



Water Supply District of Acton

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P.O. BOX 953
ACTON, MASSACHUSETTS 01720

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Board of Water Commissioners

Meeting Agenda

Monday, September 13, 2021 @ 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/89681315101>

Or One tap mobile :

US: +19292056099,,89681315101# or +13017158592,,89681315101#

Or Telephone:

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

US: +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799

Webinar ID: 896 8131 5101

International numbers available: <https://us02web.zoom.us/j/89681315101>

- **Maureen Mara of Mara & Associates with Annual Audit report**
- **Comments from the Public**
- **Approve minutes from the meeting of 8/23**
- **Appoint one Commissioner to approve warrants while conducting meetings virtually**

OLD BUSINESS:

- Per- and Poly-Fluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Any updates or discussion from the PFAS Working Group

NEW BUSINESS:

- Approve the rollover of the Promissory Note for refinancing the borrowing for engineering for the Central Acton Water Treatment Plant

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

Board of Water Commissioners
Meeting Minutes
Acton Water District
693 Massachusetts Avenue, Acton, MA
Monday, August 23, 2021

AGENDA

- A. Public Comments
- B. Approve minutes from meeting of 8/2/2021
- C. Appoint one Commissioner to approve warrants while conducting meetings virtually

D. OLD BUSINESS

- 1. Update on Per- and Poly-Fluoroalkyl Substances (PFAS).
 - Current sample data, if available
 - Any updates or discussion from PFAS Working Group
- 2. Update on the Central Acton Water Treatment Plant (CAWTP) Project
- 3. Commissioners' Letter to the Acton Community Housing Corporation (ACHC) Regarding the Proposed 40B at 516 Massachusetts Avenue

E. NEW BUSINESS:

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

Present at Tonight's Meeting:

Commissioners: Erika Amir-Lin, Barry Rosen (Chair), Stephen Stuntz
District Manager: Chris Allen
District Treasurer: Mary Jo Bates
District Counsel: Mary Bassett
Environmental Manager: Matthew Mostoller
Commissioners Secretary: Lynn Protasowicki
Finance Committee: Bill Guthlein

Public Attendees:

Ron Parenti
Terra Friedrichs

Due to the Covid-19 stay-at-home order by Governor Charles Baker, the Board of Water Commissioners meeting was not held at the Acton Water District Office, instead the meeting was held via Zoom Webinar. The meeting was called to order at 7:00 PM on Monday, August 23, 2021 by Mr. Barry Rosen.

A. Public Comments

Terra Friedrich had a question about the 40B at 516 Massachusetts Avenue. Should she give comment now or during the 40B discussion on the agenda? Mr. Rosen asked to hold her question until that discussion comes up.

B. Approve Minutes from Meeting of 8/2/2021

Mr. Stuntz motioned to approve the minutes of August 2, 2021. Ms. Amir-Lin seconded the motion, and it was unanimously approved by a roll call vote: Mr. Stuntz, Ms. Amir-Lin, and Mr. Rosen.

C. Appoint One Commissioner to Approve Warrants While Conducting Meetings Virtually

Mr. Stuntz motioned to appoint Ms. Amir-Lin as the Commissioner to approve warrants while conducting meetings virtually until the next meeting of the Commissioners. Mr. Rosen seconded the motion, and it was unanimously approved by a roll call vote: Ms. Amir-Lin, Mr. Stuntz, and Mr. Rosen.

E. OLD BUSINESS:

1. Update on Per- and Poly-Fluoroalkyl Substances (PFAS).

- Current sample data, if available
- Any updates or discussion from PFAS Working Group

Mr. Allen provided an update. We received some recent results. He stated that Matt sent out an email to those Acton residents who are subscribed to receive those email updates. There is a web update that is available. Mr. Allen shared the summary table with data from year to date and includes the last round of sampling data.

Mr. Rosen: regarding the Conant Wells, is there any indication of weather or seasonality to why the numbers going up and down? Matt: the seasonality may be due to the amount of pumping we do from it – as we pump more in the summer we are drawing it in from further away but there is not great answer to it. Mr. Mostoller stated that there is no correlation to rain events but there may be a correlation with drought events but can't say that with certainty.

Mr. Allen stated that we have been changing the operational scheme a little bit to try and manage the concentrations. We have been running the North Acton Water Treatment Plant (NAWTP) and Conant I into supply in about 2-3 increments. So alternately the Conant I and NAWTP have been idle. Currently NAWTP is offline as of last week; Conant I, Clapp/Whitcomb, and South Acton Water Treatment Plant (SAWTP) are all in supply.

Ron Parenti: commented on the numbers on the chart that Mr. Allen posted. The variations are not that large. If he was looking at these numbers for something else, he would characterize these numbers as measurement noise. Mr. Mostoller stated that he largely agrees with Ron's comments given the limitations of the testing methodology. Although it fluctuates over parts per trillion (ppt) the state has said that 30% +/- is pretty acceptable for the laboratory method. Mr. Allen also agrees with Ron's comments.

Mr. Mostoller provided update on PFAS grant program. He heard from MassDEP that they are currently trying to accommodate everyone who applied for interim funding which is why they haven't announced any grant recipients. At this point it appears that they will provide all the applicants with a majority of what they asked for.

Mr. Allen stated that the PFAS Working Group met last Thursday and had some discussions around the Commissioners approval of the bottled water rebate program. There is an application available on the website. We currently have no applicants.

Also discussed the strategy in South Acton to manage the PFAS concentration in the local aquifer there where is discharge of additional cleaning waste from the SAWTP to the wastewater treatment plant. We met with Town officials and representative from Woodward & Curran Engineers, the plant's contract operators, and it is under evaluation. We will do some additional sampling of the waste water stream to

ascertain the PFAS concentrations. We are trying to coordinate an influent and effluent sample from the wastewater plant to get a baseline data to see what is coming into and going out of that facility so we can determine what impact our additional discharge would have. They are hesitant but seem to be coming around. It's a more theory to practice trying to do something to elicit a result. We are hopeful it will help Assabet IA's PFAS concentration, which is a higher concentration source and is our highest yielding source.

The group continues to evaluate temporary treatment for the North Acton Water Treatment Plant (NAWTP). We have proposals from 3 providers. The last one was from Suez, they quoted \$400K per year to operate, with some modifications to the treatment plant to accommodate that temporary system that are not included in that cost. The other two providers we have proposals from include Calgon Carbon and TIGG. TIGG is not undertaking a strategy to provide rental systems so that would be for purchase. Calgon and Tigg are not self-contained. Suez's system comes self-contained. We would need 2 containers with 12 total vessels (six per container). There would be a rental cost for each of those plus modifications to the facility to get flow through those vessels and then back into the treatment plant for disinfection to achieve our regulatory disinfection contact time prior to distribution.

There are still other remediation steps in the works. We are still in process of designing Assabet 3 to get that into the SAWTP to attempt to maintain a lower concentration of PFAS into supply. We are awaiting Central Acton Water Treatment Plant's (CAWTP) commissioning to see what net impact will be there and the bedrock source continues to progress forward through the permitting process. We are unsure of timing related to that. Getting Central Acton online and finding out what its concentration of PFAS will be is a key component to our response strategy. We hope the bedrock source will provide a dilution factor. Mr. Allen engaged Rich Protasowicki of Wright-Pierce, our Engineering Consultant, to work on generating a technical memorandum (addendum to the Master Plan) related to PFAS solely so that the district can create a road map to our prioritization for PFAS only. Mr. Allen is proposing that Rich meet with PFAS Working Group in an upcoming meeting to get the group's questions answered, etc. and potentially have him meet with Commissioners after the working group has met with him.

He has spoken with Eric Ryder, the Director of Public Works in Hudson, MA. There is some concern about the use of Ion Exchange (IX) resin for PFAS removal. The PFAS Working Group is planning a field trip to Hudson to meet with Eric Ryder to see their PFAS systems in operations. Mr. Allen will continue to collect information on IX and will report any additional findings.

Ron Parenti: the PFAS review by state regulators comes up in 3 years. And he guesses that there will be a push by some people to reduce the regulation even lower. How far down do you think they can get these numbers? Mr. Allen stated that Granular Activated Carbon (GAC) can take it down to non-detectible levels GAC is in operation at the District's Clapp/Whitcomb well site in west Acton.

