/4/2024 AWD Fin Com meeting; Additional edits based on comments were made 5/10/2024. Reviewed and approved by District's Finance Committee on 5/28/2024.

Table of Contents

Annual Budget	2
Cash Management.....	2
Reserves	5
Investments	6
Article 97 Stabilization Fund.....	7
General Fund.....	8
District Revolving Fund for Mitigation	9
District Revolving Fund for New Service Meter Installations.....	10
Ethics	10
Reporting Requirements	10
Personal Liability.....	11
Capital Expenditures.....	11
Debt.....	12
Other Liabilities	13
Accounting and Financial Reporting	14
Risk Mitigation.....	15
Policy Endorsement	18

DRAFT

Annual Budget

Municipal Law requires the adoption of a balanced budget that is approved at the District's Annual Meeting. Budget planning begins in the Fall and drafts are reviewed multiple times by staff, the District Finance Committee, and the Board of Commissioner's. The District Finance Committee votes to recommend the final version to the Board of Commissioners who then vote to approve the budget to be presented at the Annual District meeting. The District's annual budget is a legally adopted budget which includes recommendations of expenditures and other financing uses. Increases or transfers between and within line items in the District and other budget adjustments, subsequent to the approval of the annual budget, are authorized by a Special District Meeting. The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget. Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by Annual District Meeting. The District adopts an annual budget for the General Fund in conformity with the guidelines described above. The District Manager has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

DRAFT

Cash Management

CASH RECEIPTS

The District bills its customers four times a year: first week of January, April, July and October. The bills are based on actual meter readings of water usage. The charges are based on an inclining block rate schedule, which is set by the Commissioners. It should be noted that the District has several metered accounts for its locations throughout the District. The District does not bill itself for water usage.

In addition to water sales, the District earns income from other revenue sources, such as new installations, repairs and upgrades to services, cross connection fees, sprinkler service fees, mitigation fees and rentals/leases.

The water bills are sent with a remittance advice and a return envelope. Most customers pay by check and remit via mail. Some deliver their remittance to the office, and the payment could be either cash or check. Cash received during the year is estimated at under \$1,000. If cash is received it is deposited daily.

The incoming mail is sorted by the accounts payable bookkeeper or by the accounts receivable bookkeeper. The accounts receivable bookkeeper opens the envelopes and does a simultaneous process that creates the bank deposit list and posts the cash receipts to the customer accounts.

Checks are scanned and deposited into the designated checking account. Cash deposits are made at the branch.

AWD customers can also utilize the on-line bill payment option. Customers can log in through the AWD website to pay their water bill. Payments are credited to the AWD account the next day and the customer accounts are updated electronically by the accounts receivable bookkeeper once the file is downloaded, usually daily during a billing month.

Non-revenue cash receipts, such as retirees' contributions for medical/life insurance, are recorded by the District Treasurer. The miscellaneous cash receipts are deposited to the bank in a separate hand-written deposit.

The accounts receivable system is not integrated with the general ledger. The District Treasurer prepares monthly journal entries based on the accounts receivable deposits. The journal entries are recorded on the GL by the accounts payable bookkeeper.

CASH DISBURSEMENTS

- Accounts Payable

Note: Cash disbursement procedures relate to all funds, general fund, capital project fund, Grace fund, etc.

The accounts payable bookkeeper opens invoices and stamps them with the processing stamp and gives all invoices to the District Manager for approval. The District Manager signs their approval and indicates which general ledger account is to be charged. If the District Manager is absent, the District Treasurer assigns the accounts to be charged.

The accounts payable bookkeeper batches approved invoices into groups for further processing. After a batch of invoices has been entered into the computer, the accounts payable bookkeeper prints the warrant. The warrant and the approved invoices are given to the commissioners at their bi-monthly meetings. When in-person meetings are held, any two of the three commissioners sign the warrant authorizing the invoices to be paid. Two out of three commissioners' signatures are required. Since COVID, meetings have been held virtually. The Warrants are scanned and emailed to all three commissioners. One commissioner is appointed by roll call vote at each meeting to sign warrants until the next scheduled meeting.

