





**MWRA Fiscal Year 2021  
Draft Final  
Current Expense Budget**

May 6, 2020 via WebEx



### ***Draft Final FY21 Objective:***

*Provide rate relief to member communities fiscally challenged by the pandemic while maintaining the multi-year rates management strategy.*



## Today's Meeting Approvals Requested

1. Loan Deferral Initiative
2. FY21 Current Expense Budget
3. FY21 Assessments
4. Defeasance
5. Debt Service Assistance

*Individual issues interrelated to achieve the overall objective*



# \$71 Million in Loan Deferrals

- Advisory Board Initiative
- Restructure payments due
  - This Fiscal Year (May 15<sup>th</sup>) \$9.2M
  - FY21 \$32.4M
  - FY22 \$29.5
- Community Loan Programs
  - Local Water Pipeline Assistance
  - Inflow and Infiltration
  - Lead Removal

Impact on Assessments	
Proposed	3.63%
Draft Final	1.00%
With Deferrals	-2.95%



# What It Means To Communities

## Top 10 by amounts potentially to be deferred

Community	FY2020	FY2021	FY2022	Total
BWSC	1,276,185.34	5,365,286.49	4,897,655.39	11,539,127.22
NEWTON	758,460.00	2,229,945.70	2,036,580.00	5,024,985.70
QUINCY	411,664.80	2,097,330.97	1,863,065.97	4,372,061.74
FRAMINGHAM	274,798.75	1,714,035.25	1,714,035.25	3,702,869.25
WINTHROP	458,620.00	1,168,613.75	1,128,213.75	2,755,447.50
WALTHAM	563,882.50	962,429.40	790,777.60	2,317,089.50
CHELSEA	422,350.50	965,041.40	844,504.90	2,231,896.80
REVERE	435,000.00	894,000.00	894,000.00	2,223,000.00
SOMERVILLE	335,411.50	933,211.50	905,611.50	2,174,234.50
ARLINGTON	465,250.00	830,850.00	830,850.00	2,126,950.00

*FY2020 includes only May 15, 2020 still unpaid*



# \$25 Million Cut From Current Expense Budget

## Revenue

	Proposed	Draft Final	Change
Other Charges/Rev	15,124,210	15,303,770	179,560
Investment Income	12,161,784	5,167,668	-6,994,116
Rate Stabilization	0	1,500,000	1,500,000
Assessments	789,386,000	769,385,000	-20,001,000
Total	816,671,994	791,356,438	-25,315,556

Rate of Increase to Assessment	3.63%	1.00%
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## Changes to Expenses

Budget Category	Amount
Direct Expenses	\$ -2,811,905
Indirect Expenses	-377,722
Capital Finance	-22,125,929
Total	\$ -25,315,557





# Changes to Expenses

- **Direct Expenses**
  - Energy & Utilities reduced by \$1.3M
  - Wages & Salaries reduced by \$0.8M
  - Other Materials reduced by \$0.4M
  - Training & Meetings reduced by \$0.1M
  - Chemicals reduced by \$0.1M
  - Fringe Benefits reduced by \$0.1M
  - Overtime reduced by \$0.1M
- **Indirect Expenses**
  - Operating Reserve reduced by \$0.5M



