



NEWS & NOTES

A PUBLICATION OF THE MWRA ADVISORY BOARD
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LEGISLATIVE SESSION UNDERWAY

The 185th General Court convened its opening Legislative Session this month. There are eighteen new Legislators: sixteen in the House and two in the Senate. The MWRA Caucus will gain new members once legislators from member communities settle into the State House and receive Committee assignments. The new General Court was sworn in on January 3, 2007.

The MWRA Advisory Board submitted eight pieces of legislation for this month's bill filing deadline. In addition to efforts to secure Debt Service Assistance for FY08, Legislative Priorities include key issues such as lead service replacement programs, PILOT payments and Infiltration & Inflow assistance. Advocacy efforts will continue to ensure that DSA is included in upcoming budgets. Governor Patrick's first budget draft will be released by February 28, 2007.

Additionally, the Advisory Board expects to be involved in discussions regarding the future of the Rutland-Holden trunk sewer line. The Advisory Board filed legislation to invite the Towns of Rutland, Holden and West Boylston and other interested parties to form a commission to discuss the future care and custody of the sewer line.

WIND POWER UPDATE

The Advisory Board recommended, as part of its FY07 review and comments, that the Authority investigate siting wind turbines at Deer Island and other MWRA locations to develop renewable power and reduce reliance on purchased power. The Authority pursued a study on this topic, funded by the Massachusetts Technology Collaborative, and reported its recent findings to the Board of Directors and the Advisory Board. The plant's electrical infrastructure, as well as weather conditions, makes wind energy a feasible option at Deer Island, with a possibility of up to seven turbines. There are considerable permitting roadblocks including FAA regulations and the close proximity to Logan Airport. In its most recent court filing, the Justice Department has raised concerns regarding the location of potential turbines on Deer Island. Staff has started to investigate the feasibility of wind turbines at other MWRA facilities and shares the Advisory Board's commitment to wind power.

REACHING OUT TO GOVERNOR PATRICK

The Advisory Board recently sent a letter to Governor Patrick thanking him for restoring \$25 million in Debt Service Assistance. The letter outlined the critical need for continuation of Debt Service Assistance as part of the Governor's FY08 Budget. The Advisory Board invited the Governor, Lieutenant Governor and Secretary Bowles of EOE, to attend upcoming Advisory Board meetings. Additionally, Advisory Board staff had the opportunity to meet and discuss the importance of DSA with Leslie Kirwan, Secretary of Administration & Finance.

MWRA'S DEBT RESTRUCTURING

On January 17, 2007, MWRA issued \$848 million of revenue bonds, the largest borrowing in its twenty-year history. The transaction provides \$200 million in new funding for the capital program and \$648 million to restructure existing debt. This borrowing came about in response to the Advisory Board's recommendation to convene a Rates Management Committee made up of members from the MWRA Board of Directors, the Chair of the Advisory Board, and staff from MWRA and the Advisory Board. The committee met to develop a long-term rates management strategy, including debt restructuring, to address the dramatic increase to the MWRA's rate revenue requirements over the next decade. The upcoming issue of the "Green Sheet," the Advisory Board's financial update, will provide more details.

THE OTHER SIDE OF CONSERVING WATER

The MWRA year-end water use analysis indicated usage throughout the system was 206 mgd, the lowest yearly average since 1954. Overall reductions in water use occurred, even as the Town of Reading and the Dedham/Westwood Water District drew water for the first time. MWRA wholesale charges are based on the previous calendar year's use and local costs are principally fixed. As sales continue to drop, communities are experiencing annual shortfalls of revenues forcing them to consider mid-year rate increases and rethink necessary improvements to local water and sewer infrastructures.

UPCOMING MEETINGS

FEBRUARY 7: MWRA BOARD OF DIRECTORS / 10 AM - CHARLESTOWN
FEBRUARY 9: EXECUTIVE COMMITTEE MEETING / 8:30AM - BOSTON
FEBRUARY 15: MWRA ADVISORY BOARD / 11:30AM - CANTON

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