

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

September 27, 2016 12:00 noon

In attendance were Finance Committee Members Bill Guthlein, Chuck Bradley and David Butler. Also in attendance were Chris Allen, District Manager, Mary J. Bates, District Treasurer, Mary Bassett District Counsel and Karen Bottar, Boston Financial.

The meeting was called to order at 12:03pm.

Approve Minutes

Mr. Guthlein made a motion to approve the minutes of the April 28, 2106 meeting as amended. Mr. Bradley seconded the motion and it was unanimously approved.

Middlesex Retirement

The Middlesex Retirement funding ratio is low and continues to decrease with each actuarial valuation. Investment performance is not meeting the actuarial assumed rate of return. We expect to see an increase in assessments in the future and would like to be prepared to fund them. Would the creation of a Stabilization Fund allow us to put money aside for future expenditures such as retirement? Attorney Basset indicated that Stabilization Funds are normally for capital expenditures. Such a fund would also require District Meeting approval to set up, fund and appropriate from, requiring a 2/3 vote. The Finance Committee would like to see some money set aside for these future costs.

Boston Financial

Karen Bottar presented an update of funds on deposit with Boston Financial: the Grace Fund and the OPEB Fund.

The Grace Fund has a current market value of \$2,424,178, with a current yield of 2.8%. The OPEB Fund has a current market value of \$673,281, with a current yield of 1.9%.

Investments and the Legal List

Mr. Guthlein questioned the Legal List restrictions for the Grace Fund. There has been no update to the list in a very long time. The proposed legislation is still under discussion in the Legislature.

Mr. Bradley suggested trying to get some Mutual Funds added to the list.

Pilot Study

Mr. Allen informed the Committee that he has a proposal to perform a pilot study in South Acton for 1.4 dioxane. The cost is approximately \$23K.

Water Restriction

Mr. Allen reminded the Committee that the current water restrictions will remain in place after October 1 due to the drought.

Mr. Bradley made a motion to adjourn the meeting at 2:00 pm. It was seconded by Mr. Guthlein and unanimously approved.