2. Update on the Central Acton Water Treatment Plant (CAWTP) Project

Mr. Allen stated that the Commissioners have in-hand the proposed start-up schedule. Today, he spoke with the General Contractor (GC), Waterline Industries, today and the current hang-up is EverSource with an internal permitting issue that is causing the delay in the completion of the main power feed circuit. Waterline has installed all the equipment to receive temporary power. EverSource is causing the delay.

Later start up with a late September early October start-up. No update on when EverSource will be on-site. The GC committed to keeping Mr. Allen updated on the status as available.

3. Commissioners' Letter to the Acton Community Housing Corporation (ACHC) Regarding the Proposed 40B at 516 Massachusetts Avenue

Mr. Rosen stated that he did not receive any additional comments from the Commissioners on the letter. Ms. Amir-Lin mentioned that she has some minor comments and will send those edits along after the meeting. She thinks it is a good summary that expresses our water supply concerns. He will ask District office staff to print out the final version and leave in the conference room for the Commissioners to sign. He will then scan and email to Janet Adachi, ACHC President, for their discussion at their meeting.

Terra Friedrichs: asked to comment on the letter. She applauds the letter. She thinks it is fantastic. She hopes the Acton Water District writes more letters to oppose impervious building in wetlands and buffers because they seem to be approved and rubber stamped by the Conservation Commission and hopes the District takes a stronger stand, inclusive of snow and ice in disturbance declarations. She supports the signing and the expanding of Zone I. She looks forward to more Zone I's and expanding of Zone I's in Town. She is reminding the Commissioners that this type of proposed building as "affordable" does not meet the needs expressed as priority in housing production plan which calls for focus on very low income housing. This looks like a profit motive not a community needs motive.

She suspects that the Developer will come back with a tight tank proposal. She suggests holding on their other concerns about this until that time.

She believes that even one house on this site will have thousands of square feet of impervious surface and the septic system is inappropriate.

Her Question: At the state house regarding 40Bs that preempt local wetlands by-laws. There is a bill and she hopes that the District has expressed their concerns for that bill. Barry Rosen stated that the Acton Water District already submitted testimony to the Joint Committee (Matt Mostoller submitted to the legislature about 2-3 weeks ago).

Terra Friedrichs: Regarding the issues with impervious and various actions within the wetland buffers and the Conservation Commission to willingness to rubber stamp and approve these things... will the Acton Water District take more action to urge the Conservation Commission to "cut that out". Mr. Rosen stated that in this letter we are asking the ACHC, which is treating this as a "Local Initiative Program (LIP)", to reconsider and not go the LIP method and if they don't go the LIP method it will stop immediately because Acton temporarily (until September) is under safe harbor. If Acton does not support a LIP they can stop a 40B.

Terra Friedrichs: If they don't stop this at the ACHC level, the Acton Selectboard for a "friendly" will have to approve it.

Her comment is outside of this letter and hopes for future discussion. It is the urging of the Acton Conservation Commission to be stricter because they seem to approve pools, driveways, fences, and all kinds of building inside the buffer zone.

Mr. Mostoller stated that they will submit staff level comments. He would suggest carbon copying the Town Manager on the Commissioners' letter to keep him in the loop.

Mr. Stuntz motioned to adjourn the open meeting at 7:55 PM. Ms. Amir-Lin seconded the motion, and it was unanimously approved by a roll call vote: Mr. Stuntz, Ms. Amir-Lin, and Mr. Rosen.

DRAFT

Mara CPA, PC
Certified Public Accountant – Professional Corporation

PO Box 1555, Concord, MA 01742

maureen@maracpa.com 978-371-2113

August 20, 2021

To the Board of Commissioners
Acton Water District

We have audited the financial statements of Acton Water District for the year ended June 30, 2021, and have issued our report thereon dated August 20, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 21, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you during our preliminary fieldwork on June 21, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Acton Water District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 20, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Sincerely yours,

Maureen Waters Mara, CPA

Mara CPA, PC

Certified Public Accountant – Professional Corporation

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

August 20, 2021

During our audit of the June 30, 2021 financial statements, we made several observations that I would like to bring to your attention. I discussed these observations with Mary Jo Bates and Christopher Allen when the audit fieldwork was completed.

UNSOLD WATER PERCENTAGE

Every year, as part of the audit, I review the statistics for quantity of water pumped from the ground versus water metered/sold to customers. In years 2017 to 2020, the district maintained low unbilled percentages, which were attributed to updated technology that is more accurately metering the water pumped, and aggressive leak detection and leak prevention strategies. In 2021, the dramatic percentage increase is attributed to the high volume of water that is required to be filtered to meet the Mass DEP standard of 20 parts per trillion PFAS concentrations.

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Cubic Feet Pumped	74,663,419	71,509,230	70,634,388	73,000,228	74,600,000
Cubic Feet Sold	61,033,356	62,694,717	61,666,000	64,115,099	66,100,000
Percentage Unsold	18.3%	12.3%	12.7%	12.2%	11.4%

NET PENSION LIABILITY

The District's retirement plan is managed by the Middlesex County Retirement System (MCRS). This is a summary of the District's activity with the pension fund for the last five years:

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Net Pension Liability beginning of year	\$3,732,674	\$3,740,627	\$3,370,594	\$3,319,310	\$2,784,648
Plus actuarially calculated expense	375,578	520,191	471,535	413,458	394,725
Less payments to MCRS	(256,971)	(243,164)	(218,063)	(203,213)	(177,725)
Plus (minus) change to net deferred outflows "smoothing"	(303,097)	(284,980)	116,561	(158,961)	317,662
Equals Net Pension Liability end of year	\$3,548,184	\$3,732,674	\$3,740,627	\$3,370,594	\$3,319,310

It is comforting to see the District's Net Pension Liability decrease for the past two years since it had been steadily increasing in prior years. The MCRS had a good return on its investments in calendar years 2020 and 2019. This seems to have more than compensated for the system reducing its anticipated rate of return from 7.5% to 7.3%. (When that percentage goes down, the liability goes up). The MCRS "funded" percentage increased from 49.45% in 2019 to 53.42% in 2020.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District has had actuarial valuations of its OPEB liability to provide health insurance to retirees. It started funding its OPEB Trust Fund in 2011. The amounts needed to fund the future liability were calculated at the following amounts:

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2015
Liability Amount	\$1,154,355	\$1,110,971	\$1,210,474	\$1,170,622	\$1,075,000
Plan Fiduciary Net Position	1,460,425	\$1,212,655	\$1,162,164	\$974,781	\$552,339
Net OPEB Liability (Asset)	(\$306,069)	(\$101,684)	\$48,311	\$195,841	\$522,661
Percent Funded	127%	109%	96%	83%	49%

The District has fully (over) funded its OPEB liability as calculated by an actuarial analysis. In fiscal year 2021, the OPEB investment fund performed very well: it earned \$254,961 in the combination of dividends/interest plus increase in value. The actuary calculated that retiree benefits cost \$56,551. I agree with the District's budgeting for 2022 where the OPEB Fund will start paying the retirees' health insurance cost. The fund will be used in exactly the manner for which it was established.

