



Water Supply District of Acton

693 MASSACHUSETTS AVENUE
P.O. BOX 953
ACTON, MASSACHUSETTS 01720

TELEPHONE (978) 263-9107

FAX (978) 264-0148

Board of Water Commissioners

Meeting Agenda

Monday, January 23, 2023 @ 7:00 PM

Due to the COVID-19 Pandemic, meetings are being held virtually via Zoom

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- **Comments from the public**
- **Approve minutes from the meeting of 1/9**
- **Appoint one Commissioner to sign warrants while conducting meetings virtually**

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
 - Assabet 3 Update
 - PFAS Pilot Update
 - NAWTP PFAS Update
- Review Draft Budget for FY '24
- Review proposed articles for 2023 Annual District Meeting Warrant

NEW BUSINESS:

- Citizen Petition for Rate Study Warrant Article

Any agenda item(s) which did not come to the attention of the Board of Water Commissioners 48 hours prior to this meeting and were not reasonably anticipated

EXECUTIVE SESSIONS: -- To consider the purchase, exchange, lease of real property as an open meeting may have a detrimental effect on the negotiating position of the District

Agenda posted on 1/19/2023 4:00 PM

Board of Water Commissioners
Meeting Minutes
Acton Water District
693 Massachusetts Avenue, Acton, MA
Monday, January 9, 2023

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AGENDA

A. Comments from the public

B. Approve minutes from the 12/5 and 12/12 meetings

C. Appoint one Commissioner to sign warrants while conducting meetings virtually

D. OLD BUSINESS:

1. Per- and Polyfluoroalkyl Substances (PFAS)

- Current sample data, if available
- Discussion of Public Notice
- Assabet 3 Update
- PFAS Pilot Update
- Bottled Water Rebate Status

2. Review Draft Budget for FY '24 and proposed articles for 2023 Annual District Meeting Warrant

3. Discuss Annual Report

E. NEW BUSINESS:

1. Request for road maintenance contribution for Wyndcliff Drive

EXECUTIVE SESSION:

- To consider the purchase, exchange, lease of real property as an open meeting may have a detrimental effect on the negotiating position of the District.

Due to the Covid-19 stay-at-home order by Governor Charles Baker, the Board of Water Commissioners meeting was not held at the Acton Water District Office; instead, the meeting was held via Zoom Webinar and was recorded. The meeting was called to order at 7:03 PM on Monday, January 9, 2023, by Mr. Stephen Stuntz.

Present at Tonight's Meeting:

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

Assistant District Manager: Matthew Mostoller

District Treasurer: Christine McCarthy

District Counsel: Mary Bassett

Finance Committee: Ron Parenti

Commissioners Secretary: Lynn Protasowicki

Public Present:

Kim Kastens, Carolyn Platt

A. Comments from the Public.

Kim Kastens noted that Matthew Mostoller was sitting in the District Manager slot on the meeting and congratulated him on that role. She mentioned the walk conducted on Sunday by Matthew Mostoller and Alex Wahlstrom in conjunction with the Acton Conservation Trust was well done with over 60 participants. She is curious about what the Commissioners decided regarding the Open Space & Recreation Plan (OSRP) as she doesn't see it on the agenda. There are two new posts on the Green Acton website which are intended to help the public understand the relationship between water rates, conservation and environmental justice. They are called The Challenging Interrelationship Among Water Rates, Conservation and Environmental Justice and Perspectives: Opinions for Funding Acton's Response to PFAS. The Perspectives article is an opinion piece. She ends this piece by encouraging the District to think about a plan on whether or not to join the MWRA and to think about a process to arrive at the decision that would involve public education and input about that decision making process.

Erika Amir-Lin: stated that the forum for all the boards and committees who were solicited for commentary on the OSRP was announced for January 19th and Erika will be attending on behalf of the District. She will be delivering the Districts' comments at this meeting.

B. Approve minutes from the 12/5 and 12/12.

Mr. Rosen motioned to approve the meeting minutes of 12/5/2022 and 12/12/2022 with the revisions placed into the minutes of 12/5 by Counselor Bassett. Ms. Amir-Lin seconded the motion, and it was unanimously approved by a roll call vote: Mr. Rosen, Ms. Amir-Lin, and Mr. Stuntz.

