MASSACHUSETTS WATER RESOURCES AUTHORITY

Fiscal Year 2026
CURRENT EXPENSE
BUDGET

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Massachusetts Water Resources Authority

For the Fiscal Year Beginning

July 01, 2024

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November 17, 2025

Richard Raiche, Chairman
MWRA Advisory Board
2 Griffin Way
Chelsea, MA 02150

Dear Chairman Raiche:

This letter transmits to the Advisory Board MWRA's Current Expense Budget (CEB) for Fiscal Year 2026. The CEB was approved by the MWRA's Board of Directors on June 18, 2025.

The Final FY2026 Budget resulted in a combined assessment increase of 2.7%, which is lower than the 3.3% increase projected for FY2026 last year. The FY2026 total expenses are $919.7 million, of which 55.3% or $508.7 million is for capital financing costs, $328.0 million for direct expenses, and $83.0 million for indirect expenses. The overall expenses increased by $19.1 million or 2.1% over the FY2025 budget.

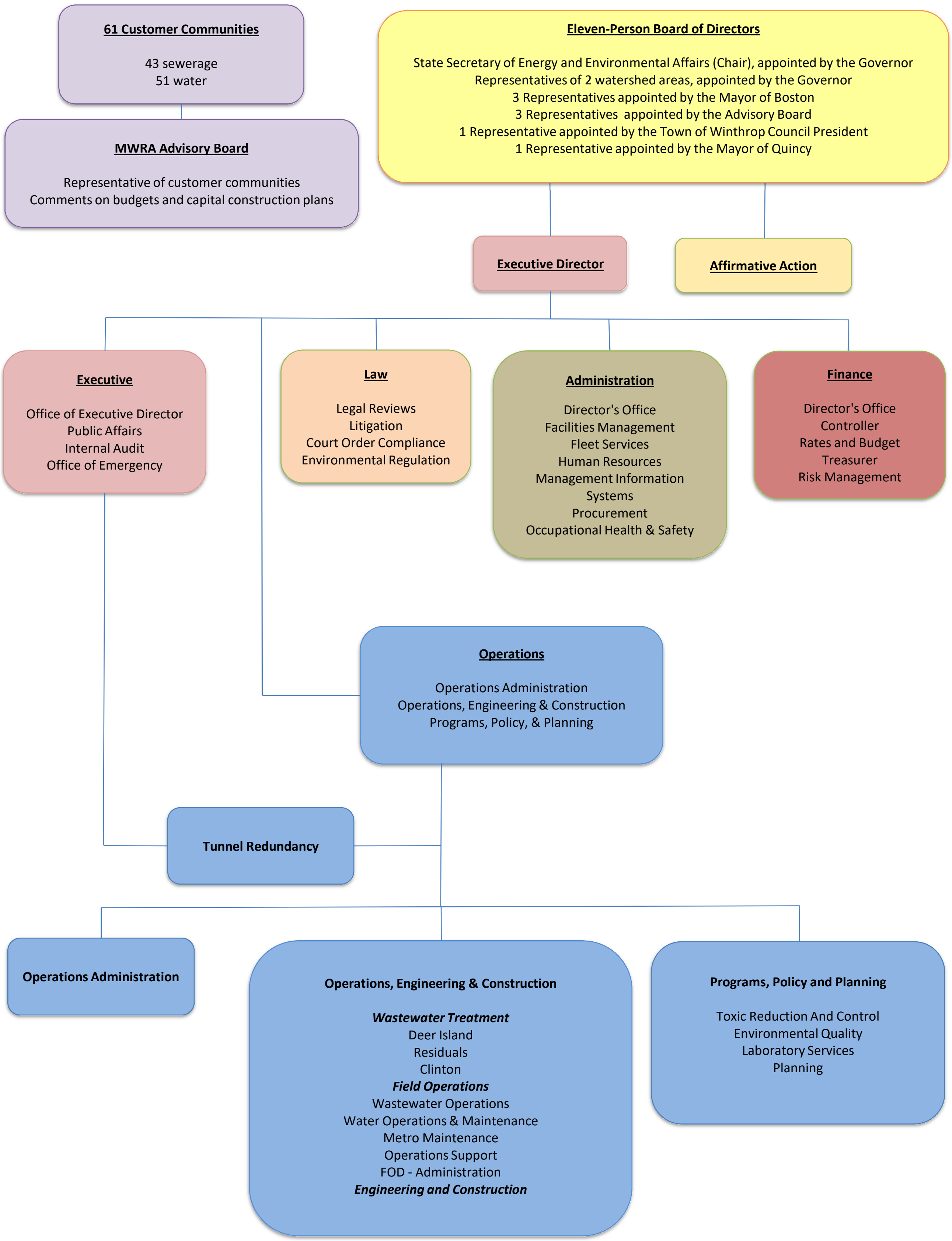
The FY26 Current Expense Budget continues to address staffing costs, fringe benefit costs, and the volatility of chemical and utility pricing in recent years due to the inflationary impacts as well as supply chain disruptions. The MWRA continues to address its Pension and Other Post Employment Benefit (OPEB) obligations and is well positioned heading into FY26 and beyond. Debt Service is budgeted at an appropriate level to fund all required payments for existing and projected debt issuances. Rate Revenue assessed to member communities makes up 95.5% of total revenues, and Investment Income decreased by 17.8% from FY25 based on lower anticipated interest rates on existing and projected investments.

When establishing expense projections, the main emphasis was on the FY2026 budget, but with the goal of continuing to utilize MWRA's multi-year rate management strategy to provide sustainable and predictable assessment increases to our member communities for the long term. To achieve this goal again this year, MWRA has continued to employ conservative budgeting and fiscal discipline which includes controlled spending, capital project prioritization, and use of historical variable rate assumptions. The combination of these measures resulted in assessment increase projections of no more than 3.0% for the next four years.

The FY2026 budget continues to address the smoothing of rate revenue changes at the water and sewer utility level. Additional budget information and a copy of this document are available online at www.mwra.com. Questions or comments on this document should be directed to the MWRA Budget Department at (617) 788-2206. Thank you for your continued support.

Sincerely,

Frederick A. Laskey
Executive Director


61 Customer Communities
43 sewerage
51 water
MWRA Advisory Board
Representative of customer communities
Comments on budgets and capital construction plans
Eleven-Person Board of Directors
State Secretary of Energy and Environmental Affairs (Chair), appointed by the Governor
Representatives of 2 watershed areas, appointed by the Governor
3 Representatives appointed by the Mayor of Boston
3 Representatives appointed by the Advisory Board
1 Representative appointed by the Town of Winthrop Council President
1 Representative appointed by the Mayor of Quincy
Executive Director
Affirmative Action
Executive
Office of Executive Director
Public Affairs
Internal Audit
Office of Emergency
Law
Legal Reviews
Litigation
Court Order Compliance
Environmental Regulation
Administration
Director's Office
Facilities Management
Fleet Services
Human Resources
Management Information Systems
Procurement
Occupational Health & Safety
Finance
Director's Office
Controller
Rates and Budget
Treasurer
Risk Management
Operations
Operations Administration
Operations, Engineering & Construction
Programs, Policy, & Planning
Tunnel Redundancy
Operations Administration
Operations, Engineering & Construction
Wastewater Treatment
Deer Island
Residuals
Clinton
Field Operations
Wastewater Operations
Water Operations & Maintenance
Metro Maintenance
Operations Support
FOD - Administration
Engineering and Construction
Programs, Policy and Planning
Toxic Reduction And Control
Environmental Quality
Laboratory Services
Planning

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Purpose

Provide wholesale water and sewer services to customer communities, funded primarily through rates and charges

Legal Status

Massachusetts public authority established by an enabling act in 1984 – Chapter 372 of the Acts of 1984 as most recently amended August 2025

Management

- 11-member Board of Directors (3 Governor appointees, 3 Mayor of Boston appointees, 1 City of Quincy appointee, 1 Town of Winthrop appointee, and 3 Advisory Board appointees)
- 1 Executive Director (5 divisions: Office of the Executive Director, Operations, Finance, Administration, Law)

Advisory Board

Established by the enabling act to make recommendations to the MWRA on the MWRA budget and programs and to serve as liaison to the customer communities

Service Area

- 64 Local Bodies named in the Enabling Act (43 sewerage, 56 water)
- 3.1 million people (44% of MA population)
- 5,500 businesses

FY26 Operating Budget ($ in millions)

Direct Expenses	$328.0
Indirect Expenses	$83.0
Capital Finance	$508.7
Total Operating Budget	$919.7
Revenues*	$919.7

**95.5% of Revenues raised from rate assessments*

Bond Ratings - General Revenue Bonds (senior/subordinate)

Moody's -	Aa1/Aa2
S&P -	AA+/AA
Fitch -	AA+/AA

Capital Improvement Program

- Total CIP spending: $9.6 billion since 1984
- Total Current Indebtedness: $4.1 billion
- FY26 CIP Planned Spending: $380.8 million

Water System

- 2 protected reservoirs
  - Quabbin
  - Wachusett
- 2 water treatment facilities
  - John J. Carroll
  - William A. Brutsch
- 395 miles of distribution infrastructure including aqueducts, deep rock tunnels, and pipeline
- 14 active storage reservoirs and standpipes
- 11 active pumping stations
- Average Daily flow: 200 mgd
- Safe yield: 300 mgd
- Treatment Capacity: 405 mgd
- Percentage of capacity utilized: 67%*

  **based on safe yield*

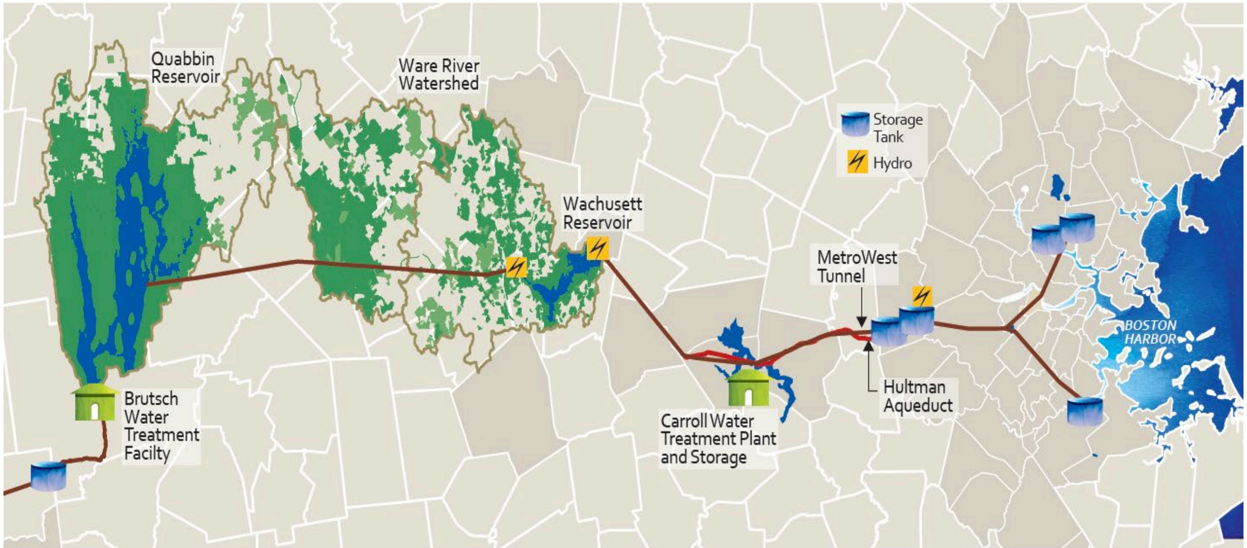
Wastewater System

- 274 miles of sewer pipelines and cross-harbor tunnels
- 13 pump stations
- 1 screening facility/gate house
- 6 CSO treatment/storage facilities
- 2 wastewater treatment plants
  - Deer Island Treatment Plant
  - Clinton Wastewater Treatment Plant
- 4 remote headworks
- 1 Pellet Plant for residuals processing
- Average daily flow: 360 mgd
- Peak wet weather capacity: 1,270 mgd

Renewable Energy

Approximately 30% of MWRA's energy requirement is self-generated from renewable sources (biomass, hydro, wind, & solar assets).

MWRA is voluntarily purchasing New England sourced renewable energy certificates to meet 100% of its purchased electricity needs.



MWRA's water comes from the Quabbin Reservoir, 65 miles west of Boston, and the Wachusett Reservoir, 35 miles west of Boston. The Quabbin alone holds a 4-year supply of water.

The reservoirs are filled naturally. Rain and snow fall onto watersheds (protected land around the reservoirs) and eventually turn into streams that flow into the reservoirs. This water comes into contact with soil, rock, plants and other material as it follows its path. This process helps to clean the water.

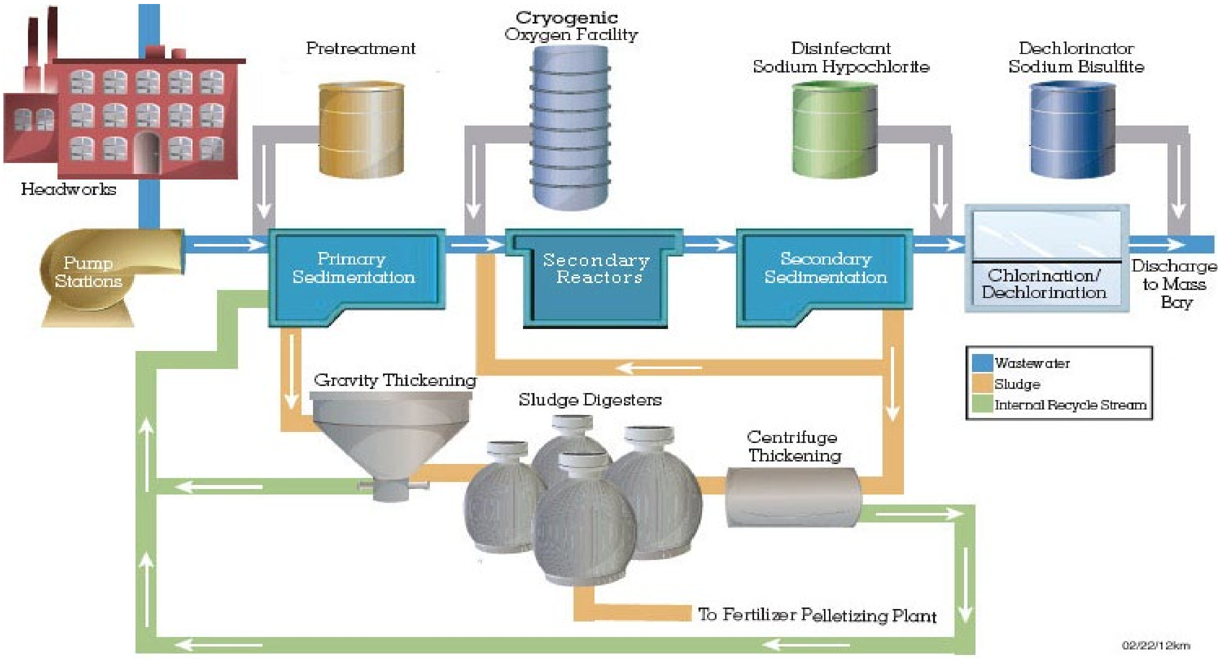
The Quabbin and Wachusett Reservoirs are protected. Over 85% of the watershed lands that surround the reservoirs are covered in forest and wetlands. About 75% of the total watershed land cannot be built on. The natural undeveloped watersheds help to keep MWRA water clean and clear. Because they are well-protected, the water in the Quabbin and Wachusett Reservoirs is of very high quality. The MWRA has won numerous awards for quality, taste, and sustainability.

Water for most MWRA communities is treated at the Carroll Water Treatment Plant in Marlborough, Massachusetts. Water from the Quabbin and Wachusett Reservoirs enters the plant through the Cosgrove or Wachusett Aqueduct. The treated water leaves the plant through the MetroWest Water Supply Tunnel and the Hultman Aqueduct. Water from the Quabbin Reservoir for Chicopee, South Hadley Fire District #1 and Wilbraham is treated at the Brutsch Water Treatment Facility in Ware, Massachusetts, and leaves the plant through the Chicopee Valley Aqueduct.

For MetroWest and Metro Boston communities**,** treated water is sent through the MetroWest Water Supply Tunnel and the Hultman Aqueduct and is stored in covered tanks. From there it is drawn into distribution mains and many smaller community pipes. For Chicopee Valley Area Communities, treated water is sent through the Chicopee Valley Aqueduct to the local distribution mains and smaller community pipes. Water meters log the water entering each community.

Local pipes serve each street in the customer communities and eventually carry water into buildings. Meters installed by the local communities measure the amount of water delivered to each home or business.

To maintain and measure water quality, MWRA tests over 1,600 water samples per month, from the reservoirs all the way to household taps.



Water is flushed through a building's pipes into customer community sewers. These 5,100 miles of local sewers transport the wastewater into 227 miles of MWRA interceptor sewers. The interceptor sewers, ranging from 8 inches to 11 feet in diameter, carry the region's wastewater to two MWRA treatment plants. Most communities' wastewater flows to the Deer Island Treatment Plant with the Clinton Wastewater Treatment Plant serving the town of Clinton and the Lancaster Sewer District.

The following describes the Deer Island treatment process:

Collection and Pumping: Sewage is piped to headworks where bricks, logs and other large objects are screened out. Pumps draw the screened sewage through deep-rock tunnels under Boston Harbor to Deer Island.

Preliminary Treatment: Mud and sand settle in a tank called a grit chamber. This material, known as grit and screenings, is taken to a landfill for environmentally safe disposal.

Primary Treatment**:** The sewage then flows to primary settling tanks where up to 60% of the solids in the waste stream settle out as a mixture of sludge and water.

Secondary Treatment: Plant oxygen is added to the wastewater to speed up the growth of micro-organisms. These microbes then consume the wastes and settle to the bottom of the secondary settling tanks. After secondary treatment, 80-90% of human waste and other solids have been removed.

The treated wastewater is disinfected before it is discharged to the Massachusetts Bay. The treated wastewater, known as effluent, travels through a 9.5-mile Outfall Tunnel bored through solid rock more than 250 feet below the ocean floor. The tunnel's last mile and a quarter include 55 separate release points known as "diffusers." With water depths up to 120 feet, this outfall provides a much higher rate of mixing and/or dilution than possible with discharges into the shallow waters of Boston Harbor.

Sludge from primary and secondary treatment is processed further in sludge digesters, where it is mixed and heated to reduce its volume and kill disease-causing bacteria. It is then transported through the Inter-Island Tunnel to the pelletizing plant in Quincy, Massachusetts where it is dewatered, heat-dried and converted to a pellet fertilizer for use in agriculture, forestry and land reclamation.