FUND BALANCES

Here is a three-year comparison of the ending balances of the District Funds:

	Net Position 6/30/21	Net Position 6/30/20	Net Position 6/30/19
Free Cash (cash basis)	\$1,157,598	\$1,460,898	\$870,376
Capital Projects Fund	\$946,588	\$776,461	\$1,373,067
Unappropriated Net Assets (accrual basis)	(\$1,228,646)	(\$888,630)	(\$1,315,336)
Invested in Capital Assets (net of debt)	\$26,771,663	\$25,425,249	\$23,838,520
Appropriated for Maintenance and Operations	\$99,303	\$100,000	\$168,234
Restricted for Mitigation	\$38,906	\$113,393	\$108,339
Grace Trust Fund	\$1,306,758	\$2,082,022	\$2,180,711
Grace Restricted for Capital Projects/M&O	\$1,015,056	0	\$135,048
OPEB Trust Fund	\$1,460,426	\$1,212,655	\$1,162,163

DISTRICT INVESTMENTS

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

Description	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Cost Basis	\$3,054,680	\$2,796,671	\$2,907,471	\$2,677,222	\$2,851,905
Fair Value	\$3,741,675	\$3,374,270	\$3,418,509	3,035,997	3,189,984
Difference	\$686,995	\$577,599	\$511,038	\$357,775	\$338,079

MY FINAL YEAR AS YOUR INDEPENDENT AUDITOR

It has been a privilege to serve as Acton Water District's independent auditor since the early 1990's. I will be retiring from conducting audits at the end of this calendar year. I remain available to work with the District (other than as an independent auditor) and am willing to assist in your transition to a successor auditor. Mary Jo and I are already considering how we can cooperate in preparing next year's financial statements and audit materials for the successor auditor. Thank you for engaging my services for these many years.

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

Sincerely yours,

Maureen Waters Mara, CPA



UNIBANK FISCAL ADVISORY SERVICES, INC.
A SUBSIDIARY OF UNIBANK

MUNICIPAL NOTE SALE INFORMATION

Sale Information

Day: Thursday
Date: September 09, 2021
Time: 11:00 AM

Issuer: Acton Water District, MA
Amount: \$215,000.00
Dated: 9/24/2021
Due: 9/23/2022
Contact Name: Mary Jo Bates
Title: Treasurer
Phone: (978)263-9107

Type:
BAN

Bank Qualified:
Yes 2019

New/Renewal:
Renewal

Tax Status:
TAX-EXEMPT

Paying Agent:
UniBank For Savings

Disclosure:
Yes

Project Description:
Engineering-Water Treatment

Certification:
Bureau

Award Basis:
Lowest NIC

Legal Opinion:
No

Right to Prepay:
No

Interest Basis:
30/360
No. Of Days: 359

CUSIP:
Optional

Rating:
Note: No
Current Bond: AAA

Bid Basis:
Par/Premium X
Minimum Premium:

Bid Limits:
All or none X Split ___
Minimum Amount:

Additional Info:

Bid Specifics:
Registered or DTC Book-Entry

RESULTS

BIDDER	AMOUNT	RATE	DATE/TIME	PREMIUM	NIC	AWARD	REOFFER
UniBank For Savings	ALL	.460%	9/9/2021 10:00 AM	\$0.00	.460000	\$215,000.00	NR
Newburyport Five Cents Savings Bank	ALL	.470%	9/9/2021 08:15 AM		.470000		

*=Underwriter

UniBank Fiscal Advisory Services, Inc. (UFASI) is a subsidiary of UniBank for Savings (UniBank) and any bid submitted by UniBank is in keeping with its own investment goals and is not submitted by or on behalf of UFASI.

To the best of the Issuer's knowledge and belief, interest on the Notes is excluded from gross income for Federal income tax purposes, and interest on the notes is also exempt from Massachusetts personal income taxes. The Issuer expects to designate the notes as "qualified tax-exempt obligations" for Federal income tax purposes. It should be noted, however, that the Issuer has not engaged the services of bond counsel or any other counsel to render a legal opinion with respect to the treatment for Federal or Massachusetts income tax purposes of interest on the Notes.

For further information, please refer to the Preliminary Official Statement and Notice of Sale dated

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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Independent Auditor's Report

Page 1

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the aggregate remaining fund information of the Water Supply District of Acton, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Water Supply District of Acton, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management's Discussion and Analysis

As Management of The Water Supply District of Acton, we offer readers of the Water Supply District of Acton's financial statements this narrative overview and analysis of financial activities for the year ended June 30, 2021. The District complies with Governmental Accounting Standards Board (GASB) reporting requirements.

Financial Highlights

The assets and deferred outflows of the Water Supply District of Acton exceeded its liabilities and deferred inflows at the close of the fiscal year by \$26,627,814 (net position). Unrestricted net position at year end is currently a deficit of (\$1,228,646), primarily due to the District having recognized the Net Pension Liability in full as of June 30, 2015.

The total assets of the District are \$53,846,039. Of this amount, \$3,905,194 represents current assets and \$49,940,846 represents non-current assets.

The total liabilities of the District are \$26,857,298. Of this amount, \$11,090,594 represents current liabilities and \$15,766,704 represents long term liabilities.

Total net position of the District is \$26,627,814. This includes \$26,771,663 invested in capital assets, net of related debt, \$946,588 which is restricted for capital projects, \$99,303 which is appropriated for maintenance & operations, \$38,906 restricted for mitigation and (\$1,228,646) which is unrestricted.

The Net Pension Liability is \$3,548,184 as of June 30, 2021. Deferred outflows and inflows of resources as of June 30, 2021 amount to \$200,342 and \$385,576, respectively. The District incurred a current period expense for the unfunded actuarial liability of \$375,578.

The Net OPEB Asset is \$306,069 as of June 30, 2021. Deferred outflows and inflows of resources as of June 30, 2021 amount to \$81,255 and \$256,948 respectively. The District incurred a current period expense for the unfunded actuarial liability of (\$84,607).

Overview of Financial Statements

The Water Supply District of Acton's financial statements are comprised of the following: Government Wide Financial Statement, Fiduciary Fund Financial Statement, Governmental Funds Financial Statement, Reconciliations of the Financial Statements and a Comparison of Actual to Budget. These statements provide different views of the District. One includes assets and liabilities of the District and the other focuses on the governmental funds.

The District adopts an annual appropriated budget for its government wide activities. A budgetary comparison has been included. Actual budgetary revenues for the year were greater than budgeted revenues by \$247,601. Actual budgetary expenditures were less than budgeted expenditures by \$270,117.

The Fiduciary Fund Financial Statements contain revenues and expenses relating to the W.R. Grace Fund, restricted funds which can only be used for expenditures relating to improving water quality, and the OPEB Trust Fund, restricted funds which can only be used to fund the District's OPEB obligations.

Comparison of current year to prior year (Governmental Funds)

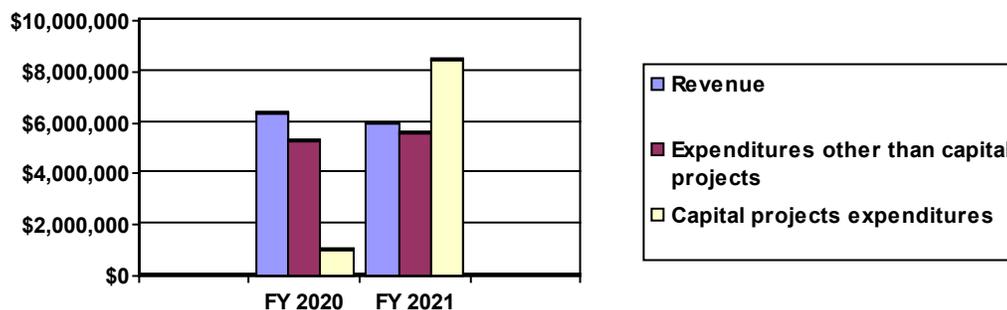
The total revenue for the District was \$5,932,874. Income for the Water Supply District of Acton is generated from water rates, mitigation fees, installation of new services and investment income. Income from water rates, mitigation fees and new services was \$378,793 less than last year. Investment income was \$29,973 less than last year.

Total expenditures for the year amounted to \$14,033,261. This includes the expenditure of \$8,442,922 for capital projects. Expenditures for the current fiscal year increased from the previous fiscal year by \$7,222,355, primarily due to the construction of the Central Acton Water Treatment Plant.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was \$1,157,598. This represents a decrease of \$303,299 from the previous fiscal year.

At the close of the fiscal year there was a balance of \$946,588 restricted for capital projects. This represents an increase of \$170,127 from the previous fiscal year.

Below is a graph comparing revenues and expenditures for fiscal years 2020 and 2021.



Capital Assets

The Water Supply District of The District's investment in capital assets as of June 30, 2021 amounts to \$49,634,777 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment.

Property and equipment are depreciated utilizing the straight line depreciation method and estimated useful life as recommended by the Commonwealth of Massachusetts Department of Revenue Bureau of Accounts. The depreciation expense for this fiscal year was \$1,327,652.

