

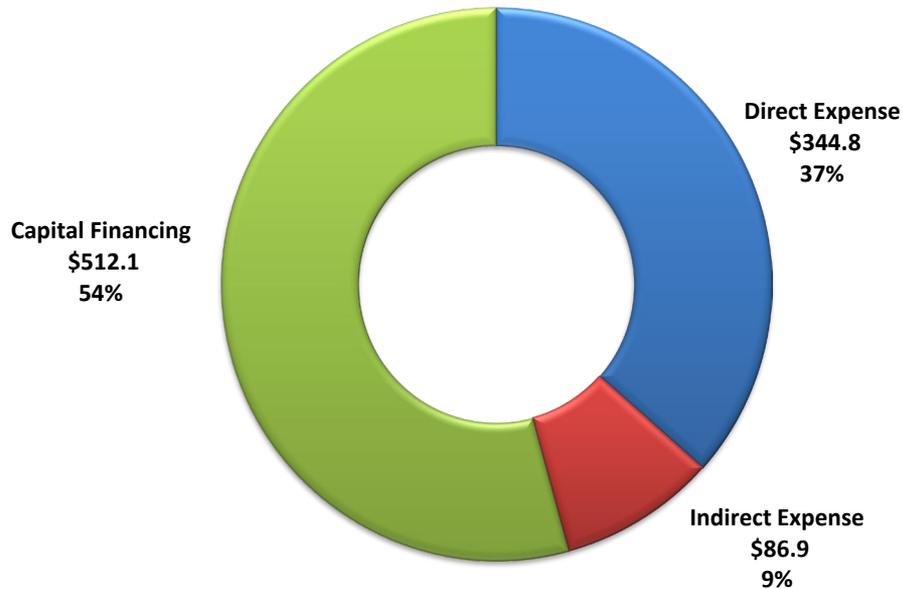


**MWRA Fiscal Year 2027
Proposed
Current Expense Budget**

February 26, 2026



FY27 Proposed Current Expense Budget (*\$s in millions*)



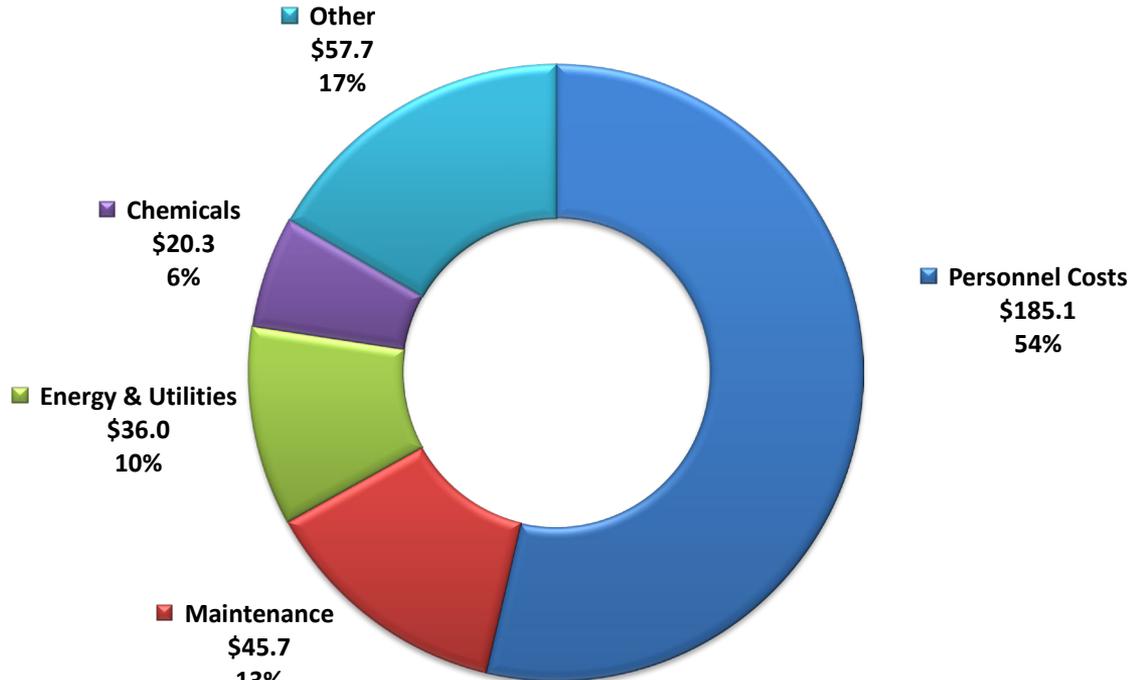
- **FY27 Proposed CEB:** Increase of \$24.1 million or 2.6% over FY26.