C. Appoint One Commissioner to Sign Warrants While Conducting Meetings Virtually.

Mr. Rosen motioned to appoint Erika Amir-Lin as the Commissioner to approve warrants while conducting meetings virtually until the next meeting of the Commissioners. Mr. Stuntz seconded the motion, and it was unanimously approved by a roll call vote: Mr. Rosen, Ms. Amir-Lin, and Mr. Stuntz.

B. OLD BUSINESS:

1. Per- and Polyfluoroalkyl Substances (PFAS).

- Current sample data, if available
- Discussion of Public Notice
- Assabet 3 Update
- PFAS Pilot Update
- Bottled Water Rebate Status

Matthew Mostoller provided the update.

- Current sample data, if available

We have preliminary results for the month of December. The South Acton Water Treatment plant had low recovery from the lab and so results may get rejected. Those were at 15.7 PPT. We do continue to be in compliance in South Acton and it does continue to be our largest source of

supply therefore our greatest percentage of water being supplied to the community. Our Central Acton Treatment plant only had Conant 2 running. It has gone up to 28.6 PPT. We shut off this well and put Conant I into service. We will run Conant I for about a week or two to see if the PFAS concentrations get lower. He also reminded the Commissioners that we did not run Clapp Whitcomb or North Acton Treatment plants in December.

- Discussion of Public Notice

The public notice started going out via email on December 16th followed up by direct mail on December 20th and by New Year's Eve, we believe the entire town was notified. We have received the same type of feedback as prior public notices, including questions about filters; the bottled water rebate; and people asking why they are just seeing this for the first time (even though this is our 5th notice). A lower volume of calls this time but same type of information requested. Staff has been great about following up and responding to all inquiries.

- Assabet 3 Update

Still awaiting MassDEP's approval to use that source. We have sent in all the hydrogeology data and water quality data. They are taking issue with format of the way we submitted some of the data and they have some questions about the yield of the well and how we achieved stabilization in that well during the pumping test.

- PFAS Pilot Update

We do not have a pilot running anywhere. We wrapped up the South Acton pilot just before Christmas. The contractor mobilized to the Central Acton Water Treatment plant, and we are hoping to start the test on Monday, January 16th which will run for six weeks. At the South Acton Water Treatment pilot, we had an issue and are working with one of the equipment vendors to rectify the issue which hopefully won't significantly delay the report.

- Bottled Water Rebate Status

Christine McCarthy provided the update. For this quarter, we had \$4,605 worth of bottled water rebates. There were 103 total customers that received the rebates through their bill plus two tenants received a check directly. To-date we have provided \$18,345 in rebates since the inception in October 2021. Barry Rosen had a question if we have budgeted for these rebates. She informed the Commissioners that an upper limit has not been established at this time and they are taken as a reduction in revenue. She stated that some rebates are \$45, and some are \$30. It depends on when we receive the application. If we received applications in November, they would have received rebates for the month of November and December on their January bill. As of today, we have received 15 new applications and those will be applied toward April bills. We had 93 rebates last quarter and 103 this quarter through the bills. It looks like we will exceed \$5,000 and trending upwards. People do not come off the list unless they tell us or if they were to sell their property and move, so we just keep adding to the rebates.

Matt stated that when we adopted the bottled water rebate program, we were comparing that to a monthly cost of installing and maintaining a filtered water filling station which was \$8K-\$10K/month plus the cost of water so this rebate program is a financially feasible program compared to the alternative.

2. Review Draft Budget for FY '24 and Proposed Articles for 2023 Annual District Meeting Warrant.

- Draft Budget for FY '24

Christine McCarthy stated that there were no changes to the draft except she put the actual amounts for the January billing. At the next meeting the budget may be ready to get voted on.

- Proposed Warrant Articles

Counselor Bassett took the rough list from various meetings and turned those into the actual warrant articles. The final three articles are about establishing a revolving fund for the meters and that was suggested by the Treasurer and those are modeled after how the mitigation revolving fund works. Erika Amir-Lin: asked Counselor Bassett about the revolving fund - would this be money that would normally be portioned by a vote for water meter repairs goes into the revolving fund. Matt Mostoller stated that we charge new installations for the cost of the meter but that money we brought in was going back into free cash. This meant we couldn't replenish the meter stock with those funds we brought in so this will allow us to always have cash on hand to purchase new meters. It will then allow us to use appropriations for meters for our internal upgrades and replacement as opposed to new installations.