The authorized warrant is given to the District Treasurer for the preparation of checks. The District Treasurer prepares computer checks using the accounts payable system. The checks are prenumbered. A check stub is retained for filing in a sequential check file. The accounts payable bookkeeper matches up the checks to the invoices and places them in the mail.

The District Treasurer and the District Manager (also appointed as Assistant Treasurer) are currently the authorized check signers on all bank accounts.

The general ledger is posted to via the transactions being posted on the computer. If the commissioners do not approve a particular transaction, a correcting/reversing warrant is prepared.

The paid invoices are filed by general ledger account number (not by vendor name). The original warrants approved by the commissioners are maintained in a file by the District Treasurer. The accounts payable bookkeeper keeps duplicate copies of the warrants.

A correcting journal entry is made when a warrant or journal entry has been posted to the incorrect account. The District Treasurer prepares the corrected entry and the accounts payable bookkeeper enters the corrected entry to the warrant system. The Commissioners approve correcting warrants.

- Payroll

Payroll is paid every Thursday for the week ended Tuesday. There is one timesheet for the office personnel and a separate timesheet for the operations personnel. Each employee lists his/her own hours

and signs the time sheet. The District Treasurer reviews the office time sheet and the Foreman reviews the operations personnel time sheet. Both time sheets are submitted to the District Manager for approval. The District Treasurer calculates payroll in a DBase computer program custom designed for the District. The system prepares computer-generated paychecks that include current wage as well as year to date payroll information. It also keeps track of benefit hours used year to date. All District employees have direct deposit.

The system also prepares a weekly payroll warrant that the District Treasurer gives to the Accounts Payable staff member to post to the general ledger. The warrant lists the net wages, check number and cash disbursements. The Board of Commissioners have given written approval for payroll to be paid prior to their signing the warrant. The Commissioners approve the warrant after the payroll has been paid. The withholding taxes and payroll deductions are paid via a separate warrant that is prepared by the computer. The payroll taxes are deposited electronically on a weekly basis for Federal and Commonwealth of Massachusetts deposits.

The system generates a weekly payroll register which is proofed for accuracy, a weekly year to date report, a monthly payroll register by person, and quarter to date payroll report. The District Treasurer manually prepares quarterly payroll tax returns based on the quarter-to-date payroll reports. The District Treasurer also manually prepares the W-2 forms and the 1099's.

The system also keeps an attendance record for each employee to keep track of how many vacation days, sick days, etc. each employee has taken.

MONTHLY CLOSE & CASH RECONCILIATION

Both accounts receivable and the accounting ledgers are closed monthly. The accounts receivable bookkeeper closes the month on the last day of the month for receivables, after balancing deposits with the District Treasurer/Collector's report.

The accounts payable bookkeeper reconciles all checking accounts and the District Treasurer reconciles the remaining accounts, including the investments. The District Treasurer creates journal entries for the Warrant software program, updating billing and collection data, abatements, interest income and investment income. The accounts payable bookkeeper enters these journals and checks against the total cash reported in the Treasurer's report. Once balanced, the month is closed. This process is usually completed by the 10th day of each month.

PETTY CASH

The District Treasurer is the custodian of Petty Cash. Petty Cash may not exceed \$300, and is stored in a secure location at all times. Prior to the disbursement of petty cash funds, an original receipt must be obtained. The sum of the petty cash disbursement receipts and cash on hand must total the authorized amount of the petty cash account at all times.

Reserves

GENERAL FUND

- Reserve Fund

The Water Supply District of Acton establishes and funds the reserve as a line item in the annual budget. The annual, cumulative reserve balance cannot exceed 5% of the prior year's receipts of the District. Transfers out of the reserve require a recommendation from the District Finance Committee to the Board of Commissioners, followed by a majority vote of the Board of Commissioners.

