



NEWS & NOTES

A PUBLICATION OF THE MWRA ADVISORY BOARD
DECEMBER 2008

RETAIL RATE SURVEY RELEASED RATES INCREASE NEARLY 6%; ADVISORY BOARD URGES NEW LEGISLATIVE APPROACH

The MWRA Advisory Board released its 22nd Annual Water and Sewer Retail Rate Survey this month, reporting an average 5.8% increase in combined retail water and sewer bills in 2008 for customers in the MWRA service area. According to the retail rate survey, the average MWRA community household charges range from \$765-\$1,130. Although usage varies from household to household, the national standard of annual water consumption is 90,000 gallons per household. Based on this standard, the average increase for homes in MWRA communities is up \$62 from 2007.

The gloomy fiscal forecast indicates there are more challenges ahead. In the past year Debt Service Assistance, the state program that provides relief from rising water and sewer rates, was completely eliminated. Over the next eight years, the MWRA is projected to increase charges to communities by \$320 million. Reduced retail sales of water, although an environmental success, is wreaking havoc on communities' ability to accurately project and collect the necessary revenues to operate local systems. These factors, combined with the dismal state economic condition, indicate that the forecast is not going to improve in FY10. The state is facing growing budget gaps and looking at a potential 10% reduction in local aid.

The Advisory Board is pursuing new ways to secure funding for water and sewer infrastructure by filing legislation that will generate revenue for water and sewer infrastructure. One approach would place a five-cent tax on bottled water. The tax would go to a dedicated fund available to municipalities and water districts to be used for water and sewer infrastructure repairs and projects. Another approach expands the septic tax credit to include municipal / public sewer users and would allow homeowners a tax credit of 20% of the debt service portion of their sewer bill. "The Advisory Board will explore other avenues to provide relief for ratepayers," said Katherine Dunphy, Chairwoman of the MWRA Advisory Board, "These legislative approaches will help mitigate rising water and sewer bills."

To obtain a copy of the 2008 Water and Sewer Rate Survey, please visit our website: www.mwraadvisoryboard.com

MWRA BOARD OK'S LEGISLATIVE PACKAGE

The MWRA Board of Directors approved the Authority's 2009-2010 Legislative Agenda at the December Board meeting. The Authority's Legislative Agenda includes seven bills that will be re-filed from last session (including lead service replacement programs for communities and support for an infiltration and inflow financial assistance program), and four new initiatives put forth by the Advisory Board. The new bills focus on securing funding for water and sewer infrastructure projects and repairs. Authority and Advisory Board staff will actively monitor these bills and other related topics over the two year session. The new legislative session begins on January 6, 2009.

CIP TRANSMITTED TO ADVISORY BOARD

The MWRA Board of Directors voted to transmit the proposed Fiscal Year 2010 Capital Improvement Program to the Advisory Board for its 60-day review and comment period. The proposed capital budget includes planned expenditures of \$238 million for fiscal year 2010 and projects expenditures of \$1,084.1 million for the FY09-13 timeframe. Ten projects represent nearly two-thirds of all capital spending for the five year period and include maintenance projects for the Deer Island Wastewater Treatment Plant, four large Combined Sewer Overflow projects, rehabilitation of the Hultman Aqueduct, improvements to the Carroll Water Treatment Plant, water main improvements and increased water system redundancy and covered storage improvements to the water system. Nearly 75% of all spending over the FY09-13 period is for mandated projects, Deer Island plan maintenance and other projects already under construction. The Authority has also developed a list of "ready to go" capital projects and will seek to maximize funding under any federal stimulus program to ensure continued progress in implementing the capital program.

The staff of the Advisory Board wishes you a
very happy and healthy holiday season!

We look forward to seeing you in 2009!

UPCOMING MEETINGS

JANUARY 9: EXECUTIVE COMMITTEE / 8:30 AM – BOSTON

JANUARY 14: MWRA BOARD OF DIRECTORS / 10 AM – CHARLESTOWN

JANUARY 15: MWRA ADVISORY BOARD MEETING/11:30AM–LEXINGTON

If you have any questions regarding topics raised in this newsletter or any other MWRA issue, please contact:
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