Capital Assets are replaced following a replacement schedule prepared by the District. This schedule is updated every 5 years.

Fiscal Year 2022

The District has appropriated a balanced annual budget for FY 2022 of \$5,825,107. The Central Acton Water Treatment Plant should be placed in service in October 2021. Permanent financing, through the Massachusetts Clean Water Trust, will be in place early in 2022.

The District will be appropriating funds for retiree health insurance from the OPEB Trust Fund, starting this year, as the OPEB liability is fully funded.

WATER SUPPLY DISTRICT OF ACTON				Page 4
Statement of Net Position				
June 30, 2021		<i>Capital</i>	<i>Invested in</i>	
	<i>General</i>	<i>Projects</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Assets</i>	<i>Total</i>
<i>ASSETS</i>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$2,242,395			\$2,242,395
Due to Capital Projects Fund	(946,588)	\$946,588		0
Accounts Receivable	184,183			184,183
Unbilled Accounts Receivable	1,478,616			1,478,616
Total Current Assets	2,958,606	946,588	0	3,905,194
<i>Non Current Assets</i>				
Capital Assets				
Land			\$2,677,848	2,677,848
Depreciable Capital Assets, net			46,956,929	46,956,929
Net OPEB Benefit	306,069			306,069
Total Non Current Assets	306,069	0	49,634,777	49,940,846
Total Assets	3,264,675	946,588	49,634,777	53,846,039
<i>Deferred Outflows of Resources</i>				
Other Post Employment Benefits	81,255			81,255
Pension	200,342			200,342
<i>LIABILITIES</i>				
<i>Current Liabilities</i>				
Notes Payable			8,607,030	8,607,030
Current Portion Long Term Debt			1,129,937	1,129,937
Accounts Payable - CAWTP			1,207,627	1,207,627
Accrued Interest Payable	146,000			146,000
Total Current Liabilities	146,000	0	10,944,594	11,090,594
<i>Non-Current Liabilities</i>				
Long Term Debt, net of current portion			11,918,520	11,918,520
Accrued Compensated Absences	300,000			300,000
Net Pension Liability	3,548,184			3,548,184
Total Non-Current Liabilities	3,848,184			15,766,704
Total Liabilities	3,994,184	0	22,863,114	26,857,298
<i>Deferred Inflows of Resources</i>				
Other Post Employment Benefits	256,948			256,948
Pension	385,576			385,576
<i>NET POSITION</i>				
Unappropriated Net Assets	(1,228,646)			(1,228,646)
Appropriated for Maintenance and Operations	99,303			99,303
Restricted for Mitigation	38,906			38,906
Appropriated for Capital Projects		946,588		946,588
Net Investment in Capital Assets			26,771,663	26,771,663
Total Net Position	(\$1,090,437)	\$946,588	\$26,771,663	\$26,627,814

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON				Page 5
Statement of Activities and Changes in Net Positions		<i>Capital</i>	<i>Invested in</i>	
For the Year Ended June 30, 2021	<i>General</i>	<i>Projects</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Assets</i>	<i>Total</i>
<i>REVENUES</i>				
Water Rates and Services	\$5,885,889			\$5,885,889
Mitigation Fees	25,514			25,514
Interest Income	3,755			3,755
Total Revenues	5,915,157	0	0	5,915,157
<i>EXPENDITURES</i>				
Salaries and Wages	1,412,658			1,412,658
Other Post Employment Benefits Expense	(84,607)			(84,607)
Interest and Fees	356,240		(\$33,571)	322,669
Depreciation Expense			1,327,652	1,327,652
Lights, Power and Fuel	390,000			390,000
Health and Life Insurance	314,660			314,660
Maintenance and Operations	405,697			405,697
Middlesex Retirement	375,578			375,578
Insurance	86,718			86,718
Auto Maintenance and Fuel	46,943			46,943
Chemicals	75,000			75,000
Legal	54,060			54,060
Laboratory Analysis	60,000			60,000
Education	11,759			11,759
Audit	16,000			16,000
Computer Maintenance	16,000			16,000
Information Reports	29,430			29,430
Office Supplies	20,000			20,000
Paving	50,000			50,000
Engineering	31,460			31,460
Postage	19,961			19,961
Telephone	20,000			20,000
D.E.P. Withdrawal and Fees	5,100			5,100
Petty Cash	400			400
Hydrants	9,971			9,971
Backflow/Cross Connection	291			291
Accounting	1,500			1,500
Total Expenditures	3,724,820	0	1,294,081	5,018,901
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	2,190,337	0	(1,294,081)	896,256
Capital Project Payments Made		(8,442,922)	8,442,922	0
Net Transfers Unrestricted to Capital Projects	(721,018)	721,018		0
Bonds Repaid	(1,606,750)	0	1,606,750	0
Bond Proceeds Received		7,892,030	(7,892,030)	0
General & Mitigation Fund Exp Capitalized	(277,769)		277,769	0
Grace Fund Expenditures Capitalized			205,084	205,084
Net Change in Fund Balances	(415,200)	170,126	1,346,414	1,101,340
Net Position - Beginning of Year	(675,237)	776,462	25,425,249	25,526,473
Net Position - End of Year	(\$1,090,437)	\$946,588	\$26,771,663	\$26,627,813

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON			Page 6
Governmental Funds - Balance Sheet			
June 30, 2021			
		<i>Capital</i>	<i>Total</i>
	<i>General</i>	<i>Projects</i>	<i>Governmental</i>
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$2,242,395		\$2,242,395
Accounts Receivable	184,183		184,183
Less Reserve for Uncollectible	(184,183)		(184,183)
Due to Capital Projects Fund	(946,588)	\$946,588	0
Total Assets	\$1,295,807	\$946,588	\$2,242,395
<i>LIABILITIES AND FUND BALANCES</i>			
<i>LIABILITIES</i>			
<i>FUND BALANCES</i>			
Unappropriated Fund Balance (Free Cash)	\$1,157,598		\$1,157,598
Appropriated for Maintenance and Operations	99,303		\$99,303
Restricted for Mitigation	38,906		38,906
Appropriated for Capital Projects		\$946,588	946,588
Total Fund Balances	1,295,807	946,588	2,242,395
Total Liabilities and Fund Balances	\$1,295,807	\$946,588	\$2,242,395

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON			Page 7
Governmental Funds - Statement of Revenues, Expenditures and			
Changes in Fund Balances			
For the Year Ended June 30, 2021	<i>General</i>	<i>Capital</i>	<i>Total</i>
	<i>Fund</i>	<i>Projects</i>	<i>Governmental</i>
		<i>Fund</i>	<i>Funds</i>
<i>REVENUES</i>			
Water Rates and Services	\$5,903,606		\$5,903,606
Mitigation Fees	25,514		25,514
Interest Income	3,755		3,755
Total Revenues	5,932,874	0	5,932,874
<i>EXPENDITURES</i>			
Salaries and Wages	1,401,658		1,401,658
Capital Project Payments Made		\$8,442,922	8,442,922
Bonds Interest and Fees	1,988,990		1,988,990
Lights, Power and Fuel	390,000		390,000
Health and Life Insurance	314,660		314,660
Maintenance and Operations	500,674		500,674
Middlesex Retirement	256,971		256,971
Meters	59,304		59,304
Insurance	86,718		86,718
Chemicals	75,000		75,000
Auto Maintenance and Fuel	46,943		46,943
Legal	54,060		54,060
Laboratory Analysis	60,000		60,000
Information Reports	29,430		29,430
Office Supplies	20,000		20,000
Audit	16,000		16,000
Education	11,759		11,759
Paving	50,000		50,000
Engineering	54,948		54,948
Postage	19,961		19,961
Telephone	20,000		20,000
D.E.P. Withdrawal and Fees	5,100		5,100
Computer Maintenance	16,000		16,000
Hydrants	9,971		9,971
Accounting	1,500		1,500
Petty Cash	400		400
Backflow/Cross Connection	291		291
Mitigation Revolving Fund Expense	100,000		100,000
Total Expenditures	5,590,339	8,442,922	14,033,261
<i>REVENUES OVER (UNDER) EXPENDITURES</i>			
	342,535	(8,442,922)	(8,100,387)
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers from General Fund to Capital Projects	(721,018)	721,018	0
Bond Proceeds Received		7,892,030	7,892,030
Net Change in Fund Balances	(378,483)	170,126	(208,357)
Fund Balances - Beginning of Year			
	1,674,290	776,462	2,450,752
Fund Balances - End of Year			
	\$1,295,807	\$946,588	\$2,242,395