Per the Division of Local Services, "an expenditure cannot be made directly from a reserve fund but instead must be transferred to another account, even if newly created, for the charge to then be posted against it... Funds in a reserve account cannot be earmarked for a particular process... At year-end, any remaining reserve fund balance closes to free cash." (City, Town, and District Reserves, DLS, January 2020)

Full DLS document can be found here: [CITY, TOWN AND DISTRICT RESERVES \(mass.gov\)](#)

FREE CASH

The following is adapted from the DLS publication on Free Cash dated February 2016: Free cash is a revenue source that results from the calculation, as of July 1, of the District's remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in budget line items for the year just ending, plus unexpended free cash from the previous year. Free cash is offset by receivables and certain deficits, and as a result, can be a negative number. Free cash is not available for use until after the District Treasurer submits a prior-year balance sheet to the Division of Local Services (DLS) and the Director of Accounts certifies the free cash. The Technical Assistance Bureau (TAB) recommends that communities understand the role free cash plays in sustaining a strong credit rating and encourages them to adopt policies on its use. Under sound financial policies, a community strives to generate free cash in an amount equal to three to five percent of its annual budget. This goal helps deter free cash from being depleted in any particular year, which enables the following year's calculation to begin with a positive balance. To do this, the community would orchestrate conservative revenue projections and appropriations to produce excess income and turn backs. As a nonrecurring revenue source, free cash should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves. When a community incorporates free cash into revenue source projections for next-year operational expenses, it is prudent to place a percentage restriction on the total free cash to be used. Overall, TAB recommends that communities adopt a free cash policy that avoids supplementing current year departmental operations. Any free cash use requires an appropriation approved by Annual District meeting but only after DLS has certified the free cash total.

Full DLS document can be found here: [FREE CASH \(mass.gov\)](#)

Investments

The Water Supply District of Acton shall perform all investments under The Massachusetts General Laws, Chapter 44, section 54 unless otherwise specified by law. The W.R. Grace Reserved for Appropriation Account ("Grace Fund") shall also be required to follow the opinion letter from the Commonwealth of Massachusetts, Department of Revenue dated February 4, 1987, which letter is attached hereto and incorporated herein by reference.

INVESTMENT OBJECTIVES GRACE FUND:

- a. The objective of the Grace Fund account shall be to cover major capital expenses incurred by the District when said expenses are the result of the District's need to improve and protect the water quality or quantity to be provided to the users. At the discretion of the Finance Committee and with the approval of the Board of Commissioners, certain regular maintenance activities associated with the production, purification and supply of water may be funded from the Grace Fund.
- b. The Grace Fund is invested conservatively with equities representing 30%-70% of the market value of the portfolio. The term "equities" includes common stock, convertible bonds and convertible stock.
- c. Fixed income obligations will represent 70%-50% of the market value of the portfolio. The term "fixed income obligations" indicates contractual payments, including preferred stocks and bonds, which have a specific maturity date greater than one year.
- d. Under most circumstances, cash equivalents will represent less than 10% of the total portfolio.
- e. The Grace Fund investment managers, with the recommendations of the Finance Committee and with the approval of the Commissioners, will be given the greatest latitude in selection of the securities purchased and retained to be a part of the portfolio consistent with the guidelines set out by the Finance Committee and the District Treasurer, and subject to limitations imposed by the Prudent Investor Rule. Recommendations for changes in investment policy are formulated by the Finance Committee and the District Treasurer and submitted to the Commissioners for formal approval and then transmitted to the managers of the portfolio.
- f. Investments may not use leverage in any form and may not be made in: securities on margin, put or call options, commodities, derivative warrants or contrast, real estate, mineral explorations or development programs including oil and gas.
- g. The funds are to be managed with a mix of equities and bonds, which will have a low risk of principal loss while providing a continuing revenue stream. Ultimately, the funds should be invested conservatively with respect to the estimated longevity of the fund.

INVESTMENT OBJECTIVES OPEB FUND:

- a. The objective of the OPEB Trust Fund shall be to cover the long-term Health Insurance Cost for District retirees. The Finance Committee, with the approval of the Board of Water Commissioners, will approve the appropriations and expenditures on an annual basis.
- b. The OPEB Fund is invested conservatively under The Massachusetts General Laws, Chapter 203C, Section 3, Prudent Man Rule. The OPEB investment in equities should represent 30%-70% of the market value of the portfolio.
- c. Fixed Income obligations of the OPEB Fund will represent 30%-70% of the market value of the portfolio. There is an intentional overlap in percentages.