FY27 Proposed CEB – Direct Expenses

Direct Expenses by Category

(\$s in millions)



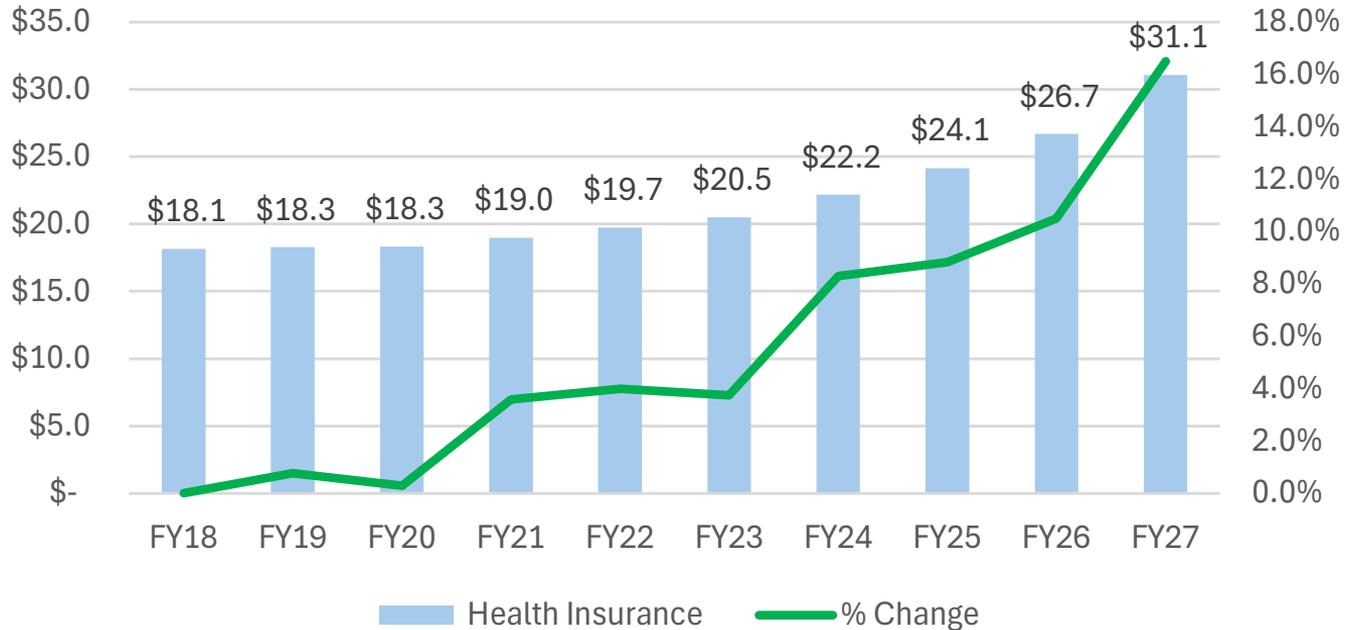
- **Direct Expenses:** Increase of \$16.8 million or 5.1% over FY26 driven by higher Wages & Salaries, Fringe Benefits, Energy & Utilities, and Maintenance.
- **Wages & Salaries:** Increase of \$6.8 million or 5.1% over FY26. Funds 1,167.4 FTEs (1,166.2 FTEs in FY26). Includes a Vacancy Adjustment (reduction) of \$10.5 million.
- **Fringe Benefits:** Increase of \$4.8 million or 15.6% over FY26 driven by an anticipated 15.0% increase to Health Insurance costs.
- **Energy & Utilities:** Increase of \$2.5 million or 7.3% over FY26 driven by higher Electricity due to Eversource rate increases.
- **Maintenance:** Increase of \$2.1 million or 4.8% over FY26 driven by anticipated projects at DITP.



FY27 Proposed CEB – Trended Health Insurance Budgeted Costs

Trended Health Insurance Budget

(\$s in millions)