Executive Summary

Executive Summary

MISSION

The Massachusetts Water Resources Authority (MWRA) is an independent public authority of the Commonwealth of Massachusetts that provides wholesale water and sewer services to its member communities and funds its operations primarily through member community assessments and charges. MWRA's mission is to provide reliable, cost-effective, high-quality water and sewer services that protect public health, promote environmental stewardship, maintain customer confidence, and support a prosperous economy.

HISTORY

Created by the Massachusetts legislature in 1985 (Chapter 372 of the Acts of 1984), MWRA assumed possession and control of the water and sewer systems, including facilities, properties, and the right to utilize water withdrawn from system reservoirs that had formerly been the Sewerage and Waterworks Divisions of the Commonwealth of Massachusetts Metropolitan District Commission (MDC). The Commonwealth, under the management of the MDC Watershed Management Division (now the Department of Conservation and Recreation – Division of Watershed Management), retained ownership of real property, including the reservoirs and watersheds, the maintenance of which are included in MWRA's operating budget.

In 1985, responsibility for water distribution for 46 municipalities and sewage collection and treatment for 43 municipalities was transferred to the MWRA. In 1987, the legislature also transferred responsibility to operate and maintain the Clinton Wastewater Treatment Plant from the Commonwealth to the MWRA. New communities have the opportunity to join the MWRA water and sewer systems, and, over the years, the number of member communities has increased. Since 1985, the MWRA has invested over $9.6 billion to modernize and improve the wastewater and waterworks systems serving its member communities. MWRA's facilities span from the Quabbin Reservoir in western Massachusetts to the Deer Island Treatment Plant in Boston Harbor. In Fiscal Year 2025, the system served approximately 3.1 million people and more than 5,500 businesses.

The Enabling Act also established the MWRA Advisory Board to represent the cities and towns in the service area. The Advisory Board appoints three members of the MWRA Board of Directors, approves the extension of water and sewer services to additional communities, and reviews and makes recommendations on MWRA's annual Current Expense Budget and Capital Improvement Program.

MWRA ORGANIZATION

The MWRA has five separate divisions and the Affirmative Action and Compliance Unit Department (AACU). Each division provides operations or support services to carry out MWRA's activities under the direction of the Executive Office. MWRA's organizational structure is included in the document immediately preceding this page.

The **Executive Office** provides centralized MWRA management, direction, and policy development. The budget includes funds for the Office of the Executive Director, the Board of Directors, the Advisory Board, and other advisory committees. It includes the following departments: Office of Emergency Preparedness; Public Affairs; and Internal Audit.

The **Operations Division** operates the water and wastewater treatment systems; the water transmission and distribution system; the wastewater collection, transport, and combined sewer overflow (CSO) systems; and the residuals processing facility. It also provides laboratory and engineering and construction services; enforces sewer use regulations and seeks to limit the discharges of toxic materials; manages environmental studies of Boston Harbor and Massachusetts Bay; monitors water quality; and includes the Planning and Coordination Department.

The **Administration Division** is responsible for managing the support services functions of the Authority. The Administration is comprised of seven departments: Director's Office; Facilities; Fleet Services; Human Resources; Management Information Systems (MIS); Procurement; and Occupational Health and Safety (OHS). The Administration Division performs a multitude of functions that support the daily operations and ensure the implementation of the Authority's long-term goals and strategies.

The **Finance Division** is responsible for managing the finance functions of the Authority.
Finance Division is comprised of five departments: Director's Office; Rates and Budget; Treasury; Controller; and Risk Management. The Finance Division ensures that a variety of fiscal management systems are in place to monitor and control the Current Expense Budget (CEB) and Capital Improvement Program (CIP).

The **Law Division** provides legal counsel to all divisions on compliance with federal and state law, real estate matters, labor and employment law, litigation, and construction issues. Division attorneys provide or supervise through outside counsel the representation of MWRA in all litigation.

The **Affirmative Action and Compliance Unit (AACU) Department** develops, administers and monitors compliance of Affirmative Action Plan programs and policies by ensuring equal opportunity and non-discrimination in employment and equitable access of Minority/Women Business Enterprises (MBE/WBE) in Authority procurement activities.

GOALS AND PERFORMANCE MEASURES

The MWRA Business Plan was first implemented in 1997 as a strategic road map to present specific steps for the organization to undertake to improve customer service, upgrade operations and maintenance and pursue aggressive rates management. In 2000, MWRA adopted a five-year Strategic Business Plan. Since then, some of the goals have been completed, and new ones have been added. MWRA's current Five-Year Strategic Business Plan for FY2021-2025 was adopted in early 2021 and emphasized improvements in service and systems and included performance targets for operating the water and wastewater systems and maintaining new and existing facilities. The current Five-Year Strategic Business Plan for FY2021-2025 can be found at 2021-2025finalmwrabp.pdf. The Five-Year Strategic Business Plan for FY2026-2030 is anticipated to be adopted in early 2026. MWRA's Water System Master Plan and Wastewater System Master Plan present a long-term vision of the capital development needs of the water and wastewater systems and the actions planned to meet those needs. The Master Plan can be found at http://www.mwra.com/02org/html/masterplan.htm, Both the Master Plan and the Business Plan are integral components to MWRA's goal of carrying out its operating programs and capital projects while providing sustainable, predictable and reasonable assessments to its customer communities. To that end, the MWRA applies a multi-year rates management strategy to provide sustainable and predictable assessment increases to its member communities. The need to achieve and maintain a balance between these two goals is a critical issue in the development of both MWRA's operating and capital budgets.

During the year, MWRA measures actual performance on a monthly basis using various reporting tools. The monthly Financial Staff Summary reports on actual spending versus both the operating and capital budgets and provides summary explanations of the variances at the line item level. At least twice a year staff prepares projections for the fiscal year-end with a similar level of explanations. These reports are
The performance indicator reports (published by MWRA as the Orange Notebook) captures a variety of parameters regarding performance of each major functional area of the Authority, on a quarterly basis. It can be found at Orange Notebook Archive | MWRA. Please see Appendix I.

BUDGET PROCESS OVERVIEW

Each year, MWRA prepares a Current Expense Budget (CEB) that reflects the best available information for anticipated expenditures and revenues. In parallel, MWRA prepares a Capital Improvement Program (CIP) Budget.

The MWRA operates on a fiscal year that runs from July 1 through June 30. The budget process for both budgets begins in the fall with formal kick-off meetings in September where MWRA staff are given guidelines and targets for their budget requests. After review by the Budget Department and MWRA senior staff, a Proposed CIP Budget is typically presented to the Board of Directors in December. The Capital Financing portion of the Current Expense Budget is determined based on existing debt service and projected borrowing needs. Typically in February, after further review with MWRA senior staff, the Budget Department presents the Proposed CEB to the Board of Directors, after which the Proposed CEB is then transmitted to the Advisory Board, with the projected assessment increase Authority-wide and for each customer community. The Advisory Board then has sixty days to review, comment, and provide recommendations on both budgets. MWRA also hosts a public hearing to solicit comments on the budgets and community assessments from citizens in its service area. Typically in May, the Advisory Board transmits its comments to the MWRA to which written responses are provided.

Typically at its May meeting, MWRA's Board of Directors holds hearings on the budget to review recommendations by the Advisory Board and new information available since the budget was developed. Staff incorporates Board decisions from the hearings and presents a final budget and final assessments for approval at the June Board of Directors meeting.

FY26 BUDGET SUMMARY

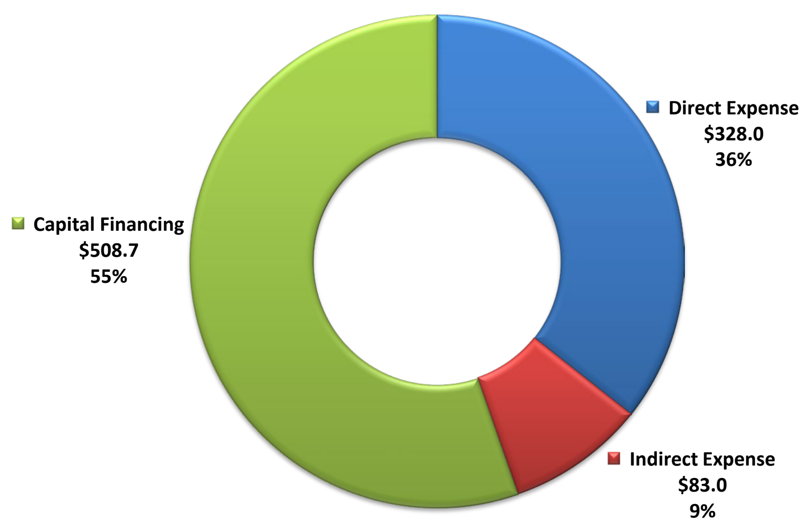
The FY26 Final Budget recommends a combined increase in rates and charges of 2.7%. Total expenses are $919.7 million, an increase of $19.1 million or 2.1% over the FY25 Budget. Capital Financing costs remain the largest component of the CEB and account for 55.3% of total expenses. There are no offsets from Debt Service Assistance (DSA) assumed for FY26 or in any future years.

Total expenses include $508.7 million for Capital Financing costs and $411.0 million for operating expenses, of which $328.0 million is for Direct Expenses and $83.0 million is for Indirect Expenses. The $19.1 million increase in total expenses is due to higher Direct Expenses of $7.0 million, Indirect Expenses of $7.6 million, and higher Capital Financing costs of $4.5 million.

The FY26 Final Budget revenues, excluding rate revenue, total $40.9 million, a decrease of $4.2 million or 9.3% from the FY25 Budget primarily due to a decrease in Investment Income. The FY26 Final Budget non-rate revenue estimates includes $17.6 million in Other User Charges and Other Revenue, and $23.3 million for Investment Income. The FY26 Final Budget does not utilize any rate stabilization or bond redemption funds.

The FY26 Final Rate Revenue Requirement is $878.8 million, an increase of $23.3 million or 2.7% over the FY25 Budget.

FY26 Current Expense Budget



MWRA continues to pursue a rate management strategy which promotes sustainable and predictable assessments. The FY26 Final has a combined utilities assessment increase of 2.7% with Rate Revenues totaling $878.8 million, accounting for 95.5% of projected FY26 revenues.

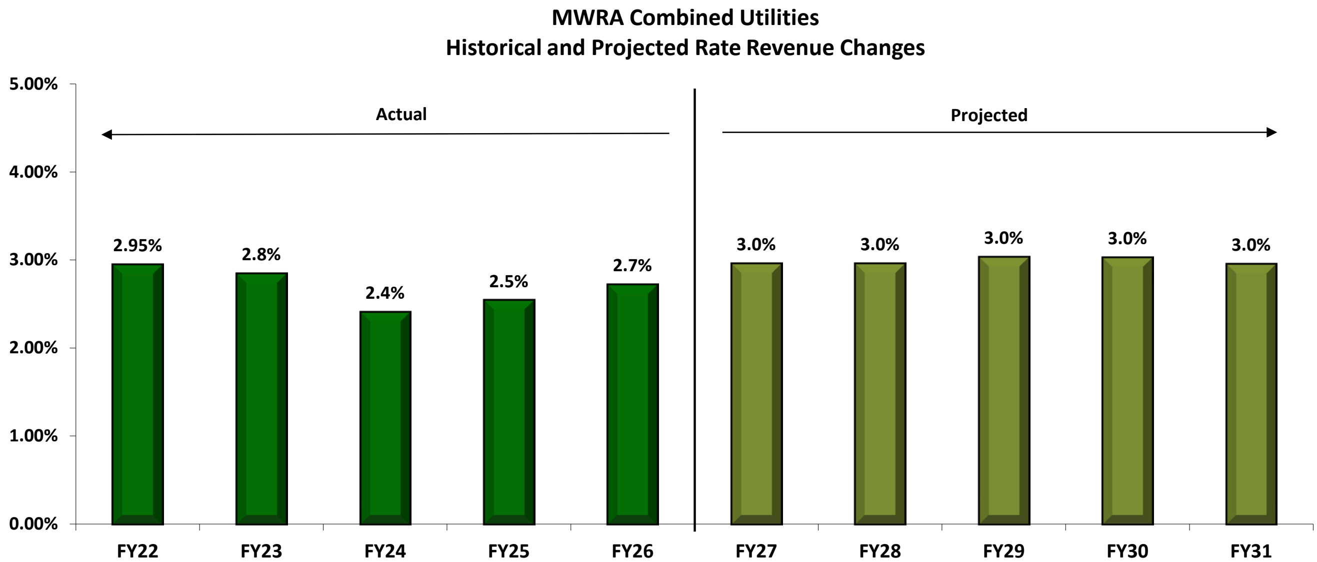
The following table shows MWRA's FY26 Approved Budget for revenue and expenses compared with the FY25 Approved Budget. Changes from FY25 to FY26 are described in the Revenue and Expense section of the Executive Summary.

ATTACHMENT A

FY26 Final Budget vs. FY26 Proposed Budget vs. FY25 Approved Budget

TOTAL MWRA	FY25 Approved Budget	FY26 Proposed Budget	FY26 Final Budget	Change FY26 Final Budget vs FY25 Approved Budget		Change FY26 Final Budget vs FY26 Proposed Budget	
				$	%	$	%
EXPENSES							
WAGES AND SALARIES	$ 133,658,956	$ 137,174,159	$ 133,658,993	$ 37	0.0%	$ (3,515,166)	-2.6%
OVERTIME	6,133,077	6,440,931	6,449,017	315,940	5.2%	8,086	0.1%
FRINGE BENEFITS	27,834,124	29,316,610	30,489,107	2,654,983	9.5%	1,172,497	4.0%
WORKERS' COMPENSATION	2,073,434	2,179,730	2,179,730	106,296	5.1%	-	0.0%
CHEMICALS	19,706,033	20,102,976	19,307,228	(398,805)	-2.0%	(795,748)	-4.0%
ENERGY AND UTILITIES	32,048,177	31,416,124	33,579,064	1,530,887	4.8%	2,162,940	6.9%
MAINTENANCE	46,653,200	43,354,835	43,622,667	(3,030,533)	-6.5%	267,833	0.6%
TRAINING AND MEETINGS	568,346	627,241	689,741	121,395	21.4%	62,500	10.0%
PROFESSIONAL SERVICES	11,121,730	10,926,404	11,302,703	180,973	1.6%	376,299	3.4%
OTHER MATERIALS	7,270,879	7,278,366	7,656,637	385,758	5.3%	378,271	5.2%
OTHER SERVICES	33,945,804	40,680,124	39,045,372	5,099,568	15.0%	(1,634,752)	-4.0%
TOTAL DIRECT EXPENSES	**$ 321,013,760**	**$ 329,497,499**	**$ 327,980,260**	**$ 6,966,500**	**2.2%**	**$ (1,517,239)**	**-0.5%**
INSURANCE	$ 4,471,045	$ 5,074,300	$ 5,529,174	1,058,129	23.7%	$ 454,874	9.0%
WATERSHED/PILOT/DEBT	32,507,642	35,118,900	35,118,900	2,611,258	8.0%	(0)	0.0%
HEEC PAYMENT	8,185,723	6,806,454	6,837,804	(1,347,919)	-16.5%	31,350	0.5%
MITIGATION	1,823,563	1,869,152	1,869,152	45,589	2.5%	0	0.0%
ADDITIONS TO RESERVES	1,906,278	1,764,319	1,967,483	61,205	3.2%	203,164	11.5%
RETIREMENT FUND	21,264,519	24,097,116	26,347,116	5,082,597	23.9%	2,250,000	9.3%
POSTEMPLOYMENT BENEFITS	5,280,806	5,349,184	5,349,184	68,378	1.3%	-	0.0%
TOTAL INDIRECT EXPENSES	**$ 75,439,576**	**$ 80,079,425**	**$ 83,018,813**	**$ 7,579,237**	**10.0%**	**$ 2,939,388**	**3.7%**
STATE REVOLVING FUND	$ 85,449,151	$ 85,383,397	$ 84,683,758	(765,393)	-0.9%	$ (699,639)	-0.8%
SENIOR DEBT	315,206,721	291,891,799	289,254,619	(25,952,102)	-8.2%	(2,637,180)	-0.9%
SUBORDINATE DEBT	64,768,074	92,132,968	91,345,699	26,577,625	41.0%	(787,269)	-0.9%
LOCAL WATER PIPELINE CP	9,827,661	9,984,530	10,208,818	381,157	3.9%	224,288	2.2%
CURRENT REVENUE/CAPITAL	20,200,000	21,500,000	21,500,000	1,300,000	6.4%	-	0.0%
CAPITAL LEASE	3,217,060	3,217,060	3,217,060	-	0.0%	-	0.0%
DEBT PREPAYMENT	5,500,000	8,500,000	8,500,000	3,000,000	54.5%	-	0.0%
DEBT SERVICE ASSISTANCE	-	-		-	0.0%	-	0.0%
TOTAL DEBT SERVICE	**$ 504,168,667**	**$ 512,609,754**	**$ 508,709,954**	**$ 4,541,287**	**0.9%**	**$ (3,899,800)**	**-0.8%**
TOTAL EXPENSES	**$ 900,622,003**	**$ 922,186,678**	**$ 919,709,027**	**$ 19,087,024**	**2.1%**	**$ (2,477,651)**	**-0.3%**
REVENUE & INCOME							
RATE REVENUE	$ 855,488,000	$ 881,006,000	$ 878,761,000	23,273,000	2.7%	$ (2,245,000)	-0.3%
OTHER USER CHARGES	10,668,572	11,033,884	10,939,765	271,193	2.5%	(94,119)	-0.9%
OTHER REVENUE	6,066,670	6,675,396	6,675,837	609,167	10.0%	441	0.0%
RATE STABILIZATION	-	-		-	0.0%	-	0.0%
INVESTMENT INCOME	28,398,761	23,471,398	23,332,425	(5,066,336)	-17.8%	(138,973)	-0.6%
TOTAL REVENUE & INCOME	**$ 900,622,003**	**$ 922,186,678**	**$ 919,709,027**	**$ 19,087,024**	**2.1%**	**$ (2,477,651)**	**-0.3%**
Rate Revenue Increase over FY25		**3.0%**	**2.7%**				

The following graph represents historical and projected assessment changes based on the FY26 Final Budget. The planning estimates project assessment increases at 3.0% in years FY27 through FY31.



FY26 GOALS AND MAJOR INITIATIVES

Ensuring a safe and reliable source of drinking water to MWRA customers, and wastewater discharges that meet all applicable regulations drives both capital and current expense budget costs. The MWRA has identified Authority-wide major initiatives to support the six strategic priorities integral to MWRA's mission for inclusion in MWRA's Five-Year Strategic Business Plan for FY2021-2025. The current Five-Year Strategic Business Plan for FY2021-2025 can be found at 2021-2025finalmwrabp.pdf. At the Division and Department-level, additional and more specific goals and initiatives are identified. The Five-Year Strategic Business Plan for FY2026-2030 is anticipated to be adopted in early 2026 and will supplant the prior business plan.

