



NEWS & NOTES

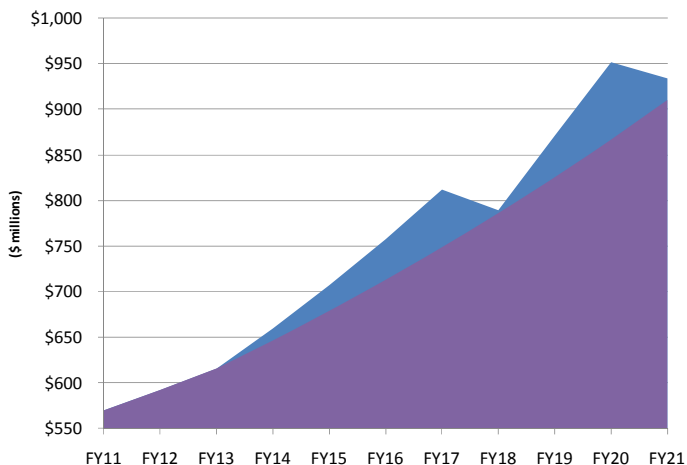
A PUBLICATION OF THE MWRA ADVISORY BOARD
APRIL 2011

MWRA ADVISORY BOARD'S BUDGET UPDATE

Advisory Board staff presented an update to Advisory Board on its *Comments and Recommendations* to the Authority's Proposed FY12 CEB and CIP. Staff's presentation included various scenarios outlining the challenges facing communities over the next ten years. The rate revenue requirement is projected to grow from \$570 million in FY11 to \$934 million in FY21. Capital financing expense increases by \$274 million through FY21, and totals \$5.5 billion from FY11-21. Pension expense remains an additional challenge during this period and until FY24 according to the Authority's current funding schedule.

As an exercise, staff demonstrated that to keep the Authority's proposed rate increases of 3.95% in FY12 and 13 and maintain a 5% rate increase through FY21 would require \$308.4 million in reductions or additional revenue (see blue area of figure below). Staff has identified several tools that could be used to help reduce rates moving forward, but this exercise highlights not only the difficult times ahead, but also the scope of the challenge facing the Authority and the ratepayers over the next ten years.

Next month staff will present formal recommendations for reductions to the proposed FY12 CEB and CIP.



“YOU ARE INVITED” THE MWRA ADVISORY BOARD'S CELEBRATION OF 25 YEARS OF SERVICE

The MWRA Advisory Board will be holding its monthly meeting at the Chelsea Operations Center on May 19th at 11:30 am and will be acknowledging the 25-year anniversary celebration of the MWRA & Advisory Board.

The 25-year celebration will highlight 120+ employees that have dedicated their service to the MWRA ratepayers by protecting public health and the environment. The speakers will include: Katherine Dunphy, MWRA AB Chair; Fred Laskey, MWRA Executive Director; Congressman Michael Capuano (schedule permitting); Kathleen Baskin, Director of Water Policy at EOEEA; House Majority Leader Ron Mariano, Chair of MWRA Legislative Caucus; Michael McGlynn, Mayor of Medford; Vivien Li, Director of the Boston Harbor Association; Representative of MWRA's Labor Coalition; and Dick Fox, President of Camp Dresser McKee. In addition, there may also be a few surprise speakers. If you would like to attend or have any other questions, please feel free to contact the AB for more information at: 617-788-2050.

HOUSE LEGISLATIVE UPDATE

On April 13th, the House Ways and Means Committee released their budget which included an appropriation of \$500,000 for Debt Service Assistance. The MWRA and AB have been tirelessly advocating the Legislature to keep the dialogue open with the hope that some funds could be available. The MWRA and AB acknowledge the difficult decisions the Legislature must make and are pleased and appreciative that the line item has remained alive. The MWRA & AB will continue to advocate for these funds through the remainder of the budget process.

UPCOMING MEETINGS

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| May 6 | WAC/WSCAC Meeting in Boston |
| May 11 | MWRA Board of Directors Meeting |
| May 12 | Advisory Board Executive Committee Meeting |
| May 17 | WSPT Meeting at Charlestown Navy Yard |
| May 19 | AB Meeting at the MWRA Chelsea Facility |
| May 30 | Memorial Day-Office Closed |

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

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