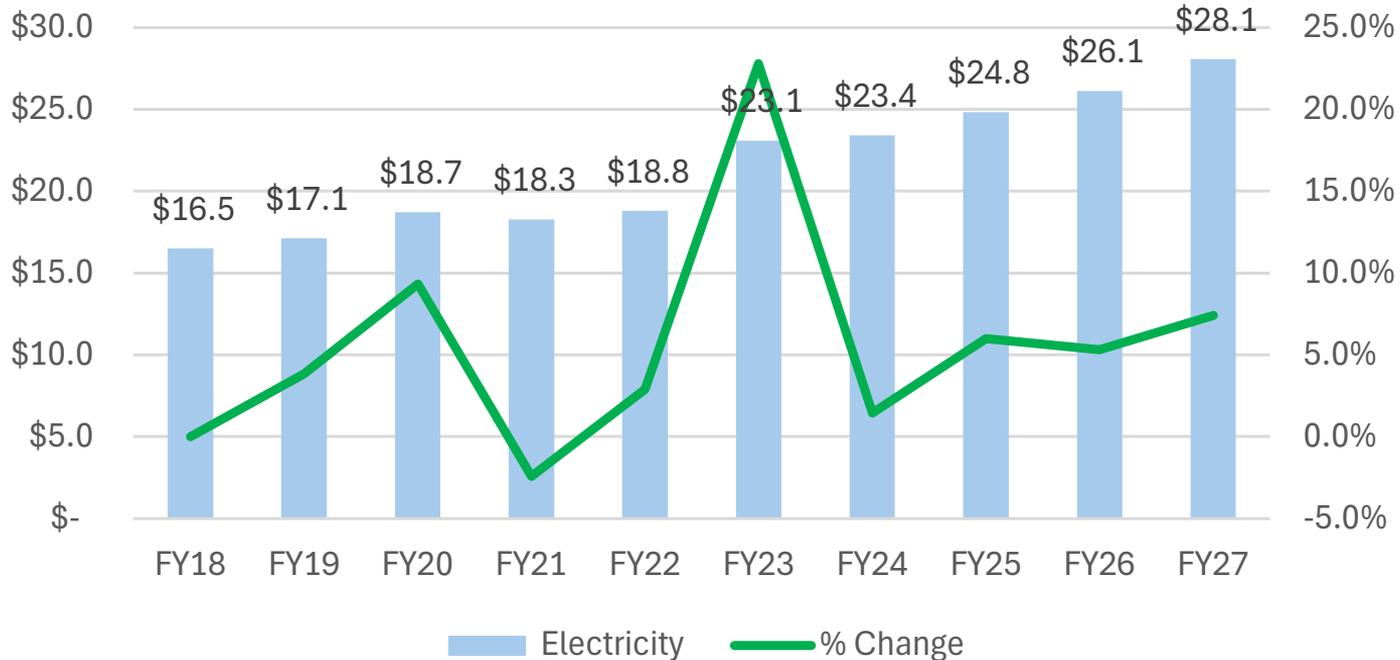




FY27 Proposed CEB – Trended Electricity Budgeted Costs

Trended Electricity Budget

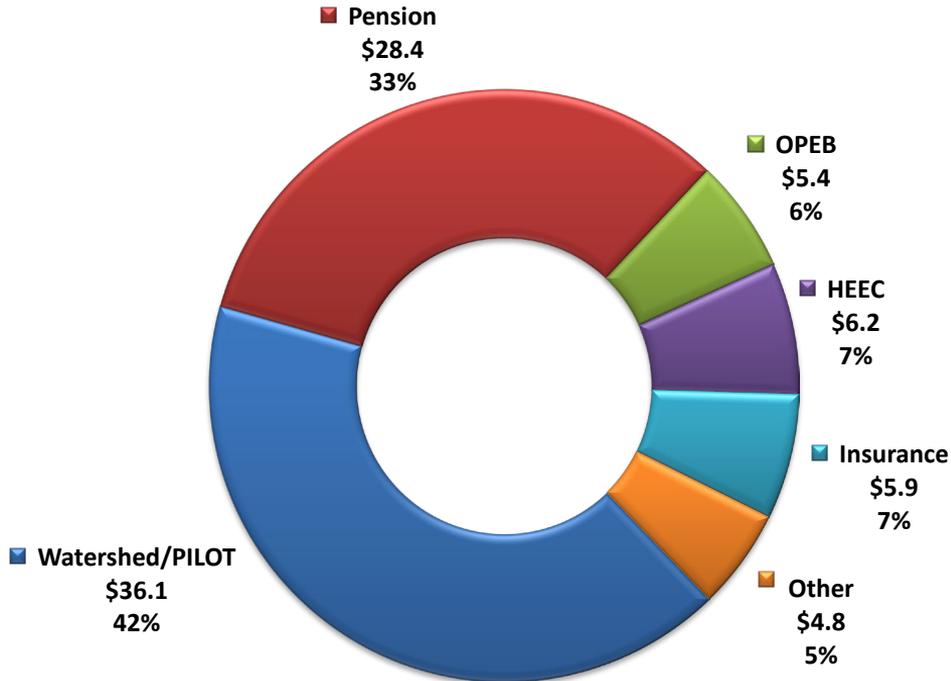
(\$s in millions)