- d. Investments may not use leverage in any form and may not be made in: securities on margin, put or call options with the exception of selling covered call options, commodities, derivative warrants or contrast, real estate, mineral explorations or development programs including oil and gas.
- e. The funds are to be managed with a mix of equities and bonds, which will have a low risk of principal loss while providing a continuing revenue stream.

TIME HORIZON

The Grace Fund and the OPEB Trust Fund are intended to continue indefinitely in the future.

REVIEW PROCESS

The District Treasurer shall review the investment portfolio monthly. On an annual basis, the District's auditor shall review the portfolio. The Treasurer shall handle the routine communications with the portfolio managers and participate in all discussions on investment policy. The Finance Committee, District Treasurer, Commissioners, District Manager, and the investment managers shall meet at a minimum semi-annually to review the current investments and the future goals of the District.

INVESTMENT MANAGER'S COMMUNICATION

The investment manager's shall report monthly, in writing, a Market Value appraisal, performance and transaction reports, immediately report all changes in key investment personnel or ownership of the Management Company and submit any other or further reports as requested.

Should it become necessary to change investment managers, the District Treasurer and the Finance committee shall request that at least three (3) Requests for Proposals or Invitations for Bids be submitted for review.

PERIODIC REVIEW AND AMENDMENT

The investment policies and guidelines shall be reviewed from time to time and may be amended at any time by the recommendation of the Finance Committee and vote of the Board of Water Commissioners.

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 support 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 The 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.

LEGAL INVESTMENTS

Massachusetts General Laws, Chapter 40, section 5B, and Chapter 44, section 55 sets forth the types of investments, which are legal for use by municipalities as follows:

- Massachusetts Municipal Depository Trust (MMDT)
- Bank Liabilities:
 - Checking Accounts
 - Savings Accounts
 - Certificates of Deposit (not to exceed 3 years)

Trust Companies, National Banks, Savings Banks, Banking Companies or Cooperative Banks are allowable for the deposits of general fund money. Credit Unions are not permissible institutions under Section 55.

INVESTMENT GOALS

The District's investment activities will be managed by the Treasurer pursuant to the following goals:

1. Maintain all collected cash balances invested at current money market rates as represented by the MMDT rate.
1. Maintain a return on all available cash at least equivalent to the return available if all funds were managed through the State Treasurer's pooled investment program.
2. Manage all investment activities and carry out the objectives in the following priority order:
 - Safety- the preservation of capital through careful selection and diversification of investment vehicles
 - Liquidity- the availability of cash when needed without the risk of interest forfeiture which would occur by the forced premature conversion of a term investment.
 - Yield- the attainment of a market rate of interest consistent with the requirements of safety and liquidity, and consistent with cash flow and legal requirements.

PERIODIC REVIEW AND AMENDMENT

The investment policies and guidelines shall be reviewed from time to time and may be amended at any time by the recommendation of the Finance Committee and vote of the Board of Water Commissioners.

General Fund

The Massachusetts General Laws, Chapter 44, section 55B requires that the Treasurer invest all public funds except those required to be kept uninvested for purposes of immediate distribution. Invested funds are to be placed at the highest possible rate reasonably available, taking into account safety, liquidity and yield.

Legal Investments

Massachusetts General Laws, Chapter 44, section 55, as amended, sets forth the types of investments, which are legal for use by municipalities as follows:

- Massachusetts Municipal Depository Trust (MMDT)
- Bank Liabilities:
 - Checking Accounts
 - Savings Accounts
 - Certificates of Deposit (not to exceed 3 years)

Trust Companies, National Banks, Savings Banks, Banking Companies or Cooperative Banks are allowable for the deposits of general fund money. Credit Unions are not permissible institutions under Section 55.

