



THE GREEN SHEET

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THE ADVISORY BOARD'S FY07-FY08 ACCOMPLISHMENTS

Over the last fiscal year the MWRA Advisory Board:

- Successfully recommended reductions in MWRA's FY08 spending and increases in non-rate revenues totaling nearly \$7 million.
- Worked with the Authority to restructure nearly \$650 million in debt to ease the impact of debt service payments.
- Worked with the Authority to achieve modifications to the Authority's bond covenants, which will result in reduced levels of reserves.

FUTURE CHALLENGES

The goal of the Advisory Board is to insure sustainable and predictable rate increases for our communities. The pressure on water and sewer rates is not a one-year revenue problem but a multi-year concern. The projected rate revenue requirements increase by \$30 million or more each and every year through FY 2015. This reality calls for utilization of a multi-year rates management strategy

FY08 WATER & SEWER ASSESSMENTS TO RISE 4.5%

At a special meeting, the MWRA Board of Directors voted to increase water and sewer assessments by 4.5% to \$517.8 million, an increase of \$22.4 million over the FY07 rates.* Water rates were set at \$168.3 million and sewer rates were set at \$349.5 million.

*In addition, \$46.7 million in non-rate revenue and \$17.25 million in Debt Service Assistance from the Commonwealth provide the remaining funding for the \$581.75 million budget.

MWRA CAPITAL SPENDING TO BE \$250 MILLION IN FY08

The Authority's Board of Directors also approved the Capital Improvement Program (CIP) budget for FY08 at \$250.7 million. Spending for the ten-year program (FY08-17) is budgeted at \$1.7 billion. Wastewater spending is set at \$833.7 million, Waterworks spending at \$682.0 million, Business and Operations Support at \$28.4 million and contingency funding at \$159.0 million.

The capital program complies with the capital spending cap for FY04-08 approved by the Board of Directors in June 2003. The cap for the next five-year period, FY09-13, will be set as part of the FY09 budget process.

The new budget includes 67 new projects from the Master Plan totaling \$952 million. They include 47 new or reintroduced Wastewater projects, 15 Waterworks projects and five Business and Operations Support projects. Almost all the new projects had been ranked priority one or two through the master planning process. The majority of the new projects have spending beyond the next cap period, after FY13.

Dominating capital spending is the Combined Sewer Overflow (CSO) Control Program, at a new total cost of \$811.4 million. Just over \$350 million has been spent through FY06, leaving \$461 million to be spent from FY07 forward. Nearly \$375 million is budgeted for the six-year period, FY08-13. The largest single contract in the capital budget is the North Dorchester Bay Tunnel contract, budgeted at \$150.8 million. Initial construction is under way, with the delivery of the tunnel boring machine scheduled for September.

MWRA ADVISORY BOARD

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