Indirect Expenses by Category

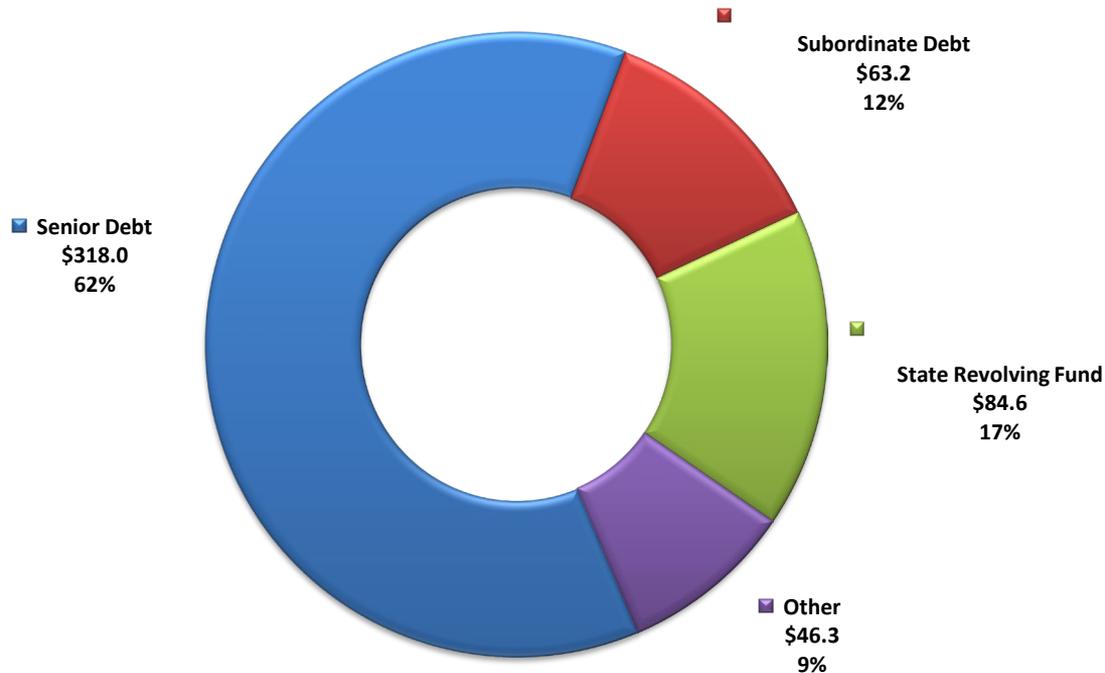
(\$s in millions)



- **Indirect Expenses:** Increase of \$3.9 million or 4.7% over FY26 driven by higher Pension and Watershed Reimbursement/PILOT.
- **Pension:** Increase of \$2.1 million or 7.8% over FY26. Includes Actuarially Required Contribution (ARC) of \$21.9 million plus an additional \$6.5 million to assist with reaching full funding by 2030.
- **Watershed Reimbursement:** Increase of \$1.0 million or 2.9% over FY26 driven by higher Wages & Salaries, Maintenance, and PILOT. Funds 151 FTEs, with no vacancy adjustment included.



Capital Finance by Category (\$s in millions)

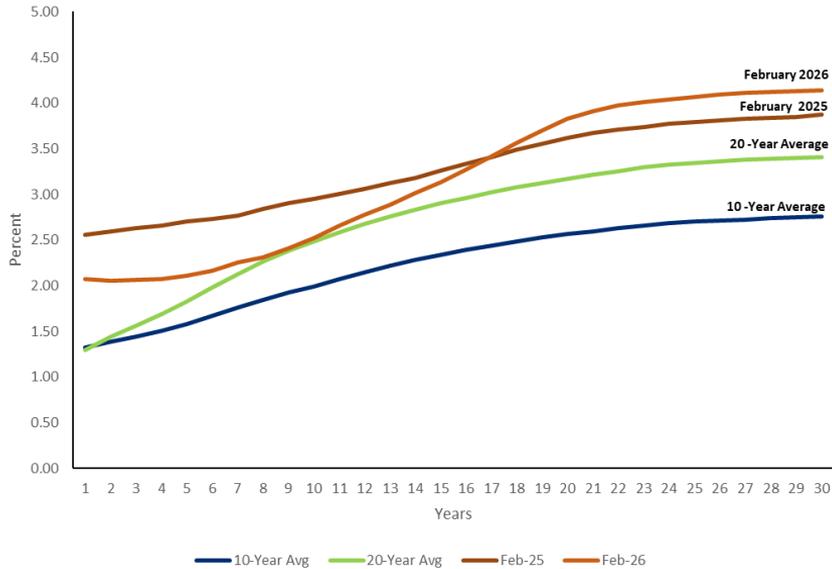


- **Capital Finance:** Increase of \$3.4 million or 0.7% over FY26 driven by the structure of new and existing debt.
- **Variable Interest:** Assumes a rate of 4.0% (4.25% in FY26).
- **Defeasance:** Includes a \$20.0 million defeasance benefitting FY27-32.

