

**Acton Water District
Finance Committee Meeting Minutes
January 21, 2026
693 Massachusetts Avenue
Acton, MA 01720**

In attendance were Finance Committee members Ron Parenti, Bill Guthlein, and John Petersen. No one from District Staff or the Public was in attendance. Mr. Petersen recorded the minutes.

Mr. Ron Parenti called the Finance Committee meeting to order at 10:01 AM. There were no comments from the public

New Business:

1. Approve Minutes of the FinCom Meeting Held on 12/5/25
2. Approve Minutes of the Joint Meeting Held on 12/22/25
3. Open Meeting Law Constraints on Document Distribution
4. Review of FinCom's Contribution to the Water District's Annual Report
5. Review of Draft Presentation Charts for the Annual District Meeting
6. Status of the Treasurer/Collector Candidate Search
7. Review of Draft Budget – shifting revenue from debt fee to volumetric charges
8. Annual Rate Setting Process
9. Uses of PFAS Settlement Funds
10. Discussion of Future Debt Service Fees
11. Schedule for AWD FinCom Meetings through June 2026
12. Any Other New Business

New Business

Approve Minutes Fincom meetings of 12/5 & 12/22/25.

MOTION: Mr. Guthlein to approve the minutes of the 22 December 2025 meeting. Mr. Petersen seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti. The minutes from 5 December were not available and will be approved at a future meeting.

Open Meeting Law Constraints on Document Distribution

Mr. Parenti explained that the process used for the recent revision of the Finance Committee letter for the annual report was not compliant with OML. He explained the process used by the Water Resources Advisory Committee to approve their report to the Select Board. Discussion of drafts only occurred during public meetings. Drafts were posted on a publicly available server with link to document through agenda (Town of Acton DocuShare). Mr. Parenti noted that the process is cumbersome and added months to the time required to finalize the WRAC report. The Fincom agreed to be more cognizant of OML requirements for document review and comment as it proceeds to finalize the letter for the AWD annual report.

Review of Fincom Contribution to the Annual Report

The committee revised the letter drafted by Mr. Parenti during the meeting. Changes included shortening the discussion of OPEB, noting the bedrock wells as new assets and contributors to AWD debt, and clarification about the use of PFAS funds.

MOTION: Mr. Petersen moves that the Fincom approve the letter for the annual report as revised in the meeting. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti.

Mr. Parenti stated that he would send the revised letter to Matt Mostoller and the Commissioners for review and comment.

PFAS Fund utilization, Rate Setting, Debt service Fees, FY27 Draft Budget

The interrelated topics of PFAS settlement fund utilization, debt service fees, rate setting and the FY27 Draft budget were discussed collectively. The Fincom noted that all District Staff, the Commissioners and Fincom agree that PFAS settlement funds may be used for anything related to PFAS. This could include media replacement or other operating costs, capital expenditures and debt servicing costs related to those expenditures, equipment rentals and other items that are related to reduction of PFAS levels in water distributed by the AWD.

Mr. Petersen reviewed the memorandum "AWD -- Fixed and Volumetric Revenue, 21Jan2026" in the Fincom packet. The memo notes that the impact of the draft budget on water rates for low, average and high water users results in a 20% rate increase for low volume users while rates increase only 9% for high volume users. He noted that this is the result of applying PFAS settlement relief only to operating costs, not to debt service. Paradoxically, while water has never been more expensive to produce, holding the user fee constant reduces the financial incentive to conserve water as the result of inflation. Mr. Petersen noted that he had voted to recommend the draft budget, but having reviewed the impact as a function of usage, he no longer recommends the draft budget. Mr. Parenti noted that when the original annual service fee of \$60 was introduced it was not significant relative to the water bill as a whole. He stated that with all the capital investment, the fixed costs are now a very significant portion of the water bills. Mr. Parenti and Mr. Guthlein agree that the budget could be revised to better balance the use of PFAS funds between operating expenses and debt service.

Mr. Petersen also reiterated the desirability of finding a balance between the size of reserve funds to address future expenditures and the burden water rates place on our customers.

