

**Acton Water District
Finance Committee Meeting Minutes
February 4, 2026
693 Massachusetts Avenue
Acton, MA 01720**

In attendance were:

Finance Committee members Bill Guthlein, and John Petersen. District Staff: Matt Mostoller, Corey Godfrey
Public: Greg Jarboe. Mr. Petersen recorded the minutes.

Posted Agenda

New Business:

1. Approve Minutes of Meeting Held on January 21, 2026
2. Finance Committee reorganization due to Ron Parenti's resignation
3. Review of Memo – shifting revenue from debt fee to volumetric charges
4. Review of Finance Committee's Contribution to the Annual Report
5. Review of Draft Presentation for the Annual District Meeting
6. Any Other New Business

AWD Finance Committee Reorganization

Mr. Petersen called the Finance Committee meeting to order at 2:01 PM and stated that the Fincom was without a chair due to Mr. Parenti's resignation. He noted that the Fincom practice is to rotate the chair between members and that in the rotation Mr. Guthlein was next up and that the chair would be responsible for finalizing the Fincom report for the AWD annual report. Mr. Guthlein stated that he was willing to become Chair and be responsible for the annual report. Mr. Petersen nominated Mr. Guthlein to become Chair, Mr. Guthlein seconded.

Motion: Mr. Petersen moved that Mr. Guthlein become the Chair of the AWD Fincom. Mr. Guthlein seconded and it was approved unanimously.

Mr. Petersen then took a minute to reflect on Ron's service to the water district, both as a commissioner and as a member of the finance committee. Ron, with respect to all things water, is still serving on the Water Resources Advisory Committee, which has been working on stormwater. People in this room know, but not everybody realizes, how important volunteers are to the operation of the water district and all of the municipal activities. Ron has done just a fantastic job in lots of ways. Just to mention one thing that he's kept track of, Ron has maintained a very nice multi-year graph monitoring the Weatherbee well. This well is one of the key signals the AWD uses to decide where we are with respect to groundwater. And of course, in addition to that, Ron is just a very good guy. Mr. Guthlein said, "I'll certainly second that." Mr. Guthlein noted that at a future meeting we should discuss why Ron resigned and how we might avoid a recurrence. Mr. Guthlein stated it's very hard to get people onto the finance committee to find candidates and to lose someone with Ron's experience is most unfortunate. Lack of experience and members hurts the effectiveness of the AWD Fincom and by extension the District.

Mr. Mostoller explained that he had spoken to Bill Mullin, AWD moderator, about appointing a new Fincom member. Bill requested everyone's assistance in advertising the vacancy and in bringing candidates to his attention. Both Mr. Guthlein and Mr. Petersen have already been working on this issue.

Public Comment: Mr. Jarboe explained that he was attending the meeting as a reporter for the Acton Exchange.

Approve Minutes Fincom meetings of 21 Jan 2026.

Mr. Guthlein continued the meeting by moving to the discussion of AWD Fincom minutes from 21Jan2026. Mr. Petersen explained that he had provided the draft minutes to Mr. Parenti for review. Mr. Parenti was in favor of making a qualified statement about potential violation of OML in the minutes. Mr. Petersen argued that if the minutes recognized an OML violation and provided corrective action going forward, no complaint about an OML violation was likely. If a complaint was raised, the AG Division of Open Government would view the candor of the Fincom favorably. Mr. Guthlein thought the point could be argued either way but was okay with leaving the minutes as is. Mr. Mostoller offered to run the scenario by District Counsel which Mr. Petersen did not think was necessary as it is just an opinion.

MOTION: Mr. Petersen moved to approve the minutes of the 21Jan2026 meeting. Mr. Guthlein seconded, and the motion was unanimously approved.

Memorandum discussion "AWD -- Fixed and Volumetric Revenue" 22Jan2026

Mr. Godfrey confirmed that the memorandum had been distributed to the Commissioners by staff. Mr. Guthlein noted that Commissioners did not see the rate discussion as a welcome topic for the Commissioners meeting and suggested that it might be best to drop this issue citing Mr. Stuntz email (Thursday, Jan 22 at 8:39 PM). Mr. Petersen argued that the examination of the FY27 budget had not progressed beyond the consideration of the "average" user and that this was insufficient. As stated in the memo, he believes the usage of PFAS settlement funds to only offset volumetric charges is inequitable with respect to low volume users. Mr. Godfrey had reviewed the memo and thought the approach was reasonable if not conventional. Mr. Mostoller noted that additional perspective on "high" and "low" water use might be found in work Ms. McCarthy did in analyzing range of water bills.

