

Board of Water Commissioners and Finance Committee

Meeting Agenda

Monday, June 26, 2023 @ 7:00 PM

AGENDA

- A. Comments from the public
- B. Introduction to Capital Strategic Solutions
- C. Approve minutes from the meetings of 6/5 and 6/13
- D. Appoint one Commissioner to sign warrants while conducting meetings virtually.
- E. OLD BUSINESS:
 - Per- and Polyfluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Discussion of Additional PFAS Upgrades
 - PFAS MDL Settlement Discussions
 - Bottled Water Rebate Update
 - Rate Increase to Support Approved FY24 Budget
 - Borrowing for PFAS Design, Kelley's Corner, BALDCO
 - Update on BALDCO Acquisition
 - Update on 549 Main Street
- F. NEW BUSINESS:
 - End of Fiscal Year Transfer to Lights, Power, and Fuel
 - Proposed Scope of Work for Rate Study from Finance Committee
 - Consumer Confidence Report for Calendar Year 2022
 - Meeting Schedule July-December 2023

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.

Present at Tonight's Meeting:

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

District Manager: Matthew Mostoller

District Treasurer: Christine McCarthy

District Counsel: Mary Bassett

Finance Committee: Ronald Parenti, William Guthlein, John Petersen

Environmental Analyst: Alexandra Wahlstrom

Public Present

Kim Kastens, Pope Road

Brewster Conant Jr, Main Street

MINUTES

At 7:01 pm, connected remotely, Erika Amir-Lin opened the Acton Water District Board of Commissioners Meeting.

At 7:01 pm, connected remotely, Ronald Parenti Opened the Finance Committee Meeting

A. Comments From the Public

No Comments at Present from the Public

B. Introduction to Capital Strategic Solutions

Jennifer Thompson & Meredith Roberts were introduced from Capital Strategic Solutions who have been brought in to assist with the Board's Meeting Minutes.

C. Approve minutes from meetings held on 06/05/2023 and 06/13/2023

Mr. Rosen motioned to approve the minutes from the meeting held on 06/05/2023. Mr. Stuntz seconded, and it unanimously approved by a roll call vote; Mr. Stuntz, Ms. Amir-Lin, and Mr. Rosen

Mr. Rosen motioned to approve the minutes from the meeting held on 06/13/2023. Mr. Stuntz seconded, and it unanimously approved by a roll call vote; Mr. Stuntz, Ms. Amir-Lin, and Mr. Rosen

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

Mr. Rosen motioned to appoint Ms. Amir-Lin to sign warrants until the next scheduled monthly meeting. Mr. Stuntz seconded, and it was unanimously approved by a roll call vote; Mr. Rosen, Ms. Amir-Lin, and Mr. Stuntz.

E. OLD BUSINESS

Per-and Polyfluoroakyl Substances (PFAS)

Mr. Mostoller presented the most recent sample data from May 9, 2023; 9.5 ppt at Center Acton Plant, 17.4 ppt at South Acton Plant, with no samples currently available from North Acton. Current turnaround time for labs is on average 4-6 weeks, with some labs taking as long as 7 weeks to return sample results. They are currently working with multiple vendors as they manage the lab capacity holds ups. North Acton is currently running blind because there are no May results, however the 2-3 week on/off model should produce acceptable numbers. When asked by Ms. Amir-Lin about lab turnaround

time, Mr. Mostoller responded that Eurofins, their main vendor, is adding equipment but he expects delays through the rest of the calendar year.

Regarding PFAS treatment upgrades, Mr. Mostoller reported that they have spoken with engineering firms for both the South Acton and Center Acton projects, and both firms are committed to designs for Mid-October to comply with MassDEP deadlines. Both are exploring the option of pre-purchasing some of the equipment such as filter vessels, and electrical and control gears. Currently planned are 2 structures, a metal building and a second engineered fabric building as an alternative to 50+ year old block building currently in use. We are confirming they are in compliance with Acton's Stretch Energy Code.

