

Finance Committee Meeting
Acton Water District
693 Massachusetts Avenue
Acton, MA 01720

September 13, 2018 12:00 noon

In attendance were Finance Committee Members Bill Guthlein, Chuck Bradley and David Butler (via phone). Also in attendance, Chris Allen, District Manager, and Mary J. Bates, District Treasurer. Matthew Mostoller, Environmental Manager, joined the meeting late. The meeting was called to order at 12:05pm.

Approve Minutes

Mr. Bradley made a motion to approve the minutes of the January 18, 2018 meeting as amended. Mr. Guthlein seconded the motion and it was unanimously approved.

Boston Financial

Karen Bottar of Boston Financial Management presented an update on investments.

The Grace Fund has a market value of \$2,129,888 as of 8/31/18. The latest 1-year return is 2.05%. This investment is limited to Legal List investments only.

The OPEB Fund has a market value of \$1,003,703 as of 8/31/18. The latest 1-year return is 8.46%. This is invested under Prudent Man investment guidelines. Mr. Guthlein questioned the 50/50 split for equities. Is it too conservative for this portfolio? Ms. Bottar advised that looking at 5-year forecasts, and taking into consideration the debt to equity ratio, this is the appropriate split.

Special District Meeting Warrant

Matthew Mostoller, Environmental Manager, joined the meeting.

Mr. Allen presented the Warrant for Special District Meeting to be held on October 10, 2018 at the Acton Public Safety Facility.

Article #1 is to purchase the property at 585 Main Street for \$1.095M. Mr. Allen explained that this property, owned by the Conant family, is an 11.23 acre parcel that abuts the Conant 1 well. The Conant 1 well property was part of this parcel prior to it being gifted to the District by the Conant family. This parcel could easily be sold and become, at a minimum, 4 approval not required lots. This would be in the Zone 2 of the Conant 1 well. This parcel is a priority for ownership to protect the source. The Conant family approached the District about the purchase of this property. Shortly thereafter, the District had the property appraised by G&M Valuation at \$975,000. That appraisal assumed 4 ANR lots.

Mr. Mostoller stated that the highest and best tool for watershed protection is ownership. As this property is forested, development of the property would have an impact on the well quickly. The Conant wells currently provide 35% of District capacity. Anthem Village, a development in South Acton, will have 28 homes on a similar sized lot. Post Office Square currently has a 12 unit development being built on a smaller lot.

Mr. Guthlein questioned the ability of the District to purchase property above the appraised value. He questioned some of the assumptions in the report and asked if the Appraiser could explain them. He specifically questioned the assumption of developers profit at the bottom end of the scale. Mr. Allen will pose his questions to G&M Valuation. This is currently Chapter 61 land and the District intends to maintain the forestry plan on it. Would the District consider a Conservation Restriction on the parcel? Mr. Mostoller indicated that we would not be able to justify that on this parcel.

DEP recently released a new round of grant funding for Watershed Protection Grants. These are reimbursable funds, up to \$300K, on approved projects. The District intends to apply once the purchase is approved at Special District Meeting.

Article #2 is the transfer of 3-33 Knox Trail from the Town of Acton. The 1.61 acre 'river sliver' was taken by the Town of Acton for unpaid back taxes and is currently still help up in Land Court. Once this is resolved, the Town will transfer the property to the District. Town Meeting approved the transfer to the District and the District voters need to approve accepting the parcel.

Mr. Bradley made a motion to recommend the Warrant to the Commissioners. It was seconded by Mr. Butler and unanimously approved.

Transfer from Reserve Account

Mr. Allen presented a request for transfer from the Reserve Account for \$60,000 for repairs to the Carbon Tank on Mass. Ave. The tank is currently out of service, due to a significant leak. To repair the leak, the carbon must be removed and replaced. Mr. Butler made a motion to approve the transfer. It was seconded by Mr. Bradley and unanimously approved.

FY 2018 Audit and Free Cash Certification

Ms. Bates provided copies of the FY 2018 Audit report to the Committee. Free Cash has not yet been certified by the Department of Revenue.

Future Meeting Discussions

Mr. Guthlein would like to add to a future Agenda the discussion of Stabilization Fund investments and a review of the Grace Fund limits that are currently in place.

Mr. Bradley made a motion to adjourn the meeting at 2:30. It was seconded by Mr. Butler and unanimously approved.