

Board of Water Commissioners

Meeting Agenda

Monday, March 11, 2024 @ 7:00 PM

AGENDA

- Comments from the public
- Approve minutes from the meeting of 2/26
- Appoint one Commissioner to sign warrants while conducting meetings virtually

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
- Current sample data, if available
- Discussion of Additional PFAS Upgrades
- Annual District Meeting Presentations
- Update on 549 Main Street
- US EPA Lead & Copper Rule Improvements

NEW BUSINESS:

- Acton Power Choice Enrollment
- Vote to approve the sale of the \$5,900,000 General Obligation Bond Anticipation Notes of the District dated March 20, 2024

EXECUTIVE SESSION: -- To discuss strategy with respect to litigation if an open meeting may have a detrimental effect on the litigating position of the District. 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

Members of the Finance Committee: Ron Parenti

District Manager: Matt Mostoller

District Treasurer: Christine McCarthy

District Counsel: Mary Bassett, Spencer Holland

Environmental Manager: Alexandra Wahlstrom

Members of the Public: Zhengyu Huang, John Petersen, Kim Kastens, Alissa Nicol

START OF MINUTES

Ms. Amir Lin opened the meeting of the Acton Water District Board of Commissioners at 7:02 pm.

Comments from the public

None at this time.

Approve minutes from the meetings of 2/26

Mr. Rosen motioned to approve the minutes from the February 26, 2024 meeting. Mr. Stuntz seconded, and it was unanimously approved via a roll call vote, Mr. Rosen, Mr. Stuntz, Ms. Amir Lin.

Appoint one Commissioner to sign warrants while conducting meetings virtually

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

OLD BUSINESS:

Per- and Polyfluoroalkyl Substances (PFAS)

Current sample data, if available

Mr. Mostoller provided the commissioners with an update on PFAS. No new sample results were available at this time. March samples were collected on the sixth. Both Center and South Acton are in operation and continue to supply the entire system while North remains offline. They hope to have North back in production by the end of the month.

Discussion of Additional PFAS Upgrades

Regarding the North Acton project, Mr. Mostoller informed the board that the filter equipment has been powered up and they will be moving onto the electrical equipment inside the building. There have been some issues with the load in of carbon into the system due to freeze damage to the treatment equipment. The contractor for that equipment has been working on the necessary repairs, and they hope to resume carbon load-in in about a week. The North Acton project does have a site meeting tomorrow where they plan to discuss final commissioning.

The South Acton project just went out to bid and they are waiting to see what the response will be. Work to finalize the Center Acton bid is underway and the engineer is working to receive final approvals from MassDEP.

Annual District Meeting Presentations

This item is a follow-up from the previous meeting. Mr. John Petersen from the Finance Committee informed the board of the updates made to the presentation. Mr. Petersen then went through the presentation as he plans to present it at the Annual meeting, with Mr. Mostoller timing the run. Once Mr. Petersen finished his run-through of the presentation the board was asked for feedback.

Mr. Rosen asked if they had reached a resolution on the language on slide 4, if the median increase to bills should be presented as a percentage or as the dollar amounts. The board and Mr. Petersen then discussed this slide, and how to best present this information. Mr. Rosen noted that just putting the 17% is likely to garner questions as to what that means as a dollar amount. Mr. Petersen estimated that a 17% increase is about \$100 annually. The board continued the discussion of the average dollar amount and came to an agreement to provide both the percentage and dollar amount since the range of the increase for customers is likely to be 15-20% and establishing 17% as \$100 per year is useful for conceptualizing the increase. Mr. Petersen then applied the edits.

Mr. Mostoller informed the board that in his discussions with the moderator, it was his understanding that the moderator was going to encourage attendees to think about this presentation as it relates to the warrant articles.

Mr. Ron Parenti provided comment on the previous discussion on the dollar amount on slide 4, clarifying that the dollar range of increase is between \$75-\$150 per year. Mr. Parenti also asked when this presentation will be given in the order of the meeting. Mr. Mostoller responded that the meeting will likely begin with formal opening, introductions, housekeeping items, the presentation, and then moving into the warrant articles.

Ms. Amir Lin suggested changes to the language regarding the information on the increase in the operations budget to make it clearer. The board then engaged in a discussion on how to present and explain the capital expenses and their effect on operations. The commissioners, Mr. Petersen, and Mr. Mostoller collaborated on the wording until they were satisfied with the presentation.