FY26 Goals and Initiatives:

I. Drinking Water Quality and System Performance

- ***Compliance with Regulatory Requirements and Public Health Standards:*** Maintain drinking water quality to protect public health, and continue to ensure that MWRA water meets all applicable regulations.

- ***Technical Assistance for Water Communities:*** Assist member communities to improve local water distribution systems through ongoing financial, technical and operational support programs to maximize long-term water quality benefits.

II. Wastewater Quality and System Performance

- ***Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.

- ***Regulatory Changes:*** Continue to initiate plans and studies to prepare for regulatory changes; identify opportunities to refine monitoring requirements; and improve effluent quality. Special initiatives include:

- ***Wastewater Infrastructure:*** Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects.

- ***CSO Plan Compliance:*** Complete all CSO milestones and demonstrate that the CSO Plan meets its performance objectives.

- ***Technical Assistance for Wastewater Communities:*** Assist member communities to improve their wastewater collection systems through ongoing technical, financial, and operational support programs.

III. Infrastructure Management and Resilience

- ***System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support levels.

  - The FY26 Capital Improvement Program forecasts $380.8 million in spending in FY26, of which $175.1 million supports Wastewater System Improvements and $173.9 million supports Waterworks System Improvements.
  - For FY26, the FY26 Final CIP includes 200 active contracts of which 68 are for design of Wastewater and Waterworks Systems Improvements and 47 are for construction, with projected spending of $107.9 million for design and $167.1 million for construction. In addition, there are 85 active other contracts with total spending of $105.8 million.

- ***Emergency Preparedness:*** Prepare for catastrophic events and malicious acts that could affect the water and wastewater systems.

IV. Environmental Sustainability

- ***Energy Optimization***: Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets.

- ***Climate Change Adaptation***: Continue to monitor climate change research and move forward with plans to reduce impacts of projected sea level rise and storm surge events on MWRA infrastructure. Initiatives include:

- ***Water System Expansion:*** Advance reasonable water system expansion.

FY25 Year-End Accomplishments:

I. Drinking Water Quality and System Performance

- Met water quality and treatment standards in the drinking water system during FY25.

- Local Water System Assistance Program: Through June 2025, distributed $28.0 million in Local Water System Assistance Program interest-free loans, plus an additional $13.8 million under the Lead Service Line Replacement Loan Program in FY25. In total, MWRA has distributed $634.3 million in loans to fund 625 local projects with participation from 45 of the 47 eligible water communities. This total includes the $30 million pilot program in FY98-00. Since 1998, MWRA has replaced or cleaned and lined 638 miles of local water main (about 9% of the regional system) via projects funded by MWRA financial assistance. The water loan program was established in

1998 and over 625 miles of pipeline have been improved via projects funded by MWRA financial assistance. In FY25, MWRA distributed $17.4 million in Lead Service Line Replacement Program grants and loans. In total, MWRA has distributed $61.2 million in loans and grants to fund 60 local projects with participation from 20 of the 47 eligible water communities. MWRA has financed the replacement of 9,100 lead service lines and 1,579 lead goosenecks, and the investigation of 3,681 service lines of unknown material.

II. Wastewater Quality and System Performance

- Deer Island received the Platinum Peak Performance Award for calendar year 2024 from the National Association of Clean Water Agencies (NACWA) for the 18th continuous year. The award recognizes facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permit limits. DITP has had no permit violations for over 18 years.
- Deer Island met secondary permit limits at all times, treating on average 99.6% of flows with full secondary treatment.
- Processed 100.8 average tons per day of sludge at the Pelletization Plant and disposed of 4,692 tons of grit and screenings through a contracted vendor.
- Met all NPDES reporting requirements including routine monthly, quarterly, and annual reports, and required notifications under Part II of permits, Contingency Plan, DITP blending order.
- *Sewer Grant/Loan Program* – Through June 2025, distributed $25.1 million in grants and interest-free loans to member sewer communities for Infiltration/Inflow reduction and sewer system rehabilitation projects in FY25. In total, MWRA has distributed $585.7 million in grants and loans to fund 702 local projects with participation from all 43-member sewer communities.

III. Infrastructure Management and Résilience

<u>Maintenance</u>

- For FY25, the Operations Division spent $40.1 million on maintenance of which $13.3 million was for materials and $26.8 million was for services.

- In the water system through June 2025, exercised 805 and replaced 1 mainline valves; exercised 533 and replaced 34 blow-off valves.
- In the wastewater system through June 2025, inspected 29.0 miles and cleaned 43.0 miles of MWRA pipeline. Inspected 661 structures and rehabilitated 45 manholes. Also inspected 42 and cleaned 71 inverted siphon barrels.

<u>Capital Improvements</u>

- Capital spending for FY25 totaled $207.1 million broken out by category as follows: $102.1 million for Wastewater System projects, $96.6 million for Water System projects, and $8.4 million for Business and Operations Support projects.

IV. Finance and Management

- Maintained MWRA’s strong credit ratings, Aa1, AA+, AA+ from Moody’s, Standard & Poor’s and Fitch respectively. MWRA’s credit ratings from all three major agencies are only one ratings step below the highest rating of AAA. The credit report from Moody’s noted that for the rates management and Compliance and Capital Planning key ratings indicators, MWRA was assigned the highest Aaa rating. These high credit ratings enable MWRA to borrow at very advantageous interest rates minimizing debt service expense.

- Developed the FY26 Budget consistent with the FY25 planning estimates, for both the Current Expense Budget and the Capital Improvement Program.
- Completed two borrowings with the Massachusetts Clean Water Trust, the first was a $73.5 million long-term borrowing with the Massachusetts Clean Water Trust in February 2025. The long-term borrowings are for a term of 20 years at a 2.0% interest rate. The second transaction completed in February 2025, was an interim loan for $65.0 million.
- Executed a $28.0 million and a $32.0 million defeasance of outstanding senior principal in October 2024 and June 2025 respectively. These defeasances reduced the debt service requirement between FY26 and FY31 by a total of $69.3 million reducing the rate of increase to the Rate Revenue Requirement in those years. The transactions also resulted in $5.7 million in interest savings by paying bonds on their call dates.
- Prepared submission of MWRA's Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association
- Held Budget Briefings with the MWRA Advisory Board to communicate FY26 departmental budgets and initiatives and how they relate to the MWRA's Master Plan.

VI. Environmental Sustainability

- Received a total of $1.6 million in revenue for energy generated at numerous facilities including hydroelectric from Oakdale Station, Cosgrove Station, and Loring Road; wind from Charlestown Wind Pump Station; and solar from Carroll Water Treatment Plant.

- Continue to leverage MWRA's self-generation assets and participation in the competitive energy market to offset operating costs. The combined impact of participation in the Independent System Operators of New England (ISO-NE) load response program, non-rate revenue from the sale of Renewable Portfolio Standards Program (RPS) credits, and receipt of utility rebates for CEB-funded efficiency projects resulted in $1.4 million in revenue in FY25. MWRA also avoided more than $1.4 million in capacity charges through operation of self-generation assets during peak load events as called by the regional transmission organization (ISO New England).

- Deer Island self-generated 24.0% of the plant's total required power FY25.

- Eversource Electric Vehicle (EV) Make Ready Program – Eversource has approved the Chelsea facility for funding of infrastructure costs. Chelsea project installation expected in late FY25/early FY26. Staff received a Massachusetts Department of Energy Resources grant for five dual port Level 2 EV charging equipment and installation at MWRA's Southborough facility. Work is expected to be completed in FY25. Staff are also engaged with NGRID to seek approval for EV charging at the Carroll Plant and Clinton. Purchased six additional electric vehicles.

SOURCES AND USES OF FUNDS

Funds supporting the Current Expense Budget are not subject to appropriation (with the exception of State debt service assistance). The table below shows MWRA's sources and uses of funds for the FY26 Final Budget.

Revenue

MWRA is required by its enabling act to balance its budget each year by establishing user assessments for water and sewer services that provide funds sufficient to, among other things, recover the cost of operations (excluding depreciation), maintenance and improvements, and debt service, as well as meeting required reserve levels.

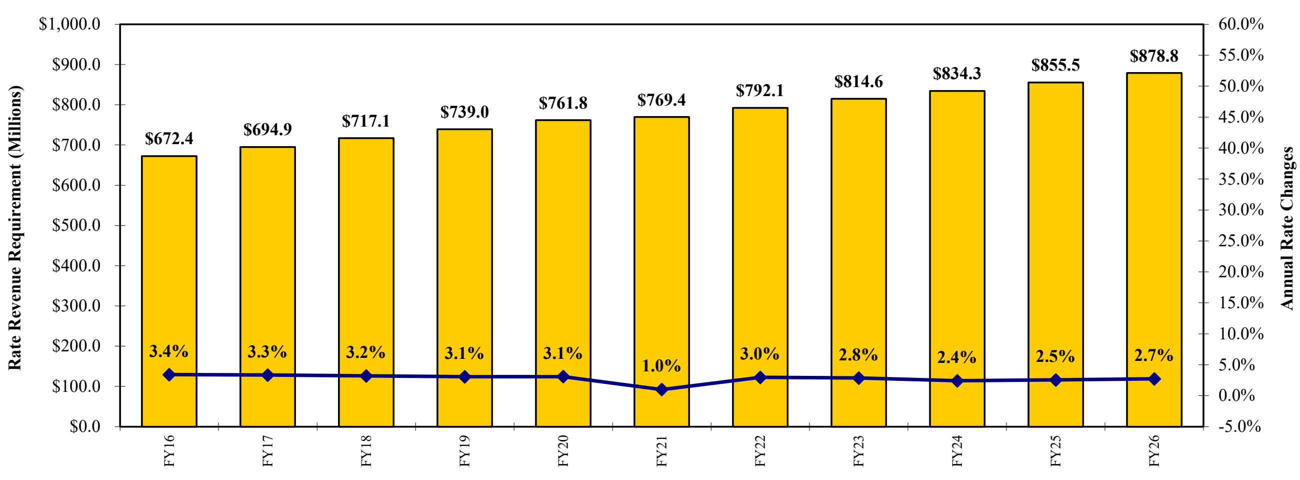
In the FY26 Final Budget, 95.5% of revenue is raised from rate revenue that is assessed to the member communities. The remaining 4.5% of revenue will come from interest on investments, charges to other water and sewer customers (including Chicopee Valley Aqueduct communities), non-recurring revenue, annual charges to sewer system users with permits issued by MWRA's Toxic Reduction and Control Department (TRAC), penalties assessed to holders of sewer use permits, and other miscellaneous sources.

SOURCES & USES OF FUNDS*		
$s in Millions		
Sources of Funds		
Other User Charges	$10.9	1.2%
Other Revenue	6.7	0.7%
Investment Income	23.3	2.5%
Rate Revenue	878.8	95.5%
TOTAL REVENUE	**$919.7**	**100.0%**
Uses of Funds		
Total Expenses before Debt Service Offsets	$508.7	
Less:		
Debt Service Assistance	-	
Bond Redemption	-	
Sub-Total Net Expenses	$508.7	
Capital Financing	$508.7	55.3%
Direct Expenses	328.0	35.7%
Indirect Expenses	83.0	9.0%
TOTAL EXPENSES	**$919.7**	**100.0%**
TOTAL EXPENSES Less Offsets	**$919.7**	
**may not add up due to rounding*		

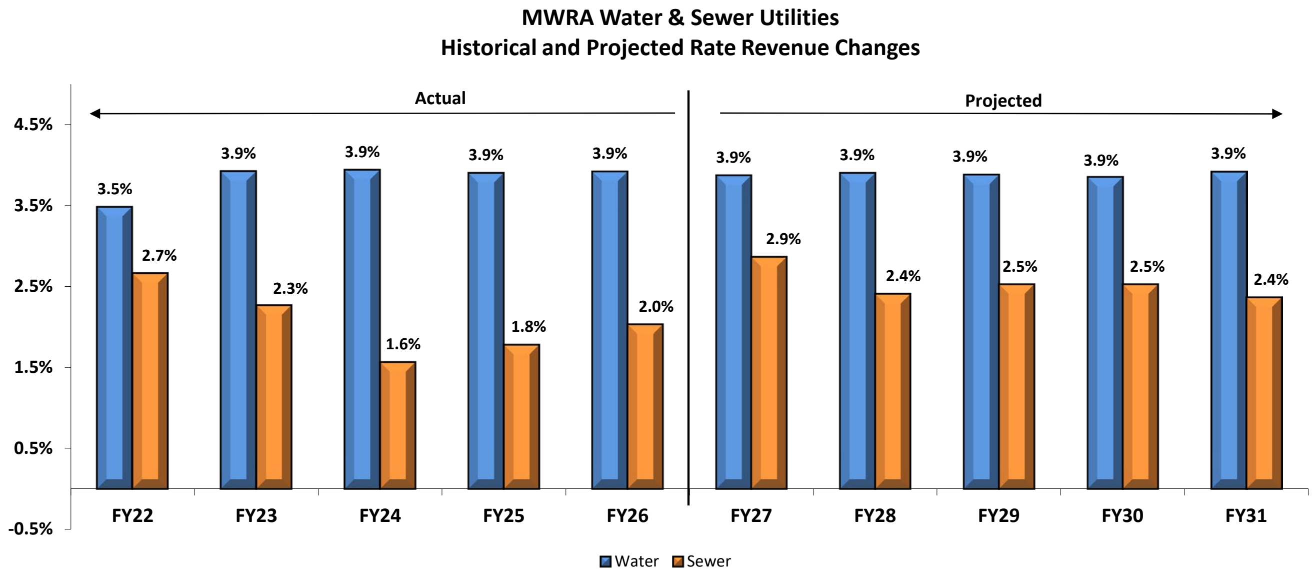
Rate Revenue

Under the FY26 Final Budget, the MWRA will raise $878.8 million of its total revenue requirements from water and sewer assessments to member communities. Of the $878.8 million, $555.2 million will fund the sewerage system, an increase of 2.0% as compared to FY25; and $323.6 million will fund the water system, an increase of 3.9% as compared to FY25. The following charts illustrate the historical rate revenue requirements at the combined utility level for the past eleven years.

MWRA: Combined Water & Sewer Assessments



Beginning in FY17, the MWRA successfully implemented a rate smoothing methodology that allows the revenue requirement to be smoothed at the utility level, eliminating annual volatility mostly driven by debt service payments for capital projects. The chart below shows the historical percentage increase for the last five years and the projected increases for the next five years.



Non-Rate Revenue

FY26 non-rate revenue totals $40.9 million, which is a decrease of $4.2 million or 9.3% versus the FY25 Budget. This decrease reflects a drop in projected investment earnings which dropped by $5.1 million based on lower rates. The FY26 non-rate revenue budget includes:

Other User Charges

Other User Charges include revenues derived from the provision of water and sewer services to communities and other entities under special agreements. Other User Charges in the FY26 Final Budget total $10.9 million, including $6.0 million for the Chicopee Valley Aqueduct (CVA) communities, $2.4 million for Deer Island water usage, $500,000 for the Commonwealth's partial reimbursement for Clinton Wastewater Treatment Plant expenses, and $426,000 for entrance fees payments from existing member communities. Other User Charges in total are $271,000 or 2.5% higher than the FY25 Budget.

Other Revenue

Other Revenue is budgeted at $6.7 million in Other Revenue, an increase of $609,000 or 10.0% over the FY25 Budget. Other Revenue includes $2.0 million from the sale of the Authority's Renewable Portfolio Credits, revenue from participation in load response programs, and the sale of generated power to the grid. It also includes $3.1 million in permit fees and penalties generated by the TRAC Department. The balance of Other Revenue comes from Miscellaneous Revenue of $1.1 million.

Investment Income

MWRA earns interest income by investing funds in both long and short-term investments vehicles governed by Sections 522 and 523 of the General Bond Resolution. The FY26 Budget includes $23.3 million in Investment Income, a decrease of $5.1 million or 17.8% from the FY25 Budget. The budget assumes an average short-term interest rate of 3.75% in FY26 (down from 5.0% in FY25) and a long-term rate of 1.9% based on interest rate on existing investment and a projected reinvestment rate of 4.0% for investments maturing in FY26.

Non-Recurring Revenue

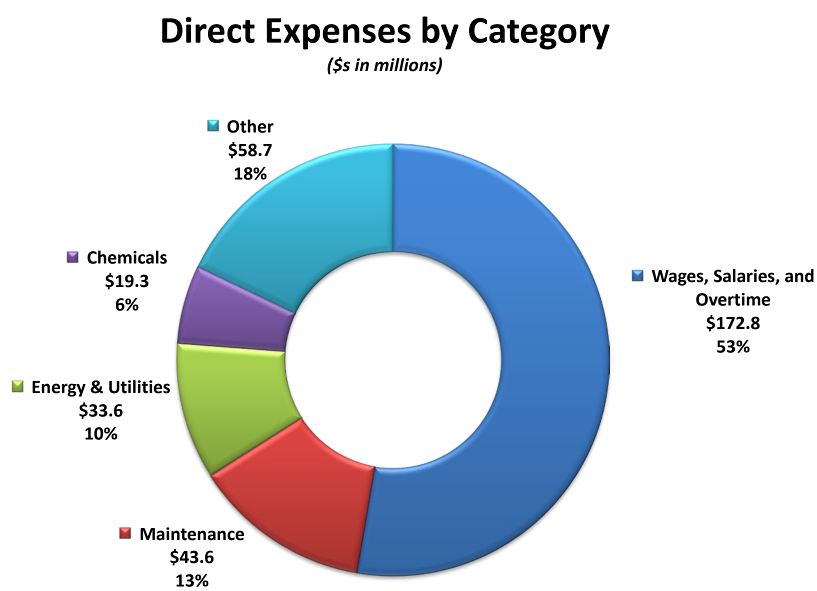
Non-Recurring Revenue is one-time revenue used in a given fiscal year to reduce assessments to member communities. In any fiscal year when annual revenues exceed expenses, MWRA may transfer the unexpended amount to the Rate Stabilization Reserve Fund. Within certain limits, MWRA may use this money to reduce the Rate Revenue Requirement in any subsequent year. Consistent with the requirements of its enabling act and its General Bond Resolution, MWRA treats transfers from the Rate Stabilization Reserve as revenue in that fiscal year. For the FY26 Final Budget, no Rate Stabilization Reserve usage is projected, leaving those funds for future rate relief.

The Rate Revenue Requirement for FY26 is $878.8 million, an increase $23.3 million or 2.7% over the FY25 Budget. The Rate Revenue Requirement is the difference between total expenses of $919.7 million and non-rate revenue of $40.9 million.

DIRECT EXPENSES

FY26 Direct Expenses total $328.0 million, an increase of $7.0 million, or 2.2%, over the FY25 Budget. The primary drivers of the Direct Expenses increase are Fringe Benefits and Other Services.

