



NEWS & NOTES

A PUBLICATION OF THE MWRA ADVISORY BOARD
FEBRUARY 2011

OVERVIEW OF PROPOSED FY12 CAPITAL EXPENSE BUDGET

At its February meeting, the MWRA Board of Directors approved the transmittal of the proposed FY 2012 Current Expense Budget (CEB) to the AB for its review and comment.

Total expenses come to \$621.7 million, of which nearly 60% (\$371.9 million) is for capital financing costs. Direct expenses are level-funded from FY11 and total \$209.6 million. Indirect expenses come to \$40.2 million and include a \$1.9 million contribution to fund the MWRA's Other Post-Employment Benefits (OPEB) liability. Over 95% of all revenue is from water and sewer rates, projected to be \$592.2 million, or a 3.9% increase over FY11's rates.

The Advisory Board will be holding its statutorily required public hearing on the proposed FY12 Current Expense Budget at Cary Hall in Lexington on March 17th. The AB will proceed & vote on its comments and recommendations in May. The Authority will follow with a vote in June on the final budget.

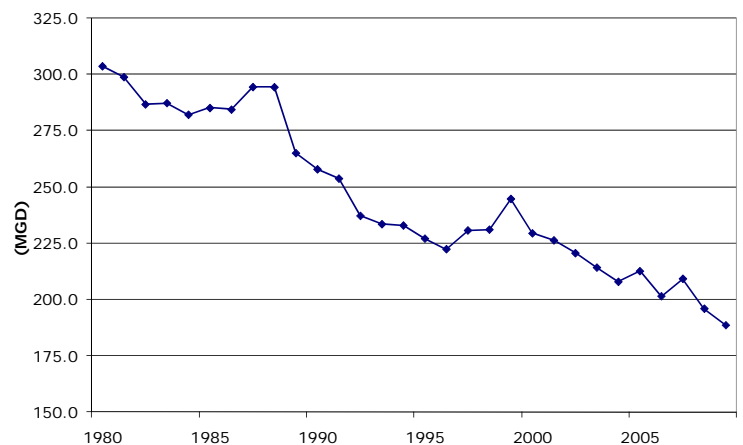
2010 WATER AND SEWER RETAIL RATE SURVEY

The MWRA Advisory Board released its 24th Annual Water and Sewer Retail Rate Survey this month, reporting an average 4.6% increase in combined water and sewer costs in 2010 for customers in the MWRA service area. This increase is the lowest average retail rate increase in nine years, following the Authority's adoption of the lowest wholesale rate increase in 15 years.

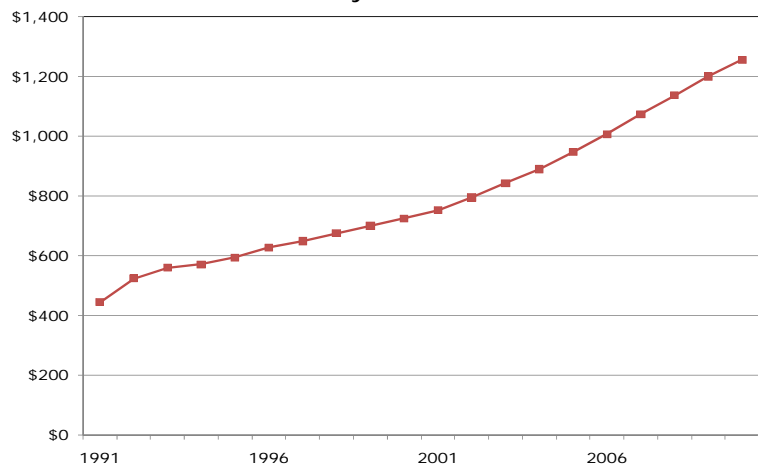
Consistent with the Advisory Board's twenty-four year history of tracking retail rates, the 2010 survey uses the American Water Works Association industry standard of 120 HCF, which is approximately 90,000 gallons to track the percentage increase in retail rates from year to year. At this level of usage, the

combined water and sewer charges for homeowners in MWRA communities averaged \$1,254 (up from \$1,199 in 2009). Additionally, system sales and water usage continue to decline even as retail rates have been increasing. The full retail rate survey will be mailed the first week of March.

MWRA System Sales



MWRA Community Retail Rate Increases



UPCOMING MEETINGS

- Mar. 11 Advisory Board Executive Comm. Mtg. in Charlestown
- Mar. 16 MWRA Board of Directors Meeting in Charlestown
- Mar. 17 AB Meeting at Cary Hall in Lexington
- Mar. 17 AB Public Hearing on proposed FY12 CEB at Cary Hall

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

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