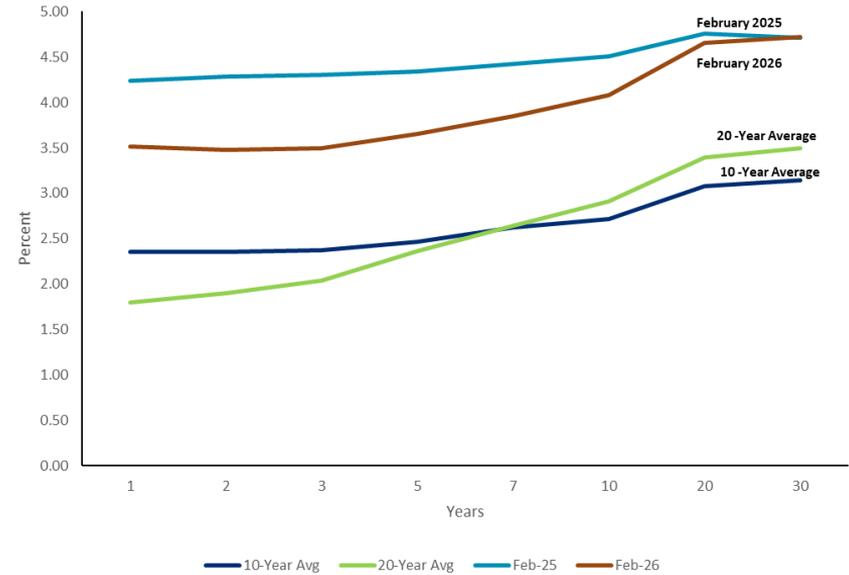


FY27 Proposed CEB – Long-term Interest Rates

Tax-Exempt Rates



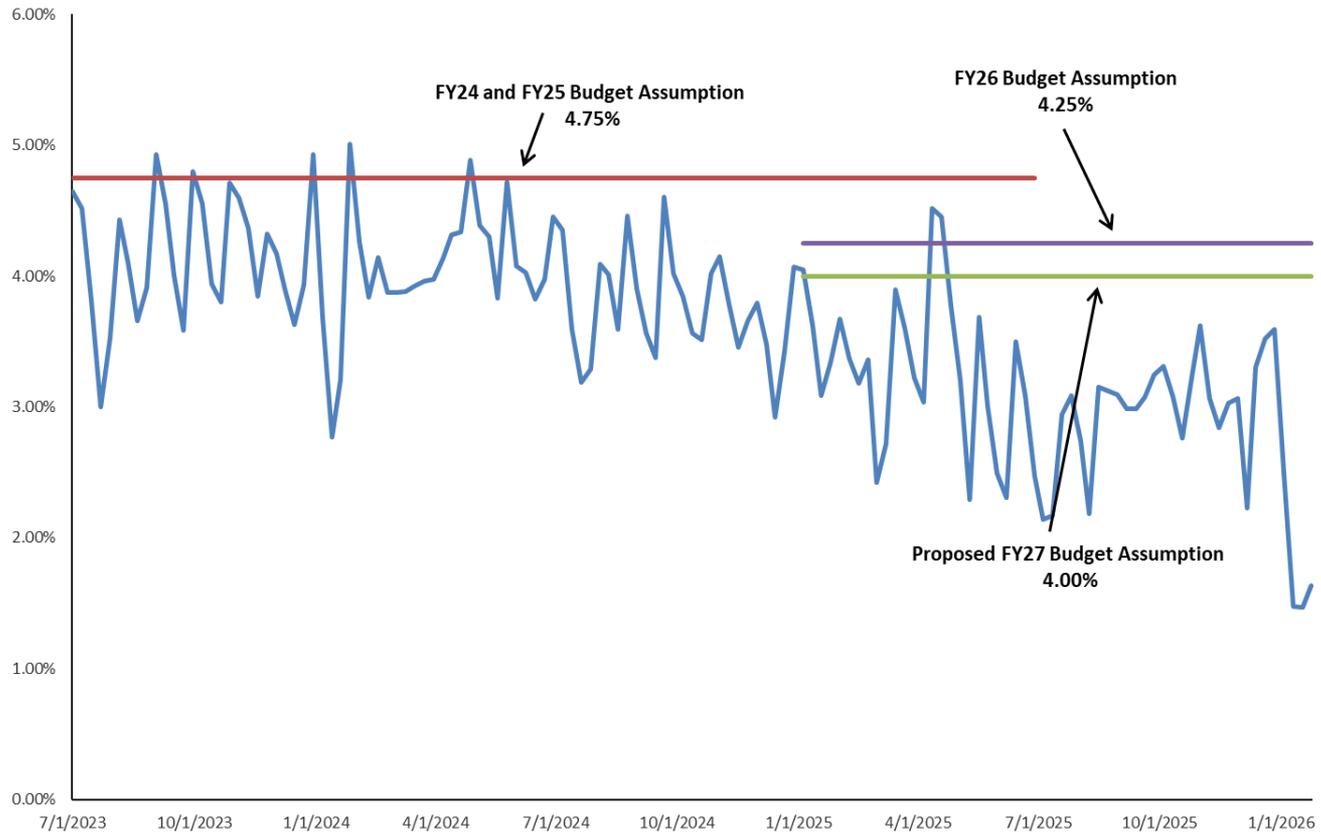
Taxable Interest Rates





FY27 Proposed CEB –Short-Term Interest Rates

MWRA All-In Variable Rate Debt Cost

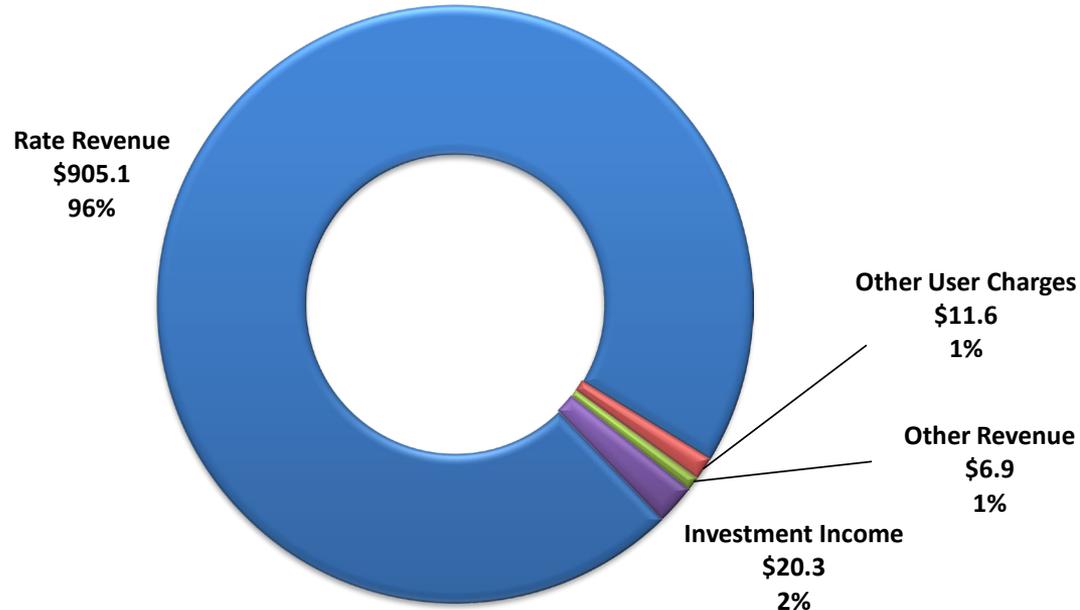




FY27 Proposed CEB – Revenue by Category

Revenue

(\$s in millions)