The chart below combines related direct expense line items into general cost categories. Personnel costs (wages and salaries, overtime, fringe benefits, and workers' compensation) are the largest component of the direct expense budget at 53%, followed by other expenses (training and meetings, professional services, other materials, and other services) at 16%, maintenance at 15%, energy & utilities at 10%, and chemicals at 6%.



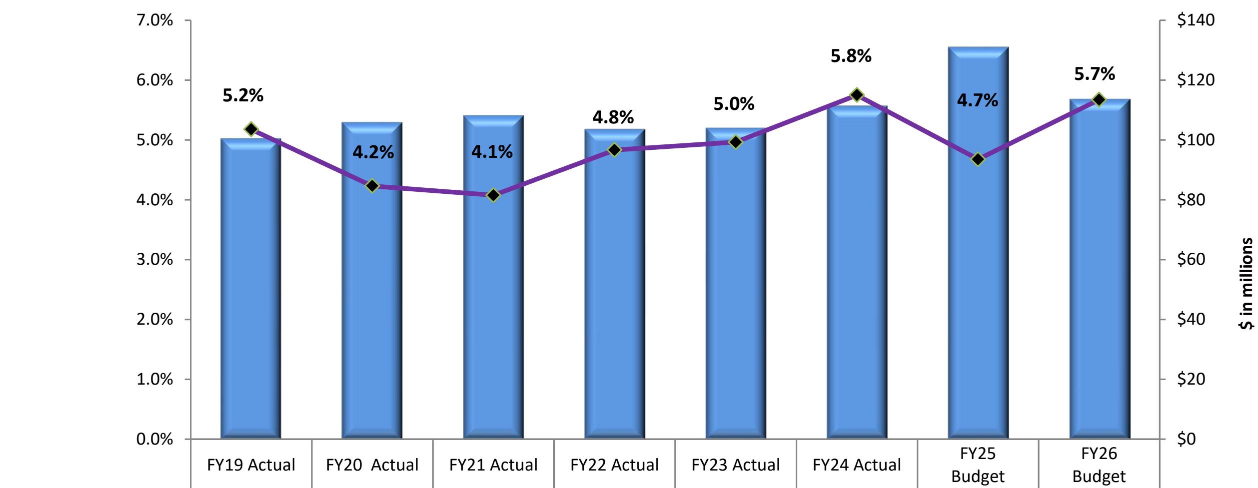
FY26 Final Current Expense Budget MWRA Direct Expenses by Line Item						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 106,433,845	$ 113,940,177	$ 133,658,955	$ 133,658,993	$ 38	0.0%
OVERTIME	5,172,629	6,410,242	6,133,078	6,449,017	315,939	5.2%
FRINGE BENEFITS	23,122,023	24,605,503	27,834,124	30,489,107	2,654,983	9.5%
WORKERS' COMPENSATION	2,076,732	2,606,979	2,073,434	2,179,730	106,296	5.1%
CHEMICALS	18,038,588	21,125,295	19,706,033	19,307,228	(398,805)	-2.0%
UTILITIES	32,514,216	32,968,038	32,048,176	33,579,064	1,530,888	4.8%
MAINTENANCE	34,317,838	37,677,377	46,653,200	43,622,667	(3,030,533)	-6.5%
TRAINING & MEETINGS	258,753	324,788	568,346	689,741	121,395	21.4%
PROFESSIONAL SERVICES	7,546,595	8,204,808	11,121,730	11,302,703	180,973	1.6%
OTHER MATERIALS	4,837,988	6,753,950	7,270,879	7,656,637	385,758	5.3%
OTHER SERVICES	27,017,485	30,649,141	33,945,804	39,045,372	5,099,568	15.0%
TOTAL	**$ 261,336,693**	**$ 285,266,299**	**$ 321,013,759**	**$ 327,980,259**	**$ 6,966,500**	**2.2%**

Wages and Salaries – The budget includes $133.7 million for Wages and Salaries as compared to $133.7 million in the FY25 Budget, an increase of $37 or 0.0%. Regular Pay makes up $130.3 million or 97.5% of the total Wages and Salaries. The FY26 Budget includes 1,166.2 FTE's which is 1.8 FTE's or 0.2% less than the FY25 Budget. As always, new hires and backfilling of vacant positions will be managed at the agency level and addressed on a case-by-case basis by senior management. A vacancy adjustment (reduction) of $10.5 million is factored in to the FY26 Final Budget.

Division	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**
Executive	5.0	5.0	4.0	3.0	3.0
Emergenecy Preparedness	4.0	4.0	5.0	6.0	6.0
Affirmative Action	7.0	7.0	7.0	7.0	7.0
Internal Audit	6.7	6.7	7.0	7.0	8.0
Public Affairs	11.9	11.9	11.0	11.0	13.0
Tunnel Redundancy	16.0	16.0	16.0	14.0	13.0
Operations	918.0	903.0	903.0	904.0	903.0
Law	11.6	12.0	14.0	12.0	12.0
Administration	149.7	149.7	149.0	151.0	151.9
Finance	37.0	52.0	52.0	53.0	49.3
Authority Total	**1,167.0**	**1,167.4**	**1,168.0**	**1,168.0**	**1,166.2**

Overtime – The budget includes $6.4 million for Overtime, an increase of $316,000 or 5.2% over the FY25 Budget. Overtime was increased to reflect wage increases and recent trends in planned overtime for off-hours maintenance, emergency, coverage, and planned projects that include construction.

MWRA: % Overtime vs. Regular



	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Budget
Reg Pay	$100,579,45	$105,965,32	$108,299,07	$103,665,06	$104,191,29	$111,461,55	$131,140,20	$113,658,99
OT	$5,208,556	$4,484,053	$4,415,142	$5,010,759	$5,172,630	$6,410,241	$6,133,078	$6,449,017
% OT per Reg Pay	5.2%	4.2%	4.1%	4.8%	5.0%	5.8%	4.7%	5.7%

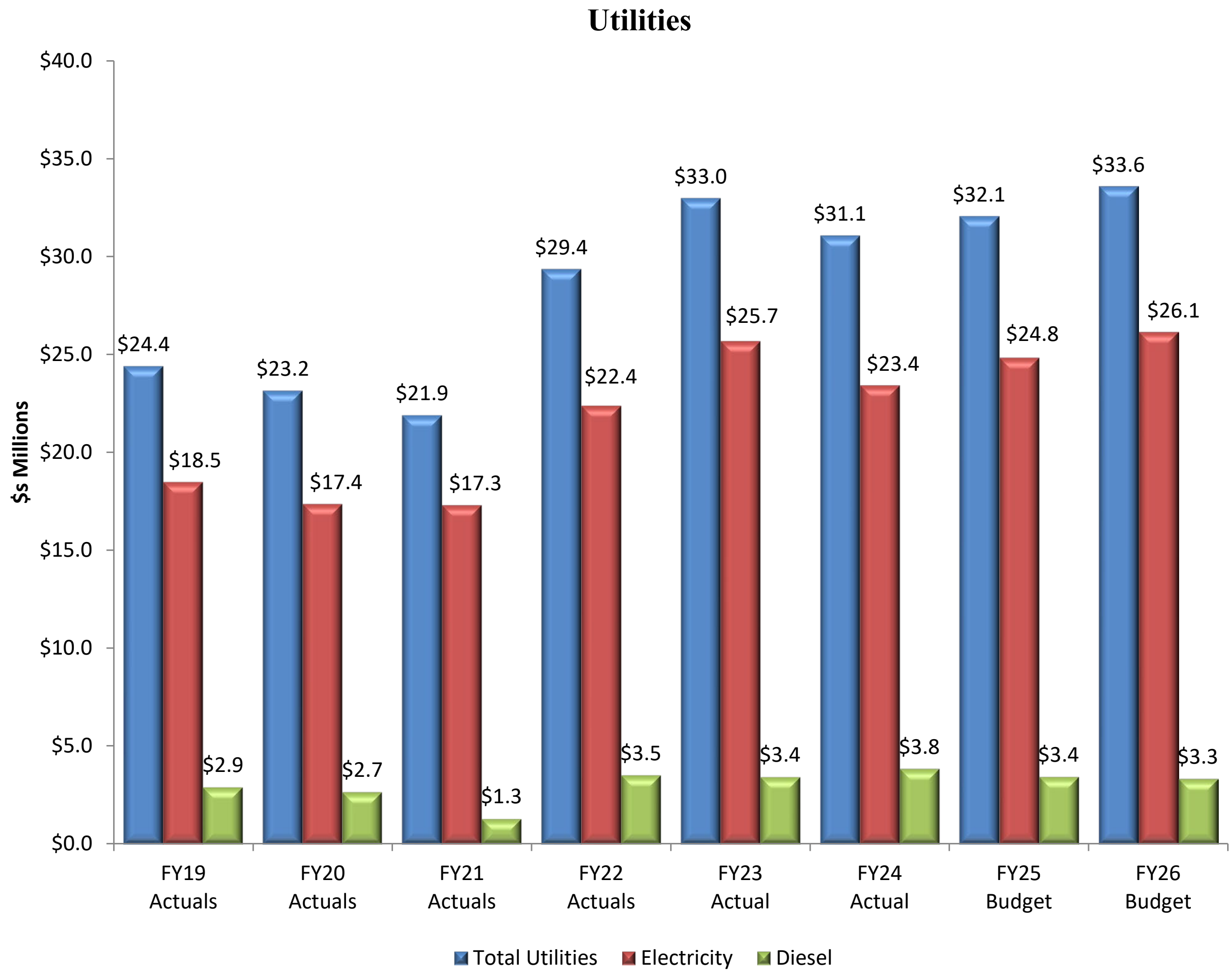
***Fringe Benefits* –** The budget includes $30.5 million for Fringe Benefits, an increase of $2.7 million or 9.5% over the FY25 Budget. Health Insurance premiums total $26.7 million, an increase of $2.5 million or 10.5% over the FY25 Budget largely due to updated health plan rate increases.

Fringe Benefits				
Line Item	**FY24 Actuals**	**FY25 Budget**	**FY26 Budget**	**Difference**
Health Insurance	$ 20,909,901	$ 24,143,389	$ 26,674,890	$ 2,531,502
Dental Insurance	1,154,756	1,115,162	1,115,162	-
Unemployment Insurance	303,825	140,000	140,000	-
PFML	440,209	578,839	578,839	-
Medicare	1,651,447	1,700,810	1,811,157	110,347
Overtime Meals	134,001	115,924	129,059	13,135
Tuition Reimbursement	11,364	40,000	40,000	-
Total Fringe Benefits	**$ 24,605,503**	**$ 27,834,124**	**$30,489,107**	**$ 2,654,983**

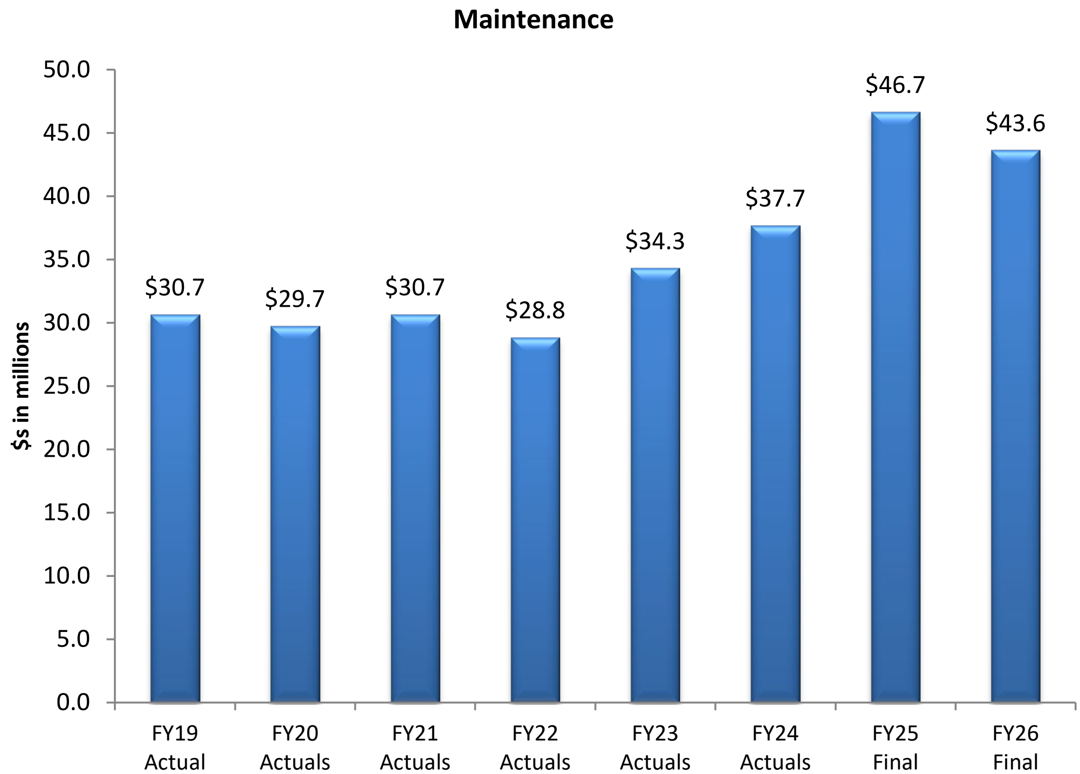
Workers' Compensation – The budget includes $2.2 million for Workers' Compensation. This is $106,000 or 5.1% greater than the prior year's level and is based on a three-year historical average spending for Worker's Compensation.

***Chemicals* –** The budget includes $19.3 million for Chemicals, a decrease of $399,000 or 2.0% from the FY25 Budget. The budgets for several chemicals decreased including Sodium Hypochlorite of $933,000 or 13.9% and Liquid Oxygen by $43,000 or 4.7% primarily due to lower pricing. These were partially offset by increases to Soda Ash of $199,000 or 5.6% primarily due to price, Ferric Chloride of $180,000 or 4.6% due to volume and price, and Activated Carbon of $167,000 or 44.1% due to replacement need at the Nut Island Headworks. The FY26 Budget includes $680,000 for the anticipated Deer Island National Pollutant Discharge Elimination System (NPDES) permit, which is projected to have more stringent requirements for enterococcus treatment compliance.

Utilities – The budget includes $33.6 million for Utilities, which is an increase of $1.5 million or 4.8% over the FY25 Budget. The budget funds $26.1 million for Electricity, an increase of $1.3 million or 5.3% greater than the FY25 budget primarily due to updated pricing at Deer Island and Field Operations (FOD) facilities, Natural Gas of $148,000 or 17.5% due to higher pricing at the FOD facilities. The Diesel Fuel budget of $3.3 million is $100,000 or 2.9% lower than the FY25 Budget primarily due to decreases in pricing at Deer Island Treatment Plant (DITP) and Field Operations Department (FOD) facilities.



Maintenance – The budget includes $43.6 million for Maintenance projects, a decrease of $3.0 million or 6.5% from the FY25 budget. The decrease is driven by Plant and Machinery Services of $4.6 million for projects expected to be completed in FY25 including Norumbega tank cleaning, DITP combustion turbine generator control system upgrades, updated cost estimate for the second DITP wicket gate replacement, updated cost for reactor mixer gearbox rebuilds, and new work for CO2 piping repairs at the John Carroll Water Treatment Plant (JCWTP) and projected work on the DITP boiler, STG, hydroelectric and wind power contract; HVAC Materials decreased by $564,000 primarily due to the Chelsea Administration Heat Pumps being reclassed to the Capital Improvement Program; Electrical Services decreased by $336,000 primarily due to Heat Pumps at Squantum Pump Station reclassed to the Capital Improvement Program and JCWTP PLC replacement completed in FY25; Electrical Materials decreased by $317,000 due to work completed in FY25 including the North Main Pump Station Inverter and the inspection and rebuild of Norwalk valves, partially offset by adding a new project for Farm Pond Inlet Chamber Repair, updated cost estimates for diesel exhaust silencers and duct cleaning for pump stations, new work for CO2 piping repairs at John Carroll Water Treatment Plant and FY26 projected work on the DITP boiler, STG, hydroelectric and wind power contract. This decrease was partially offset by an increase to Computer Software-Licenses/Upgrades of $1.2 million for updated costs driven by VMware Server licenses as well as Aruba Central and Workspace One subscriptions; Special Equipment Services increased by $1.0 million driven by updated cost and originally planned work in FY25 now expected in FY26 for the PICS HMI System and Emerson EDS Upgrade and new project for Thermal Plant PICS Loop 2 Upgrade; Plant and Machinery Materials increased by $343,000 for additional materials purchases including glass lined pipe fittings and valves, partially offset by less than anticipated spending for purchases of submersible wastewater pumps at headworks.



Training and Meetings – The budget includes $690,000 for Training and Meetings, an increase of $121,000 or 21.4% over the FY25 Budget based on anticipated training/conference attendance.

Professional Services **–** The budget includes $11.3 million for Professional Services, a increase of $181,000 or 1.6% greater than the FY25 Budget. The increase is primarily driven by Computer Systems Consultant of $330,000 for additional professional services including the Enterprise Content Mangement upgrade and workflows and Oracle Patch Management, and Legal Services of $150,000 due to anticipated needs. This increase was partially offset by lower Engineering Services of $237,000 primarily due to Local Limits analysis for Boston Harbor NPDES Permit that will be completed in FY25, partially offset by higher spending on the DITP Hydroelectric Feasibility Study.

Other Materials – The budget includes $7.7 million for Other Materials, an increase of $386,000 or 5.3% over the FY25 Budget. This increase is due to Computer Hardware of $375,000 or 59.4% for Surface and Laptop hardware refresh, partially offset by lower Equipment/Furniture of $248,000 based on departmental needs.

Other Services **–** The budget includes $39.0 million for Other Services, an increase of $5.1 million or 15.0% over the FY25 Budget. Sludge Pelletization increased by $4.2 million or 18.6%. This increase is due to the addition of $6.0 million for potential landfill disposal costs due to PFAS issues (an increase of $4.8 million over the FY25 landfill budget) and a decrease of $0.6 million mainly due to an inflation adjustment and lower quantities based on the pelletization contract terms. Also, Telecommunication costs increased by $549,000 due to an anticipated refresh of mobile devices.

Functional Area Budget Summary

The table below shows the breakdown of the MWRA's direct expense budget by division.

FY26 Final Current Expense Budget
MWRA Direct Expenses by Division

DIVISION	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
EXECUTIVE	$ 6,893,906	$ 7,812,326	$ 10,634,966	$ 10,859,847	$ 224,881	2.1%
ADMINISTRATION	52,062,910	53,779,820	59,775,225	65,311,362	5,536,137	9.3%
FINANCE	5,550,542	5,787,106	6,875,424	6,650,329	(225,095)	-3.3%
LAW	1,765,443	1,831,751	2,522,119	2,623,547	101,428	4.0%
OPERATIONS/PLANNING	195,063,892	216,055,296	241,206,025	242,535,174	1,329,149	0.6%
TOTAL	**$ 261,336,693**	**$ 285,266,299**	**$ 321,013,759**	**$ 327,980,259**	**$ 6,966,500**	**2.2%**

Detailed summaries for each Division budget are provided following the Executive Summary.

