

Finance Committee Meeting
Acton Water District
693 Massachusetts Avenue
Acton, MA 01720

December 4, 2012 12:00 noon

In attendance were Finance Committee Members Chuck Bradley, David Butler, Bill Guthlein and Bill Kingman. Karen Bottar, Boston Financial, Chris Allen, District Manager and Mary J. Bates, District Treasurer were also present.

The meeting was called to order at 12:08 pm.

KAREN BOTTAR, BOSTON FINANCIAL FUNDS UPDATE

Karen Bottar presented the update on investments for the Grace Fund, MTBE Fund and the OPEB Trust Fund.

Ms. Bottar informed the Finance Committee that we are currently purchasing high quality municipal bonds for the yield. They are currently yielding 2% with annual income of \$60,000. The total Grace Fund portfolio yield is currently at 3.3%. Mr. Guthlein suggested increasing the equity holdings, which are currently much better yields than the 2%. He believes that for the long term, equities have the better returns. The Finance Committee has investment thresholds for equities and is satisfied with the current diversification.

Ms. Bottar indicated that the 3rd quarter GDP is 2.79% and that the CPI is very low at 2.2%. European financial woes continue to have a significant impact.

MINUTES

Mr. Butler made a motion to approve the March 16, 2012 minutes as amended. It was seconded by Mr. Guthlein and unanimously approved.

Mr. Bradley made a motion to approve the minutes from June 4, 2012. It was unanimously approved.

Mr. Butler made a motion to approve the July 13, 2012 minutes as amended. Mr. Guthlein seconded the motion and it was unanimously approved.

RESERVE FUND TRANSFER

Mr. Allen presented a request for \$40,000 to be transferred from the Reserve Account to the Paving Account to complete the permanent paving of trenches from breaks this year. Mr. Butler made a motion to approve the transfer. It was seconded by Mr. Guthlein and unanimously approved.

FY 2014 BUDGET

Mr. Allen presented the first draft of the FY 2014 budget. The major change was that the Treatment Plant M&O has been reallocated to the appropriate accounts, Lights, Fuel and Power, Chemicals and M&O. It was kept separate for the first 2 years of operation so we could ascertain the cost of operating that plant.

Mr. Guthlein made a motion to adjourn the meeting at 2:55pm. It was seconded by Mr. Butler and unanimously approved.