Articles will be presented in the following order:

Stephen Stuntz
Erika Amir-Lin
Barry Rosen

There will be a Consent Agenda for Articles 7-10 as those are the usual surplus revenue articles.

Counselor Bassett reviewed Articles 11- 23 for the Commissioners with some discussion about each.

Kim Kastens: the overall price of the amount of borrowing strikes her as being high so she would think that the Commissioners would want to provide comments about how that fits in with historical borrowing. Is it unprecedented to be borrowing this much? Be prepared with an answer as to why it's appropriate and timely to be doing all this borrowing. And be ready for someone to ask is all the PFAS borrowing necessary if we can connect to MWRA? Why do we have to spend all this money now if it might not be the best long-term solution. Steve Stuntz stated that we are aware of these concerns.

3. Discuss Annual Report.

Steve Stuntz is working on the draft annual report. The focus will be on transitions and the long-term issues that the District will face. Matt Mostoller would like to see the draft within the next couple of weeks.

E. NEW BUSINESS:

1. Request for Road Maintenance Contribution for Wyndcliff Drive.

Matt Mostoller stated that our Wampus Hill Tank relies on a private roadway which is Wyndcliff Drive to access that tank. We do travel that road daily. We do pay towards the annual

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maintenance of that road. The homeowners association is looking for a special assessment to help them maintain the road in addition to snow removal costs. They have taken on some capital improvements to help maintain the road surface and base material and so they are assessing all the property owners an additional sum of money and for the District that will be \$1,400 extra on top of the \$500 a year into that fund. We wanted to make the Commissioners aware of this. The alternative would be for the District to build a road from Main Street at a substantial cost. We do need a vote from the Board to go forward with paying this additional cost.

Mr. Rosen motioned to approve the District to appropriate \$1,400 toward the Wyndcliff Drive Homeowners Association for road maintenance costs. Ms. Amir Lin seconded the motion, and it was unanimously approved by a roll call vote: Mr. Rosen, Ms. Amir-Lin and Mr. Stuntz.

Mr. Stuntz motioned to adjourn the open meeting and move into Executive Session at 8:15 PM to discuss the purchase, exchange, lease of real property as an open meeting may have a detrimental effect on the negotiating position of the District. Mr. Rosen seconded the motion, and it was unanimously approved by a roll call vote: Mr. Rosen, Ms. Amir-Lin, and Mr. Stuntz.

Next Meeting: January 23, 2023

Proposed Warrant Articles 2023		Grace	Borrow	Mitigation	Free Cash
Grace M&O Filters	125,000.00	125,000.00			
Clean & Rehab	100,000.00				100,000.00
Old Mains	30,000.00				30,000.00
Main Breaks	30,000.00				30,000.00
Media	100,000.00				100,000.00
Water Main Improvement	400,000.00				400,000.00
Rate Study	-				-
Art 97 Stabilization	25,104.00				25,104.00
Lights, power and fuel	150,000.00				150,000.00
New Meter Installation RF	25,000.00				25,000.00
Mitigation	100,000.00		100,000.00		
Main Street	4,900,000.00		4,900,000.00		
W. Acton ACO	955,000.00		955,000.00		
104 Powder Mill Rear	180,000.00		180,000.00		
549 Main St Bedrock Wells	2,400,000.00		2,400,000.00		
SAWTP PFAS	8,700,000.00		8,700,000.00		
CAWTP PFAS	5,420,000.00		5,420,000.00		
		\$ 125,000.00	\$ 22,555,000.00	\$ 100,000.00	\$ 860,104.00
Grace Unappropriated	584,292.00				
Less Approps	125,000.00				
Bal. \$	459,292.00				
Free Cash 6.30.22	994,309.00				
Less Approps	860,104.00				
Bal. \$	134,205.00				
Debt for PFAS	16,520,000.00				
Debt for Land Acquisition	5,080,000.00				
Debt for ACO	955,000.00				
Total Debt:	\$ 22,555,000.00				

