

**Acton Water District  
Finance Committee Meeting Minutes  
May 30, 2025  
693 Massachusetts Avenue  
Acton, MA 01720**

In attendance were Finance Committee members Ron Parenti, Bill Guthlein, and John Petersen.

Also in attendance:

District Manager: Matthew Mostoller

District Treasurer: Christine McCarthy

Public Present: Alissa Nicol

Mr. John Petersen called the Finance Committee meeting to order at 9:00 AM.

Comments from the public

**New Business:**

1. Approval of Minutes from joint meeting held on 3/10/2025
2. Status of AWD Fin Com meeting notification list – Christine # of signups
3. AWD Update – Matt quick update on anything that might have or will be impacting budget (including drought designation on water use/revenue, availability of federal & state funds)
4. Projected AWD Capital Spending for next two years
5. WRAC – Implications of Stormwater spending for AWD customers
6. Review of last year's meetings (topics, frequency, productivity, # of Joint Meetings)
7. Discussion of AWD Fin Com charter
8. Fin Com policies – OPEB, Free Cash, others
9. Fin Com Goals and Objectives for May 2025 to Annual District Meeting March 2026
  - a. Financials for Water Main replacement, Updated Master Plan
  - b. Rate setting – process and schedule (budget independent?)
  - c. Financial Risks to AWD
  - d. Role of Fin Com in annual budget process
  - e. Estimating potential cost of MWRA water supply

Finance Committee Reorganization

**Comments from the Public**

No Comments

## **New Business**

### **Approve Minutes from joint meeting held on 3/10/2025.**

Mr. Guthlein motioned to approve the minutes of the joint meeting held on March 10, 2025. Mr. Parenti seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti

### **Status of AWD Fin Com meeting notification list**

Ms. McCarthy reported that there is currently one person receiving notifications.

### **AWD Update**

Mr. Mostoller reported that the backhoe that recently broke down is currently the largest issue.

Ms. McCarthy provided an update on water usage for April and May 2025. To date, the 1-day watering restriction is not having much of an impact on the upcoming July 2025 billing.

### **Projected AWD Capital Spending for next two years**

Mr. Mostoller reported that anticipated capital spending will likely be related to vehicles, storage tanks, water mains, etc. However, he is going to reserve judgement until the updated Master Plan is issued later this summer.

Mr. Parenti asked if the updated Master Plan will be similar to what we have seen in the past. Mr. Mostoller confirmed that it will be similar. Mr. Petersen proposed planning a joint meeting with the board of commissioners when the Master Plan is issued to review it. Mr. Parenti feels the finance committee should meet first to do the initial review then follow up with a joint meeting. Mr. Guthlein suggested a task force to hash out the issues. Mr. Parenti then suggested having the finance committee review the draft and recommend changes as applicable and provide feedback for the final report. After discussion it was agreed that the FinCom would schedule a meeting to review their individual comments on the draft Master Plan. At that meeting the FinCom will also be able to determine if a Joint Meeting with the Commissioners should be scheduled. Mr. Mostoller informed the finance committee that we typically have a one month turnaround time to review the draft of the Master Plan and submit our comments to the engineers.

Ms. Nicol had a question about low water users/high water users. Does the District finance all capital projects by borrowing?

The response was we try to utilize Free Cash whenever possible, typically for smaller projects.

### **WRAC – Implications of Stormwater spending for AWD customers**

Mr. Parenti commented that he is puzzled how the WRAC impacts the finance committee. A brief discussion then took place. The Fincom concluded that no follow up action with respect to WRAC was required.

## **Fin Com policies – OPEB, Free Cash, others**

Mr. Petersen suggested that the finance committee propose criteria that would allow determining whether or not OPEB should be considered fully funded. He would like to see the finance committee set parameters around the uncertainty of assets and liabilities. Mr. Parenti commented that the District should have an independent model of what fully funded looks like. Mr. Guthlein commented that there would be a District policy that would have to be adopted by the BOC. Mr. Petersen suggested having a finance committee procedure where they make an OPEB recommendation for the budget. Mr. Guthlein would like to have the finance committee review the last actuarial report and discuss at the next meeting. A discussion ensued. Ms. McCarthy commented that the OPEB actuarial report was prepared by professionals with deep experience in the assessment of health care liabilities. She also commented that the Fiduciary for OPEB asset management is highly qualified to assess the value of the assets. Consequently, the Fincom needs only to review these reports. Fincom accepted Ms. McCarthy's recommendation.

## **Fin Com Goals and Objectives for May 2025 to Annual District Meeting March 2026**

- **Role of Fin Com in annual budget process**

Mr. Mostoller remarked that he and Ms. McCarthy are tasked with developing the budget. They bring the budget to the finance committee to be recommended to the Board of Commissioners.

The finance committee discussed recommending a floor for free cash as well as a ceiling for free cash.

The Finance Committee accepted the current process for budget development, review and approval with respect to the upcoming fiscal year.

- **Estimating potential cost of MWRA water supply**

Mr. Mostoller informed the finance committee that the Board of Commissioners in coordination with staff, have established a process to work through these numbers. We can likely have a better conversation in about a year and a half. Mr. Mostoller then described the process in depth.

## **Finance Committee Reorganization**

Mr. Petersen volunteered to be chair again or continue with the traditional rotation. Mr. Guthlein nominated Mr. Parenti for chair. Mr. Mostoller then called for a vote to nominate Mr. Parenti for chair of the finance committee. The nomination and vote for Ron Parenti as Chair were unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti

Mr. Parenti motioned to adjourn the meeting at 10:38 AM. Mr. Guthlein seconded, and the motion was unanimously approved by roll call vote: Mr. Petersen, Mr. Guthlein, Mr. Parenti