



MWRA Advisory Board

Fiscal Year 2007 Issue Update

September 15, 2006

**Update to the MWRA Advisory Board
Executive Committee**

Big Dig vs. Boston Harbor Cleanup

Prozac in the Water • Hospital Shopping on the Web • Biofuel Boom

Observer

“What made the cleanup run so much more smoothly than the Big Dig? In a word, oversight....Area officials and citizens participated on boards that helped oversee MWRA’s efforts...It’s one thing, after all, to pledge accountability and something else to have people who actually demand it. The Big Dig lacked such a board, as well as the citizen advisory council that MWRA listens to.”

September 2006 Governing

Big Dig vs. Boston Harbor Cleanup

FORMER MWRA CHIEF SAYS HE'LL LISTEN IF ROMNEY CALLS ABOUT "FASCINATING" JOB

State House News Service, July 29, 2006

...Another aspect that led to a far different outcome for the Harbor cleanup and the Big Dig was a far more aggressive and less politicized board of directors at the MWRA, MacDonald said, along with an active and visible Advisory Board of citizens and environmentalists. Those groups assured no one could operate with the secrecy and arrogance that often marked the leadership of the Central Artery operation.

“That board, both of them, served as the place where the accountability was delivered, and that’s been overlooked so far,” MacDonald said. “It nurtured a culture of transparency...of accountability and public disclosure. You could have had something like that for the Big Dig.”

Fiscal Year 2006 Accomplishments

\$25 Million in Debt Service Assistance

**Bringing Closure to CSO
Projects**

**Rates Management
Strategy Committee**

**System Expansion
Policy**

**Waiver of Indirects for
Water Supply Trust**

Water Supply Trust Audit

Legislative Update

Fiscal Year 2006 Update

- **\$25 Million in Debt Service Assistance**
- **\$3 Million Indirect Charge waiver**
- **Blue Hills legislation**

Legislative Update

Increasing Debt Service Assistance

- **Embrace MWRA accomplishments**
- **Benefits to communities**
- **Still more work to be done**

Report to the Legislature

Capital Improvement Program and Current Expense Budget

Fiscal Year 2006 Update

- **Net CEB surplus: \$14.5 Million**
- **CIP underspending: \$56 Million, or 27% less than budget (including Contingency)**
- **CIP spending at its lowest level since 1989**

Capital Improvement Program and Current Expense Budget

Fiscal Year 2007 Update

- **Total CEB budget: \$557 million vs. \$520 million FY06 actual**
- **Rate revenue: \$495.4 million, a 4.9% (\$23 million) increase from FY06**
- **Debt service assistance: \$18.75 million**
- **CIP: \$224.3 million (including contingency)**

Capital Improvement Program and Current Expense Budget

Fiscal Year 2008 Budget Process

**MWRA is initiating the FY08 budget process
this month**

Capital Improvement Program and Current Expense Budget

Rates Management Strategy Committee

- **First Committee meeting to be scheduled soon**
- **Expected agenda items include:**
 - ✓ **Restructuring existing bonds**
 - ✓ **Modifying bond covenants**
 - ✓ **Adjusting the RRR and Insurance Reserve**
 - ✓ **Managing entrance fees**
 - ✓ **Use of current revenue to support capital program**
 - ✓ **Evaluating the outlook for Debt Service Assistance**

Capital Improvement Program and Current Expense Budget

MWRA Master Planning Process

- **Proposal to the MWRA BOD to spend \$2.4 billion in the FY07-28 (22 year) timeframe**
- **Other updates to the BOD scheduled:**
 - ✓ **October 11: Wastewater System needs**
 - ✓ **November 15: Water System needs**
 - ✓ **December 13: Prioritized list of projects for the proposed FY08 CIP**

Capital Improvement Program and Current Expense Budget

Setting the CIP Cap

- **The Master Plan will serve as the basis for the next 5-year cap (FY09-13)**
- **The next cap will be established as part of the FY08 budget process**
- **Initial project list for FY09-13: \$886 million**

Water Supply Protection Trust

Fiscal Year 2006 Update

FY06 Budget: \$12.1 million

FY06 Actual: \$10.2 million

\$1.9 million, or 16% under budget

FY07 Budget: \$13.3 million

Progress on Auditing the Trust

System Expansion

Revisions to the System Expansion Policies

- **Approved by AB in June; BOD Vote in October**
 - ✓ **Payments of entrance fees be made up front**
 - ✓ **Charging for peak use**
 - ✓ **Exemptions for Wilmington and Naval Air Base (Southfield) development**
 - ✓ **Elimination of the Operations and Maintenance (O&M) rate**

System Expansion

Hurdles to Expanding the System

- ✓ **June 28th public forum on MWRA water supply planning**
- ✓ **New Massachusetts DEP staff**

System Expansion

Pending System Expansion Requests

Anticipated System Expansion Applications		Million Gallons Per Day (MGD)
LARGE WATER REQUESTS		
1	Reading Incremental Request for Full Membership (2.27 MGD Total)	1.7
2	Wilmington - Partial Request	1.7
3	Tri-Town Naval Base - Full Request	1.3

System Expansion

Pending System Expansion Requests

Anticipated System Expansion Applications		Million Gallons Per Day (MGD)
SMALL WATER REQUESTS		
4	Salem YMCA	0.018
5	Avon Over 55 Development	TBD
Total Water Requests		4.71

System Expansion

Pending System Expansion Requests

Anticipated System Expansion Applications	
	Million Gallons Per Day (MGD)
WASTEWATER REQUESTS	
6 The Cambridge School in Weston	0.016
7 Avalon Apartment Complex - Sharon	0.016
8 Herb Chambers Lexus Dealership - Sharon	0.010
9 Funway Café - Foxborough	0.013
10 New England Center for Children - Supplemental Request	TBD
11 Avon Over 55 Development	TBD
Total	0.055

Other - NPDES Permit

- **MWRA NPDES Permit has expired**
- **The Clinton Wastewater Treatment Plant has exceeded its 12-month running average NPDES permit limit for flow for 17 consecutive months through July.**
- **The permit limit is 3.01 MGD; the actual flow level is 3.49 MGD.**

Other – Combined Sewer Overflows

Maintaining Control of CSO Projects