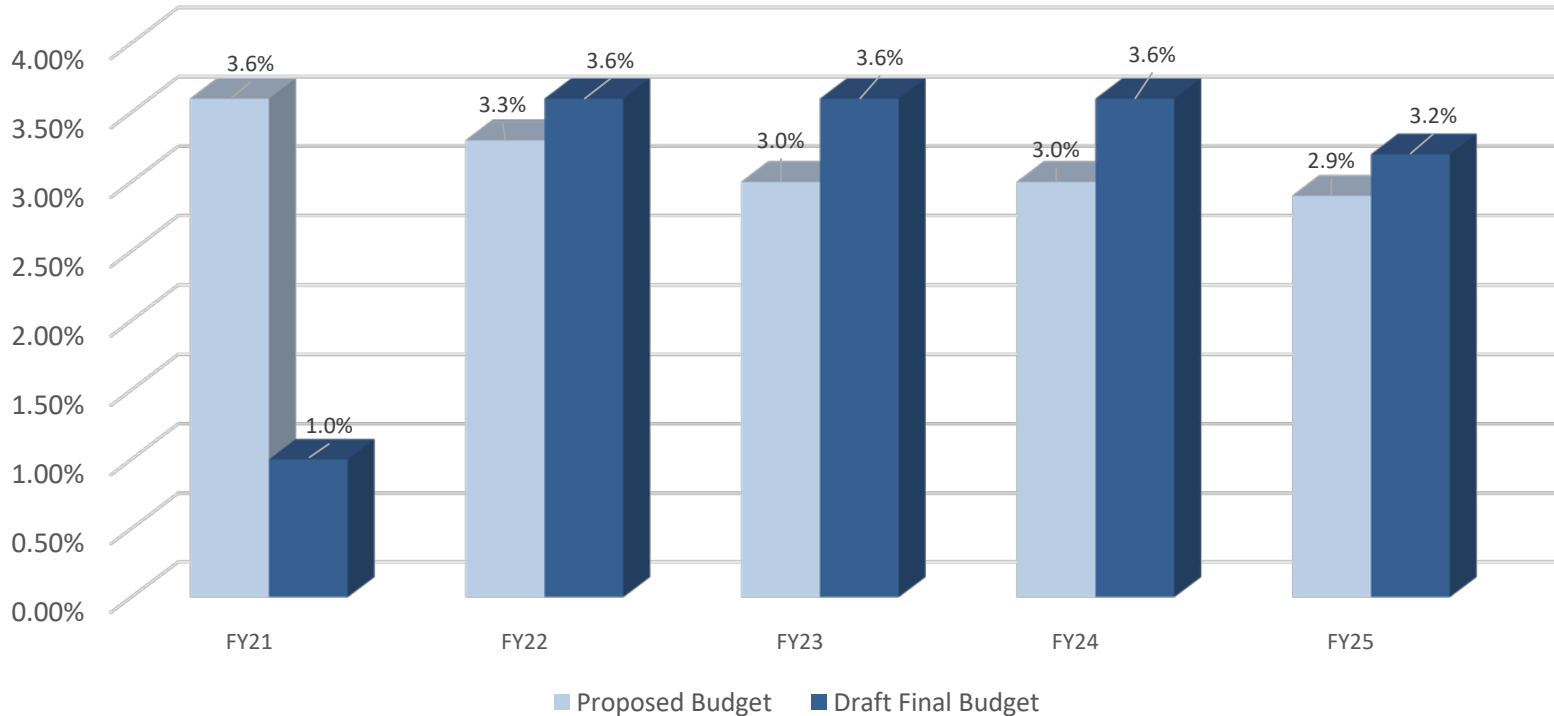
## Rate Projections

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Water	3.6%	3.9%	3.9%	3.9%	3.9%
Sewer	-0.3%	3.4%	3.4%	3.4%	2.9%
Combined	1.0%	3.6%	3.6%	3.6%	3.2%



# Keeps Multi-Year Rate Management

## Rate Projections





# Defeasance

- \$30.6 million defeasance to provide targeted rate relief
- Defeasance provides greater relief in early years than Proposed CEB
- Amount and fiscal year benefit has been revised from the Proposed

	2021	2022	2023	2024	2025	2026
Proposed	\$ 623,100	\$ 623,100	\$ 3,888,100	\$ 1,931,450	\$ 403,700	\$ 8,548,700
Draft Final	\$ 9,367,650	\$ 9,587,450	\$ 7,550,150	\$ 4,551,750	\$ -	\$ -
<b>Change</b>	<b>\$ 8,744,550</b>	<b>\$ 8,964,350</b>	<b>\$ 3,662,050</b>	<b>\$ 2,620,300</b>	<b>\$ (403,700)</b>	<b>\$ (8,548,700)</b>



On May 5, 2020 MWRA received \$891,533 from the Massachusetts Sewer Rate Relief Fund

Top 10 Communities receiving credit toward June 1<sup>st</sup> assessment

Community	Amount
Boston Water and Sewer Commission	\$ 263,122.34
Cambridge	\$ 43,048.61
Newton	\$ 40,035.60
Quincy	\$ 37,559.06
Somerville	\$ 30,750.89
Waltham	\$ 25,367.33
Framingham	\$ 24,409.98
Malden	\$ 24,390.11
Brookline	\$ 23,501.47
Medford	\$ 22,141.34



*Thank You,  
Stay Well*