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FY 2024 Budget and Estimated Revenue

	Actual FY 21	Actual FY 22	Budget FY 23	1st QTR FY 23 Actual	Projected FY 23	FY 24 Proposed	% Increase/decrease
EXPENSES							
Audit/Accounting	17,500	17,800	22,000	1,000	20,000.00	20,000.00	-9%
Auto Maint & Fuel	46,943	50,000	52,000	8,176	52,000.00	52,000.00	0%
Short Term Debt	508,223	505,000	326,550	215,986	215,987.00	-	-100%
Long Term Debt	1,480,767	1,459,219	1,922,298	360,759	1,922,298.00	2,752,416.00	43%
Chemicals	75,000	91,772	120,000	35,267	130,000.00	160,000.00	33%
DEP Withdrawal	5,100	4,958	5,600	-	5,200.00	5,000.00	-11%
Employee Education	11,759	11,695	17,500	1,573	13,000.00	17,500.00	0%
Engineering	54,949	50,000	50,000	15,103	50,000.00	60,000.00	20%
Health/Life Insurance Active	314,660	281,469	320,000	60,061	285,318.00	267,696.48	9%
Health/Life Insurance Retiree				19,915	84,325.00	108,899.14	9%
Information Reports	29,430	31,897	45,000	25,028	32,000.00	50,000.00	11%
Insurance	86,718	93,476	110,000	97,667	100,000.00	118,800.00	8%
Laboratory Analysis	60,000	80,000	100,000	10,756	100,000.00	100,000.00	0%
Legal	54,060	58,247	75,000	11,181	50,000.00	75,000.00	0%
Lights/Power/Fuel	390,000	390,000	350,000	167,581	647,017.00	600,000.00	71%
Maintenance & Operations	460,239	347,667	471,000	59,090	350,000.00	420,000.00	-11%
Middlesex Retirement	256,971	268,502	293,362	288,240	288,240.00	330,838.00	13%
Meters	59,304	46,035	75,000	73,456	75,000.00	125,000.00	67%
Office Supplies	76,361	72,747	92,000	19,368	88,000.00	96,000.00	4%
Reserve Fund		30,000	100,000	-	100,000.00	100,000.00	0%
Salaries & Wages	1,401,658	1,462,763	1,677,658	356,599	1,521,884.00	1,727,988.00	3%
Total	5,389,641	5,353,247	6,224,968	1,826,806	6,130,269.00	7,187,337.62	15%

REVENUE							
Water Revenue	2,748,837	2,697,721	2,619,178	2,154,727	2,877,878	3,084,794.51	
Service Fee	544,500	528,960	528,960	205,425	538,200	544,500.00	
Debt Fee	2,178,000	2,115,840	2,115,840	821,700	2,152,800	2,752,629.00	
Total Water Revenue	5,471,337	5,342,521	5,263,978	3,181,852	5,568,878	6,381,924	
Fire Protection Sprinklers	40,420	41,643	40,420	36,012	41,500	41,000	
Rent/Lease	149,500	122,364	446,570	209,453	668,375	493,570	
Repairs/Installation	79,353	64,623	50,000	10,873	50,000	50,000	
Cross Connection	21,341	23,634	24,000	8,733	21,000	21,000	
Demand Fees	145,360	563,300	300,000	70,000	300,000	300,000	
Mitigation Fees	25,514	125,000	100,000	28,523	100,000	100,000	
Total Other Revenue	461,488	940,564	960,990	363,594	1,180,875	1,005,570	
Total	5,932,825	6,283,085	6,224,968	3,545,446	6,749,753	7,387,494	200,155.89

