

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

March 16, 2012 12:00 noon

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

The meeting was called to order at 12:35 pm.

MINUTES

The minutes of December 5 were reviewed. Mr. Kingman made a motion to approve them as presented. It was seconded by Mr. Butler and was unanimously approved.

The minutes of January 9 were reviewed. Mr. Butler made a motion to approve them as presented. It was seconded by Mr. Kingman and unanimously approved.

BOSTON FINANCIAL

Karen Bottar of Boston Financial was present for the semi-annual review of the investments. Mr. Kingman commended Ms. Bottar and Boston Financial for the performance of the funds. Ms. Bottar presented her review. The Grace Fund has some new municipal issues that have a good rate of return. Also, there is a new investment in Treasury Inflation Protection Securities or TIPS. Mr. Guthlein commented that dividends are currently higher than interest rates and questioned the asset allocation. Our current policy calls for 40-60% investment in equities. The Committee agreed to review the investment allocation at the next review.

The MTBE account also has a new TIPS investment.

The OPEB Trust Fund is a prudent man investment. The committee discussed the OPEB unfunded liability and the annual funding of some amount, currently \$100,000. The OPEB

liability will be updated as of July 1, 2012. Once that has been completed, the Committee will review the finding requirements.

RATE INCREASE

Mr. Allen presented a request for Reserve Fund transfer of \$50,000 into the Legal Account. Due to the encroachment lawsuit on the Assabet well site property, the legal account is almost empty. There will be additional costs and this amount should take care of all bills anticipated through June 30. The Legal Account has been increased for next year. Mr. Butler made a motion to approve the transfer. It was seconded by Mr. Bradley and was unanimously approved.

Mr. Butler made a motion to adjourn the meeting at 2:25pm. It was unanimously approved.

All documents referred to in the minutes are available for inspection at the Acton Water District Office, 693 Massachusetts Avenue 978 263.9107