

Board of Water Commissioners & Finance Committee

Meeting Agenda

Monday, December 22, 2025 @ 7:00 PM

- Comments from the public
- Appoint one Commissioner to sign warrants while conducting meetings virtually

NEW BUSINESS:

- Representatives of CBIZ CPAs for annual audit report
- Update on Investments from Cap Trust (formerly Boston Financial)

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Discussion of Additional PFAS Upgrades
 - MDL Update
- Review Draft Budget for FY '27 and proposed articles for 2026 Annual District Meeting Warrant
- MWRA MetroWest Expansion
- Recruitment for Treasurer/Collector

EXECUTIVE SESSION:

To conduct strategy sessions for contract negotiations with non-union personnel.

Present at Tonight's Meeting:

Commissioners: Stephen Stuntz (Chair), Erika Lin, Barry Rosen

Finance Committee: Ron Parenti, John Petersen, Bill Guthlein

District Manager: Matt Mostoller

Treasurer/Collector: Christine McCarthy

CBIZ CPAs: Laura Stone

CAP TRUST: Tim Gray

Members of the Public: Joe Robb, Gill Watt, Alissa Nicol

START OF MINUTES

Mr. Parenti opened the Finance Committee meeting at 7:00 p.m. Mr. Stuntz opened the Commissioners meeting at 7:01 p.m. and ensured that everyone could hear and be heard.

Comments from the public

No public comment was offered at this time.

Approve minutes from meeting of 11/24 and 12/8

Mr. Mostoller informed the Board that these minutes were not available for review at this time.

Appoint one Commissioner to sign warrants while conducting meetings virtually

Mr. Stuntz motioned to appoint Mr. Rosen to sign warrants until the next regularly scheduled meeting. Ms. Lin seconded, and it was unanimously approved via a roll call vote, Mr. Rosen, Ms. Lin, and Mr. Stuntz.

NEW BUSINESS:

Representatives of CBIZ CPAs for annual audit report

Ms. Laura Stone of CBIZ CPAs presented the District's annual audit report to the Commissioners and Finance Committee, providing an overview of the audit scope, process, and timing, and noting that the audit was conducted in accordance with applicable standards. Ms. Stone reported that the audit was completed as planned and reviewed the District's overall financial position and major funds, noting general consistency with prior years. She also discussed fund balance considerations and state guidance, including flexibility allowed by the Massachusetts Department of Revenue, and observed that many communities are evaluating how available resources may be directed toward PFAS mitigation and other capital or regulatory-driven needs.

Commissioners and Finance Committee members asked questions regarding audit findings and long-term financial planning, including questions from Mr. Petersen regarding audit guidance and future options. Ms. Stone confirmed that detailed audit materials had been provided and remains available for follow-up.

Update on Investments from Cap Trust (formerly Boston Financial)

Mr. Timothy Gray, a financial representative from Cap Trust, provided a high-level market and economic update, noting that overall economic performance exceeded earlier expectations, influenced by an "AI boost" and recent Federal Reserve rate cuts. At the same time, Mr. Gray flagged uncertainty tied to prior tariff announcements and

emphasized that the primary concern at this time is the labor market, including weaker overall job growth trends and a modest rise in unemployment. Mr. Gray also commented on consumer spending patterns, noting that spending remains strong at a macro level but is disproportionately driven by higher earners.

Mr. Gray then reviewed District investment accounts, including the OPEB Trust Fund and the WR Grace Fund, and summarized consolidated assets at approximately \$2.3M as of the close of business on Friday, December 19, with allocations reported as roughly 55% equities, 41% high-quality bonds, and a small portion in money market (“dry powder”).

Mr. Guthlein asked questions about asset allocation and whether the portfolio was underweighting equities relative to a typical 60/40 approach. Mr. Gray explained the strategy as intentionally defensive, describing proactive rebalancing to take risk off the table given equity valuations and highlighting improved bond yields compared to recent years, with the bond portfolio returning over 6% year-to-date.

Commissioners also asked about portfolio construction, and Mr. Gray stated the equity sleeve typically holds approximately 50–55 positions and is designed to prioritize downside protection rather than index-matching.

Additional discussion covered whether creating additional funds (e.g., a future PFAS-related fund) would create meaningful investment disadvantages. The presenter indicated that, given current flexibility and the custodial structure (including no trading commissions and no custody fees per account), having multiple funds would not materially change outcomes unless the funds had different goals that would warrant different allocations.

A further exchange between Mr. Guthlein addressed expected return assumptions, with Mr. Gray noting historical annualized returns around 6–7% since inception and expressing that 8% would likely be aggressive for the current design going forward.