2023 Proposed Warrant Articles:

Borrow for W. Acton ACO	955,000
Borrow for SAWTP PFAS	8,700,000
Borrow for CAWTP PFAS	5,420,000
Borrow to construct Bedrock Wells- 549 Main Street	2,400,000
Borrow to purchase 104 Powder Mill Road Rear	180,000
Borrow to purchase 549 Main Street	4,900,000
Total	\$ 22,555,000

from OPEB Trust Fund	Retirees Health Ins	84,325	(FY 23 Amount)
from Mitigation Fund:	Annual Approp	100,000	
from Grace Fund:	Filter M&O	125,000	
from Free Cash:	Clean & Rehab Wells	100,000	
	Emergency Main Breaks	30,000	
	Media Replacement	100,000	
	New Service Meter Installations RF	25,000	
	Replace Old Mains	30,000	
	Article 97 Stabilization Fund	25,104	
	Lights, Power & Fuel	150,000	
	Water Mains	400,000	
	Total	\$ 860,104	

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Revenue Estimate FY 23	July billing	1,481,203	
	October billing	1,700,649	
	January billing	1,285,478	
	April billing	1,187,026	Projected
	Fire Protection	41,500	
	Repairs/Misc	50,000	
	Cross Conn	21,000	
	Rent	668,375	
	Mitigation	100,000	
	Demand	300,000	
	Projected Income	6,835,231	604,962 Surplus FY 23
	Units	9,075	
	Services	6,836	<- as of 10/28/22
6/30/2022	Free Cash	994,309	
	Appropriations	860,104	
	Free Cash Balance	134,205	Balance after appropriations
6/30/2022	Grace Unappropriated	584,292	
	Filter M&O	125,000	
	Grace Balance	459,292	Balance after appropriations
*2.5% rate increase		3,009,556	\$ 3,084,794.51

Article XX: # Non-Binding Resolution: Water Rate Study

To determine whether the Annual Meeting shall request that the Acton Water District, as part of its next 5-yearly Master Plan update or through another timely mechanism, commission an external expert study of options for structuring future water rates, with the goal of generating sufficient revenue to cover operations, maintenance, and debt service, while strongly encouraging water conservation and keeping water affordable for low-income Acton residents.

Summary:

Over the coming years, the AWD faces increased operating costs, plus capital costs in the many tens of millions of dollars. On this 2023 warrant, the "request to borrow" articles total \$22.4 million dollars. This represents a 64% increase on top of the existing \$35M of debt. Further debt obligations can be expected in coming years, as the AWD continues to grapple with the costs of PFAS and other emerging contaminants, whether by enhanced local treatment or by joining the Metropolitan Water Resource Authority (MWRA). This warrant article asks the AWD to take a comprehensive look at how their future pricing can best be structured so as to handle the repayment costs of this vast new debt, while still covering operating costs, incentivizing water conservation, and providing safe, legal water to all Acton residents and businesses, including those least able to pay.

In the current pricing structure, each water-taker pays a flat fee towards servicing long term debt, plus a usage charge that varies with volume of water consumed. To encourage conservation, the *usage charge* is tiered such that high-volume users pay a higher charge per cubic foot than low volume-users, and summer usage is charged at a higher rate than winter usage. The *debt fee* is the same for all water-takers, currently \$60 per housing unit, business or municipal building. The debt fee structure was put in place in 2013 following completion of Acton's first water treatment plant. Since then, the AWD's operation has grown in complexity, and the debt fee has quadrupled. For low-volume water-takers, the debt fee now comprises more than half of the bill. The flat-rate debt fee does not encourage conservation, since the fee is the same for water-conservers and water-squanderers.

Here are some questions that a comprehensive rate study could address: What price differential between summer and winter costs would be effective to encourage water conservation in summers, when demand is historically the highest? Would Acton benefit from drought-pricing, in which there is a surcharge on water usage during declared droughts? Some municipal water providers provide a "life-line" of basic water service to their lowest-income residents; is there such a mechanism that could work for Acton? Climate change forecasts for our region anticipate drier dry years and wetter wet years, which will lead to more volatility in the AWD's usage charge income; is there a mechanism to buffer the AWD's financial situation against this volatility? The AWD's charter authorizes them to levy property taxes; is there a component of Acton's water infrastructure that could usefully be funded through property taxes? A major advantage of the current flat-rate debt service fee is that it reliably delivers enough revenue each quarter to cover the AWD's debt repayment costs; what other pricing mechanisms can deliver such reliable debt-repayment revenue while still incentivizing water conservation and not overburdening low-volume users?

Direct Inquiries to: Kim Kastens, kimkastens@chayes.org 978-429-8940