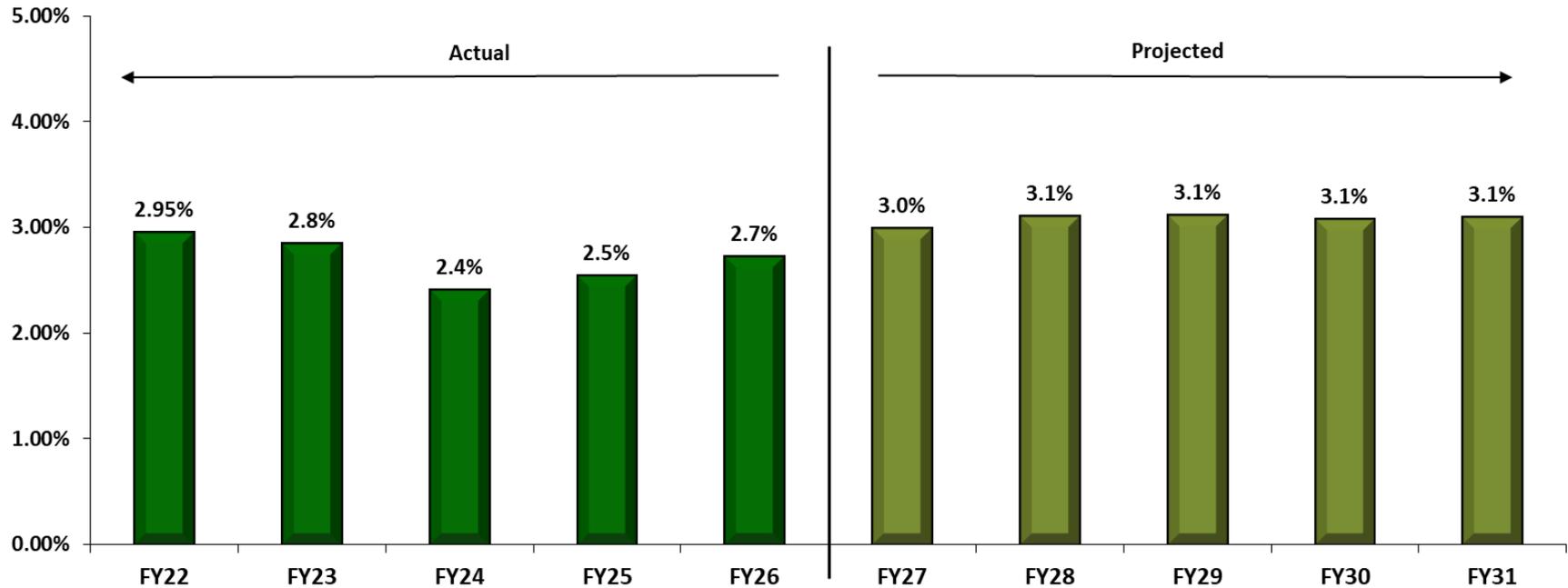


- **Total Revenues:** Increase of \$24.1 million or 2.6%.
- **Rate Revenue:** Increase of \$26.3 million or 3.0% over FY26 (in line with planning estimates).
- **Investment Income:** Short-term interest projected at 2.99% (3.75% in FY26).
- **Rate Stabilization:** No planned usage in FY27.



FY27 Combined Assessment Projections

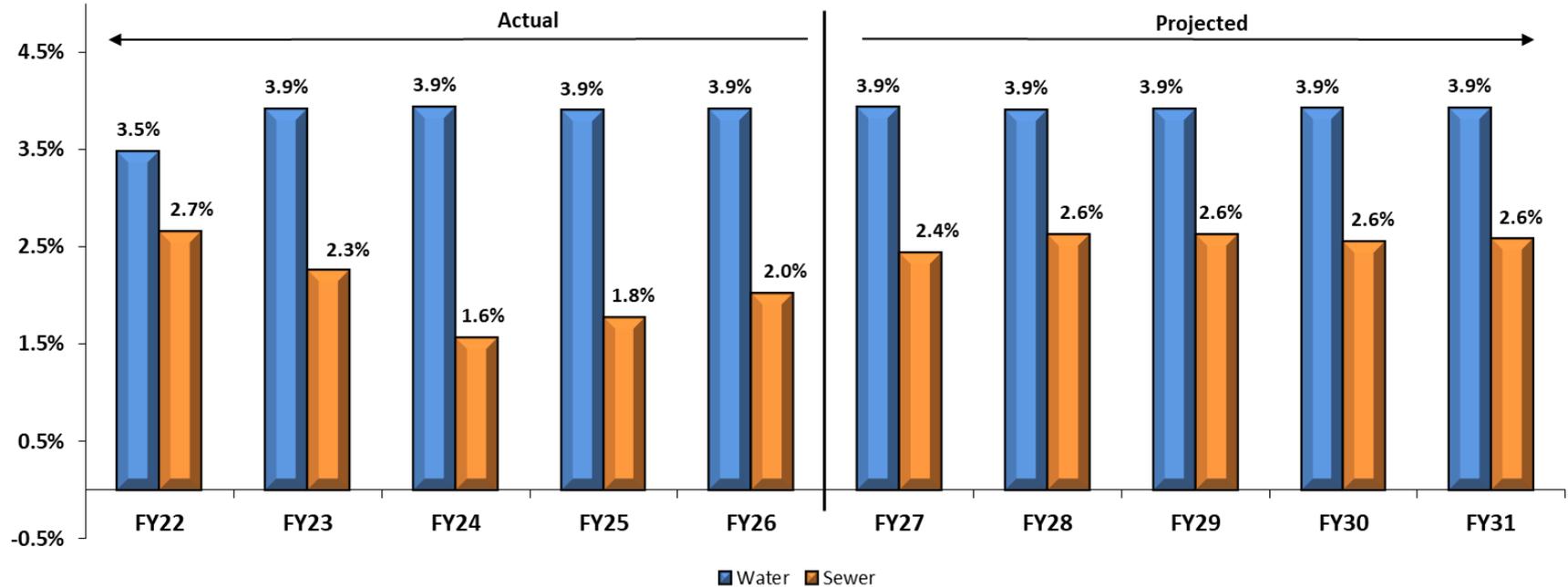
**MWRA Combined Utilities
Historical and Projected Rate Revenue Changes**





FY27 Water and Sewer Assessment Projections

MWRA Water & Sewer Utilities
Historical and Projected Rate Revenue Changes





**MWRA Fiscal Year 2027
Proposed
Capital Improvement Program**

February 26, 2026



FY27 Proposed CIP – Baseline Cap vs. FY27 Proposed Cap

