



CSO Long-Term Cost Dashboard: Extending the Analysis Beyond 2050

Overview

As MWRA's updated CSO control plan advances toward regulatory review, one key question remains: how do projected costs extend beyond the timeframe presented in existing materials?

The dashboard developed here is intended to help answer that question. It provides a structured estimate of CSO-related costs through 2072, using MWRA's published data as a foundation and applying a consistent set of assumptions to extend those projections into the out-years. This is not a rate model, nor is it intended to replicate MWRA's internal financial projections. Rather, it is a tool designed to illustrate the magnitude and trajectory of long-term costs, and to support informed discussion as the plan moves forward.

Data Foundation

The analysis begins with MWRA's CSO debt service projections through 2072, which represent the most reliable long-term cost component available. These projections are based on data presented in the February 4, 2026 Board of Directors' staff summary (p. 25) and subsequently provided in tabular form. They are available on an annual, systemwide basis and form the foundation of the model.

To estimate total cost impacts beyond debt service, the analysis draws on Appendix D from that same staff summary, which presents cumulative costs through 2050 by community, including both debt service and additional financial requirements such as coverage. Coverage refers to the additional revenue required to meet bond covenants and maintain financial stability, beyond simply paying debt service. While Appendix D is not broken out by fiscal year, it captures the full relationship between underlying debt and total cost within the modeled period.

Methodology

That relationship is used to estimate how much total costs exceed debt service due to additional financial requirements such as coverage under each plan scenario. For internal clarity, these scenarios are referred to as the Future Storm Protection Plan and the Extreme Storm Protection Plan.

Based on Appendix D, total costs are approximately 16.3 percent above debt service for the Future Storm Protection Plan and approximately 18.0 percent above debt service for the Extreme Storm Protection Plan. These percentages are then applied to MWRA's annual debt service projections to estimate total costs on a fiscal year basis through 2072.

Importantly, these adjustments are not applied across the entire time horizon. Coverage is most relevant during the period when debt service is increasing, as this is when the system faces the greatest financial pressure. Based on the available projections, CSO-related debt service is expected to peak around 2059. Accordingly, the coverage adjustments are applied through that period. Beyond that point, the model assumes that additional coverage is no longer required, as debt service stabilizes or declines while revenues continue to grow. In those later years, costs are therefore represented primarily by underlying debt service rather than a continued application of a coverage factor.





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Treatment of Annual Costs

It is important to note that the annual cost estimates shown in this dashboard follow the same general approach used in the February 4, 2026 Board of Directors' staff summary (pp. 24–25). In that analysis, project costs start in today's dollars and are then increased over time to reflect inflation, based on when the work is expected to take place.

Those costs are then converted into annual debt service by assuming the projects are financed over time, similar to how a mortgage spreads out payments. MWRA's model uses standard assumptions, such as 30-year bonds and an interest rate of about 5%, to estimate what those yearly payments would look like.

As a result, the “per fiscal year” values shown here should not be read as simple yearly spending. Instead, they represent the annual cost of financing those projects over time. This ensures that comparisons are made on a consistent, “apples to apples” basis when looking at long-term cost impacts.

Allocation Approach

Because MWRA's long-term projections are systemwide, a 10-year average community share is used to estimate how costs are distributed across the service area. This provides a consistent and transparent method for translating systemwide projections into community-level estimates, while recognizing that actual allocations may vary over time.

Simplifications and Interpretation

To maintain clarity and usability, coverage is applied as a smoothed percentage rather than reflecting year-to-year variability. In practice, these costs can fluctuate based on rate model dynamics, but smoothing helps present a clearer picture of overall trends.

Additional simplifying assumptions are also used where detailed out-year data is not available, including the use of averages and the extension of known relationships beyond their original timeframe, such as maintaining recent community flow share percentages. These choices are intentional and help balance clarity with realism.

This dashboard should be understood as a directional tool. It is designed to illustrate how costs may evolve over time and how different plan scenarios compare to one another, rather than to predict exact financial outcomes. Long-term projections, particularly beyond 2050, remain subject to uncertainty and will depend on future capital financing needs, regulatory requirements, and system conditions.

Conclusion

By grounding the analysis in MWRA's data and applying transparent, bounded assumptions, this approach provides a practical framework for understanding the scale of long-term CSO costs. It preserves differences between plan scenarios, avoids overstating costs in the out-years, and helps frame the broader affordability discussion as the plan moves forward.



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