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON	Page 8
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position- June 30, 2021	
Total Governmental Fund Balances	\$2,242,395
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	49,634,777
The Statement of Activities accrues accounts receivable on billed and unbilled water pumped, whereas in the governmental funds, revenue is not reported until collected.	
Accounts Receivable	184,183
Unbilled Accounts Receivable	1,478,616
Net OPEB Benefit	306,069
The Statement of Activities includes accounts payable and debts, whereas in governmental funds these are not reported until paid.	
Accrued Compensated Absences	(300,000)
Accrued Interest Payable	(146,000)
Current Portion Long Term Debt	(1,129,937)
Notes Payable	(8,607,030)
Long Term Debt	(11,918,520)
Accounts Payable CAWTP	(1,207,627)
Net Pension Liability	(3,548,184)
Deferred Outflows - OPEB and Pension	281,597
Deferred Inflows - OPEB and Pension	(642,524)
Net Position of Governmental Activities	\$26,627,815
WATER SUPPLY DISTRICT OF ACTON	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2021	
Net Change in Fund Balances - Total Governmental Funds	(\$208,357)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost is allocated over the estimated useful lives and is depreciated.	
Capital Project Payments Made	8,442,922
Bond Principal Received	(7,892,030)
Expenditures Capitalized	277,769
Grace Expenditures Capitalized	205,084
Bond Principal Repayment	1,606,750
Depreciation Expense	(1,327,652)
Some revenue/expenses reported in the Statement of Activities do not provide (use) current financial resources and therefore are not reported as revenue or expense in the governmental funds.	
Water Revenue Accrual Decrease	(17,719)
Difference Cash versus Accrual Retirement Expense	(118,607)
Difference Cash versus Accrual OPEB Expense	84,607
Bond Premium Amortization and Interest Expense	59,571
Compensated Absences Reported as Salaries and Wages	(11,000)
Change in Net Position of Governmental Activities	\$1,101,338

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON			Page 9
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2021			
			<i>Variance</i>
			<i>Positive</i>
	<i>Budget</i>	<i>Actual</i>	<i>(Negative)</i>
REVENUES			
Water Rates and Services	\$5,659,759	\$5,903,606	\$243,847
Interest Income	0	3,755	3,755
Total Revenues	5,659,759	5,907,360	247,601
EXPENDITURES			
Salaries and Wages	1,505,000	1,401,658	103,342
Bonds, Interest and Fees	1,990,908	1,988,990	1,918
Lights, Power and Fuel	390,000	390,000	0
Health and Life Insurance	412,880	314,660	98,220
Maintenance and Operations	335,000	399,977	(64,977)
Middlesex Retirement	256,971	256,971	0
Insurance	89,000	86,718	2,282
Chemicals	75,000	75,000	0
Reserve Fund	100,000	0	100,000
Laboratory Analysis	60,000	60,000	0
Auto Maintenance and Fuel	50,000	46,943	3,057
Information Reports	45,000	29,430	15,570
Telephone	20,000	20,000	0
Legal	40,000	54,060	(14,060)
Computer Maintenance	16,000	16,000	0
Office Supplies	20,000	20,000	0
Education	17,500	11,759	5,741
Audit	16,000	16,000	0
Paving	50,000	50,000	0
Engineering	55,000	54,948	52
Hydrants	10,000	9,971	29
Postage	20,000	19,961	39
D.E.P. Withdrawal and Fees	6,500	5,100	1,400
Cross Connection	1,000	291	709
Accounting	2,000	1,500	500
Meters	75,000	59,304	15,696
Petty Cash	1,000	400	600
Total Expenditures	5,659,759	5,389,642	270,117
REVENUES OVER (UNDER) EXPENDITURES	0	517,718	517,718
OTHER FINANCING SOURCES (USES)			
Transfers to Capital Projects Fund		(721,018)	(721,018)
Transfer to Residuals M&O Fund		(100,000)	(100,000)
Net Change in Fund Balance	0	(303,300)	(303,300)
Budgetary Fund Balance (Free Cash) - Beginning of Year	1,460,897	1,460,897	0
Budgetary Fund Balance (Free Cash) - End of Year	\$1,460,897	\$1,157,597	(\$303,300)

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON		Page 10
Statement of Fiduciary Net Position		
June 30, 2021		<i>Other Post</i>
	<i>W R Grace</i>	<i>Employment</i>
	<i>Fund</i>	<i>Benefits Fund</i>
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$40,565	
Investments	2,281,249	\$1,460,426
Total Assets	\$2,321,814	\$1,460,426
LIABILITIES		
NET POSITION		
Restricted for W.R Grace Activity	\$1,306,758	
Appropriated for Maintenance and Operations	15,056	
Appropriated for Grace III	1,000,000	
Held in Trust for Other Post Employment Benefits		\$1,460,426
Total Net Position	\$2,321,814	\$1,460,426
WATER SUPPLY DISTRICT OF ACTON		
Statement of Changes in Fiduciary Net Position		
For the Year Ended June 30, 2021		<i>Other Post</i>
	<i>W R Grace</i>	<i>Employment</i>
	<i>Fund</i>	<i>Benefits Fund</i>
ADDITIONS		
Dividend and Interest Income	\$50,582	\$25,963
Net Change in Fair Value of Investments	310,912	228,998
Total Additions	361,494	254,961
DEDUCTIONS		
Investment Management Fees	11,756	7,190
Maintenance and Operations	29,860	
Expenditures Capitalized on Statement of Net Position	205,084	
Total Deductions	246,700	7,190
Change in Net Position	114,794	247,771
Net Position - Beginning of Year	2,207,021	1,212,655
Net Position - End of Year	\$2,321,814	\$1,460,426

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Water Supply District of Acton (the District) is a municipality incorporated in the Commonwealth of Massachusetts with the purpose of providing water and related services to the residents and businesses of Acton. The District is a separate municipality, distinct from the Town of Acton. There are no component units included within the reporting entity. The basic operations of the District are financed by water rate and services charges. The District's financial statements include the accounts of all District operations. 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.

Summary of Significant Accounting Policies - The following significant accounting policies were applied in the preparation of the accompanying financial statements:

Basis of Accounting and Presentation - The District reports its financial statements in accordance with both the Governmental Accounting Standards Board requirements (accrual basis) and with its budgetary reporting (cash basis). The financial statements include reconciliations that identify the differences between the accrual basis and cash basis financial statements.

The two reporting standards are briefly described here.

GOVERNMENT WIDE FINANCIAL STATEMENTS - This financial model includes the presentation of Management's Discussion and Analysis as well as Government Wide financial statements that are prepared on the accrual method of accounting. Revenues are reported when earned and expenses are reported when incurred, regardless of when payments are either received or made. The accrual basis financial statements report capital assets and the related depreciation expense and accumulated depreciation. All liabilities are reported, including compensated absences, short and long term debt, net pension liability and other post-employment benefits liability. The net positions of the District are reported in three components: General Fund, Appropriated for Capital Projects, and Invested in Capital Assets Net of Related Debt.

GOVERNMENTAL FUNDS – This financial model presents the District's governmental funds. Under this method, revenues are recorded when received and expenditures are recorded when they are paid. Accounts receivable are fully reserved until they are collected and recorded as income.

Capital assets and infrastructure are not recorded in the governmental funds. Funds used to acquire capital assets are accounted for as expenditures in the Capital Projects Fund in the fiscal year payment is made. Appropriation balances of capital projects are carried forward in the Capital Projects Fund until completion of the project or until unexpended balances are transferred to the General Fund by approval of the Annual Meeting. The fund balances of the District are reported in two components: General Fund and the Capital Projects Fund.