INVESTMENT GOALS

The District's investment activities will be managed by the Treasurer pursuant to the following goals:

1. Maintain all collected cash balances invested at current money market rates as represented by the MMDT rate.
3. Maintain a return on all available cash at least equivalent to the return available if all funds were managed through the State Treasurer's pooled investment program.
4. Manage all investment activities and carry out the objectives in the following priority order:
 - Safety- the preservation of capital through careful selection and diversification of investment vehicles
 - Liquidity- the availability of cash when needed without the risk of interest forfeiture which would occur by the forced premature conversion of a term investment.
 - Yield- the attainment of a market rate of interest consistent with the requirements of safety and liquidity, and consistent with cash flow and legal requirements.

PERIODIC REVIEW AND AMENDMENT

The investment policies and guidelines shall be reviewed from time to time and may be amended at any time by the recommendation of the Finance Committee and vote of the Board of Water Commissioners.

District Revolving Fund for Mitigation

1. Purpose. The revolving fund for Mitigation is for use by the District in connection with mitigation fees, charges or other receipts to support all or some of the District's mitigation expenses under the Water Management Act. The fund will be credited with all fees charged for mitigation. Expenditures will be authorized by the District Manager and will not exceed \$100,000. This revolving fund is established under and governed by Massachusetts General Laws Chapter 44, Section 53E½.

2. Expenditure Limitations. The revolving fund is established and authorized without appropriation for projects to mitigate water usage or to pay fees assessed to the District under the Water Management Act subject to the following limitations:

- No liability shall be incurred in excess of the available balance of the fund.
- The total amount spent during a fiscal year shall not exceed the amount authorized by District Meeting on or before July 1 of that fiscal year, or any increased amount of that authorization that is later approved during that fiscal year by the Water Commissioners.

3. Interest. Interest earned on monies credited to the revolving fund shall be credited to the General Fund.

4. Procedures and Reports. Except as provided in Massachusetts General Laws Chapter 44, Section 53E½, the laws, charter provisions, bylaws, rules, regulations, policies or procedures that govern the receipt and custody of District monies and the expenditure and payment of District funds shall apply to the use of the revolving fund established. The District Treasurer shall include a statement on the

collections credited to each fund, the encumbrances and expenditures charged to the fund and the balance available for expenditure in the regular report the District Treasurer provides.

District Revolving Fund for New Service Meter Installations

1. Purpose. The revolving fund for New Service Meter Installations is for use by the District in connection with new service meter installation fees, charges or other receipts. The fund will be credited with all fees charged for new service meter installations. Expenditures will be authorized by the District Manager and will not exceed \$100,000. This revolving fund is established under and governed by Massachusetts General Laws Chapter 44, Section 53E½.

2. Expenditure Limitations. The revolving fund is established and authorized subject to the following limitations

- No liability shall be incurred in excess of the available balance of the fund.
- The total amount spent during a fiscal year shall not exceed the amount authorized by District Meeting on or before July 1 of that fiscal year, or any increased amount of that authorization that is later approved during that fiscal year by the Water Commissioners.

3. Interest. Interest earned on monies credited to the revolving fund shall be credited to the General Fund.

4. Procedures and Reports. Except as provided in Massachusetts General Laws Chapter 44, Section 53E½ and this bylaw, the laws, charter provisions, bylaws, rules, regulations, policies or procedures that govern the receipt and custody of District monies and the expenditure and payment of District funds shall apply to the use of a revolving fund established and authorized by this bylaw. The District Treasurer shall include a statement on the collections credited to each fund, the encumbrances and expenditures charged to the fund and the balance available for expenditure in the regular report the District Treasurer provides.”

Ethics

The Treasurer for the District, including any Assistant Treasurers, shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair such Treasurer’s ability to make impartial investment decisions. The Treasurer shall disclose to the Finance Committee and the District Manager any material financial interest in financial institutions that do business with the District. The Treasurer shall not deposit District funds in any bank, trust company or banking company with which such Treasurer is associated as an officer or employee or has been associated as an officer or employee at any time during the three years immediately preceding the date of any such deposit.

Reporting Requirements

On a regular basis (as deemed by the Finance Committee and the District Manager) the Treasurer shall report to the Finance Committee and the District Manager, all financial investments, cash balances, free cash balance, any changes in the current investment vehicles and any current or future investment issues that may impact the District’s investments.