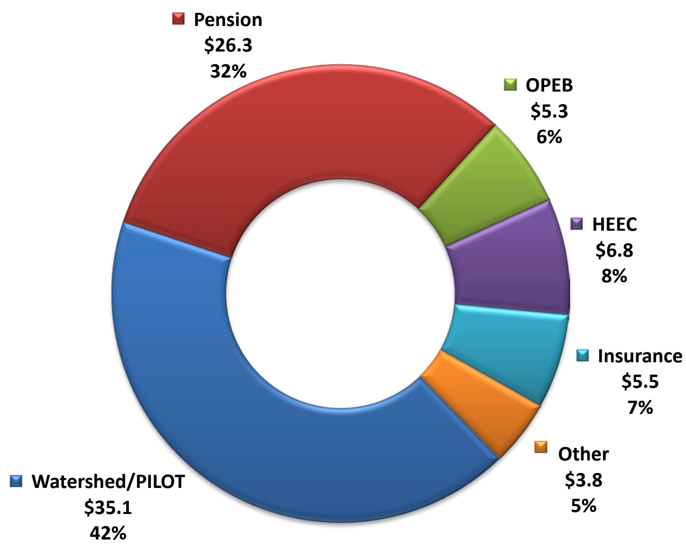
INDIRECT EXPENSES

Indirect Expenses for FY26 total $83.0 million, an increase of $7.6 million or 10.0% over the FY25 Budget.

The graph below combines related indirect expense line items into the general cost categories and shows that Watershed/PILOT expenses are the largest component of the indirect expense budget at 42%, followed by the Pension Fund at 32%, HEEC at 8%, Insurance at 7%, OPEB at 6%, and Other (for items such as Mitigation and Additions to Reserves) at 5%.

Indirect Expenses by Category

($s in millions)



Insurance

MWRA purchases property and casualty insurance from external insurance carriers with a self-insured retention of $2.5 million dollars and Worker's Compensation Excess insurance with a self-insured retention of $1,000,000 per claim. The budget includes $5.5 million for Insurance, an increase of $1.1 million or 23.7% over the FY25 Budget. Insurance Premiums increased 24.3% based on proposals received. Claim payments decreased and are based on a 5-year average. This also reflects a 10% property insurance premium credit. The budget consists of two components, self-insured claim costs and insurance premiums. Self-insured claim cost are estimated based on actual average spending over the past 5 years (FY20-24). Premium costs are estimated based on current costs adjusted for inflation and potential increases due to insurance market conditions. MWRA mitigates the budgetary risk of self-insurance by maintaining an Insurance Reserve. The reserve, which was established as part of the General Bond Resolution, requires that an independent insurance consultant review the funding level every three years and provide recommendations as to its adequacy. The current recommended funding level is $10-$13 million. The Insurance Reserve is currently funded at a $14 million par value. The next independent review is scheduled for February 2026.

Watershed Reimbursement/PILOT

The Enabling Act directs MWRA to pay the Commonwealth of Massachusetts for several statutory obligations: Payment in Lieu of Taxes (PILOT) for Commonwealth-owned land in the watersheds and operating expenses of the Division of Water Supply Protection. The budget includes $35.1 million for the Watershed Management budget, an increase of $2.6 million or 8.0% above the FY25 Budget. The budget includes $25.7 million for reimbursement of operating expenses net of revenues, and $9.4 million for Payment in Lieu of Taxes (PILOT). The budget increase is driven by contractual wage increases and health care costs, increased equipment and maintenance costs, as well as increased PILOT.

			FY26 vs. FY25	
	FY25 Budget	FY26 Budget	$	%
Operating Expense	23,107,642	24,850,400	1,742,758	7.5%
Major Projects	1,585,000	1,878,500	293,500	18.5%
Revenue	(1,085,000)	(1,010,000)	75,000	-6.9%
Net	**23,607,642**	**25,718,900**	**2,111,258**	**8.9%**
PILOT	8,900,000	9,400,000	500,000	5.6%
Total	**32,507,642**	**35,118,900**	**2,611,258**	**8.0%**

Harbor Electric Energy Company (HEEC)

The budget includes $6.8 million for the Harbor Energy Electric Company (HEEC), a decrease of $1.3 million or 16.5% from the FY25 Budget. The budget reflects the latest cost estimates and true-up payment due for prior calendar year. The final costs will be determined by the Massachusetts Department of Public Utilities (DPU) once it has completed its review of the project. In FY18, $6.5 million was set aside to mitigate the impact of the HEEC cost associated with construction of a new power cable to Deer Island Treatment Plant and is projected to be used between FY27-31. In FY26, no HEEC Reserve will be used leaving a reserve balance of $2.5 million.

Mitigation

MWRA disburses mitigation funds to communities affected by MWRA projects or facilities pursuant to MWRA's Statement of Mitigation Principles and/or specific agreements with communities. MWRA mitigation may include relieving the direct impacts of construction, meeting environmental and regulatory requirements, long-term operating agreements, or community compensation for impacts over and above those addressed by other mitigation. In rare situations, where the extent and duration of the impact of a project or facility on a community is such that restoring the area to its pre-project state is insufficient to relieve the stress of MWRA’s presence during the project, MWRA funds or contributes to improvements to affected areas. Mitigation expenses are funded in the capital budget and in the current expense budget. The budget includes $1.9 million for Mitigation payments to the City of Quincy and Town of Winthrop in accordance with the mitigation agreements.

Operating Reserves

Funding for the Additions to the Operating Reserve for FY26 is $2.0 million. The Operating Reserve balance is in compliance with MWRA General Bond Resolution which requires a balance of one-sixth of annual operating expenses. Based on the FY26 Final Budget, the required balance is $61.6 million versus the $59.6 million required in FY25.

Retirement System Contribution

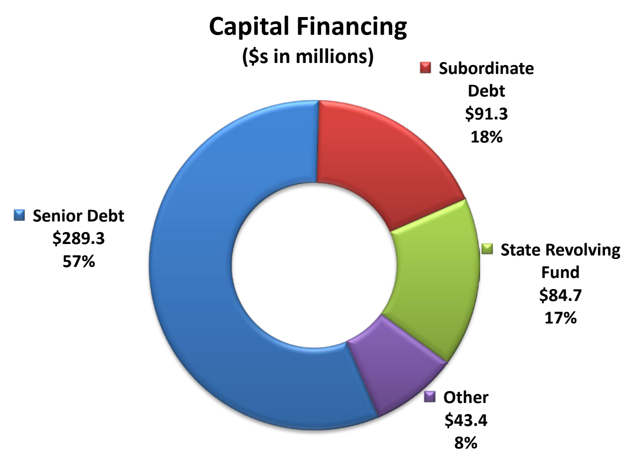
The budget includes $26.3 million for the Retirement Fund, an increase of $5.1 million or 23.9% over the FY25 budget. This includes $18.3 million based on the most recent approved actuarial valuation from January 2024. An additional $8.0 million was allocated for the Retirement Fund to assist in reaching the full funding target by 2030. Based on the January 2024 actuarial valuation, MWRA's pension fund is at the 88.9% funding level and is projected to be fully funded by June 30, 2030.

GASB 45 – Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)

The Authority continues to comply with the GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*, by disclosing this liability in the year-end Financial Statements. As part of the multi-year strategy to address its unfunded liabilities for OPEB and pension holistically, the Board approved a plan to pay down the pension liability and upon reaching full funding, move to address the OPEB obligation. To maximize the benefits in terms of returns and accounting treatment, an irrevocable OPEB Trust was established with Board approval and funding started on April 23, 2015. The OPEB Trust balance was $85.2 million (44.1% funded) as of December 2024. Beginning in FY18, GASB 75 has been the governing regulation for employee OPEB contributions. The FY26 $5.3 million budget is based on 50% of the Annual Determined Contribution (ADC) determined in the January 1, 2024 actuarial report. This is a $68,000 or 1.3% increase over FY25.

CAPITAL FINANCING

The FY26 Final Budget capital financing costs total $508.7 million and remains the largest portion of the MWRA's budget at 55.3% of the Operating Budget. The FY26 Final Budget capital financing costs increased by $4.5 million or 0.9% compared to the FY25 Budget. This increase in the MWRA's debt service is the result of FY25 and projected FY26 borrowings, the structure of the existing debt, and by the impact of the projected defeasance.



The FY26 Final Budget includes a planned defeasance of $33.9 million in FY25 which will reduce debt service by approximately $1.6 million in FY26, $6.7 million in FY27, $9.3 million in FY28, $10.7 million in FY29, $5.8 million in FY30, and $4.1 million in FY31. The Authority has actively managed its debt structure to take advantage of favorable interest rates. Tools used by MWRA to lower borrowing costs and manage rates include current and advanced refunding of outstanding debt, bond tenders, maximizing the use of the subsidized State Revolving Fund (SRF) debt, issuance of variable rate debt, swap agreements, and the use of surplus revenues to defease debt. MWRA also uses short-term borrowing vehicles like tax exempt commercial paper to minimize the financing cost of construction in process.

The FY26 Budget assumes a 4.25% interest rate for variable rate debt which is less than the FY25 assumed rate of 4.75%. The Authority's variable rate debt assumption is comprised of three separate elements: the interest rate for the daily and weekly series; liquidity fees for the Standby Bond Purchase Agreement, Letter of Credit, and Direct Purchase providers; and remarketing fees. MWRA has observed a gradual overall decrease in short-term rates over the last year and current future tax-exempt short-term rate curves indicate lower rates during the next year.

The FY26 capital financing budget includes:

- $289.39 million in principal and interest payments on MWRA's senior fixed rate bonds. This amount includes $39.4 million to support a new money issuance of $475.0 million during fiscal 2026;

- $91.3 million in principal and interest payments on subordinate bonds;

- $84.7 million in principal and interest payments on SRF loans. This amount includes $5.1 million to support an issuances of $65 million during fiscal 2026;

- $21.5 million to fund ongoing capital projects with current revenue and to meet coverage requirements;

- $8.5 million in debt prepayment;

- $10.2 million to fund the interest expense related to the Local Water Pipeline Assistance Program; and,

- $3.2 million for the Chelsea Lease.

Outstanding Debt and Debt Management

The $9.6 billion spent on MWRA's modernization efforts since the Authority was established in 1985, has relied heavily on debt financing. Total debt as of June 30, 2025 was $4.1 billion consisting of senior and subordinated debt, SRF Debt, tax exempt commercial paper, and a revolving loan. Total debt was $287.3 million lower than the MWRA's total debt as of June 30, 2024. The MWRA enjoys strong unenhanced senior debt ratings of Aa1, AA+, and AA+ from Moody's, Standard & Poor, and Fitch, respectively.

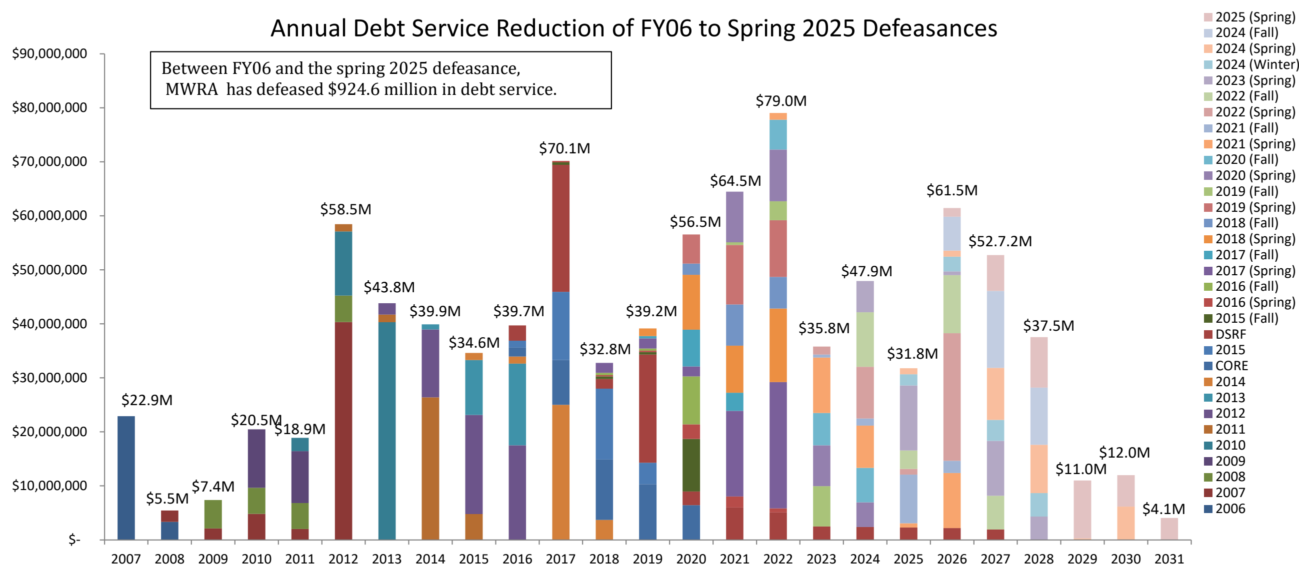
Type	Principal Outstanding June 30, 2025	% of Total
Senior General Revenue Bonds	$ 2,733,775,000	67.1%
Massachusetts Clean Water Trust	$ 811,225,191	19.9%
Subordinate General Revenue Bonds	$ 292,742,500	7.2%
Tax Exempt Commercial Paper	$ 239,165,000	5.9%
Total	**$ 4,076,907,691**	**100.0%**

87.0% of MWRA's Debt is Fixed Rate

As a result of the Authority's Capital Improvement Program, capital financing as a percent of total expenses (before offsets) has increased from 36.0% in 1990 to 55.3% in the FY26 Current Expense Budget. Much of this debt service is for completed projects, primarily the Boston Harbor Project and the Integrated Water Supply Improvement Program. The MWRA's capital spending, from its inception, had been dominated by projects mandated by court ordered or regulatory requirements, which in total have accounted for ~65% of capital spending to date. Going forward, and as the Combined Sewer Overflow (CSO) projects reached substantial completion in December 2015, the majority of spending will be focused on asset protection and water redundancy initiatives. Overall, MWRA anticipates its outstanding debt to continue to decline.

The Authority has actively managed its debt structure to take advantage of favorable interest rates. Tools used by the MWRA to lower borrowing costs and manage rates include current and advanced refunding of outstanding debt, bond tenders maximizing the use of the subsidized State Revolving Fund (SRF) debt, issuance of variable rate debt, swap agreements, and the use of surplus revenues to defease debt. The MWRA also uses short-term borrowing instruments such as tax exempt commercial paper to minimize the financing cost of construction in process.

Since 2006, MWRA has defeased $924.6 million in debt service to reduce future year rate revenue requirements. The following chart details the multi-year impact of those defeasances.



Grant Revenues

In the past, MWRA has been able to finance approximately 20 percent of its capital spending with grant receipts, totaling approximately $1.1 billion through FY03. In addition to participating in federal and state grant programs, the MWRA benefitted from the American Recovery and Reinvestment Act of 2009 which forgave approximately $33.0 million in State Revolving Fund loan principal. The MWRA received multiple principal forgiveness loans from the Massachusetts Clean Water Trust, $3.4 million in 2023 and $8.3 million in 2025. These principal forgiveness loans were funded through proceeds from the American Rescue Plan Acts of 2021 and 2025. The Authority continues to pursue grant funding and take advantage of any possible program available to maximize grant funding opportunities.

MWRA expects to borrow the majority of funds necessary for future capital spending. Borrowing may include the issuance of fixed and variable rate revenue bonds; borrowing from the Massachusetts Clean Water Trust (also known as the State Revolving Loan Fund or SRF), and a through MWRA's short-term borrowing program (Tax-Exempt Commercial Paper/Revolving Loan). The following table details the FY26 budget capital financing line item. It also shows how upgrading the sewerage system has dominated the capital program to date. Current and future borrowings increasingly support improvements to the water system. A complete list of the Authority's indebtedness by series is presented in Appendix E.

TABLE I-3
FY26 Current Expense Budget - Capital Financing Detail (as of 6/30/25)
$ in Millions

	Amount Outstanding	Total Capital Finance Costs	Sewer	Water
Total SRF[1] Debt	$811.2	$84.7	$64.1	$20.6
Total Senior Debt	$2,733.8	289.3	177.6	111.6
Total Subordinate Debt	$334.8	91.3	57.3	34.0
Total SRF and Debt Service[2]	**$3,879.8**	**$465.3**	**$299.1**	**$166.2**
Water Pipeline Commercial Paper	0.0	10.2	0.0	10.2
Current Revenue/Capital [3]		21.5	17.4	4.1
Capital Lease		3.2	1.9	1.3
Debt Prepayment[4]		8.5	6.9	1.6
	0.0	**$43.4**	**$26.3**	**$17.1**
Total Capital Financing (before Debt Service Offsets)	**3,879.8**	**$508.7**	**$325.3**	**$183.4**
Debt Service Offsets:				
Debt Service Assistance		0.0	0.0	0.0
Bond Redemption		0.0	0.0	0.0
MWRA Short-term Borrowings	197.1	0.0	0.0	0.0
Total Capital Financing	**4,076.9**	**$508.7**	**$325.3**	**$183.4**

[1] SRF debt service payments reflect net MWRA obligations after state and federal subsidies.

[2] Numbers may not add due to rounding.

[3] Current Revenue/Capital is revenue used to fund ongoing capital projects.

[4] Debt Prepayment will be used defeasance of bonds at end of fiscal year.

CIP Impact on Current Expense Budget

In addition to the annual financing costs included in the Current Expense Budget, the Capital Improvement Program affects the annual operating budget when capital facilities come on-line and require adjustments to operating budgets. In prior years, completion of the Deer Island Treatment Plant, the Carroll Water Treatment Plant, and the residuals processing facility in Quincy resulted in significant increases in operating expenses.

The following table summarizes the projected CIP impact on the operating budget by project over the next ten years.

	CEB Impacts (000)										
Fiscal Year	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**	**Total**
South Boston CSO Tunnel Inspection	$500	($500)	$0	$0	$0	$0	$0	$0	$0	$0	$0
DI Hydro Turbine Replacement	$0	$0	($50)	$0	$0	$0	$50	$0	$0	$0	$0
Facility Asset Protection	$0	$0	$6	$0	$0	$0	$0	$0	$0	$0	$6
DI Asset Protection (not including Co-Digestion or Combined Heat and Power Plant)	$0	$0	$0	($40)	($40)	($80)	($50)	($50)	$0	$0	($260)
Total Wastewater (inflated)	$500	($500)	($44)	($40)	($40)	($80)	$0	($50)	$0	$0	($254)
Wachusett Algae Treatment Facility	$0	$0	$0	$0	$100	$0	$0	$0	$0	$0	$100
Quabbin Admin Building	$100	$0	$0	($100)	$0	$0	$0	$0	$0	$0	$0
Total Water (inflated)	$100	$0	$0	($100)	$100	$0	$0	$0	$0	$0	$100
Total MWRA	$600	($500)	($44)	($140)	$60	($80)	$0	($50)	$0	$0	($154)

In total, the impact of capital projects and initiatives are projected to decrease operational costs by $154,000 over the next ten years.