Mr. Godfrey noted the balance water bills try to strike in recovering fixed costs through fixed fees and variable costs through variable fees. He stated that water utilities, including AWD, are about 90% fixed costs but setting the fixed fees at a high level would eliminate conservation incentives which are an objective of the district. Consequently, the AWD sets fees so that 50% or so of the bill is based on usage fees. Mr. Godfrey stated that we've had a long-standing and effective conservation program over decades. As a result, people have eventually conserved as much as they can so that additional financial incentive would not result in additional conservation. Mr. Godfrey noted that a highly usage-dependent water bill has the potential to create volatility in District revenues.

Mr. Mostoller noted that there had been no changes to the DRAFT FY27 budget. Mr. Petersen stated that he would not support the FY27 budget as is. Mr. Mostoller confirmed that in terms of articles in the warrant, the rate changes are embedded in the FY27 budget. Through the approval of the budget, which includes operating expenses and debt service, the voters sanction the underlying rate changes. If the voters did not approve the budget at the annual meeting, the water district would schedule another meeting to seek budget approval. A budget must be in place before the end of the fiscal year in June. Mr. Guthlein agreed to reiterate Fincom request for a discussion of water rates with the Commissioners.

Review of Fincom Contribution to the Annual Report

The committee reviewed the current letter revised by Mr. Parenti after our last meeting. The issues raised in Mr. Stuntz email (Thursday, Jan 22 at 8:39 PM) OPEB, graphs, capital and free cash were discussed. Since free cash has not been certified, the letter will state that free cash is in an acceptable range. Mr. Guthlein will revise the letter based on this discussion primarily by adding clarifying language to the letter. Mr. Mostoller suggested the committee leave Mr. Parenti as a signer of the letter as it reviews calendar year 2025, when Mr. Parenti was still on the committee. Mr. Guthlein agreed to ask Mr. Parenti if he agreed with this approach.

MOTION: Mr. Petersen moves that the Fincom approve the letter for the annual report with the changes discussed in the meeting. Mr. Guthlein seconded, and the motion was unanimously approved.

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

Annual Meeting Presentation for March 2026

Mr. Petersen stated as he had at the previous fincom meeting that he could update the presentation in a relatively straightforward manner once the budget was finalized and draft warrant is available. Mr. Mostoller and Mr. Petersen discussed the need and content of a slide related to PFAS. Both felt it was important to explain how the PFAS settlement fund impacted both the FY27 budget and enabled the creation of the PFAS settlement fund in the warrant. Elements of the PFAS slide based on the current FY27 budget were discussed.

- PFAS Settlement first payment May 2025; \$2 million received to date

- PFAS Settlement funds may be used for any PFAS related expense

- Staff, Commissioners and Fincom agreed to create PFAS fund

- FY27 budget proposes use of \$625K to offset operating expenses and reduce usage costs; no funds are used to offset debt service

- FY27 water rates are unchanged due to use of PFAS settlement, debt service increases by \$700K/34% from FY26

Mr. Mostoller provided an update on the warrant status, commenting that the format would be similar to previous years, last year's warrant was different because of the low free cash position. The standard articles - fixing salaries of elected officials, approving reports, authorizing borrowing, approving the budget, and re-authorizing the two revolving fund limits – will be in the warrant. Usual articles including clean and rehabilitate wells, replacing old services and hydrants, emergency main breaks, filtration media, distribution system improvements, and North Acton residuals management will appear on the warrant. New articles related to PFAS, establishment of a PFAS fund and appropriation from the fund, will be added. Mr. Mostoller is also

working to bring our web site into ADA compliance and will likely have a warrant article depending on the approach we take.

Preliminary Comparison of AWD bills with nearby communities

Mr. Mostoller commented that some of the communities identified in Mr. Guthlein's comparison should be replaced with communities that are more similar to Acton. He also acknowledged the different levels of investment, treatment complexity, and other factors that go into driving a water bill. All agreed that further discussion of this topic would be deferred to later in 2026.

ActonTV – Our Tax Dollars at Work, Broadcast of Annual Meeting

Mr. Petersen talked about working with Greg Jarboe and Sahana Purohit on a series of videos about the Acton microburst under the topic of our tax dollars at work. Mr. Mostoller commented that he was aware and that the AWD had also mobilized in response to the microburst although this was water rate payers dollars at work, not taxes. Although it was mutually agreed that recording AWD response to microburst was not best use of resources at the moment, Mr. Petersen was interested in recording footage of AWD at work for example on a water main break as the best way to show the 24/7 operation of the AWD in challenging weather/conditions. Mr. Mostoller was supportive of considering ways to get that message out but not convinced that filming a water main break would be the best approach or use of limited water district resources.

Mr. Petersen noted that he had requested that Marc Duci add the AWD annual meeting to ActonTV recording schedule and Mr. Duci is making arrangements to record the meeting.

Mr. Guthlein moved to adjourn the meeting at 03:27 PM. Mr. Petersen seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein

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