Mr. Petersen noted that if the Commissioners established an annual rate setting process as part of the preparation of the budget, rate setting could be an integral part of budget preparation rather than a reaction to a draft budget as was the case this year.

MOTION: Mr. Petersen recommends revision of the FY27 Budget so that the PFAS settlement funds will reduce both usage fees and debt fees equally. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti.

FY26 Annual Meeting Presentation

The finance committee reviewed the presentation to the FY25 Annual Meeting. Mr. Petersen noted that he had sent a slide to Mr. Mostoller on 2 Jan updating the Water Billing slide from FY25 to show that the draft budget would result in approximately equal usage and fixed fees for the average user and asked Matt for comment. No comment has been received. The free cash slide from FY25 is not particularly important in the context of the FY27 budget as the free cash position is in the usual range. Mr. Petersen stated that he could update the presentation in a relatively straightforward manner once the budget was finalized and draft warrant is available.

FY27 Draft Budget – Free Cash Policy

An element of preparing the AWD budget is determining a target level for free cash. The Fincom discussed whether or not a target range was required or desirable. An option is simply to state that the free cash should be adequate to allow normal district operations. Mr. Petersen argued that without a numerical range general statements have no practical value in building a budget. He noted that the Town of Acton (like most Towns has a free cash policy and use of free cash is an active discussion in each budget cycle). Likewise, the ABRSD has a policy for Excess & Deficiency (school equivalent of free cash). Mr. Petersen also noted that the Acton Health Insurance Trust had a cap on reserves (30%) in its bylaws and always engaged in a reserve discussion as part of the annual rate setting process. He proposed that the AWD have target free cash range of 5-20% which would both provide financial stability and avoid excessive accumulation of unallocated funds. This range would include all the recent free cash positions of the AWD except for the year where everyone agreed free cash was too low (an artifact of delayed reimbursement but nonetheless with practical impact on the construction of the budget that year). After discussion, it was agreed that setting range was reasonable and, in any event, could be modified as the District gains experience with the target range for free cash.

MOTION: Mr. Petersen moves that the Finance Committee recommend both in its annual letter and in its presentation at the annual water district meeting that an acceptable range for free cash is five to 20 percent of the annual expense budget. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti.

Preliminary Comparison of AWD bills with nearby communities

Mr. Guthlein presented an analysis of the water bills in nine nearby communities based on data from the Tighe and Bond dashboard <https://efc.sog.unc.edu/resource/massachusetts-water-and-wastewater-rates-dashboard/>. Independent of volume of water used, AWD bills were highest ranging from ~\$400 for low users to \$1100 for high users. Westford had the lowest water bills, about 50% of the Acton bills. Members discussed the contribution of PFAS remediation to the AWD bills as well as the general challenge of comparing municipal services without understanding the status of the capital base. Fully depreciated capital assets provide low bills but usually foreshadow the need for significant capital investments. Fincom members agreed that this issue merited further investigation and discussion with AWD staff and the Commissioners.

Status of the Treasurer/Collector Candidate Search

Mr. Guthlein provided an update on the candidate search. He provided the lead candidate's background and noted that the candidate would need to become certified as a Collector/Treasurer. The Commissioners are currently in negotiation with the candidate.

Next Steps

Mr. Parenti will request that the Commissioners meeting on 26Jan 2026 be posted as a joint meeting and that three items be added to the agenda:

1. Review of Fincom AWD annual report letter (Parenti)
2. Preliminary comparison of AWD water bills to nearby communities (Guthlein)
3. Revision of FY27 AWD budget to use PFAS settlement funds to offset both operating costs and debt service. Mr. Petersen agreed to revise his memorandum and send to Mr. Mostoller for distribution to enable discussion with Commissioners (Petersen)

Mr. Parenti will also discuss process for archiving and accessing Fincom meeting materials with Commissioners and District Staff.

Mr. Guthlein moved to adjourn the meeting at 12:03 PM. Mr. Petersen 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