

**Acton Water District
Finance Committee Meeting**

Acton Memorial Library

**June 17, 2023
1:35 pm**

Members present: William Guthlein, Ron Parenti, John Petersen

Absent: none

Others: Kim Kastens

William Guthlein called the meeting to order 1:35 p.m.

History of Water Rates

- Bill provided an overview of the rate water rate history and the current system which includes a fixed debt fee for each user. Bill and Ron discussed their work over the past three years to look at incorporating debt service costs into the volume rate. Both noted the commissioners have historically been concerned that if revenue to service the debt was dependent on water volumes, then in times of low use the rates could be insufficient to cover the debt service and operating costs of the district. Also noted was the expectation that debt service would be an increasing percentage of water bills.

Discussion of Guthlein draft recommendation for a water rate study

- Members discussed various factors that are important in the rate setting process including:
 - Sufficiency of rates to maintain the high bond rating of the AWD
 - Stability of Water District revenues
 - Projection of debt service expense
 - Equity of rates across different types of users
 - Impact of rates on water use
- Members discussed limitations around guidance commissioners provided with respect to water use (while there are many initiatives directed to reducing water use, there is no quantitative target for the reduction either across the district or for a given user type)
- Members discussed role of the Finance Committee in improving equity in the water bills between different types of water users and volumes of water use
- Members discussed the frequency of rate setting
- Members discussed whether setting debt service fees based on past use volume rather than future use volume is desirable
- Members discussed whether or not the rate study should be part of AWD Master Plan
- A suggestion was made that the scope of the study be restricted to Massachusetts to improve comparability of districts.
- Members discussed the merits and purposes of a stabilization fund noting that the policy and fund could be established independent of the decision to allocate revenue to a stabilization fund
- A suggestion was made that expenses associated with PFAS (operating and capital) could be treated as a separate item in the rate setting process

Next Steps

- Members thanked Bill for his draft and agreed that the recommendation should move forward to the Commissioners. Bill Guthlein will update, finalize the draft recommendation for a water rate study and distribute to the Water Commissioners for discussion at their next meeting (26 June). Bill will ask

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Christine to post this meeting as a joint meeting of the AWD and Finance Committee so that all the Finance Committee members may attend the meeting and be available to answer any questions that the Commissioners have about the Finance Committee recommendation.

Future Agendas

- Members discussed creating a standing agenda for future meetings including:
 - Approval of minutes
 - Review of AWD Commissioners Meeting(s)
 - PFAS
 - Public Participation

In addition to any meeting specific topics.

ADJOURN

John moved, Ron seconded and it was:

VOTED unanimously to adjourn the meeting at 2:57 p.m.

Respectfully submitted,
John Petersen

Documents used: Agenda, Guthlein draft recommendation, Parenti alternative questions (brought to meeting)