FY24-28 Baseline CAP		FY24	FY25	FY26	FY27	FY28	FY24-28
	Projected Expenditures excl. Metro Tunnel	\$288.2	\$357.9	\$313.5	\$349.8	\$349.1	\$1,658.5
	Metropolitan Tunnel	\$14.4	\$25.2	\$23.9	\$23.9	\$78.6	\$166.2
	I/I Program	(42.9)	(41.5)	(27.5)	(28.4)	(34.2)	(174.5)
	Water Loan Program	(14.1)	(10.9)	(5.0)	(2.6)	8.6	(24.0)
	MWRA Spending	\$245.6	\$330.8	\$304.9	\$342.8	\$402.2	\$1,626.3
	Contingency	15.2	21.8	20.7	23.6	31.7	113.0
	Inflation on Unawarded Construction	1.9	8.1	12.2	22.1	36.1	80.4
	Chicopee Valley Aqueduct Projects	(0.3)	(0.5)	0.0	0.0	0.0	(0.8)
	Projected Spending before Adjustment	\$262.4	\$360.2	\$337.8	\$388.5	\$469.9	\$1,818.9
Spend Rate Adjustment (25%)*	(65.6)	(90.1)	(84.5)	(97.1)	(117.5)	(454.7)	
FY24 Final FY24-28 Spending	\$196.8	\$270.2	\$253.4	\$291.4	\$352.5	\$1,364.2	