RATE ASSESSMENT AND METHODOLGY

Community Profile and Assessments

MWRA is authorized to provide wholesale water and sewer services to 64 local bodies. 56 local bodies purchase water supply services, and 43 local bodies purchase wastewater transport and treatment services. 37 local bodies purchase both. Approximately 3.1 million people, or 44% of the population of Massachusetts, live in the communities that purchase water and/or wastewater services from MWRA.

MWRA’s largest single customer is the Boston Water and Sewer Commission (BWSC), which provides retail services in the City of Boston. In the FY26, rate revenue from BWSC will account for 30% of MWRA’s total rate revenue.

Each year MWRA determines preliminary wholesale water and sewer assessments in February and final assessments in June before the beginning of the new fiscal year. These assessments must satisfy the statutory requirement that MWRA fully recover its budgeted water and sewer costs by apportioning net costs among its wholesale water and sewer customers.

The following table presents the calculation of MWRA's FY26 Rate Revenue Requirement. The table shows that most of MWRA's current expenses are directly attributable to either water or sewer service costs, or to investment in the water or sewer systems. Expenses that support both systems are allocated to water or sewer assessments based on generally accepted cost allocation principles. Investment Income and Other Revenues offset water and sewer expenses. The resulting net cost of water and sewer services is the amount MWRA recovers through water and sewer assessments.

Calculation of the Final FY26 Rate Revenue Requirement
(000's)

	Sewer	Water	Total
Allocated Direct Expenses	$ 216,778	$ 111,202	$ 327,980
Allocated Indirect Expenses	$ 33,369	$ 49,650	$ 83,019
PLUS			
Capital Expenses:			
Debt Service	$ 299,052	$ 166,232	$ 465,284
Debt Service Assistance	$ -	$ -	$ -
Current Revenue for Capital	$ 17,445	$ 4,055	$ 21,500
Other Capital Expenses	$ 8,838	$ 13,088	$ 21,926
PLUS			
Non-Rate Revenue:			
Investment Income	$ 14,131	$ 9,202	$ 23,332
Fees and Other Revenue	$ 6,189	$ 11,427	$ 17,616
Rate Stabilization	$ -	$ -	$ -
EQUALS			
Rate Revenue Requirement	$ 555,163	$ 323,598	$ 878,761

Wholesale Assessment Methodology

MWRA calculates separate user assessments for water and sewer services. Budgeted water operating and capital costs are allocated based on each community's share of total water use for the most recent calendar year. The sewer assessment methodology allocates budgeted operating and maintenance costs based on share of wastewater flow and strength parameters, and capital costs based on proportion of maximum flow, strength, and population. MWRA uses three-year averaging of wastewater flows to calculate the flow-related components of wholesale sewer assessments. Flow averaging moderates the short-term impact of year-to-year changes in community flow, but does not eliminate the long-term impact of changes in each community's relative contribution to the total flow.

Massachusetts Water Resources Authority
FY26 Water and Sewer Assessments

MWRA Fully Served Water and Sewer Customers	Final FY25 Water Assessment	Final FY26 Water Assessment	Percent Change from FY25	Final FY25 Sewer Assessment	Final FY26 Sewer Assessment	Percent Change from FY25	Final FY25 Combined Assessment	Final FY26 Combined Assessment	Dollar Change from FY25	Percent Change from FY25
ARLINGTON	$5,700,350	$6,087,599	6.8%	$9,492,790	$9,607,850	1.2%	$15,193,140	$15,695,449	**$502,309**	**3.3%**
BELMONT	3,259,822	3,608,362	10.7%	5,692,509	5,740,003	0.8%	8,952,331	9,348,365	**396,034**	**4.4%**
BOSTON (BWSC)	109,867,908	112,816,245	2.7%	150,037,179	152,091,678	1.4%	259,905,087	264,907,923	**5,002,836**	**1.9%**
BROOKLINE	8,373,742	8,986,468	7.3%	13,457,245	13,172,037	-2.1%	21,830,987	22,158,505	**327,518**	**1.5%**
CHELSEA	5,851,930	6,200,998	6.0%	9,894,333	10,260,239	3.7%	15,746,263	16,461,237	**714,974**	**4.5%**
EVERETT	6,856,064	7,072,297	3.2%	10,362,447	10,587,729	2.2%	17,218,511	17,660,026	**441,515**	**2.6%**
FRAMINGHAM	9,692,961	10,197,614	5.2%	14,830,822	15,742,436	6.1%	24,523,783	25,940,050	**1,416,267**	**5.8%**
LEXINGTON	8,432,204	8,650,822	2.6%	9,153,352	9,333,555	2.0%	17,585,556	17,984,377	**398,821**	**2.3%**
MALDEN	9,497,417	9,243,076	-2.7%	14,576,224	14,572,763	0.0%	24,073,641	23,815,839	**(257,802)**	**-1.1%**
MEDFORD	8,041,818	8,387,383	4.3%	14,191,728	13,768,213	-3.0%	22,233,546	22,155,596	**(77,950)**	**-0.4%**
MELROSE	3,865,069	3,762,588	-2.7%	6,926,272	6,828,033	-1.4%	10,791,341	10,590,621	**(200,720)**	**-1.9%**
MILTON	4,046,121	4,294,618	6.1%	6,786,934	7,283,496	7.3%	10,833,055	11,578,114	**745,059**	**6.9%**
NEWTON	15,254,114	15,601,358	2.3%	24,471,190	25,494,669	4.2%	39,725,304	41,096,027	**1,370,723**	**3.5%**
NORWOOD	4,735,735	4,842,022	2.2%	9,377,625	9,595,999	2.3%	14,113,360	14,438,021	**324,661**	**2.3%**
QUINCY	14,668,740	15,546,511	6.0%	23,271,259	23,477,168	0.9%	37,939,999	39,023,679	**1,083,680**	**2.9%**
READING	2,854,927	3,089,421	8.2%	5,198,653	5,075,578	-2.4%	8,053,580	8,164,999	**111,419**	**1.4%**
REVERE	6,555,178	6,847,418	4.5%	12,651,589	12,903,732	2.0%	19,206,767	19,751,150	**544,383**	**2.8%**
SOMERVILLE	10,694,450	11,051,015	3.3%	17,561,095	18,396,138	4.8%	28,255,545	29,447,153	**1,191,608**	**4.2%**
STONEHAM	3,671,848	4,019,561	9.5%	6,085,041	6,135,875	0.8%	9,756,889	10,155,436	**398,547**	**4.1%**
WALTHAM	12,987,389	13,409,660	3.3%	15,008,366	15,082,080	0.5%	27,995,755	28,491,740	**495,985**	**1.8%**
WATERTOWN	4,583,303	4,688,527	2.3%	7,277,190	7,675,590	5.5%	11,860,493	12,364,117	**503,624**	**4.2%**
WINTHROP	2,127,216	2,047,059	-3.8%	4,029,198	4,209,668	4.5%	6,156,414	6,256,727	**100,313**	**1.6%**
TOTAL	**$261,618,306**	**$270,450,622**	**3.4%**	**$390,333,041**	**$397,034,529**	**1.7%**	**$651,951,347**	**$667,485,151**	**$15,533,804**	**2.4%**

MWRA Full Sewer and Partial Water Customers	Final FY25 Water Assessment	Final FY26 Water Assessment	Percent Change from FY25	Final FY25 Sewer Assessment	Final FY26 Sewer Assessment	Percent Change from FY25	Final FY25 Combined Assessment	Final FY26 Combined Assessment	Dollar Change from FY25	Percent Change from FY25
ASHLAND	$0	$0	-	$2,975,664	$3,059,045	2.8%	$2,975,664	$3,059,045	**$83,381**	**2.8%**
BURLINGTON	2,637,231	2,573,260	-2.4%	6,231,204	6,369,082	2.2%	8,868,435	8,942,342	**73,907**	**0.8%**
CANTON	2,745,413	2,690,642	-2.0%	5,157,794	5,327,610	3.3%	7,903,207	8,018,252	**115,045**	**1.5%**
NEEDHAM	1,212,985	1,776,283	46.4%	7,445,411	7,763,087	4.3%	8,658,396	9,539,370	**880,974**	**10.2%**
STOUGHTON	97,985	95,933	-2.1%	5,752,600	5,897,834	2.5%	5,850,585	5,993,767	**143,182**	**2.4%**
WAKEFIELD	3,304,401	3,685,827	11.5%	6,791,838	6,724,353	-1.0%	10,096,239	10,410,180	**313,941**	**3.1%**
WELLESLEY	3,262,215	3,710,550	13.7%	7,020,669	7,355,370	4.8%	10,282,884	11,065,920	**783,036**	**7.6%**
WILMINGTON	484,407	1,102,504	127.6%	3,341,156	3,385,069	1.3%	3,825,563	4,487,573	**662,010**	**17.3%**
WINCHESTER	2,034,253	2,410,018	18.5%	5,385,020	5,755,305	6.9%	7,419,273	8,165,323	**746,050**	**10.1%**
WOBURN	5,715,234	5,759,665	0.8%	11,159,078	11,559,336	3.6%	16,874,312	17,319,001	**444,689**	**2.6%**
TOTAL	**$21,494,124**	**$23,804,682**	**10.7%**	**61,260,434**	**63,196,091**	**3.2%**	**$82,754,558**	**$87,000,773**	**$4,246,215**	**5.1%**

MWRA Fully Served Sewer-only Customers	Final FY25 Water Assessment	Final FY26 Water Assessment	Percent Change from FY25	Final FY25 Sewer Assessment	Final FY26 Sewer Assessment	Percent Change from FY25	Final FY25 Combined Assessment	Final FY26 Combined Assessment	Dollar Change from FY25	Percent Change from FY25
BEDFORD				$3,886,054	$3,950,878	1.7%	$3,886,054	$3,950,878	**$64,824**	**1.7%**
BRAINTREE				10,613,254	10,548,153	-0.6%	10,613,254	10,548,153	**(65,101)**	**-0.6%**
CAMBRIDGE				31,407,738	32,988,091	5.0%	31,407,738	32,988,091	**1,580,353**	**5.0%**
DEDHAM				6,319,318	6,358,854	0.6%	6,319,318	6,358,854	**39,536**	**0.6%**
HINGHAM SEWER DISTRICT				2,165,417	2,107,708	-2.7%	2,165,417	2,107,708	**(57,709)**	**-2.7%**
HOLBROOK				2,122,461	2,236,223	5.4%	2,122,461	2,236,223	**113,762**	**5.4%**
NATICK				6,648,860	6,950,548	4.5%	6,648,860	6,950,548	**301,688**	**4.5%**
RANDOLPH				7,343,719	7,609,601	3.6%	7,343,719	7,609,601	**265,882**	**3.6%**
WALPOLE				4,670,240	4,828,356	3.4%	4,670,240	4,828,356	**158,116**	**3.4%**
WESTWOOD				3,171,027	3,065,348	-3.3%	3,171,027	3,065,348	**(105,679)**	**-3.3%**
WEYMOUTH				14,167,109	14,288,678	0.9%	14,167,109	14,288,678	**121,569**	**0.9%**
TOTAL				**$92,515,197**	**$94,932,438**	**2.6%**	**$92,515,197**	**$94,932,438**	**$2,417,241**	**2.6%**

MWRA Fully Served Water-only Customers	Final FY25 Water Assessment	Final FY26 Water Assessment	Percent Change from FY25	Final FY25 Sewer Assessment	Final FY26 Sewer Assessment	Percent Change from FY25	Final FY25 Combined Assessment	Final FY26 Combined Assessment	Dollar Change from FY25	Percent Change from FY25
LYNNFIELD WATER DISTRICT	$919,790	$947,614	3.0%				$919,790	$947,614	**$27,824**	**3.0%**
MARBLEHEAD	3,043,998	3,195,219	5.0%				3,043,998	3,195,219	**151,221**	**5.0%**
MARLBOROUGH	7,379,850	7,280,864	-1.3%				7,379,850	7,280,864	**(98,986)**	**-1.3%**
NAHANT	567,027	550,871	-2.8%				567,027	550,871	**(16,156)**	**-2.8%**
NORTHBOROUGH	1,550,117	1,607,902	3.7%				1,550,117	1,607,902	**57,785**	**3.7%**
SAUGUS	5,363,922	5,357,267	-0.1%				5,363,922	5,357,267	**(6,655)**	**-0.1%**
SOUTHBOROUGH	1,086,340	1,234,149	13.6%				1,086,340	1,234,149	**147,809**	**13.6%**
SWAMPSCOTT	2,496,307	2,429,832	-2.7%				2,496,307	2,429,832	**(66,475)**	**-2.7%**
WESTON	2,462,486	2,935,214	19.2%				2,462,486	2,935,214	**472,728**	**19.2%**
TOTAL	**$24,869,837**	**$25,538,932**	**2.7%**				**$24,869,837**	**$25,538,932**	**$669,095**	**2.7%**

MWRA Partial Water-only Customers	Final FY25 Water Assessment	Final FY26 Water Assessment	Percent Change from FY25	Final FY25 Sewer Assessment	Final FY26 Sewer Assessment	Percent Change from FY25	Final FY25 Combined Assessment	Final FY26 Combined Assessment	Dollar Change from FY25	Percent Change from FY25
DEDHAM-WESTWOOD WATER DISTRICT	$909,823	$1,734,437	90.6%				$909,823	$1,734,437	**$824,614**	**90.6%**
LYNN (LWSC)	163,485	121,220	-25.9%				163,485	121,220	**(42,265)**	**-25.9%**
PEABODY	2,323,753	1,948,049	-16.2%				2,323,753	1,948,049	**(375,704)**	**-16.2%**
TOTAL	**$3,397,061**	**$3,803,706**	**12.0%**				**$3,397,061**	**$3,803,706**	**$406,645**	**12.0%**
SYSTEMS TOTAL	**$311,379,328**	**$323,597,942**	**3.9%**	**$544,108,672**	**$555,163,058**	**2.0%**	**$855,488,000**	**$878,761,000**	**$23,273,000**	**2.7%**

Retail Charges

As noted above, MWRA provides water and sewer services to communities on a wholesale basis. Each community then re-sells services on a retail basis. As a result, household water and sewer charges include each household's share of the community's MWRA water and sewer assessments, plus the community's own charges for the provision of local water and sewer services.

Each community independently establishes retail rates. When establishing local rates, community officials consider issues related to the pricing of services, level of cost recovery, and the local rate structure or methodology. Several factors contribute to a broad range of local rate structures in the MWRA service area:

- Differences in the extent to which water and sewer costs are supported through property taxes and other sources of revenue;
- Differences in the means by which communities finance investments in their own water and sewer systems; and
- Differences in communities' retail rate methodologies.

Some communities have flat unit rates, while others have inclining block rates. Local rates may also provide for differentials among classes of users, such as higher rates for commercial or industrial users, abatements to low-income or elderly residents, and adjusted sewer rates for customers with second meters used for lawn irrigation.

Additional information on rate structure within the member communities is available on the MWRA Advisory Board website as part of its annual retail rate survey.

Revenue and Expenditure Trends

Because MWRA is required by its Enabling Act to balance its budget and to establish annual assessments to cover all expenses, revenue must change as expenses are changing each year. The Rate Revenue Requirement in any year is the difference between MWRA expenses and other revenue sources, most notably non-rate revenue, investment income, and debt service assistance from the Commonwealth (which directly reduces debt service expense). For FY26, community assessments are projected to represent 95.5% of total revenue.

MWRA's planning estimates are projections based on a series of assumptions about future spending (operating and capital), interest rates, inflation, and other factors. MWRA uses the planning estimates to model and project what future rates and assessments might be based upon these assumptions, as well as to test the impact of changes to assumptions on future rates and assessments. The planning estimates are not predictions of what rates and assessments will be but rather they provide the context and framework for guiding MWRA financial policy and management decision making that ultimately determine the level of actual rate change on an annual basis. Conservative projections of future rates and assessments benefit the MWRA by providing assurance to the rating agencies that MWRA anticipates to raise revenues sufficient to pay for its operations and outstanding debt obligations now and over the long-term. Additionally, conservative forecasts of rates and assessments enable member communities to adequately plan and budget for future payments to MWRA.

MWRA also updates its estimates of anticipated revenues and expenses over a multi-year planning horizon. These estimates provide a context for budget discussions and allow MWRA to consider multiple-year rates management implications and strategies as it evaluates alternative capital and operating budget options, the ultimate goal being sustainable and predictable rate changes.

The table below and Appendix D (in more detail) present the combined estimated future rate revenue requirements through FY30.

Rates & Budget Projections						
FY26 CEB	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**
Total Rate Revenue ($000)	$ 855,488	$ 878,761	$ 904,797	$ 931,608	$ 959,887	$ 988,949
Rate Revenue Change from Prior Year ($000)	$ 21,220	$ 23,273	$ 26,036	$ 26,812	$ 28,278	$ 29,062
Rate Revenue Increase	2.5%	2.7%	3.0%	3.0%	3.0%	3.0%
Use of Reserves ($000)	$ -	$ -	$ 780	$ 782	$ 740	$ 140

Estimated Household Bill

Based on annual water usage of 61,000 gallons	$1,424	$1,484	$1,547	$1,613	$1,682	$1,754
Based on annual water usage of 90,000 gallons	$2,111	$2,189	$2,282	$2,379	$2,481	$2,588

Increasing debt service to pay down and finance the capital improvement program is the most important factor driving estimates of future budget increases. Over the past several years MWRA's Tax-Exempt Commercial Paper program, debt refinancing, federal grants, SRF loans, and Commonwealth debt service assistance have mitigated the impact on ratepayers of new capital spending. However, new water system improvements, for which there are fewer non-ratepayer sources of funding, and the impact of new financing will increase MWRA capital financing costs over the next several years.

MWRA employs rates management tools where available (e.g. refunding for savings, extended maturities on future borrowings, variable rate debt, and increased use of Tax-Exempt Commercial Paper) to help cushion and smooth the growth in capital financing expenses. Despite these initiatives, the size of the capital program will unavoidably continue to drive increases in community assessments.

The second largest budget factor is the projected growth of base operating costs. The estimated $38.8 million increase in direct expenses from FY26 to FY30 is primarily the result of an assumed annual inflation rate.