Personal Liability

The Treasurer will not be held personally liable as long as he/she acts lawfully, in good faith and “exercises due care” in the selection and continued use of depository institutions. Treasurers are only exempt from personal liability when investing in Massachusetts institutions. Chapter 44, Sec. 55A.

The Treasurer shall be required to continue courses offered by the Massachusetts Collectors and Treasurers Association and the Commonwealth of Massachusetts Division of Local Services. Any material changes in the authorization or limitation of the Treasurer’s duties and responsibilities shall be reported by the Treasurer to the District Manager, Board of Water Commissioners, and the Finance Committee for the purposes of amending, if necessary, these investment policies and guidelines.

Capital Expenditures

CAPITAL ASSETS

It is District policy that capital items are defined as assets such as structures, land and equipment (including related plans, designs, and studies), which have a life expectancy of at least 5 years and a cost of at least \$10,000. 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. 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:

Capital Asset Type	Estimated Useful Life (in years)
Vehicles	6
Buildings	40
Machinery and equipment	5-50
Infrastructure	10-100

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized. Please refer to the District’s Asset Management Plan for additional information.

10-YEAR MASTER PLAN

The District maintains a 10-year master plan to identify current and future capital needs. The CIP within the master plan shall allocate resources to fund new needed capital projects and fund the repair and replacement of existing capital assets in effort to maintain the District’s physical infrastructure and avoid deferring maintenance for future years. Please note, the Master Plan is intended to be a guide and is typically updated every 5 years +/-.

Debt

DEBT STRUCTURE

- It is District policy that capital items that can be funded through borrowing include infrastructure, facilities, vehicles, equipment, and land, which have (1) an estimated cost of \$100,000 or more and (2) a useful life of at least 5 years.
- It is District policy that all borrowing shall be issued as General Obligation (GO) bonds, having the District's pledge of full faith and credit for repayment. The District may also borrow for authorized projects through the Clean Water Trust.
- It is District policy that the maximum level of indebtedness shall not exceed 5% of the equalized valuation of the Town of Acton per M.G.L. 44 § 10.
- It is District policy that revenue-supported borrowing shall be reserved for capital assets associated with expansion of service.
 - It is District policy that the retirement structure of a specific bond shall not be greater than the useful life of the underlying capital assets.
 - It is District policy that borrowing shall not be used for operating expenses or to fund other long-term liabilities such as pension or other post-employment benefit obligations.

DEBT AUTHORIZATION

- It is District policy that the District shall publish a notice of the Annual District Meeting warrant article for a borrowing at least 7 days prior to the Annual District Meeting and at least 14 days prior to a Special District Meeting, per M.G.L. 44 § 10. 2.
- It is District policy that all borrowing authorizations require a two-thirds majority vote by Annual District Meeting per M.G.L. 44 § 7. For borrowing authorizations outside the levy limit, Annual District Meeting must approve the borrowing by a two-thirds majority and the District must approve it by a majority vote in a community-wide referendum per M.G.L. 44 § 8.

DEBT ISSUANCE

- It is District policy that the District should retain a financial advisor and bond counsel for financial and legal guidance for debt issuance. Prior to the issuance of a bond, the District shall provide an Official Statement containing legally required disclosure information pertaining to the financial and economic position of the District (17 CFR § 240.15c2-12).
- It is District policy that with the guidance of the financial advisor, the District shall award the winning bond bid to the bidder with the lowest True Interest Cost (TIC).
- It is District policy that the District shall spend the bond proceeds in a timely manner to avoid IRS arbitrage penalties. The District Treasurer shall monitor the use of bond proceeds to ensure compliance with arbitrage regulations.

BOND RATING

The District's Bond Rating is important because it influences the rate of interest the District pays when selling bonds and notes as well as the level of market participation (number of bidders). Other things being equal, the higher the bond rating, the lower the interest rate. Bond analysts (Moody's, Standard & Poor's, Fitch) typically look at the following sets of factors in assigning a credit rating:

1. Debt Factors- debt per capita, debt as a percentage of equalized valuation, rate of debt amortization and the amount of exempt versus non-exempt debt.
2. Financial Factors- operating surpluses or deficits, free cash as a percent of revenue, unfunded pension and other post employment benefits liabilities, etc.
3. Economic and Demographic Factors- property values, personal income levels, tax base growth, tax and economic base diversity, unemployment rates and population growth.
4. Management Factors- governmental structure, the existence of a capital improvement plan, the quality of accounting and financial reporting, etc.