Mr. Petersen commented that during the annual meeting the board should be prepared for questions regarding the District's preparations to have more revenue than expenses and its basis in District policy.

The commissioners were satisfied with the presentation and thanked Mr. Petersen and the rest of the Finance Committee for their work on this presentation. Mr. Mostoller informed the board that drafted motions will be circulated this week, and that Mr. Rosen would present both articles involving the revolving funds.

Mr. Mostoller drew the board's attention to a member of the public present, Mr. Zhengyu Huang. Mr. Huang had reached out to Mr. Mostoller earlier in the week requesting to make a presentation at Annual meeting, and as they had not had the chance to reconnect via email, he asked the board to take his feedback now, to which Ms. Amir Lin agreed.

Mr. Huang introduced himself to the board and expressed concern over the percentage of the bill that the debt fee represents for those who use a low volume of water. Mr. Huang explained how the debt fee may affect average users who are trying to conserve water. Mr. Huang expressed his belief that it is unreasonable and unfair for the same debt fee to be charged to those who are working the most to conserve water, as the high volume users. He believes this structure of the debt fee isn't focused on where it should be and doesn't encourage people to save water. Mr. Huang stated that the debt fee should be distributed towards those who are higher users, rather than evenly distributed across all users. He believed a simple equation could be developed to assess the needed revenue across all users, similar to how other utilities he is aware of do their billing.

Ms. Amir Lin responded saying that the board is going through a multi-year process evaluating future water supplies and rate structures. She informed Mr. Huang that feedback like this from the public is something they consider when they are making their decisions. Ms. Amir Lin thanked Mr. Huang for his time and feedback. Mr. Mostoller responded that he will reach out to Mr. Huang over email for additional follow-up.

Update on 549 Main Street

Mr. Mostoller provided the board with an update on 549 Main Street. They were working with the Town and SVT to finalize the CR. Once the latest draft of the CR was submitted, they had a rapid turnaround from the State. This past week they have been working to reconcile the changes from the State and have yet to resubmit. They received approval from the MVP grant on their reimbursement, which was done because the delay in the CR pushed them past the deadline for permanent financing.

Mr. Stuntz asked what the State's feedback on the CR consisted of. Mr. Mostoller responded that much of the feedback was about language around the conservation of the property, and changes on the legalese. He does not expect these to cause further issues. Mr. Mostoller also informed the board that the Sudbury Valley Trustees did a site walk earlier this week and confirmed that the condition of the property had not changed since the District taking ownership.

US EPA Lead & Copper Rule Improvements

Ms. Wahlstrom presented an update on the Lead and Copper Rule inventory development. They are about to enter the more visible phase of inventory development as in phase 1 they will excavate 73 properties to inform the inventory. They are working with New England Stormwater to perform these hydro-vac excavations across 8 roads. This will begin later this week and they will have a kickoff meeting. The first phase will likely be finished by the end of the month, with restoration planning built into the timeline.

Ms. Amir Lin asked about the timeline for phase 2. Ms. Wahlstrom responded that the target date for phase 2 is April, but it cannot be delayed past June. Mr. Mostoller added that the phase 2 timeline is in discussion as they hope to observe the pace of phase 1, plan out priority areas, and evaluate the scope of using contractors for this work. The ambitious goal is to have 200-300 completed by winter.

The board and Mr. Mostoller had a brief discussion about the right of way, curbs, and property lines in this process.

NEW BUSINESS:

Acton Power Choice Enrollment

Mr. Mostoller presented this item seeking the board's feedback and discussion. Acton Power Choice Enrollment is the Town's municipal energy aggregation program, which enables those in Acton to have a more favorable electricity rate and choose green energy options. Mr. Mostoller explained the three different levels of enrollment, basic, standard, and green. This was an item of discussion around this time last year, and he wanted to ask the board for guidance on the District's

enrollment in this program. Currently 3 out of the District's 16 accounts are enrolled in the program, Center Acton, North Acton, and Flagg Hill.

Mr. Mostoller asked the board to consider additional enrollment in the program, either for cost saving measures or investment in green energy. He then outlined the potential green energy benefits from enrollment, and estimated the potential cost savings of each program, with 1% savings from Green enrollment, 7% savings from Standard enrollment, and 16% savings from Basic enrollment.

