

**Acton Water District
Finance Committee Meeting Minutes
December 5, 2025 at 1:00PM
Held in person at 693 Massachusetts Avenue, Acton, MA 01720**

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

Also in attendance:

Water Commissioner: Erika Lin

District Manager: Matthew Mostoller

District Treasurer: Christine McCarthy

Public Present: Kim Kastens

Mr. Ronald Parenti called the Finance Committee meeting to order at 1:00 PM. He announced he would be recording the meeting.

Comments from the public

New Business:

1. Approval of Minutes from meetings held on 5/30/2025 and 6/26/2025
2. FY 25 Audit
3. Review preliminary FY 27 Budget
 - a. FY 26 Budget actuals and projections as of November 30, 2025
4. Discuss potential warrant articles for 2026 ADM
 - a. Budget consequences of water purchased from Concord/Littleton
 - b. Route 2 Main repair/replacement and general water main replacements
5. Review PFAS working group recommendations
6. Review last year's Finance Committee letter for the Annual Report and discuss content for this year's letter
7. Treasurer/Collector Transition
8. Preparing for Annual Meeting
9. Discuss reserve fund philosophy
10. Meeting Schedule for 2026

Comments from the Public

No Comments

New Business

Approve Minutes from joint meeting held on 5/30/2025

Mr. Parenti motioned to approve the minutes of the joint meeting held on May 30, 2025. Mr. Petersen seconded, and the motion was unanimously approved.

Approve Minutes from meeting held on 6/26/2025

Mr. Petersen motioned to approve the minutes of the meeting held on June 26, 2025, with a correction to note that Mr. Parenti opened the meeting held on that date. Mr. Guthlein seconded, and the motion was unanimously approved.

FY 26 Audit

Ms. McCarthy provided an overview of the audit with a request to have a joint meeting on December 22, 2025.

Review preliminary FY 27 Budget

Mr. Mostoller gave an overview of the preliminary FY 27 budget. This is currently reflecting conservative projections on water use for the revenue.

No increase to the variable rate is anticipated if MDL funds are used to offset certain PFAS costs. This was intended to provide some relief with the anticipated increase in the debt fee.

Although the audit and free cash certification process is ongoing, Ms. McCarthy is confident that free cash will be available that enables us to pursue projects without borrowing in the coming year. Mr. Mostoller did not feel comfortable putting a number on the free cash level but believes it will be typical to recent years.

The Finance Committee would like to see additional notations made on the budget document. The group then proceeded to have a lengthy discussion regarding the PFAS MDL money and how it is going to be budgeted for and accounted for.

Mr. Petersen inquired about salaries and wages, especially the impacts on the FY 26 budget, with the hiring of Shawn and Corey during the fiscal year. Ms. McCarthy indicated that there were no impacts because both positions were accounted for starting with the FY25 budget. Mr. Mostoller relayed the history of these technical/managerial positions over the years. The FY 27 budget accounts for the hiring of a meter technician as well as the retirement of two operations employees.

Discuss potential warrant articles for 2026 ADM

Mr. Mostoller discussed potential warrant articles for the 2026 annual district meeting, indicating they are in a very draft form right now. A non-spending article would be to establish the PFAS MDL fund. Subsequent articles would appropriate funds from the PFAS MDL fund for future GAC media replacement and the North Acton filter lease. PFAS MDL funds could also be used to reimburse the emergency water purchases from Concord and Littleton, which are not eligible costs for our PFAS project loans. This would enable us to supplement funds that will be removed from the existing FY 26 operating budget, which did not account for the purchased water costs. Housekeeping items such as the reauthorization of the mitigation and new meter revolving fund as well as accepting reports, passing the budget, etc. Return to normal appropriations such as repairing water main breaks, replacing distribution components, water main improvements and other maintenance-oriented articles are under consideration. Currently there are no dollar amounts for any of these appropriations.

Mr. Mostoller noted one large appropriation could be for the improvements required at the Flagg Hill storage tank. This was a high priority identified in the 2018 Master Plan, prior to the discovery of PFAS. This might include improvements to the tank itself, the inlet/outlet piping, the overflow piping, the access road, and potentially chlorination equipment to satisfy MassDEP requirements.

Mr. Petersen inquired about the status of the Master Plan update and if there was an expected delivery date. Mr. Mostoller knows that the engineer has a working draft available but no date has been provided for delivery. Ms. Kastens made a note that the document should be renamed “the engineering master plan” because the public doesn't understand what the document is.