The District will continually strive to improve its bond rating through sound financial management, improved receivables management, accounting and financial reporting, etc.

Other Liabilities

1. PENSION

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.

It is District policy that management and investment of the pension fund are the responsibility of the Middlesex County Retirement System.

2. OPEB

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.

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 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.

Accounting and Financial Reporting

FINANCIAL REPORTING

1. It is District policy that the District's accounting practices shall conform to Generally Accepted Accounting Principles (GAAP) as set forth by the Government Accounting Standards Board (GASB), the Uniform Municipal Accounting System (UMAS), and the Massachusetts Department of Revenue (DOR) Informational Guideline Releases.
2. It is District policy that a certified public accounting firm shall conduct an independent annual audit of the District's financial records. There are four types of opinions provided by the auditor of the independent annual audit: Unqualified Opinion (Clean Opinion), Qualified Opinion, Adverse Opinion, and Disclaimer of Opinion. It is District policy that the District shall maintain its financial records so that the auditor can render a Clean Opinion, the opinion in which the District financial records have been maintained in accordance to GAAP. An opinion rendered by an auditor that is not a clean opinion shall be reviewed by District Management and corrections shall be made in the next fiscal year.
3. It is District policy that District Management shall take steps to address Management Letter items (e.g., items that the independent auditor sees deficiencies) during the subsequent fiscal year.
4. It is District policy that a completed audit by the District shall be submitted to the Division of Local Services, per State law.
5. It is District policy that whenever the total annual federal grants to the District total more than the level that triggers a single audit, the District is required to comply with the Single Audit Act for Audits of States, Local Governments, and Non-Profit Organizations.

RECONCILING ACCOUNTS

1. It is District policy that the Treasurer/Collector shall reconcile all cash accounts as recorded in the Treasurer's Cashbook and as recorded on the General Ledger on a monthly basis. The Treasurer/Collector shall maintain monthly reports documenting the reconciliation.
2. It is District policy that the Treasurer Collector shall reconcile all receivable accounts on a monthly basis. Deferred revenue accounts for all funds shall be reconciled to the receivable accounts on a monthly basis.
3. It is District policy that the General Ledger accounts shall be reconciled as follows:
 - Payable and payroll withholding accounts shall be checked monthly to determine that the balances are properly clearing.
 - Budgeted expenditure accounts shall be reviewed monthly to identify any unusual activity or predict potential budget shortages.
 - All funds should be checked to be sure they are in balance.

- Interfund transfers and receivable/payable accounts shall be reconciled where applicable.
- Appropriation balances shall be reconciled to the Annual/Special District meeting votes.
- All accounts shall be reviewed analytically from time to time for reasonableness and to identify unusual activity.

MONITORING ACCOUNTS

1. It is District policy that the budget be reviewed on a monthly basis.
2. It is District policy that all revenue transactions be reviewed on a monthly basis.

YEAR-END CLOSING

It is District policy that the Treasurer/Collector shall complete the year-end closing process once the auditors have finished their field work and have given the District approval to generate year-end financial statements and to submit documentation for Free Cash certification.

REGULATORY REPORTING

1. Free Cash Certification (Balance Sheet): It is District Policy to file appropriate documentation with Massachusetts Department of Revenue's (DOR) Bureau of Account for the certification of Free Cash after the close of each fiscal year. Certified Free Cash is available for appropriation at the subsequent Annual District Meeting.
2. Cash and Receivable Reconciliation: It is District policy that the Treasurer/Collector submit an end-of year cash and receivable reconciliation to DOR.
3. It is District policy that the Treasurer submit the Treasurer's Year-End Cash Report and the Statement of Indebtedness to DOR no later than September 30th each year for the prior fiscal year.
4. 1099 Reporting: It is District policy that the Treasurer shall issue 1099 Forms by January 31st. The Treasurer shall submit a 1099 file to both the IRS and the State. A 1099-MISC or a 1099-NEC is issued for each person the District has paid at least \$600 for rents, services, prizes and awards, or other income payments during the calendar year.
5. Fixed Asset Reporting: It is District policy that the Treasurer is responsible for fixed asset reporting. A capital asset is defined as having a value of \$10,000 or more and useful life is 5 years or more. GASB 34 requires the District to account for capitalized infrastructure associated with Government Activities.