MWRA's planning estimates are projections based on a series of assumptions about future spending (operating and capital), interest rates, inflation, and other factors. These assumptions include:

- Direct expense inflation rate of 2.7% for salaries and 3.0% for other direct expenses starting in FY27;
- CIP inflation rate of 2.5%;
- Capital spending based on the latest CIP expenditure forecast.
- Long-term fixed rate debt issues with a 25-year term and 5.0% interest rates in FY26, and 30 year terms and 6.0% rates from FY27 and beyond;
- Variable rate interest projected at 4.25% in FY26, and 4.0% from FY27 and beyond.

The planning estimates generally use conservative assumptions to help communities plan for future payments to MWRA. There are several areas where differences from planning estimate assumptions may alter projected increases:

- Changes in anticipated borrowing rates or expected investment income rates;
- The planning estimates do not factor in any positive year-end variances which may be used to defease debt or reserved to offset Rate Revenue Requirements in future years;
- Fewer opportunities for SRF borrowing than expected due to Federal Budget cuts; a dollar borrowed through the SRF at 2.15% replaces the need to borrow a dollar long-term at an assumed 6% rate;
- Overall inflationary pressures;
- Debt refinancing opportunities;
- Capital spending; and
- Growth in direct expenses, greater than current assumptions.

MWRA Rates Management

Planning estimates for 2026 through 2030 forecast rate revenue requirement increases of 2.7% in FY26, and 3.0% from FY27-FY30.

The FY26 Budget:

- Continues to refine planning estimates assumptions to provide greater predictability of future assessments;
- Judiciously uses reserves to lower rate increases, but maintain adequate balances;
- Continues the Authority's multi-year rates management strategy of providing sustainable and predictable assessment increases to our member communities; and
- Continues the smoothing strategy to even out the rate revenue requirement and rate changes caused by fluctuations in debt service at the utility level.

Net Position

The statement of net position (or net assets) provides the information on the assets and liabilities of the Authority, with net position being the difference between total assets and total liabilities. The Authority's net position for FY26 is projected to be $2.6 billion, and for FY25 was $2.2 billion based on the audited financials. The most recent four fiscal years can be seen in the following table:

$s in 000

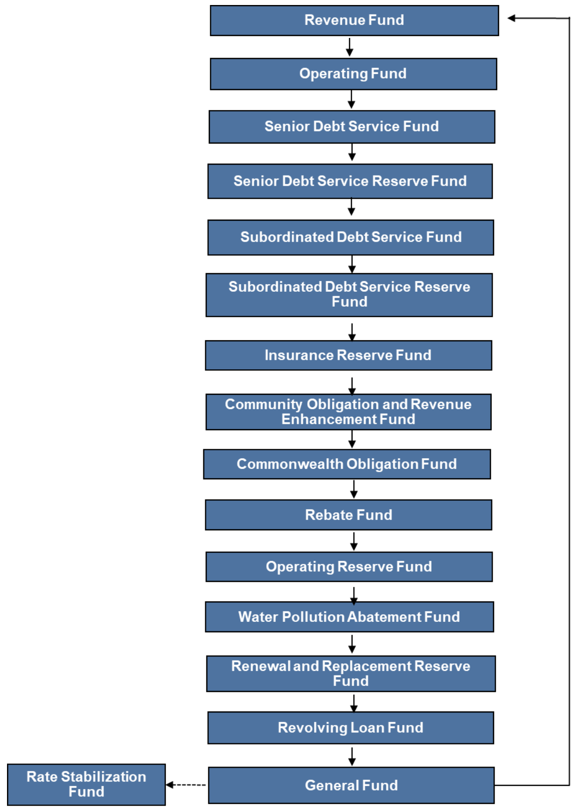
	2026 Draft	2025	2024	2023	2022
Current Assets	$ 1,017,575	$ 985,532	$ 1,068,174	$ 958,172	$ 903,848
Captial Assets (Net)	$ 5,408,217	$ 5,447,987	$ 5,476,320	$ 5,525,902	$ 5,569,082
Other Assets	$ 347,393	$ 347,105	$ 357,580	$ 340,872	$ 346,849
Total Assets	**$ 6,773,185**	**$ 6,780,624**	**$ 6,902,074**	**$ 6,824,946**	**$ 6,819,779**
Current Liabilities	$ 631,561	$ 572,587	$ 489,511	$ 438,428	$ 428,672
Non-Current Liabilities	$ 3,940,016	$ 4,118,765	$ 4,497,655	$ 4,647,224	$ 4,712,110
Total Liabilities	**$ 4,571,576**	**$ 4,691,352**	**$ 4,987,166**	**$ 5,085,652**	**$ 5,140,782**
Net Investment in Capital Assets	$ 1,603,592	$ 1,437,569	$ 1,128,827	$ 1,184,479	$ 1,057,624
Restricted	$ 471,580	$ 468,299	$ 544,014	$ 509,220	$ 466,374
Unrestricted	$ 546,966	$ 262,750	$ 288,453	$ 97,514	$ 41,039
Net Position	**$ 2,622,138**	**$ 2,168,618**	**$ 1,961,294**	**$ 1,791,213**	**$ 1,565,037**

When both restricted and unrestricted funds are available for use, it is the Authority's policy to use restricted funds first, then unrestricted funds as needed. Restricted funds include construction, debt service, and operating revenue.

General Bond Resolution Funds

The Authority's General Bond Resolution requires that it maintain certain funds related to its operations and as security for its bondholders. The General Bond Resolution establishes the required balances and allocation of all moneys controlled by the Authority. A copy of the General Bond Resolution can be found at amended-restated-general-resolution-mwra-05-15-2023.

General Bond Resolution Flow of Funds



Fund Balances

Revenue Fund – MWRA shall deposit all income, revenue, receipts, and other moneys derived by the Authority from its operation of the Systems and engaging in other activities authorized by the enabling act into the Revenue Fund. The Revenue Fund is the top in the flow of funds under the General Revenue Bond Resolution. Moneys in the Revenue Fund are transferred on a monthly basis for operating, debt service and other costs of the Authority as required by the General Bond Resolution. As of June 30, 2025, the Revenue Fund had $81.1 million available.

Operating Fund – All of the Operating Expenses of the Authority as defined in the General Revenue Bond Resolution are paid out of the Operating Fund. The Authority is required to maintain the Operating Fund at a balance equal to the next three months of Operating Expenses. On a monthly basis moneys are moved from the Revenue Fund to the Operating Fund to maintain the required balance. As of June 30, 2025, the Operating Fund had a balance of $102.1 million.

Debt Service Fund – The principal and interest costs associated with MWRA's outstanding senior lien debt is paid out of the Debt Service Fund. On a monthly basis funds are transferred from the Revenue Fund to the Debt Service Fund equal to 1/6th of the next interest payment or 1/12th of the next principal payment for each series of bonds. The schedule for principal and interest transfers is such that the payments are funded a month and one day ahead of the next payment date as required by the General

Revenue Bond Resolution. The balance in the Debt Service Fund as of June 30, 2025 was $237.0 million.

Subordinated Debt Service Fund – The principal and interest associated with MWRA's outstanding subordinate lien debt. On a monthly basis funds are transferred from the Revenue Fund to the Subordinated Debt Service Fund equal to 1/6th of the next interest payment or 1/12th of the next principal payment for each series of bonds. The schedule for principal and interest transfers is such that the payments are funded a month and one day ahead of the next payment date as required by the General Revenue Bond Resolution. The balance in the Subordinated Debt Service Fund as of June 30, 2025 was $59.1 million.

Water Pollution Abatement Fund – This fund is used for payments on the debt service due to the Massachusetts Clean Water Trust (formerly the Massachusetts Water Pollution Abatement Trust). The Water Pollution Abatement Fund is funded from the Revenue Fund. The Balance in the Water Pollution Abatement Fund was $48.7 million on June 30, 2025.

Commonwealth Obligation Fund – This Fund is utilized to pay Commonwealth Obligations as defined under the General Revenue Bond Resolution. Primarily Commonwealth Obligations are amounts payable to the Commonwealth of Massachusetts including Watershed Trust expenses, Payments in Lieu of taxes and other state government charges. The Commonwealth Obligation Fund. The Commonwealth Obligation Fund balance is based of payments due to the Commonwealth and is funded on a regular basis from the Revenue Fund. The balance in the Commonwealth Obligation Fund on June 30, 2025 was $0.0 million.

Construction Fund – The Construction Fund is primarily funded through the proceeds of debt issuances, and some current revenue. Moneys in the Construction Fund are utilized to pay the cost of the Authority's capital projects and related costs as defined in the General Revenue Bond Resolution. The Construction Fund had a balance of $144.5 million on June 30, 2025.

The following table shows a four-year history of fund balances as well as a projection for June 30, 2026 The FY26 year-end projection is based upon General Bond Resolution requirements, projected debt issuances, and projected interest rates. Year-end projected balances for FY26 are subject to change and may vary from the projection.

Fund Balances - $s in Millions					
Funds	**6/30/2022**	**6/30/2023**	**6/30/2024**	**6/30/2025**	**Projected 6/30/2026**
Revenue Fund	$50.0	$57.5	$104.1	$81.1	$80.9
Operating Fund	$83.0	$79.0	$86.3	$102.1	$89.1
Debt Service Fund	$183.0	$233.0	$222.9	$237.0	$231.0
Subordinate Debt Service Fund	$65.0	$52.0	$36.3	$59.1	$49.1
Water Pollution Abatement Fund	$73.0	$71.0	$46.4	$48.7	$55.4
Commonwealth Obligation Fund	$0.0	$0.0	$0.0	$0.0	$0.0
Construction Fund	$228.0	$150.0	$158.1	$144.5	$150.9
Total	**$682.0**	**$642.5**	**$654.1**	**$672.5**	**$656.4**

Reserves

Under the terms of its General Bond Resolution, MWRA maintains various reserve funds. Two of MWRA's reserves, Rate Stabilization and Bond Redemption, are used to smooth rate increases. Moneys in the funds are funded from year-end CEB budget surpluses. The amounts in the funds as of June 30, 2025, and the permitted and planned uses are discussed below:

Rate Stabilization - Under the terms of the General Bond Resolution, the annual use of Rate Stabilization monies cannot exceed 10% of the year's senior debt service. Rate stabilization is funded by CEB surpluses and is one of two funds available to smooth rate increases. This reserve balance was $39.0 million as of 6/30/25. The FY26 CEB includes no use of rate stabilization. The June 30, 2024 balance was $39.0 million. Planning estimates based on the FY26 Budget assumes use of $3.3 million in Rate Stabilization associated with the HEEC cable between FY27 and FY31.

Bond Redemption - Monies in the Bond Redemption Fund can be used only to retire or prepay outstanding debt. Like Rate Stabilization, Bond Redemption is funded by CEB surpluses and is also available to smooth rate increases by reducing debt service. There is no annual limit on the amount of Bond Redemption funds used in a year. However, there are constraints based on bond maturity dates. The FY16, through FY26 CEB assumed no use of Bond Redemption. The balance as of June 30, 2025 was $26.1 million and is projected to remain unchanged in FY26.

In addition to the Rate Stabilization and Bond Redemption funds, MWRA maintains four funded reserves required by the terms of the General Bond Resolution: Debt Service, Operating, Insurance, and Renewal and Replacement. The amount in each reserve, the basis for determining the funding requirement and when a reserve can be used to reduce rate revenue requirements are discussed below:

Debt Service Reserve - This is MWRA's largest reserve, and is funded from bond proceeds. The funding of this reserve is based on the lessor of four tests, and is currently funded at 50% of the maximum annual debt service. The fund can be used to pay debt service when the amount in the reserve is greater than the remaining debt service. The balance of this reserve fund as of June 30, 2025, was $173.3 million and projected to drop slightly in FY26 to $169.6 million.

Operating Reserve - The required balance is one-sixth of operating expenses for a year, as defined in the Bond Resolution. The balance of this reserve fund as of June 30, 2025, was $59.2 million and based on FY26 CEB the required balance by the end of FY26 will be $61.6 million.

Insurance Reserve - MWRA mitigates the budgetary risk of self-insurance by maintaining an insurance reserve. The reserve which was established as part of the Bond Resolution requires that an independent insurance consultant review the adequacy of the funding level every three years. As of June 30 2024, the reserve is funded with securities with a par value of $14 million and is projected to remain unchanged in FY26. The $14 million level has been determined to be acceptable and reasonable based on the last independent review completed in FY23. The next independent review is scheduled for February 2026.

Renewal and Replacement Reserve – The required balance is set at $35 million with the difference between the $10 million in cash and the required balance based on the triennial recommendation of a consulting engineer being available in short-term borrowing capacity. MWRA's consulting engineer completed its triennial review of this reserve balance in 2023.

The following table shows a four-year history of reserve balances as well as projections for June 30, 2026. The FY26 year-end projections are based upon General Bond Resolution requirements and projected debt issuances. Year-end projected balances for FY26 are subject to change and may vary from the projection.

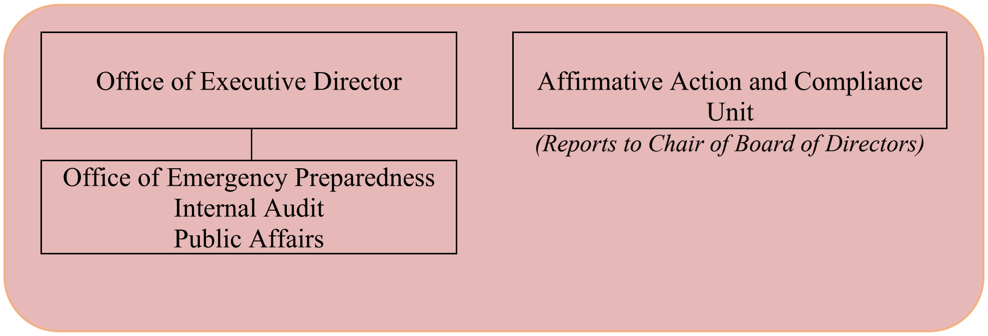
Reserve Balances - $s in Millions					
Reserves	**6/30/2022**	**6/30/2023**	**6/30/2024**	**6/30/2025**	**6/30/2026 Projection**
Rate Stabilization	$40.3	$39.3	$39.0	$39.0	$39.0
Bond Redemption	$26.1	$26.1	$26.1	$26.1	$26.1
Debt Service Reserve - 50% of max Debt Service	$156.6	$169.6	$169.6	$173.3	$169.6
Operating Reserve - 1/6 of annual operating expenses	$47.3	$49.7	$57.6	$59.2	$61.6
Insurance Reserve - Est. by independent consultant, as of 2023	$14.0	$14.0	$14.0	$14.0	$14.0
Renewal & Replacement Reserve - $10 million required balance	$10.0	$10.0	$10.0	$10.0	$10.0
Total	**$294.3**	**$308.7**	**$316.3**	**$321.6**	**$320.3**

STATEMENT OF FINANCIAL POSITION

In accordance with its enabling act, each year MWRA submits annual reports to the Governor, the President of the State Senate, the House of Representatives, the Advisory Board, and the Chairs of the State Senate and House Committees on Ways and Means containing financial statements relating to its operations maintained in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) and, commencing with the annual reports for 1986, audited by independent certified public accountants. MWRA's audited financial statements at June 30, 2024 are available online at www.mwra.com.

Executive Office Budget

EXECUTIVE DIVISION



The **Executive Division** provides executive management and guides the implementation of MWRA policies established by the Board of Directors. It is responsible for developing and implementing specific goals and programs to achieve MWRA's primary mission of providing reliable and efficient water and sewer services, improving water quality, and for creating a framework within which all divisions can operate effectively. The Executive Division also oversees a centralized MWRA-wide security program to preserve and protect MWRA facilities, systems and employees.

The Executive Division includes the Office of Executive Director, Office of Emergency Preparedness, Internal Audit, Public Affairs, and the Affirmative Action and Compliance Unit (AACU). Each of these Departments is accounted for separately in the MWRA budget. In addition, the Director of the Tunnel Redundancy Program reports to the Executive Director. However, the Tunnel Redundancy Program is budgeted under the Operations Division budget.

The **Office of the Executive Director** includes the Board of Directors' cost center as well as the MWRA Advisory Board and Advisory Committees' cost centers. The Board of Directors formulates policies to guide MWRA actions and is responsible for major policy and fiscal decision-making. The MWRA Advisory Board was established by the Enabling Act to serve as "fiscal watchdog" for MWRA's customer communities. The Advisory Board makes recommendations to MWRA on annual expense budgets and capital improvement programs. In addition, the Advisory Board reviews and comments on MWRA reports, holds hearings on related matters, and makes recommendations to the Governor and the Legislature. The other advisory committees supported by this budget are the Water Supply Citizens' Advisory Committee (WSCAC) and the Wastewater Advisory Committee (WAC). (A description of the Advisory Board, WSCAC and WAC is set forth in Appendix E). The Executive Office budget accounts for less than 1% of the MWRA FY23 Direct Expense Budget.

FY26 Final Current Expense Budget
OFFICE OF THE EXECUTIVE DIRECTOR

DEPARTMENT	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
EXECUTIVE OFFICE	$ 489,206	$ 556,115	$ 520,943	$ 542,141	$ 21,198	4.1%
BOARD OF DIRECTORS	1,194	557	98,547	4,500	(94,047)	-95.4%
ADVISORY BOARD / OTHER COMMITTEES	759,603	682,865	683,822	750,412	66,590	9.7%
TOTAL	**$ 1,250,003**	**$ 1,239,537**	**$ 1,303,312**	**$ 1,297,053**	**$ (6,259)**	**-0.5%**

FY26 Goals and Initiatives:

Ensuring a safe and reliable source of drinking water to MWRA customers, and wastewater discharges that meet all applicable regulations drives both capital and current expense budget costs. Five strategic priorities integral to MWRA's mission were identified for action in MWRA's FY2021-FY2025 Five-Year Strategic Business Plan.

I. Drinking Water Quality and System Performance

II. Wastewater Management & System Performance

III. Infrastructure Management & Resilience

IV. Finance & Management

V. Environmental Sustainability

Under each of these priorities, MWRA identified goals and initiatives to guide the Authority's action. The Executive Department uses the Business Plan to provide the framework for MWRA staff to manage and measure performance. The Office of the Executive Director has also identified core initiatives that support MWRA's mission and strategic priorities.

- Ensure delivery of reliable and cost-effective water and sewer services to customer communities.
- Ensure that water supply and wastewater collection and treatment preserve public health and protect natural resources.
- Provide overall management of the agency and ensure adherence to all applicable policies and regulations.
- Continue to aggressively pursue renewable and sustainable energy resources to reduce the environmental impacts of daily operations, increase energy efficiencies, and reduce overall operating costs.
- Manage communication and garner support from key constituents for MWRA programs.