Mr. Guthlein asked for an update on the MWRA study. Mr. Mostoller informed them that the Town of Maynard is currently negotiating with an engineering firm and we'll begin to incur expenses by the end of the fiscal year. Mr. Parenti inquired about how much water has been purchased from Concord and Littleton and what the anticipated costs are. Mr. Mostoller answered it depends on how much water ultimately is purchased. We also have fixed costs such as the pump rental and we have not used nearly as much water to date as we originally intended. Mr. Parenti wants to know what's driving this emergency interconnect. Mr. Mostoller said we have to shut the South Acton water treatment plant down in order to do conditioning and startup activities and that typically represents at least 40% of the District's capacity. We will also lose the ability to produce water from the Acton Center water treatment plant during the conditioning and startup process.

Review PFAS working group recommendations

The group reviewed the PFAS working group recommendations. Mr. Mostoller summarized the work of the working group to date, including an overview of participants and funds received to date. Mr. Guthlein asked about restrictions on the fund and what opportunities exist to make use of the funds less restrictive. Mr. Mostoller cautioned that we need to deal with PFAS expenses that exceed that the settlement funds well into the future and we have capital and operating expenses, in addition to lost revenue. The opportunity to receive 3M settlement funds in a lump sum by the end of 2025 is available to the District through our MDL attorneys, instead of waiting for full payments over the next eight years. This would come at an initial lower payout, however, interest earned on a full payment would offset this loss. Having the funds in hand would also make them available for any costs we would like to cover, and it removes uncertainty should 3M have difficulty paying its obligations in the out years.

Mr. Petersen motioned to have the Finance Committee recommend to the Board of Water Commissioners to establish a PFAS MDL fund at the 2026 annual meeting. Mr. Guthlein seconded, and the motion was unanimously approved.

Mr. Petersen motioned to have the Finance Committee recommend to the Board of Water Commissioners to use PFAS MDL funds to offset some items in the operating budget. Mr. Parenti seconded, and it was passed with Mr. Guthlein abstaining due to his concern about not applying the PFAS MDL funds to the debt fee and subsidizing the cost of water.

Mr. Petersen motioned to have the Finance Committee recommend to the Board of Water Commissioners to accept the accelerated 3M MDL payment option. Mr. Parenti seconded, and it was passed with Mr. Guthlein abstaining due to his concern with the reduction in the settlement amount.

Review last year's Finance Committee letter for the Annual Report and discuss content for this year's letter

The Finance Committee reviewed last year's letter for the annual report. Mr. Mostoller stated that he would like this final draft by the end of January. Mr. Parenti will begin to draft the letter as the current Chair of the committee.

Treasurer/Collector Transition

Mr. Mostoller explained the District has received 10 applications and four candidates will be interviewed next week. Mr. Guthlein wanted to know what, if anything, the Finance Committee will have to say in the matter. Mr. Mostoller reminded the Finance Committee that the Treasurer/Collector is an appointment by the Board of Water Commissioners that reports to the District Manager daily. He then shared the process used in 2022, where a screening interview was conducted with a recommendation for the Board of Water Commissioners to interview one or two candidates in an open meeting. Mr. Guthlein inquired if he could sit in on the initial interviews. Mr. Mostoller said he would discuss that with the Chair of the Board of Commissioners.

Preparing for Annual Meeting

Preparations for annual meeting were discussed considering Ms. McCarthy's impending departure ahead of the meeting. If the Finance Committee has a presentation, the drafting process needs to be more streamlined than it has in the past two years. Mr. Mostoller suggested that we use last year's presentation and update any relevant information particular to this year.

Discuss reserve fund philosophy

This agenda item was not taken up and will be discussed at a future meeting.

Meeting Schedule for 2026

Mr. Parenti and the committee feel that they are not meeting frequently enough. He suggested they should be meeting at least monthly. Mr. Petersen likes that idea. Mr. Mostoller reminded them that the purpose of the Finance Committee member attending the regular Board of Water Commissioners meetings was to keep continuity of what was happening with the District and helped to prevent duplicative effort by the staff in supporting the two bodies.

Ms. Amir suggested waiting to see the upcoming 6-month Board meeting schedule before setting a Finance Committee schedule. The Finance Committee liked that idea and will try to plan their upcoming dates around the Board of Commissioners schedule.

Mr. Petersen motioned to adjourn the meeting. Mr. Guthlein seconded and it was unanimously approved.

The meeting closed at 3:06 PM