OLD BUSINESS:

Per- and Polyfluoroalkyl Substances (PFAS)

Current sample data, if available

Mr. Mostoller provided December PFAS sampling results, reporting that the North Acton plant remained below detection limits (sampled Dec. 2). Center Acton and South Acton were sampled Dec. 9, with Center Acton reported at 15.1 ppt and South Acton at 12.5 ppt. Mr. Mostoller noted early indications that discharge of treated PFAS conditioning water on-site may be contributing to reduced raw water concentrations at South Acton.

Discussion of Additional PFAS Upgrades

Mr. Mostoller in response to a question from Mr. Petersen, explained that conditioning water is discharged via hose onto the ground and recharges into the aquifer, with efforts made to discharge away from sensitive wetland areas.

Mr. Mostoller also shared progress updates: Center Acton has been offline while contractors worked through backwashing issues; recent progress suggests the system may soon complete the full backwash cycles, with conditioning anticipated to begin after the new year. At South Acton, conditioning was nearly complete with one vessel remaining; preliminary results on the first two vessels looked good for PFAS removal and did not show arsenic leaching. Mr. Mostoller also reported ongoing transfer pump issues and anticipated pausing further work until after the new year.

Mr. Mostoller confirmed the District has been purchasing water from Concord and reported approximately \$10,000 in purchased water costs since early November, noting minimal overall fiscal impact to date.

Near the end of the meeting, discussion returned briefly to PFAS financing administration. Ms. McCarthy reported interim loan note closing documents for the South Acton, Center Acton, and PFAS projects, with a closing date of February 6, 2026, after which the notes will move to permanent financing with the Clean Water Trust. Commissioners were asked to come into the office to sign documents, with materials available in a blue folder at the front counter. Mr. Mostoller noted that documents must be returned to bond counsel by January 7, 2026.

PFAS MDL Update

Mr. Mostoller reported settlement-related payment options, stating that although the Board had interest in accelerated payments for 3M, legal concerns could not be reconciled, and the District did not proceed. Payments are otherwise expected over the next eight years.

Review Draft Budget for FY '27 and proposed articles for 2026 Annual District Meeting Warrant

Mr. Mostoller stated there had been no changes to the draft budget since the prior meeting (Dec. 8) and invited questions. Finance committee members raised a reporting concern that certain expenditures appeared as blanks when paid from special funds and recommended that future budgets explicitly show expenditures along with corresponding special revenue lines to reflect funding sources more transparently.

Commissioners also discussed anticipated impacts on customer bills, clarifying that while the budget assumed no increase to the water use fee, bills may rise due to an increase in

the debt fee. Staff reported the debt fee is projected to increase to \$85.25 per unit per quarter for FY27, up from \$63.50 per unit per quarter in FY26. Commissioners agreed this was a valid concern and noted the topic should be discussed further, including whether certain funds could be used to mitigate impacts.

Regarding warrant articles, Mr. Mostoller reported no additional movement at this time. Following completion of the audit, accounting work was finalized and shared with a consultant supporting our free cash certification. Once the free cash position is confirmed, the District can further evaluate financial warrant articles.

MWRA MetroWest Expansion

Mr. Mostoller provided an update that the Town of Maynard has negotiated a contract with Stantec (lead consultant) and plans to present it to the Maynard Select Board on January 6, 2026, with work expected to begin in January if approved. Mr. Mostoller noted the contract is approximately \$118,000, reflecting both timing and added scope, and estimated the study timeline at roughly four to six months to a draft plus additional time for presentations and finalization. Eight communities are currently participating (with Lincoln potentially a ninth pending an intergovernmental agreement). Stantec is partnering with Kleinfelder to complete the work based on expertise that each firm possesses.

Recruitment for Treasurer/Collector

Mr. Stuntz reported that the Board has interviewed one candidate and requested staff to identify additional candidates, so interviews may continue.

Mr. Parenti motioned to adjourn the Finance Committee meeting. Mr. Guthlein seconded, and the motion was unanimously approved via a roll call vote, Mr. Petersen, Mr. Guthlein, Mr. Parenti.

EXECUTIVE SESSION:

At the conclusion of open session business, Mr. Rosen moved that the Board adjourn the open meeting of the Acton Water District Commissioners and reconvene in Executive Session to conduct strategy sessions for contract negotiations with non-union personnel, and that the Board not return to open session thereafter. Mr. Stuntz seconded, and the motion was unanimously approved via a roll call vote, Mr. Rosen, Ms. Lin, Mr. Stuntz.

Meeting Closed at 8:05 p.m.