



NEWS & NOTES

A PUBLICATION OF THE MWRA ADVISORY BOARD
MAY 2009

SENATE APPROVES BUDGET; \$0 IN DEBT SERVICE ASSISTANCE

The Massachusetts Senate concluded debate on a \$27.35 billion budget bill this month, which slashes municipal aid by 34% and eliminates funding for the statewide Sewer Rate Relief Fund. The Senate, like the House, approved an increase in the sales tax from 5 to 6.25 percent. The budget also draws from the state's rainy day reserves and federal stimulus funds. Two amendments pertaining to Debt Service Assistance were filed; one for \$5 million in Sewer Rate Relief, as well as one for \$10 million from an expanded Bottle Bill that would include deposits on bottled water, which would be returned to a water and sewer infrastructure account. Neither amendment was included in the final version. The House and Senate versions of the budget now head to a conference committee to iron out the differences and develop the final budget that will be sent to the governor by the end of June.



Katherine Dunphy, Chairwoman of the Advisory Board (center), presents Certificates of Recognition to two retiring Advisory Board members: Larry Barrett, Stoughton (left) and Ted McIntire, Reading (right). Both also gave of their time to serve on the Executive Committee. The Advisory Board thanks them for their dedicated service!

LT. GOV AT JUNE MEETING

Lt. Governor Timothy Murray is the featured speaker at the June 18th Advisory Board meeting. He will discuss the impacts of the federal stimulus package on cities and towns. This is the second of a two-part series on the federal economic stimulus package.

ADVISORY BOARD PRESENTS \$100 MILLION CHALLENGE TO MWRA

The Advisory Board approved two recommendations at this month's meeting which form the general basis and approach it believes the MWRA must take over the next four years. The Advisory Board's integrated *Comments and Recommendations on the MWRA's Proposed FY10 Capital Improvement Program and Proposed Current Expense Budget* recommends that the Authority lower capital spending by no less than \$100 million over the next four years as well as reduce rate revenue requirements by no less than \$100 million over that same period. The *Comments and Recommendations* outline a series of tools for the Authority to consider. The report calls for the Authority to make significant budgetary changes and revenue increases to benefit the 60 communities in the service area by recognizing the current economic climate, revisiting past assumptions, and reducing projected costs for 2.5 million ratepayers. Katherine Dunphy, Chairwoman of the Advisory Board, said, "The Advisory Board comments are offered in recognition of the extraordinarily difficult times that are facing the Commonwealth, cities and towns, and the ratepayers. These times have led the Advisory Board to request that the Authority revisit their rate revenue assumptions and capital spending over the next four years and ultimately reduce both by \$100 million over this time period." This challenge stems from the changing financial landscape. The current economic crisis is a multi-year problem and requires a multi-year approach and strategy.

Bernie Cooper, Chair of the Advisory Board Finance Committee, said, "The Advisory Board's goal in this \$100 million challenge is to not only provide relief to the MWRA's ratepayers and member communities, but also to ensure that the Authority's good financial standing continues to set it apart from other quasi-state agencies. This is not an indictment of what the Authority has or has not done; the MWRA has worked hard to manage rates. Rather, this is the realization that we all need to work even harder to reduce costs for our ratepayers."

UPCOMING MEETINGS

JUNE 3: CIP & CEB BUDGET HEARING / 10 AM - CHARLESTOWN
JUNE 3: MWRA BOARD OF DIRECTORS / 1 PM - CHARLESTOWN
JUNE 12: EXECUTIVE COMMITTEE / 8:30 AM - BOSTON
JUNE 18: MWRA ADVISORY BOARD / 11:30 AM - BWSC
JUNE 24: MWRA BOARD OF DIRECTORS / 10 AM - CHARLESTOWN

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