



Water Supply District of Acton

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WLMAC MEETING NOTES OF APRIL 9, 2013 Joint Meeting with the Finance Committee

Documents: Any documents utilized during this meeting are included in these minutes and/or can be examined at the District office during regular business hours.

Present: Chuck Olmstead, Paul Malchodi, John Cipar, Barry Rosen

Additional Attendees: Charles Bradley (FinCom), David Butler (FinCom), William Guthlein (FinCom), Mary Jo Bates (AWD Treasurer, FinCom Secretary), Matt Mostoller (AWD Environmental Mgr.), Ron Parenti (AWD Commissioner), John Sonner (Acton Board of Selectman, Liaison to WLMAC).

Note Taker(s): Barry Rosen

Chairperson: Barry Rosen

Called To Order: The chairperson called the meeting to order on April 9, 2013 at 8:10 PM. Both committees had a quorum present.

New Business:

1. **Approval of Minutes:** On a motion made by Mr. Malchodi and seconded by Mr. Rosen, the minutes of March 28, 2013 were approved by a vote of 2 in favor and 1 abstaining. [Mr. Cipar was not present during this vote.]
2. **Workshop Meeting:** This meeting was set-up by both committees as a "workshop" meeting to help the WLMAC understand the *financial implications* of purchasing some portion of Acton's water from the MWRA. While there may be other reasons to consider an outside water purchase from the MWRA, this meeting's purpose was focused on whether or not the finances might preclude further consideration at this time.
 - 2.1. Mr. Butler (Finance Committee) explained with a series of slides that the Finance Committee did "back of the envelope" figuring in their examination of the problem.
 - 2.1.1. It was thought that the possible savings could be around \$640K or about 20% with MWRA.
 - 2.1.2. Problem: There could be a single point of failure if Acton obtained all of their water from MWRA as a single source.
 - 2.1.3. It appears that the MWRA will have rate increases each year. There were some differences as to the average percent calculation over a number of years.

2.1.4. They seem to have an unfunded OPEB that, at some point, will have to be met. The committee believes that the sewer and water divisions will both share in this responsibility and therefore they believe it is likely this will affect the cost of the water.

2.2. Mr. Malchodi (WLMAC) explained the WLMAC model utilizing a spreadsheet.

2.2.1. Model is designed using the worst case numbers so it is conservative.

2.2.2. Went through the model asking for inputs/corrections to any of the model numbers from all of those present in order to get the best back of the envelope costs.

2.2.3. The cost of chemicals was able to be reduced as Mr. Mostoller explained that the new plant would have a simpler chemical process and make use of more of the less expensive chemical.

2.2.4. The cost of personnel was reduced substantially as both Mr. Mostoller and Ms. Bates explained to us that it was possible that no additional personnel would be necessary as we may be able to utilize the existing workforce. We may be able to rearrange some of the stand-by hours to avoid additional hiring.

2.2.5. Mr. Mostoller stated that it is still unclear as of today how the state will classify our plants and whether we will have to cover them with full-time personnel. It is possible that with the automation, we may not be required to utilize many people in either the North Acton or South Acton plants. WTPs always require some level of personnel to check on them.

2.3. Initial Conclusions:

2.3.1. The wild card was the level of staffing that would be required by the state (DEP) to cover both the North Acton and South Acton water treatment plants.

2.3.2. As the staffing level increases, the MWRA membership becomes more and more viable as a source of at least some of the District's water sourcing.

2.3.3. Staff expense is the most volatile part of the model and believed to be the expense that increases most rapidly.

3. Closing: The WLMAC members thanked the members of the Finance Committee for attending a workshop meeting. Mr. Rosen asked Mr. Butler if the committee would be willing to work with the WLMAC as it continued to explore other areas with which it could use help in thinking about and analyzing finances. Mr. Butler thought that would be fine. The WLMAC will send a copy of the spreadsheet to each of the Finance Committee members.

Old Business:

4. There was no old business to come before the committee this evening.

Adjournment:

On a motion by Mr. Olmstead which was seconded by Mr. Cipar, the committee voted unanimously to adjourn the meeting at 9:45 PM ET on April 9, 2013.