*Based on historical underspending FY04-FY22 excluding community loan programs

FY27 Proposed CAP		FY24	FY25	FY26	FY27	FY28	FY24-28
	Projected Expenditures excl. Metro Tunnel	\$199.2	\$185.7	\$262.5	\$378.8	\$593.0	\$1,619.2
	Metropolitan Tunnel	\$9.0	\$21.5	\$48.5	\$48.5	\$81.3	\$208.8
	I/I Program	(22.0)	(17.2)	(62.5)	(50.3)	(63.1)	(215.1)
	Water Loan Program	(26.2)	(10.7)	(27.1)	(20.1)	(17.3)	(101.4)
	MWRA Spending	\$160.1	\$179.2	\$221.4	\$356.9	\$593.9	\$1,511.5
	Contingency	0.0	0.0	14.4	23.8	43.8	82.0
	Inflation on Unawarded Construction	0.0	0.0	0.0	3.5	19.8	23.3
	Chicopee Valley Aqueduct Projects	0.0	0.0	0.0	(0.2)	(0.9)	(1.1)
	Projected Spending before Adjustment	\$160.1	\$179.2	\$235.8	\$384.0	\$656.6	\$1,615.7
Spend Rate Adjustment (25%)*	0.0	0.0	(59.0)	(96.0)	(164.2)	(319.1)	
FY27 Proposed FY24-28 Spending	\$160.1	\$179.2	\$176.9	\$288.0	\$492.5	\$1,296.6	

*Based on historical underspending FY04-FY22 excluding community loan programs



FY27 Proposed CIP – Top Spending Subphases Excl. Community Loans in FY27

Project	Subphase	FY27 Spending \$s in Millions
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	\$50.0
Metro Water Tunnel Program	Final Design/ESDC	\$27.5
Facility Asset Protection	Ward St Headworks Construction	\$20.0
NHS - Revere & Malden Pipelines	CP-1 Section 68 Construction	\$12.0
New Connecting Mains-Shaft 7 to WASM 3	Section 75 Extension - Construction CP-1	\$12.0
DI Treatment Plant Asset Protection	Eastern Seawall Construction - 1	\$10.0
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	\$9.0
Metro Redundancy Interim Improvements	WASM 3 Rehab CP-2	\$8.5
Alternative Energy Initiative	Norumbega Solar Project	\$8.0
Facility Asset Protection	Hayes Pump Station Rehab Constuction	\$7.4
Total Top 10 Spending Subphases (excluding Loan Programs)		\$164.4
% of FY27 Spending		38.5%
Other Project Spending		\$262.9
Total FY27 Spending		\$427.3

- Top 10 spending subphases are driving 38.5% of total projected spending in FY27.
- 5 of the top spending subphases listed are awarded/active.



FY27 Proposed CIP – Top Spending Subphases Excl. Community Loans in FY24-28

Project	Subphase	FY24-28 Spending \$s in Millions
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	\$240.7
Metro Water Tunnel Program	Final Design/ESDC	\$83.4
Facility Asset Protection	Ward Street Headworks Construction	\$70.0
Metro Water Tunnel Program	Admin Legal & Public Outreach	\$36.9
DI Treatment Plant Asset Protection	Eastern Seawall Construction - 1	\$35.0
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	\$30.0
Metro Water Tunnel Program	Tunnel Construction South CP2	\$28.0
DI Treatment Plant Asset Protection	Digester/Storage Tank Rehab Construction	\$27.0
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	\$25.9
Facility Asset Protection	Hayes Pump Station Rehab Construction	\$25.6
Total Top 10 Spenders (excluding Loan Programs)		\$602.6
% of FY24-28 Spending		33.0%
Other Project Spending		\$1,225.3
Total FY24-28 Spending		\$1,828.0

- The top 10 spending subphases are driving 33.0% of total projected spending in the FY24-28 Cap Period.
- 6 of the top spending subphases listed are awarded/active.



FY27 Proposed CEB/CIP – Next Steps

- Spring Revisit Process
- Provide briefings to Advisory Board Staff
- MWRA Public Hearing in April
- MWRA Board Hearing in May
- Staff anticipate FY27 Budget adoption in June