Budgets and Budgetary Accounting - The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. Appropriations for the Capital Projects Fund, the W.R. Grace Fiduciary Fund and other appropriations are also approved at the Annual Meeting. Any budget overrides or additional appropriations must be approved at a specially called District Meeting.

Capital Assets - Capital assets, which include land, infrastructure, buildings, vehicles, machinery and equipment, are reported in the Government Wide financial statements at historical cost or estimated historical cost. Depreciation is provided using the straight-line method over the estimated useful lives recommended by the Massachusetts Department of Revenue, Division of Local Services, Bureau of Accounts.

Compensated Absences - The District has a policy of buying back 50% of a retiring employee's unused sick time, up to a maximum of 85 days sick time.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 1 – GENERAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES - continued

District Funds - The District categorizes its funds into governmental and fiduciary funds.

The following *government wide* and *governmental funds* are reported:

Unappropriated Net Assets (accrual basis) and Fund Balance/Free Cash (cash basis) - This primary operating fund is used for financial resources other than those that are required to be accounted for in another fund.

Appropriated for Maintenance and Operations – This fund reports the net assets that were appropriated for Maintenance and Operations expense, less amounts spent for this activity.

Restricted for Mitigation – This is a revolving fund that reports the net assets collected from new service installations for mitigating costs incurred to comply with the District’s Water Management Act Permit renewals. Expenditures from the Mitigation fund are limited to \$100,000 per year.

Appropriated for Capital Projects - This fund reports the activity for the appropriations and spending for construction projects or for acquiring assets.

Net Investment in Capital Assets - This fund reports the historical cost of fixed assets less accumulated depreciation.

The following *fiduciary funds* are reported:

W.R. Grace Fund - This fund is 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. The fund was converted to a stabilization fund at the June 2020 Annual Meeting to enable its investments to be managed under the prudent person laws.

Other Post Employment Benefits (OPEB) Fund – This fund is an irrevocable trust fund established by the District in 2011 pursuant to Massachusetts General Laws. The fund can only be used to fund the District’s OPEB obligations.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District considers all highly liquid investments with a maturity date of less than one year to be cash equivalents. The District maintains a portion of its cash in the Massachusetts Municipal Depository Trust’s Cash Portfolio, an investment account that offers participation in a diversified portfolio of high-quality money-market instruments that seek the highest possible level of current income consistent with preservation of capital and liquidity. The account is neither insured nor guaranteed by the Commonwealth of Massachusetts or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The District has not experienced any loss in the account, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 3 - INVESTMENTS

The District’s investments are managed pursuant to Massachusetts General Laws by Boston Financial Management with the guideline that there is low risk to principal while providing a continuing revenue stream. The investments are carried at fair value. As of June 30, 2021, the District had the following investments:

Description	W.R. Grace Fiduciary Fund	OPEB Trust Fiduciary Fund
Cash and equivalents	\$136,612	\$30,240
Bonds (corporate & government)	1,006,533	553,139
Equities	752,274	631,399
Exchange Traded Funds and Other	385,821	245,648
Total	\$2,281,249	\$1,460,426

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

As of June 30, 2021, the General Fund owed \$946,588 to the Capital Projects Fund.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 5 - RETIREMENT PLANS

Substantially all employees of the District are members of the Middlesex Retirement System. The retirement system is funded by both employer and employee contributions. The District's annual contributions to the retirement system are calculated to pay current normal cost as well as unfunded actuarially calculated liabilities from prior years. In addition, employees contribute 5 to 11% of their base pay depending on when they entered the system. The District's contributions for the year ended June 30, 2021 were \$256,971.

The District has a voluntary Section 457 retirement plan. Employees may make pre-tax contributions up to the amount allowed by the Internal Revenue Code, and the District matches contributions up to 3% of the participating employee's base salary. District match contributions for the year ended June 30, 2021 were \$32,546 which is included in Salaries and Wages.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2021 consisted of the following:

Description	Balance 6/30/20	Additions	Disposals	Balance 6/30/21
Land	\$2,673,725	\$4,125		\$2,677,850
Infrastructure	57,410,157	337,209		57,747,366
Buildings	1,191,763	0		1,191,763
Vehicles	674,675	99,535		774,210
Machinery & Equipment	3,017,545	75,001		3,092,546
Projects in Process	920,001	9,617,534		10,537,535
Total at Historical Cost	65,887,866	10,133,404		76,021,270
Less Accumulated Depreciation	25,058,839	1,327,652		26,386,493
Capital Assets, Net	\$40,829,027			\$49,634,777

NOTE 7 – NOTES PAYABLE

The District has utilized short term debt to finance the construction projects and land acquisition listed below. The following is a summary of the changes in Notes Payable for the year ended June 30, 2021:

Description	Interest Rate	Due Date	Balance 6/30/20	(Retired or Refinanced)	Additions	Balance 6/30/21
585 Main Street Land	1.9%	9/25/20	\$800,000	(\$800,000)		\$0
CAWTP Engineering	1.9%	9/25/20	400,000	(400,000)		0
Unibank BAN	0.65%	9/24/21	0		\$715,000	715,000
Mass Clean Water Trust	0.00%	not specified	0		7,892,030	7,892,030
Total Notes Payable			\$1,200,000	(\$1,200,000)	\$8,607,030	\$8,607,030

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 8 – BONDS PAYABLE

The District has general obligation bonds to finance the construction of the North Acton Water Treatment Plant, the South Acton Water Treatment Plant and water mains and land purchased. The following is a summary of the changes in Bonds Payable for the year ended June 30, 2021:

Description	Interest Rate	Issue Date	Due Date	Balance 6/30/20	(Paid Down) (or Amortized)	Balance 6/30/21
North Acton WTP	2.0% - 4.3%	2/15/09	2/15/29	\$2,700,000	(\$300,000)	\$2,400,000
South Acton WTP & land	2.0% - 3.0%	8/15/13	8/15/23	845,000	(215,000)	630,000
South Acton WTP	2.0%	1/7/15	1/7/35	10,625,207	(606,750)	10,018,457
Bond Premium		8/15/13	8/15/23	33,571	(33,571)	0
Total Bonds Payable				\$14,203,778	(\$1,155,321)	\$13,048,457

The annual debt service requirements for Bonds Payable outstanding at June 30, 2021 are as follows:

Fiscal Years	Principal	Interest	Total
2022	\$1,129,937	\$329,097	\$1,459,034
2023	1,143,411	298,368	1,441,779
2024	1,157,177	266,450	1,423,627
2025	961,243	237,386	1,198,629
2026	975,614	210,869	1,186,483
2027-2031	4,504,810	654,091	5,158,901
2032-2035	3,176,265	172,559	3,348,824
Total	\$13,048,457	\$2,168,820	\$15,217,277

Principal of \$1,606,750 plus interest and fees of \$382,240 for a total of \$1,988,990 is reported as Bonds, Interest and Fees on the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended June 30, 2021. Interest and Fees of \$356,240 less amortization of bond premium of \$33,571 for a total of \$322,669 is reported on the Statement of Activities to reflect the accrual basis calculation of interest incurred during the year ended June 30, 2021, regardless of when the actual interest payments were made by the District.

The District has \$9,242,000 and \$3,150,000 in authorized Bonds Payable. The bonds were authorized at the March 20, 2020 Annual Meeting and the June 8, 2020 Special Meeting, respectively, for the construction of the Central Acton Water Treatment Plant. As of June 30, 2021, the District has borrowed \$7,892,030 in short term notes for construction financing. The District intends to borrow the remaining authorized debt for continuing construction work and refinance all of the short term notes into long term Bonds Payable in fiscal year 2022.

NOTE 9 – COMMITMENTS & CONTINGENCIES

The District has ongoing commitments for the construction of capital projects, many of which are for water main construction or repair. In 2019 and 2020 the District approved borrowings of \$9,242,000 and \$3,150,000, respectively, for the construction of the Central Acton Water Treatment Plant. The District has authorized the treasurer to borrow these sums to finance the construction. 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 intended to protect the Assabet well field. The District is also conducting vigorous research into the extent of and remediation of PFAS contamination in the water supply.

