



# News & Notes

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## Communities Receive Debt Service Assistance Resolution

In follow-up to a slate of meetings with local officials throughout its system, Advisory Board staff released to communities last week a resolution calling for a renewed commitment to funding for the Commonwealth Sewer Rate Relief Fund, also known as Debt Service Assistance (DSA). The Fund, created by the Legislature in 1993, provides critical relief to communities throughout the Commonwealth who are facing escalating debt service costs resulting from sewer projects. Citing specific benefits of the program, the resolution urges the Legislature and Governor to minimally fund the program at \$25 million in FY07, with full-funding to be achieved by FY11.

The Advisory Board intends to submit the signed resolutions to the MWRA Legislative Caucus, as well as House and Senate Leadership, at its Legislative Day on January 19, 2006 in Boston, coinciding with the regularly scheduled Advisory Board meeting. Staff hopes to have received signed copies of the document from each of the 60 cities and towns that make up the Advisory Board by that time.

Copies of the Resolution and accompanying Fact Sheet are available on the Advisory Board's website.

## Waiver Language Moves to Conference

Thanks to continued effort by the MWRA Legislative Caucus, led by its Chairman, Representative Ron Mariano (D-Quincy), language exempting the Water Supply Protection Trust from an indirect cost assessment has successfully moved through both the House and Senate. The language is contained in a supplemental budget, which is currently under review by a Conference Committee, comprised of members of both branches and designed to iron out problems between the House and Senate versions of the bill. The language authorizing the waiver is not subject to Conference Committee discussions and thus, will be contained in the final version of the supplemental budget that will eventually go before the Governor.

## Advisory Board Review Prompts Changes to Fringe Rate Assessment

Earlier this month, the state's Department of Conservation and Recreation (DCR) was directed by the Office of the State Comptroller to correct its payroll accounts to exclude seasonal employees from the line item assessed fringe benefits. The move saves the MWRA \$10,450 so far in FY06, with additional savings coming this year and in future years.

The State assesses the MWRA annually for costs associated with health care, retirement and terminal leave of DCR watershed employees. These costs, referred to as fringe, are assessed as a percentage of the total personnel line item, which has historically included seasonal employees. The Advisory Board maintains the MWRA should be assessed for *actual* costs associated with fringe, rather than a percentage of the line item.

Earlier this year, the Advisory Board hired Daniel Dennis & Co., LLP, a Boston-based accounting firm, to review the way in which the fringe rate is calculated. The directive from the State Comptroller comes as a result of this ongoing review and is a small victory in a continued effort to establish a fair and justifiable means of assessing fringe.

## Federal SRF Program Slated for Cuts

As part of a larger Rescission Package submitted by President Bush in October, Capitol Hill is currently considering whether to cut \$166 million from the Clean Water State Revolving Loan Fund (SRF) Program. The cut is one of many proposed mechanisms aimed at creating funds to assist with hurricane recovery efforts in the aftermath of Hurricanes Katrina and Rita.

The SRF program provides federal aid to communities to build and repair sewage treatment plants. In FY06, Congress approved \$900 million for the program. The entire package is currently under consideration by the House and Senate with the hope being to have a proposal to the President by the end of the month.

### Upcoming Meetings/Events

<b>December 14-</b>	<b>MWRA Board of Directors</b> <u>Rates Summit</u> -10:00 am in Charlestown <u>Full Board Meeting</u> -1:00 pm in Charlestown
<b>January 11- -</b>	<b>MWRA Board of Directors Meeting</b> 10:00 am in Charlestown
<b>January 13-</b>	<b>Advisory Board Executive Committee Meeting</b> 8:30 am at Advisory Board office

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

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