Mr. Mostoller then discussed updates on the PFAS settlement. The second settlement with 3M was recently in the news, the first being the previously discussed one with Dupont. The 3M settlement will likely range between 10-13 billion dollars as a potential settlement with 2 phases of settlement parties. It is currently unclear what will define those parties. Recent bankruptcy filing from Kidde-Fenwal will likely impact their viability for settlement talks.

Kim Kastens from Pope Road asked what formula will be used to determine how the settlement is distributed. Mr. Mostoller responded that each settling party will have their own terms and that phase is too far out to answer concretely.

Bottled Water Rebate

Regarding the bottled water rebate, Mr. Mostoller provided an update. For the month of June 2023, \$7,035 was issued for second quarter credits, and \$870 was issued direct to 20 tenants, bill credits will show up on the July bill, and direct pay will be received in July as well. Ms. McCarthy said that they've seen an increase of 11 applicants and may see another bump after more outreach, she also stated that some people have been removed from the Bottled Water Rebate program which is done when someone moves and their property is transferred.

Rate Increase to Support Approved FY24 Budget

This agenda item requires a vote from the Commissioners and the Finance Committee. Traditionally it is done when the budget is presented for a vote, considering everything was already approved at Annual District meeting this serves as a housekeeping vote.

Mr. Parenti motioned to approve the 2.5% rate increase as seen in the Fiscal Year 2023 Budget. Mr. Petersen seconded the motion, and it was unanimously approved by a roll call vote; Mr. Petersen, Mr. Parenti, Mr. Guthlein.

Mr. Rosen motioned to increase the water rate by 2.5% effective July 1, as outlined in the Fiscal Year 2024 Budget. Mr. Stuntz seconded the motion, and it was unanimously approved by a roll call vote; Mr. Stuntz, Mr. Rosen, and Ms. Amir-Lin.

Borrowing for PFAS Design, Kelley's Corner, BALDCO

Ms. McCarthy provided an update regarding the PFAS Design, Kelly's Corner, and BALDCO borrowing. They are currently working with Unibank to issue 2 bond anticipation notes. The first is a 9 month note for Kelley's Corner and the BALDCO purchase. The District will pay off BALDCO when the Note matures in

March, then roll the 1 million dollars for Kelly's Corner into long term financing. The other bond anticipation note is for PFAS Design Work and is a 1-year term .. Regarding the BAN for Powder Mill (BALDCO) and Kelley's Corner, the District will save money on short term financing, and can hopefully borrow in September for the 549 Main St. purchase. When asked by Mr. Rosen, Ms. McCarthy said she expects short-term borrowing rates to be around 4%, she then continued that bid sheets go to the Banks on July 5, and the bids are expected back on July 11. From there the expected timeline is that commissioners may sign on July 17, and it will then be uploaded into Gateway July 20, with funds available on July 25

Mr. Stuntz made a motion to accept Ms. McCarthy's recommendation for two short-term borrowings, one for 9 months the other for one year for both PFAS design and Kelly Corner Powder Mill borrowings, Mr. Rosen seconded. It was unanimously approved by a roll call vote; Mr. Stuntz, Mr. Rosen, and Ms. Amir-Lin.

Update on BALDCO Acquisition

Phase one of the ESA has been completed and found 2 potential issues that were anticipated before the ESA, one of them being the ground water impact from WR Grace, and the second being the fill material. They are currently working with the LSP on next steps.

Update on 549 Main Street

The Select board recently had an executive session regarding 549 Main Street, we will hopefully receive the final draft on the conservation restriction language soon. The Town did agree to pay for a baseline documentation report from the transaction and monitoring costs approved at Town Meeting. The document shows what is on the property today for compliance going forward. Sudbury Valley Trustees who are co-holder of the conservation restriction had a recent site visit, their plan was to complete field work in the month of June and see a draft report in early July. We requested the local draft of the conservation restriction be complete for a May 10th deadline which has not been met. The purchase and sale agreement has a deadline for the end of July, Matt is currently working with Mary to put together a modification request on the purchase of sale to extend the closing date to ensure it can be reviewed by the state and secure grant funds. The District is currently awaiting reply from the Selectboard.