The District joined a class action lawsuit by retaining a law firm to prosecute any legal claim for negligence against any and all parties, individuals and/or corporations that are found to be liable under the law for injuries and/or property damages arising from the contamination of water supplies by Per- and Poly- fluoroalkyl substances (PFAS) and 1,4 – Dioxane.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 10 – PENSION PLAN

Plan Description – The District contributes to the Middlesex County Retirement System (“the System”), a cost-sharing multiple-employer defined benefit pension plan administered by the Middlesex Retirement Board (“the Board”). Substantially all employees are members of the System. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Commonwealth of Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law adjustments granted after 1997 must be approved by the Board and are borne by the System. The System issued an Accounting Valuation for the year ended December 31, 2020. That report may be obtained by contacting the System at 25 Linnell Circle, Billerica, MA 01821.

Funding Policy – Plan members are required to contribute to the System at rates ranging from 5% to 11% of gross regular compensation. The District is required to pay into the System its share of the system-wide actuarially determined contribution that is apportioned among the employers based on active current payroll. The contributions of plan members and the District are governed by Chapter 32 of the Commonwealth of Massachusetts General Laws. The District’s contribution to the System for the year ended June 30, 2021 was \$256,971, which equaled its required contribution.

At June 30, 2021, the District reported a liability of \$3,548,184 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The District’s proportionate share 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. At December 31, 2020, the District’s proportionate share was 0.231742%, which decreased from its 0.233284% proportion measured at December 31, 2019.

For the year ended June 30, 2021, the District recognized a pension expense of \$375,578. At June 30, 2021, the District reported the following deferred outflows and inflows of resources related to pensions:

Deferred Outflows – difference between expected and actual experience	\$64,895
Deferred Outflows – changes of assumptions	135,447
Deferred Inflows – difference between expected and actual experience	(4,199)
Deferred Inflows – difference between projected and actual investment earnings on pension plan investments	(201,141)
Deferred Inflows – changes in proportion and differences between employer contributions and proportionate share of contributions	(180,239)
Net Deferred Outflows and Inflows of Resources	(\$185,237)

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

Year ending June 30,	
2022	(\$33,703)
2023	(23,442)
2024	(77,989)
2025	(50,103)
Total	(\$185,237)

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 10 – PENSION PLAN– continued

Actuarial Assumptions – The total pension liability as of December 31, 2020 was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Prior year's total contribution increased by 6.5% for fiscal 2021 through fiscal 2027, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; Early Retirement Incentive (ERI) liability amortized in level payments.
Remaining amortization period	17 years from July 1, 2018 for non-ERI liability; 1 year from July 1, 2018 for 2002 ERI, 2 years from July 1, 2018 for 2003 ERI, and 4 years from July 1, 2018 for 2010 ERI.
Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted as necessary to be within 20% of the market value.
Inflation rate	3.25%
Projected salary increases	Varies by length of service with ultimate rate of 4.00% for Group 1
Cost of living adjustments	3.00% of first \$16,000 of retirement income, as of July 1, 2019
Mortality rate pre-retirement	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017
Mortality rate healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017
Mortality rate disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017
Investment rate of return/ Discount rate	7.30%, net of pension plan investment expense, including inflation

Investment policy – The pension plan's policy in regard to the allocation of invested assets is established by Pension Reserve Investment Trust. Plan assets are managed on a total return basis with long-term objective of achieving a fully funded status for the benefits provided through the pension plan. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2021 are summarized in the following table:

Asset Class	Long Term Expected Asset Allocation	Long Term Expected Real Rate of Return
Domestic equity	22.00%	6.28%
International developed markets equity	12.00%	7.00%
International emerging markets equity	5.00%	8.82%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.97%
Real estate	10.00%	3.50%
Timber	4.00%	3.45%
Hedge fund, GTAA, risk parity	10.00%	2.35%
Private equity	14.00%	10.11%
	100.00%	

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 10 – PENSION PLAN– continued

Discount rate – The discount rate used to measure the total pension liability was 7.30%. 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 contributions 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.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability as of December 31, 2020, calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.30%) or 1% higher (8.30%) than the current rate:

	1% Decrease to 6.30%	Current Discount 7.30%	1% Increase to 8.30%
The District’s share of the net pension liability	\$4,421,419	\$3,548,184	\$2,813,514

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Middlesex County Retirement System financial report.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (GASB 75)

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. All the following OPEB disclosures are based on a measurement date of June 30, 2021.

A. General Information about the OPEB Plan

Plan Description – The District administers a defined benefit healthcare plan through the Massachusetts Interlocal Insurance Association (MIIA) that provides lifetime healthcare insurance for eligible retirees and their spouses. Massachusetts General Laws Chapter 32B assigns authority for the District to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

Benefits Provided – The District provides medical, prescription drug, dental and life insurance benefits to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria will receive these benefits. The District contributes 80 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 20 percent of their premium costs.

Plan Membership – At the June 2021 measurement date, the following employees were considered to be covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	15
Total participants	26

B. Investments – The OPEB trust fund assets consist of an asset portfolio invested under the prudent investor management policy approved by the Commonwealth of Massachusetts.

Rate of return – For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 15.38%.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS - continued

C. Actuarial Assumptions and Other Inputs – The net OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	4.00%
Investment rate of return	7.0%
Healthcare cost trend rates	5.5% for HMO and PPO Plan, Pre-Medicare and 3.5% for Medicare Supplement Plan; 2% for Dental Plan. Ultimate Health Care Cost Trend Rate of 4.5% reached in fiscal year 2035.
Retirees' share of benefit-related costs	Range of 12% to 20%
Mortality rates	Determined pursuant to PubS.H-2010 Mortality Table - General

The long-term expected rate of return on OPEB plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table.

Asset Class	Target Asset Allocation	Long Term Expected Real Rate of Return
Money Market Funds	4%	2.0%
Fixed Income	37%	6.0%
Equities	40%	8.0%
Exchange Traded Funds	16%	8.0%
Other Assets	3%	6.0%
Total	100.00%	

D. Discount Rate – The discount rate used to measure the net OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

E. Net OPEB Liability – The components of the net OPEB liability, measured as of June 30, 2021, were as follows:

Total OPEB liability	\$1,154,355
Plan fiduciary net position	1,460,425
Net OPEB liability (asset)	(\$306,069)
Plan fiduciary net position as a % of the total OPEB liability	126.51%

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS - continued

F. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances beginning of year June 30, 2020	\$1,110,971	\$1,212,655	(\$101,684)
Changes for the year:			
Service cost	24,147		24,147
Interest on total OPEB liability	75,789		75,789
Contributions – employer			
Net investment income		254,957	(254,957)
Differences between expected and actual experience		161,339	(161,339)
Changes of assumptions and other inputs			
Benefit payments	(56,551)		(56,551)
Administrative expenses		(7,188)	7,188
Other changes		(161,339)	161,339
Net changes	43,384	247,769	(204,385)
Balances end of year June 30, 2021	\$1,154,355	1,460,425	(\$306,069)

Note: The mortality assumption was changed from the RP-2014-Combined Annuitant Mortality Table for males and females to the Pubs.H-2010 Mortality Table-General.

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point higher or one percentage-point lower than the current discount rate:

	1% Increase to 8.0%	Current Discount Rate 7.0%	1% Decrease to 6.0%
Net OPEB liability (asset)	(\$419,306)	(\$306,069)	(\$171,714)

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it as calculated using healthcare cost trend rates that are one percentage-point higher or one percentage-point lower than the current healthcare cost trend rates:

	1% Increase	Current Healthcare Cost Trend Rates	1% Decrease
Net OPEB liability (asset)	(\$150,627)	(\$306,069)	(\$434,496)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the District recognized a net OPEB (negative) expense of (\$84,607). At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources described below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$13,148	\$51,883
Changes of assumptions and other inputs	55,886	70,586
Difference between projected and actual OPEB investment earnings	12,221	134,479
Totals	\$81,255	\$256,948

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS - continued

The deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$31,376	\$72,998
2023	31,376	72,745
2024	17,852	63,429
2025	651	47,776
Totals	\$81,255	\$256,948

Other Post-Employment Benefits (GASB 74)

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), replaces the requirements of Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2011, the District established an OPEB Trust Fund to provide funding for future employee health care costs. All the following OPEB disclosures are based on a measurement date of June 30, 2021.