The board then opened this item to discussion, with Mr. Rosen wondering if the rate payers would prefer a prioritization of savings or green energy. The board then discussed how this would work with other green energy initiatives like the article for electric vehicles. Mr. Mostoller clarified that enrollment in any level of Acton Power choice would result in some savings, it would just vary in the amount. Mr. Stuntz commented that he would support enrollment in the tier with the most cost savings, especially because of the rate increase this year. Mr. Mostoller added that they can change between the different tiers at any time.

Mr. Mostoller then commented on the bargaining power from the municipal energy aggregation, and that all tiers are better than Eversource's basic rate. He reminded the board that National Grid is petitioning the State for a rate increase, and he expects Eversource to follow suit. The Acton Power Choice rate is locked in until 2026, and this is a way to signal to rate payers that they're seeking opportunities to lower costs and support green energy. Ms. Amir Lin noted that the standard rate has 69% renewable energy which is respectable. Ms. Amir Lin agreed with Mr. Mostoller's points and suggestion.

Mr. Rosen then briefly discussed energy rates in other states. Mr. Stuntz suggested the District move all available accounts to the standard program. Ms. Amir Lin asked how long enrollment takes. Mr. Mostoller responded that it may take several billing cycles for these to fully switch over. Ms. Amir Lin asked how the District finds out what properties are eligible for enrollment. Mr. Mostoller responded there are some thresholds for high users but as North Acton is a high electricity user and is already enrolled, he doesn't expect it to be an issue.

Mr. Parenti commented that he would agree with Mr. Stuntz in enrolling everything available into the standard program.

Ms. Amir Lin asked the commissioners for their final thoughts on this item. Mr. Stuntz and Mr. Rosen expressed support in enrolling in the program, to which Ms. Amir Lin agreed. The board then wrapped up their final thoughts on the item.

Mr. Rosen motioned that the Acton Water District join the Acton Power Choice, Standard enrollment service for all properties that are eligible. Mr. Stuntz seconded the motion, and it was unanimously approved via a roll call vote, Mr. Stuntz, Mr. Rosen, Ms. Amir Lin.

Vote to approve the sale of the \$5,900,000 General Obligation Bond Anticipation Notes of the District dated March 20, 2024

Ms. McCarthy provided an update on the vote to approve the sale of the \$5,900,000 General Obligation Bond Anticipation Notes of the District dated March 20, 2024. She informed the board

that the BAN was sold on March 6, 2024, there were three bidders, and it was awarded to TD securities. The current rate of the BAN is 4.25%. After the brief overview Mr. Rosen asked Ms. McCarthy for her estimate of what the increase in cost is to the District. She responded it is around \$128,000 which is close to her previous estimates.

Mr. Rosen motioned for the Board to approve the sale of the \$5,900,000 4.25 percent General Obligation Bond Anticipation Notes (the “Notes”) of the District dated March 20, 2024, and payable September 27, 2024, to TD Securities (USA) LLC at par and accrued interest plus a premium of \$22,302.00.

He further motioned that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated February 28, 2024 and a final Official Statement dated March 6, 2024 (the “Official Statement”), each in such form as may be approved by the District Treasurer, be and hereby are ratified, confirmed, approved and adopted.

He further motioned that the District Treasurer and the Board be, and hereby are, authorized to execute and deliver a significant events disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the District, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

He further motioned that we authorize and direct the District Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the District Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds and to comply with relevant securities laws.

He further motioned that any certificates or documents relating to the Bonds (collectively, the “Documents”), may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document; delivery of an executed counterpart of a signature page to a Document by electronic mail in a “.pdf” file or by other electronic transmission shall be as effective as delivery of a manually executed counterpart signature page to such Document; and electronic signatures on any of the Documents shall be deemed original signatures for the purposes of the Documents and all matters relating thereto, having the same legal effect as original signatures.

He further motioned that each member of the Board, the District Clerk and the District Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

Mr. Stuntz seconded the motion, and it was unanimously approved via a roll call vote, Mr. Stunts, Mr. Rosen, Ms. Amir Lin.

EXECUTIVE SESSION:

Ms. Amir Lin motioned to close the regular open meeting currently in session, and have the Commissioners enter an executive session pursuant to General Law chapter 30A section 21 9 to

discuss strategy with respects to litigation as an open meeting may have a detrimental effect on litigating position of the District; and to not reconvene in open session.

Mr. Stuntz seconded the motion, and it was unanimously approved via a roll call vote, Mr. Rosen, Mr. Stuntz, Ms. Amir Lin.

MEETING CLOSED 8:30 PM