Risk Mitigation

FINANCIAL RISK

It is District Policy that the District will contract with an independent auditing firm to examine the District's financial statements, render an opinion, and provide a management letter. The Board of Commissioner's has the charge for reviewing the audited financial statements and management letter.

PROPERTY RISK

It is District policy that that the District shall contract for sufficient insurance coverage to protect District property in the case of an unforeseen catastrophe or damage to District property. Property Risk mitigation is the responsibility of the District Manager and policies and procedures for property risk mitigation are established by the District Manager.

INFORMATION RISK

It is District policy that the District shall provide safeguards against cyber threats. Information risk mitigation is the responsibility of the MIS Coordinator and policies and procedures for information risk mitigation are established by the MIS Coordinator in conjunction with the District Manager.

PROFESSIONAL LIABILITY RISK

It is District policy that the District shall contract for sufficient professional liability insurance coverage to protect District officials and members of District boards and committees for decisions made during official duty.

BOND OF TREASURER & ASSISTANT TREASURER

Per Massachusetts General Law Chapter 41 section 35, Every Town Treasurer shall give bond annually for the faithful performance of his duties in a form approved by the Commissioner of Revenue and in such sum, not less than the amount established by said Commissioner, as shall be fixed by the Selectmen or the Mayor and Aldermen, and if he fails to give such bond within ten days after his election or appointment, or if within ten days after the expiration of said bond or any renewal of said bond he fails to file a renewal thereof, the Selectmen or the Mayor and Aldermen shall declare the office vacant and the vacancy shall be filled in the manner prescribed by section forty or sixty-one A, as the case may be. He shall receive and take charge of all money belonging to the town and pay over and account for the same according to the order of the town or of its authorized officers. No other person shall pay any bill of any department; provided, however, this provision shall not prohibit the Treasurer from paying such bill by the use of bank treasurer's or cashier's check. He shall have the authority given to an auditor by section fifty-one, and shall annually render a true account of all his receipts and disbursements and a report of his official acts. The bond required herein shall cover the duties of the Treasurer with respect to trust funds and funds of retirement systems which are in his custody by virtue of his office, and any such funds, for the purposes of said bond, shall be deemed to be public funds.

The amount of the bond of an assistant Treasurer shall be set at one quarter ($\frac{1}{4}$) of the amount of the bond of the appointing Treasurer or Collector.

DRAFT

Performance Bond Amount Schedule

This schedule identifies the minimum amount for which each municipal official must obtain a bond. As a municipal official you must determine the amount of money from all sources that you will handle in the fiscal year. Identify that amount in Column I. The corresponding amount in Column II is the amount for which you must obtain a performance bond. For assistance in using this schedule, consult the instruction sheet provided by the DOR.

COLUMN 1 Amount of Money Handled	COLUMN 2 Minimum Bond Required
\$30,000 or less	\$6,500
30,000-100,000	15,000
100,001-500,000	35,000
500,001-1,000,000	65,000
1,000,001-2,000,000	80,000
2,000,001-5,000,000	100,000
5,000,001-10,000,000	120,000
10,000,001-25,000,000	150,000
25,000,001-50,000,000	200,000
50,000,001-100,000,000	250,000
100,000,001-200,000,000	300,000
Amounts over 200,000,000	300,000 plus 100,000 for each additional 100,000,000 (Round to nearest 100,000,000.)

DRAFT

DRAFT

Policy Endorsement

Signed this _____ day of _____, 2024

Finance Committee

_____ William Guthlein, Chairperson

_____ Ronald Parenti

_____ John Petersen

_____ Christine M. McCarthy, Treasurer/Collector