

**Acton Water District
Finance Committee Meeting Minutes
January 9, 2025
693 Massachusetts Avenue
Acton, MA 01720**

In attendance were Finance Committee members Ron Parenti, Bill Guthlein, and John Petersen.

Also in attendance:

District Manager: Matthew Mostoller

District Treasurer: Christine McCarthy

Public Present: Kim Kastens

Mr. John Petersen called the Finance Committee meeting to order at 2:00 PM.

Comments from the public

New Business:

1. Approval of minutes from December 16, 2024
2. Review Updated Draft of the FY 26 Budget
 - Commissioner's 23Dec discussion of proposed budget
 - Meter replacement program- operational and financial strategy
 - Staffing plans for FY 25 and FY 26
 - Annual rate decisions vote?
 - Free Cash, Line-item budget discussion
3. AWD update
4. 2025 Annual District Meeting planning
 - Finance Committee annual meeting presentation(s)
 - Annual Report, Finance Committee Letter
 - Updating/closing out multiyear projects

Old Business:

1. Update on MWRA Metro West expansion

Comments from the Public

No Comments

New Business

Approve Minutes from December 16, 2024

Mr. Parenti motioned to approve the minutes of the December 16, 2024, meeting. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti

Review Updated Draft of the FY 26 Budget

Ms. McCarthy pointed out the minor changes made to this version of the budget. Changes made include

updating the FY 25 actuals to include the entire 2nd qtr., adjusting the January billing to reflect actual rather than the projection, and adding in a 5% rate increase on volumetric rates.

- **Meter Replacement Program**

Mr. Petersen began the discussion about the meter replacement program. The program is estimated to cost \$2.3million over 4 years. Mr. Mostoller said the preference would be to complete the work in phases rather than buy all the meters at once. Mr. Guthlein asked about the meter lifecycle and where does the District fall in this cycle? Beginning, middle, end? Mr. Mostoller doesn't believe we are anywhere near the end of this technology's life cycle. Mr. Mostoller then provided information on the two technologies we are currently using.

Mr. Guthlein's initial thought is not front loading the meters. He feels the District has three options for funding this program.

Option 1: Increase volumetric rate

Option 2: Borrow and increase the quarterly debt fee

Option 3: Lease to own the meters to mute the effect on customers

Mr. Mostoller commented that the District has been trying to avoid relying on a 3rd party to manage the data. This is a potential issue when leasing from vendors.

Mr. Parenti would like to see the cost spread out.

A two-part motion was then made.

Part 1: Mr. Parenti motioned that the Finance Committee endorses the strategy of a 3–4-year replacement period. Mr. Guthlein seconded the motion.

Part 2: Mr. Guthlein motioned that the payments for the meter replacement program be spread out over 10-15 years through borrowing or a lease option, whichever is in the best interest of the ratepayers. Mr. Parenti seconded the motion.

The motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti

- **Free Cash/Line-Item Budget Discussion**

The discussion focused on the water main replacement strategy. Mr. Parenti commented that we have historically added a sum of money towards water main replacements. Mr. Mostoller stated that we do not currently have a project (Kelley's corner is wrapping up). However, we know that we will have substantial replacement needs in the future. The typical \$500k appropriated really isn't adequate, but the thought has been something is better than nothing. Having funds set aside minimizes the borrowing that would need to be done otherwise. Additionally, having liquid funds available is useful especially for small projects, emergency repairs, etc. The funds are not intended to replace large sections of water mains- those types of projects would

require borrowing. Mr. Petersen then proposed the finance committee establish a recommended minimum and maximum balance for the funds appropriated for water main replacements.

Ms. McCarthy will provide the finance committee with at least 5 years of data for appropriations and expenditures made for water main replacements.

Ms. Kastens inquired about the FY 24 actual vs. Budget for water revenue.

Mr. Guthlein then asked if it would be possible to include a breakout of water sold.

Mr. Petersen recommends a 3% increase in the volumetric rates to track inflation.

- **Staffing Plans for FY 25 and FY 26**

Mr. Mostoller informed the finance committee that there have been no changes to staffing plans since the last finance committee meeting.

- **Annual Rate Decisions Vote**

Currently no vote is taken unless a rate change is needed. Mr. Petersen would like to see a formal vote or motion be made regardless of whether a rate change is needed.

Mr. Parenti commented that he was a Water Commissioner for a number of years. Typically, the BOC would discuss a rate change if needed. He doesn't feel the Commissioners need to be constrained by this. Mr. Parenti does feel it would be good for the Finance Committee to do this exercise annually and then make a recommendation to the BOC.

Mr. Guthlein is reluctant to "poke" the BOC on their practices.

AWD Update

No updates currently.

2025 Annual District Meeting Planning

- **Updating/closing out multiyear projects**

Ms. McCarthy informed the finance committee of plans to reappropriate remaining balances towards the purchase of a new vehicle.

Mr. Petersen asked about a PFAS project update. Mr. Mostoller said information is available on the District's website which will be updated later this month.

- **Annual Report/Finance Committee Letter**

The finance committee's draft letter for the annual report was reviewed.

January 27th will potentially be a joint meeting with the Board of Commissioners, an alternate date would be February 10th.

Mr. Parenti motioned to adjourn the meeting at 3:51 PM. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti

All documents (if applicable) referred to in the minutes are available for inspection at the Acton Water District Office, 693 Massachusetts Avenue Acton, MA 978.263.9107