A. Investments – The OPEB trust fund assets consist of an asset portfolio invested under the prudent investor management policy approved by the Commonwealth of Massachusetts.

Rate of return – For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 15.38%.

B. Actuarial Assumptions and Other Inputs – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions used in this valuation (including mortality rates, the long-term expected rate of return and discount rate) are the same assumptions outlined in GASB 75 disclosures above.

C. Net OPEB Liability – The components of the net OPEB liability, measured as of June 30, 2021, were as follows:

Total OPEB liability	\$1,154,355
Plan fiduciary net position	1,460,425
Net OPEB liability (asset)	(\$306,069)
Plan fiduciary net position as a % of the total OPEB liability	126.51%

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point higher or one percentage-point lower than the current discount rate:

	1% Increase to 8.0%	Current Discount Rate 7.0%	1% Decrease to 6.0%
Net OPEB liability (asset)	(\$419,306)	(\$306,069)	(\$171,714)

E. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it as calculated using healthcare cost trend rates that are one percentage-point higher or one percentage-point lower than the current healthcare cost trend rates:

	1% Increase	Current Healthcare Cost Trend Rates	1% Decrease
Net OPEB liability (asset)	(\$150,627)	(\$306,069)	(\$434,496)

WATER SUPPLY DISTRICT OF ACTON
Required Supplemental Information and Notes to Required Supplemental Information - June 30, 2021

PENSION PLAN SCHEDULES

District's Share of Net Pension Liability (NPL) of Middlesex County Retirement System (MCRS):

Date	District's proportion of the MCRS NPL	District's percentage share of the MCRS NPL	District's covered payroll	District's NPL as a % of its covered payroll	MCRS fiduciary net position as a % of its total pension liability
12/31/20	\$3,548,184	0.231742%	\$1,275,867	278.10%	49.45%
12/31/19	\$3,732,674	0.233284%	\$1,225,561	304.57%	49.45%
12/31/18	\$3,740,627	0.239866%	\$1,188,771	314.66%	46.40%
12/31/17	\$3,370,594	0.237502%	\$1,141,452	295.29%	49.27%
12/31/16	\$3,319,310	0.234277%	\$1,136,133	292.16%	45.49%
12/31/15	\$2,784,648	0.215861%	\$1,013,745	274.69%	46.13%
12/31/14	\$2,562,079	0.213273%	\$974,755	262.84%	47.65%

District's Contributions to the Middlesex County Retirement System:

Fiscal Year Ended	Date of actuarial valuation	Actuarially determined contribution	Contributions made in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
6/30/21	1/1/20	\$256,971	\$256,971	----	\$1,275,867	20.14%
6/30/20	1/1/20	\$243,164	\$243,164	----	\$1,225,561	19.84%
6/30/19	1/1/18	\$218,063	\$218,063	----	\$1,188,771	18.34%
6/30/18	1/1/18	\$203,213	\$203,213	----	\$1,141,452	17.80%
6/30/17	1/1/16	\$177,725	\$177,725	----	\$1,136,133	15.64%
6/30/16	1/1/16	\$165,791	\$165,791	----	\$1,013,745	16.35%
6/30/15	1/1/14	\$133,367	\$133,367	----	\$974,755	13.68%

The two schedules above are intended to present information for ten years. Until a ten-year period is available, information is presented for those years for which information is available.

See notes to required supplementary information

NOTE A – PENSION PLAN – CHANGES IN ASSUMPTIONS AND PLAN PROVISIONS

The following assumption changes were reflected in the January 1, 2020 actuarial valuation:

- None

The following plan provision changes were reflected in the January 1, 2020 actuarial valuation:

- None

WATER SUPPLY DISTRICT OF ACTON
Required Supplemental Information and Notes to Required Supplemental Information - June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS SCHEDULES

Schedule of Changes in the District's Net OPEB Liability and Related Ratios	6/30/21	6/30/20	6/30/19	6/30/18
<i>Total OPEB Liability</i>				
Service Cost	\$24,147	\$22,376	\$19,350	\$18,605
Interest on Total OPEB Liability	75,789	82,041	78,986	73,230
Differences Between Expected & Actual Experience		(60,438)		33,670
Changes of Assumptions and Other Inputs		(66,514)		18,838
Benefit Payments	(56,551)	(76,922)	(84,498)	(80,182)
Other Changes		(46)	26,014	20,229
Net Change in Total OPEB Liability	43,384	(99,503)	39,852	84,390
Total OPEB Liability Beginning of Year	1,110,971	1,210,474	1,170,622	1,086,232
Total OPEB Liability End of Year	\$1,154,355	\$1,110,971	\$1,210,474	\$1,170,622
<i>Plan Fiduciary Net Position</i>				
Employer Contributions	\$0	\$0	\$100,000	\$100,000
Net Investment Income	254,957	56,730	82,326	56,999
Difference Between Expected & Actual Experience	161,339	(20,369)	12,767	0
Administrative Expenses	(7,188)	(6,238)	(5,057)	(4,348)
Other Changes	(161,339)	20,369	(2,654)	2,238
Net Change in Plan Fiduciary Net Position	247,769	50,491	187,382	154,889
Plan Fiduciary Net Position Beginning of Year	1,212,655	1,162,163	974,781	819,891
Plan Fiduciary Net Position End of Year	\$1,460,425	\$1,212,655	\$1,162,163	\$974,781
<i>Net OPEB Liability (Asset)</i>	(\$306,069)	(\$101,684)	\$48,311	\$195,841
Plan Net Position as a % of the Total OPEB Liability	126.51%	106.15%	96.01%	83.27%
Covered Employee Payroll	\$1,317,826	\$1,249,659	\$1,230,570	\$1,191,141
Net OPEB Liability as a % of Covered Employee Payroll	n/a	n/a	3.93%	16.44%
Schedule of Investment Returns	6/30/21	6/30/20	6/30/19	6/30/18
Annual money-weighted rate of return, net of investment expenses	15.38%	7.48%	8.53%	6.31%

The two schedules above are intended to present information for ten years. Until a ten-year period is available, information is presented for those years for which information is available. See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

WATER SUPPLY DISTRICT OF ACTON					Page 23
Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity					
For the Year Ended June 30, 2021					
	<i>Beginning</i>	<i>Transfers</i>	<i>Debt</i>	<i>Payments</i>	<i>Ending</i>
	<i>Balance</i>	<i>(To) From</i>	<i>Borrowed</i>	<i>Made</i>	<i>Balance</i>
	<i>06/30/20</i>	<i>General Fund</i>	<i>(Paid)</i>		<i>06/30/21</i>
Clean Rehab Wells 19	75,000	\$75,000		135,039	14,961
Easements Conant II	50,000	(28,375)		4,125	17,500
Eminent Domain Main Street	19,519				19,519
Engineering NAWTP 12	532	(532)			0
Flagg Hill Tank Repairs 12	3,504				3,504
Marshall Well Replacement	54				54
Media Replacement	1,734	65,000		0	66,734
New Vehicle	100,000	60,000		99,535	60,465
Replace NAWTP Filter Cart	17,400			17,400	0
Replace Old Mains	35,637	30,000		43,928	21,709
Residuals Management 17	16,638			1,125	15,513
Residuals Management Eng	10,075	(10,075)			0
Storage Tank Repairs	60,766			60,691	75
Water Main Emergency	62,115	30,000		73,051	19,064
Water Main Improvements	223,488	500,000		15,998	707,490
Well Exploration/Permit	100,000			100,000	0
CAWTP State Revolving Funds			7,892,030	7,892,030	0
<i>Total General Fund</i>	<i>\$776,462</i>	<i>\$721,018</i>	<i>\$7,892,030</i>	<i>\$8,442,922</i>	<i>\$946,588</i>
Assabet III-(Grace)		1,000,000			1,000,000
<i>Total Grace Fund</i>		<i>1,000,000</i>			<i>1,000,000</i>

See Independent Auditor's Report