Brewster Conant Jr, Main Street asked if there was other funding for this that was time sensitive, to which Mr. Mostoller said there shouldn't be any concerns of this nature at present.

F. New Business

End of Fiscal Year Transfer to Lights, Power, and Fuel

Current energy costs in FY23 continue to pose a challenge. Mr. Mostoller referred to a previously sent memo where they had a budget appropriation of \$350,000 which has already been spent, two reserve fund transfers have already been done to accommodate this, and they appropriated \$150,000 from free cash during annual meeting to bring it up to \$600,000, which will not be enough to bring them to the end of FY23. Ms. McCarthy identified an end-of-year budget transfer to accommodate the financial need. They've reviewed the bills on hand that they do not have the funds to cover, which is through the month of May, using a 5-year history of energy use and applying current rates to estimate the June bill, it is believed they will need \$150,000 to cover the necessary bills. Mr. Mostoller commented that no

unusual usage has been detected and clarified that in anticipation of the solar arrays coming on they did not have their usual purchasing agreements in place which had a hand in creating this situation, making them beholden to the market rate. They are looking for a recommendation from the finance committee and a vote from the board regarding this.

Comment from the Public: Kim Kastens, of Pope Road asked what fraction of the electricity is used for the various uses such as pumping for facilities, and how much the electricity bill is expected to go up when PFAS treatment is in place. Mr. Mostoller responded that the electrical uses cannot be separated because it's one system, and that because they have a treatment plant, they do not need to build a new one for PFAS.

Mr. Guthlein asked about the total amount of surplus from the other line items, and if funding for the water rate study might also be included in this. Ms. McCarthy replied that the surplus is about \$1 million, but transfers of this nature must be used within a certain amount of time that the water rate study would not comply with.

Mr. Petersen asked Mr. Mostoller, if given these bills, if he feels confident about the budget for FY24. Mr. Mostoller responded that at the moment he is confident with the FY24 budget.

Mr. Petersen motioned that the Finance Committee recommend the use of an alternative end of year transfer procedure as outlined in Mr. Mostoller's memo of June 26, 2023, Mr. Parenti seconded. It was unanimously approved by a roll call vote; Mr. Parenti, Mr. Petersen, Mr. Guthlein.

Mr. Rosen made a motion to approve an end of year budget transfer from debt interest and fees line item to the lights, power, and fuel item, in the amount of \$150,000. Mr. Stuntz seconded. It was unanimously approved by a roll call vote; Mr. Stuntz, Mr. Rosen. Ms. Amir-Lin.

Proposed Scope of Work for Rate Study from Finance Committee

The Proposed Scope of Work for the Rate Study from the Finance Committee is a non-binding item from the town meeting. The Scope of Work includes a rate model for action, research on issues brought up for water rates. The final concept of scope of work was submitted to the Commissioners of the Water board. Ms. Amir-Lin noted that they would like more time to digest and understand how the Rate Study will fit into FY 24.

Consumer Confidence Report for Calendar Year 2022

The Consumer Confidence Report for the 2022 Calendar year went out in the most recent newsletter.

Meeting Schedule July-December 2023

Those in attendance presented no qualms about the proposed meeting schedule, meaning that the next meeting will take place July 17, 2023.

EXECUTIVE SESSION

There was no business that required an executive session.

John Petersen motioned to adjourn the Finance Committee meeting at 8:22PM, seconded by Ronald Parenti and approved by roll call vote: Mr. Guthlein, Mr. Parenti, Mr. Petersen

Barry Rosen motioned to adjourn the Board of Commissioner's meeting at 8:22PM, seconded by Stephen Stuntz and approved by roll call vote: Ms. Amir-Lin, Mr. Stuntz, Mr. Rosen