

**Acton Water District
Finance Committee Meeting Minutes
November 17, 2022
693 Massachusetts Avenue
Acton, MA 01720**

In attendance were Finance Committee members Chuck Bradley, Bill Guthlein and Ron Parenti. Also in attendance, Chris Allen, District Manager, Christine McCarthy, District Treasurer, Matthew Mostoller, Assistant District Manager, and Kim Kastens.

The meeting was called to order at 10:32 am by Mr. Parenti.

Approve Minutes

Mr. Guthlein made a motion to approve the minutes of the October 4, 2022 meeting as presented. Mr. Bradley seconded the motion, and it was unanimously approved by a roll call vote.

Mr. Guthlein, yes, Mr. Parenti, yes, Mr. Bradley, yes.

Review FY 24 Budget Draft

Mr. Allen gave an overview of Lights, Power & Fuel and spoke about the rising rates we have been experiencing. The District has enrolled in available programs that provide a reduced rate per kWh and we are also going to be benefitting from the solar arrays once they are fully operational.

Mr. Guthlein had a question about the rate study. Mr. Allen spoke about MWRA and indicated that it is very early in the discussion so information on cost is not available at this time. The MWRA will be undertaking the study.

Kim Kastens had a question on the meter line item regarding the proposed increase for FY 24. Ms. McCarthy explained that the proposed increase is due to the increasing cost of materials plus the need to purchase additional meters as part of our process of identifying lead and copper service lines. Kim also had a question regarding rent income. The anticipated increase is due to revenue we will receive from the solar arrays.

Mr. Bradley commented on the balance in the Grace Fund, which has decreased significantly. Mr. Allen and Ms. McCarthy explained that we have been utilizing the Grace Fund to address the PFAS problem.

Mr. Parenti asked for an update on the Pilot studies that are being conducted. Mr. Allen informed the Finance Committee of the status of the projects and also spoke about the issue of carbon scarcity and increased lead times due to the high demand the PFAS issue has caused. Mr. Parenti recommended writing down all of the costs. He feels the Town Finance Committee should be made aware of these costs because they have an interest in what costs will have an impact on the citizens of Acton and that the PFAS situation has changed things. Kim Kastens agreed and noted that the Town Finance Committee and others have a desire to be allies to the District.

Mr. Guthlein requested a discussion on the proposed Warrant articles, notably the \$16.5 million that will need to be borrowed to address PFAS. A discussion ensued and Mr. Mostoller mentioned that we are ahead of other communities in this process which may be to our benefit. We are part of a lawsuit and may be able to recoup some of our costs. Mr. Parenti stated we should assume we won't receive any help with this problem. Mr. Mostoller also mentioned that the State Revolving Fund Loan Program (SRF) is receiving funds and they

use a ranking process for awarding funds. SRF is trying to rework that ranking process- environmental justice is having an impact. We're hopeful that our projects will be approved and be fully funded through SRF. A discussion about PFAS ensued.

Mr. Guthlein stated that if we are exploring connecting to the MWRA he questions borrowing this money. Mr. Allen, Mr. Parenti, and Mr. Mostoller spoke about the length of time it may take to connect to the MWRA (currently estimated at 10-15 years) and how we need to treat the water in the meantime. Discussion took place about MWRA testing results and if there is an option for AWD to lease equipment to treat PFAS rather than buy. Mr. Guthlein asked if we knew what the impact to the debt fee would be at this time. Mr. Allen indicated that we do not, however, we should know more in January.

Mr. Allen addressed Mr. Parenti's question regarding Article 9 (Baldco land). This article is currently a placeholder due to still having things to work through on this. Mr. Allen also updated the committee on the status of the ACO at the Clapp-Whitcomb water treatment facility.

Kim Kastens suggested hosting listening sessions to educate the public and ask questions to see their thoughts on solutions financially.

Mr. Allen stated that there will be a joint meeting between the Board of Commissioners and the Finance Committee on December 5, 2022.

Suggested changes to the water rate structure and debt service fee

Mr. Parenti presented his rate structure analysis and a discussion ensued.

Mr. Bradley made a motion to recommend to the board of commissioners to change to a volume based fee. It was seconded by Mr. Guthlein and unanimously approved by a roll call vote.

Mr. Guthlein, yes; Mr. Parenti, yes, Mr. Bradley, yes

The meeting adjourned at 12:40PM.