FY26 Final Current Expense Budget
OFFICE OF THE EXECUTIVE DIRECTOR

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 481,051	$ 534,379	$ 610,854	$ 519,591	$ (91,263)	-14.9%
OVERTIME	301	-	-	-	-	-
TRAINING & MEETINGS	-	375	850	850	-	0.0%
PROFESSIONAL SERVICES	160,255	179,095	216,634	221,906	5,272	2.4%
OTHER MATERIALS	6,911	17,345	3,450	18,100	14,650	424.6%
OTHER SERVICES	601,485	508,343	471,524	536,606	65,082	13.8%
TOTAL	**$ 1,250,003**	**$ 1,239,537**	**$ 1,303,312**	**$ 1,297,053**	**$ (6,259)**	**-0.5%**

Budget Highlights:

The FY26 Budget is $1.3 million, a decrease of $6,000 or 0.5%, as compared to the FY25 Budget.

OFFICE OF THE EXECUTIVE DIRECTOR	FY25 FTEs	FY26 FTEs
EXECUTIVE OFFICE	4.0	3.0
TOTAL	**4.0**	**3.0**

- $520,000 for **Wages and Salaries**, a decrease of $91,000 or 14.9%, as compared to the FY25 Budget, reflecting a reduction in FTE's. The FY26 Budget includes funding for three FTEs, one less than the FY25 Budget.

- $222,000 for **Professional Services**, 2.4% above the FY25 Budget. This budget funds the Water Supply Citizens' Advisory Committee (WSCAC) and the Wastewater Advisory Committee (WAC). This budget includes increases in health insurances and hourly salary expense.

- $537,000 for **Other Services**, a decrease of $65,000 or 13.8%, as compared to the FY25 Budget. The primary component of this line item is the MWRA Advisory Board operating expenses, which are under the FY26 Budget mainly in rentals/leases.

Fells Reservoir

OFFICE OF EMERGENCY PREPAREDNESS

The **Office of Emergency Preparedness (OEP)** was created in November 2005 to consolidate Authority-wide security and emergency response functions. It is responsible for oversight of the MWRA's security and emergency response plans, policies, and procedures; implementation and training for the Emergency Response Plan; and management, training, and outfitting of the Emergency Service Unit (ESU), which will respond to any intentional or accidental contamination of the water supply. In April 2019, the MWRA bifurcated OEP, creating a separate Security Department. ESU was transferred to the Department of Planning and Sustainability. The Security Department continues to work in close coordination with the Division of Planning and Sustainability to accomplish the overall goals of security and preparedness on behalf of the MWRA and the community it serves.

FY26 Final Current Expense Budget
OFFICE OF EMERGENCY PREPAREDNESS

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 519,221	$ 631,930	$ 788,651	$ 781,284	$ (7,367)	-0.9%
OVERTIME	4,843	14,282	-	-	-	-
MAINTENANCE	587,121	690,206	1,058,306	1,414,565	356,259	33.7%
TRAINING & MEETINGS	-	-	13,500	11,500	(2,000)	-14.8%
PROFESSIONAL SERVICES	2,316,997	2,521,625	2,946,261	2,991,261	45,000	1.5%
OTHER MATERIALS	6,451	6,076	4,510	5,310	800	17.7%
OTHER SERVICES	157,722	210,754	405,404	405,404	-	0.0%
TOTAL	**$ 3,592,355**	**$ 4,074,873**	**$ 5,216,632**	**$ 5,609,324**	**$ 392,692**	**7.5%**

FY26 Goals and Initiatives:

I. System Security

- ***Goal#1 Provide appropriate security for all Waterworks facilities, to allow continued provision of safe drinking water.***
  - Develop implement, and review existing policies and programs to provide security, and critical infrastructure protection the MWRA's water systems.
    - Continue ensuring that new construction and rehabilitation of facilities include an integrated security and surveillance system improvement component. Continue task order security enhancement designs for selected water and wastewater critical sites, fencing and gate installation, guardrails, pipe gates, bollards, barbed wire and other facility hardening initiatives.
    - Establish a backup security monitoring center and communications head end at MWRA Weston Facility
    - Conduct facility security audits and implement the resulting enhancement and remedial work recommendations.
    - Improve the cyber security of the MWRA's Physical Security Network.

- ***Goal#2 Provide appropriate security for all wastewater facilities, to allow continued environmentally sound collection and treatment of wastewater.***

- Develop, implement, and review existing policies and programs to provide security, and critical infrastructure protection, for the MWRA's wastewater systems. All initiatives set forth in Section I above for MWRA's water systems apply to MWRA's wastewater systems as well, unless they address a specific water system location.

- ***Goal #3 – Prepare for threats that could affect the water and wastewater delivery systems***
  - Manage and direct security guard, security monitoring, and security maintenance contracts.
  - Develop and maintain strong liaison relationships with law enforcement and other external stakeholders to ensure that threat intelligence is received, reviewed, reported and if appropriate, acted upon
  - Provide security guidance and awareness to MWRA Executive Management and employees as appropriate.

FY25 Year-End Accomplishments:

- Reviewed and Revised existing security and cybersecurity policies and established a procedure for ensuring that security and cybersecurity policies are reviewed on an at least annual basis.
- Formalizing Security Department metrics as an outcome of AWIA.
- Issued ten (10) Cybersecurity and/or Physical Security Situational Awareness/Training alerts to MWRA employees via Email, Toolbox Talks or Pipeline during FY24.
- Provided Physical Security and Cybersecurity (via MIS) awareness training to all new employees during the onboarding process.
- Provided annual Cybersecurity training, as well as, conducted unannounced "phishing" drills to all users. Remedial training was afforded to users that failed the fishing drill. Developed and provided specialized Cybersecurity Awareness training to all Industrial Control System *SCADA) Network users.
- Identified the MWRA Weston Facility as the best choice for the Alternate Head End location for the Security Network's computer systems. This was approved by executive Management.

Budget Highlights:

The FY26 Final Budget is $5.6 million $, an increase of $400,000 or 7.7% as compared to the FY25 Budget.

- $781,284 for **Wages and Salaries**, a decrease of $7,000 or 1.0% as compared to the FY25 Budget. The FY26 Budget includes funding for six FTEs.

Security	FY25 FTEs	FY26 FTEs
EMERGENCY PREPAREDNESS	6.0	6.0
TOTAL	**6.0**	**6.0**

- $1.4 million for **Ongoing Maintenance**, an increase of $314,000 or 33%% over the FY25 Budget. This budget includes funding of $ $506,500 to cover the MWRA-wide security systems preventative maintenance materials and equipment, including cameras, intrusion detection, security network computer components and card readers; $200,000 for a contractor not serve as the Security Network Administrator, $661,000 for MWRA-wide security systems preventative maintenance services, and $47,000 for the intrusion alarm annual and semi-annual monitoring services contracts.

- $2.99 million for **Professional Services**, a $45,000 or 1.5% increase over prior year's Budget. The budget includes $2.9 million for the Security Guard Services contract for all MWRA facilities: Chelsea, Deer Island Wastewater Treatment Plant (DITP), and Carroll Water Treatment Plant (CWTP).

- $405,000 for **Other Services**, equal to the FY25 Budget as this includes funds to cover Verizon billing for security costs associated with telecommunication lines for Alarm and CCTV systems at the various MWRA facilities.

Nut Island Headworks

AFFIRMATIVE ACTION AND COMPLIANCE UNIT

Under section 7(g) of MWRA's enabling act, the **Affirmative Action and Compliance Unit (AACU)** is established to "report directly to the chairman of the Authority and provide for the enforcement of affirmative action plans for employment, procurement and contracting activities of the Authority." The AACU develops, administers, and monitors compliance of Affirmative Action Plan programs and policies by ensuring equal opportunity and non-discrimination in employment and equitable access of Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Disadvantaged Business Enterprises (DBE) in Authority procurement activities.

FY26 Final Current Expense Budget
AFFIRMATIVE ACTION & COMPLIANCE UNIT

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 536,659	$ 662,620	$ 752,135	$ 795,287	$ 43,152	5.7%
OVERTIME	-	-	-	-	-	-
TRAINING & MEETINGS	2,224	5,341	21,790	21,790	-	0.0%
PROFESSIONAL SERVICES	-	-	800,000	700,000	(100,000)	-12.5%
OTHER MATERIALS	764	1,527	4,425	6,125	1,700	38.4%
OTHER SERVICES	2,656	1,410	2,340	4,840	2,500	106.8%
TOTAL	**$ 542,303**	**$ 670,898**	**$ 1,580,690**	**$ 1,528,042**	**$ (52,648)**	**-3.3%**

FY26 Goals and Initiatives:

In performing its core goals, the AACU undertakes the following initiatives on an on-going basis:

- Utilize a network of external partners to assist divisions and departments with affirmative action compliance and promote MWRA's non-discrimination policy for all individuals in or recruited into its workforce.

- Communicate to managers and supervisors MWRA's commitment to its equal opportunity policies and affirmative action programs.

- Provide assistance to the Human Resources Department in the coordination and oversight of all external/internal recruitment and selection activities, including interviews, hiring, transfers, and promotions of candidates, including members of protected classes.

- Provide for the equitable participation of minority/women and disadvantaged-owned businesses in procurement opportunities, ensure that minorities and women are represented in the labor force on construction contracts, and coordinate with other public entities regarding state and federal requirements.

- Support divisions and departments in understanding and implementing MBE/WBE/DBE policies, practices, as well as monitoring and reporting contractor compliance and expenditures.

- Maintain a DEI workgroup with the mission to improve diversity, inclusion, equity, and respect in the workplace, and to implement workgroup recommendations.

FY25 Year-End Accomplishments:

- Provided management assistance to the Human Resources Department in the overall recruitment and selection process for qualified candidates for ninety (90) new hires and one hundred and seven (107) promotions.

- Conducted oversight of 75construction and professional projects, including monitoring the minority and women workforce as well as MBE/WBE/DBE compliance.

Budget Highlights:

The FY26 Budget is $1.5 million, a decrease of $56,000 or 3.3% over the FY25 Budget.

- $795,000 for **Wages and Salaries**, an increase of $43,000 or 5.7% over the FY25 Budget. The FY25 Budget includes funding for seven FTEs, matching the FY25 Budget.

AFFIRMATIVE ACTION & COMPLIANCE UNIT	FY25 FTEs	FY26 FTEs
AACU	7.0	7.0
TOTAL	**7.0**	**7.0**

- $700,000 for **Professional Services,** $100,000 under the FY25 Budget with the decrease reflecting completion of the AACU's Disparity Study, the two-year study was completed in FY25.


Baffle Dams Quabbin Reservoir

INTERNAL AUDIT

The **Internal Audit Department** is prescribed under section 7(h) of the MWRA's enabling act to "monitor the quality, efficiency and integrity of the Authority's operating and capital programs and make periodic recommendations and reports to the Executive Director and the Board of Directors." **The Internal Audit Department** monitors the efficiency and integrity of MWRA operations by auditing financial and program operations; reviewing compliance with accounting and management control systems, laws and regulations, and coordinating the formulation and revisions to MWRA policies and procedures. Internal Audit also monitors MWRA contracts through its contract audit program, including approval of provisional consultant indirect cost rates and subsequent audit of consultant billings, performs construction labor burden reviews, construction change orders and claim audits, and vendor and other contract audits.

FY26 Final Current Expense Budget
INTERNAL AUDIT

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 573,256	$ 656,566	$ 897,931	$ 875,759	$ (22,172)	-2.5%
OVERTIME	45	-	-	-	-	-
MAINTENANCE	0	0	0	0	-	-
TRAINING & MEETINGS	225	2,446	8,400	8,400	-	0.0%
OTHER MATERIALS	836	249	1,525	1,525	-	0.0%
OTHER SERVICES	2,023	2,054	5,671	5,671	-	0.0%
TOTAL	**$ 576,540**	**$ 661,315**	**$ 913,527**	**$ 891,355**	**$ (22,172)**	**-2.4%**

FY26 Goals and Initiatives:

In addition to its statutory core functions, the Department has set the following goals for FY26:

- Encourage more economical and efficient operations, adhere to sound management procedures, and use controls designed to safeguard MWRA assets.
- Assure that automated and supporting manual management information systems provide accurate and useful management information.
- Assure that contractors, consultants and vendors doing business with MWRA have adequate accounting and billing systems to provide current, complete and accurate cost and price information and project invoicing.

FY25 Year-End Accomplishments:

- Identified $1,737,806 in savings through the fourth quarter related to: internal audits, management advisory services, consultant audits, preliminary consultant reviews, construction labor burden reviews, vendor reviews, facility lease agreements; supporting final activities relating to the Harbor Electric Energy Company (HEEC) agreement for the new cable, the true-up of the capacity charge and O&M

costs for 2024 for the new cable, and on-going savings from the lease of the engine house by the Fore River Railroad Corporation.

- Issued four incurred cost audits, five preliminary consultant reviews, nine preliminary labor burden reviews on construction contracts, and sixty-two cost rate letters to professional service consultants. Completed a review of Needham Core Shed lease for 2024.

- Prepared a consultive analysis of telework compliance Issued final audit report on Infiltration and Inflow (I/I) Local Financial Assistance Program controls and procedures. Provided management advisory analysis services dealing with MWRA overhead rates, prepared an analysis of NEFCo's Claim Statement for Product Marketing Cost Impact of High Molybdenum. Provided general support on various contract, amendment and change order negotiations.

- Supported updates related to three existing policies.

- Ten audit recommendations have been closed during the period.

Budget Highlights:

The FY26 Budget is $891,000, a decrease of $22,000 or 2.4% as compared to the FY25 Budget.

- $876,000 for **Wages and Salaries**, a decrease of $22,000 or 2.5% as compared to the FY25 Budget. Wages and Salaries decreased despite on addition FTE, as new hires at lower more than offset wage increases associated with collective bargaining agreements. The FY26 Budget includes funding for 8.0 FTE, one more than the FY25's level.

INTERNAL AUDIT DEPARTMENT	FY25 FTEs	FY26 FTEs
INTERNAL AUDIT	7.0	8.0
TOTAL	**7.0**	**8.0**

Alewife Brook Wastewater Pump Station

PUBLIC AFFAIRS

The **Public Affairs Department** is the institutional link to the public and government. The Department's responsibilities are spread over five separate sections.

The **Legislative Section** of the Department works for passage of legislation necessary to carry out MWRA's mission, monitors legislation, responds to inquiries by elected and appointed officials, and pursues funding from the state legislature for MWRA projects. MWRA's highest legislative priority continues to focus on the need for a robust "Commonwealth Rate Relief Package" to help offset anticipated rate increases over the next several years.

The **Community Relations Section** deals directly with cities and towns in the MWRA service area, responds to inquiries about MWRA, proactively incorporates community concerns into MWRA project work, coordinates outreach and education initiatives to highlight MWRA programs, and provides technical expertise for specific projects and initiatives. Community Relations staff also work in conjunction with Planning Department staff to ensure compliance with state and local regulations and restrictions.

The **Communications Section** manages media relations, issues press releases and responds to information requests, oversees the design and distribution of MWRA publications, manages the internal and external web sites and social media platforms, and provides design, editorial, and graphics services for other sections of MWRA.

The **Education Section** is responsible for curriculum development, teacher training workshops, as well as providing school education materials on water quality, water conservation, wastewater topics, and environmental issues.

FY26 Final Current Expense Budget PUBLIC AFFAIRS						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 867,024	$ 1,110,391	$ 1,533,633	$ 1,442,968	$ (90,665)	-5.9%
OVERTIME	2,358	4,880	500	3,700	3,200	640.0%
FRINGE BENEFITS	-	-	-	-	-	-
MAINTENANCE	-	130	-	-	-	-
TRAINING & MEETINGS	1,220	1,738	9,061	9,061	-	0.0%
PROFESSIONAL SERVICES	-	-	1,300	1,300	-	0.0%
OTHER MATERIALS	33,206	18,548	25,941	26,482	541	2.1%
OTHER SERVICES	28,897	30,016	50,370	50,562	192	0.4%
TOTAL	**$ 932,705**	**$ 1,165,703**	**$ 1,620,805**	**$ 1,534,073**	**$ (86,732)**	**-5.4%**

FY26 Goals and Initiatives:

The core function of the Public Affairs Department is to support the MWRA's achievement of all five key strategic priorities set forth in the FY21-FY25 Five-Year Strategic Business Plan. To that end, the Department has set the following initiatives:

- Work with the Massachusetts Legislature to advocate on behalf of member communities regarding issues that are crucial to the Authority's core mission. The Executive Director and Director of Intergovernmental Affairs routinely meet with House and Senate leaders to discuss issues that are crucial to the Authority and its customers. All newly filed legislation and regulations that could impact the Authority from an operational and administrative perspective are analyzed and monitored, and appropriate responses are formulated in concert with the Office of the Executive Director (OED).

- Enhance overall public understanding of MWRA's mission, goals, and benefits to the public through extensive outreach and effective communication.
    - Develop and implement proactive strategies for educating and informing key MWRA constituencies and the public at large about MWRA's mission, projects and progress, and promote understanding for associated costs.
    - Gain public support for MWRA programs and projects while responding to the needs and concerns of elected, appointed public officials, and the public.
    - Work to identify Environmental Justice communities across the service area and make sure MWRA has the tools to reach all communities that it serves.
    - Continue to grow the user population of MWRA's Everbridge communication platform in order to reach as many residents as possible, keeping them up to date on meetings, reports, infrastructure projects, and CSO Notifications
    - Continue to expand the presence of MWRA's portable water fountain at public events in service communities.

- Maintain and update MWRA's Community Contact Database. This Community Contacts tracking application is used to notify MWRA's communities of any operational issues or emergencies affecting them or surrounding communities.

- Continue to provide accurate and timely information to the public through the MWRA's website and social media accounts, e.g., Twitter, Flickr and Instagram.

- Continue to respond to media requests in a timely and accurate fashion.

- Continue to develop presentations and graphics for use in a wide range of MWRA programs.

- Communications staff now has responsibility for the MWRA's drone program and will continue to take baseline photos of MWRA facilities and infrastructure, in addition to other requests for drone footage, in compliance with FAA regulations.

- Continue to design and produce Annual Water Quality Report for every household within the MWRA service area.

- Continue to provide educational support through classroom visits, teacher training, educational material development, and facility tours. With classroom visits uncertain for the coming school year, School Program staff will continue to provide remote presentations and additional materials on the website.

- Provide technical support to 14 cities and towns that host MWRA's emergency back-up aqueducts as part of the Public Access Aqueduct Program.

- Continue to work with cities and towns to implement the Public Access Initiative on the Wachusett, Weston, Sudbury, and Cochituate Aqueducts.

- Provide support to MWRA staff to ensure that MWRA projects meet regulatory requirements, and provide input to regulatory agencies in order to ensure MWRA interests are recognized during the development of regulations.

FY25 Year-End Accomplishments:

- Governor Healey's House 2 Budget did not include a statewide appropriation for the Sewer Rate Relief Fund. However, the House Ways and Means Committee budget included a $1,500,000 appropriation. Governor Healey vetoed this appropriation because it was not consistent with the House 2 recommendation. The House of Representatives overrode this veto to restore the funding, however the State Senate has taken no action on the override.

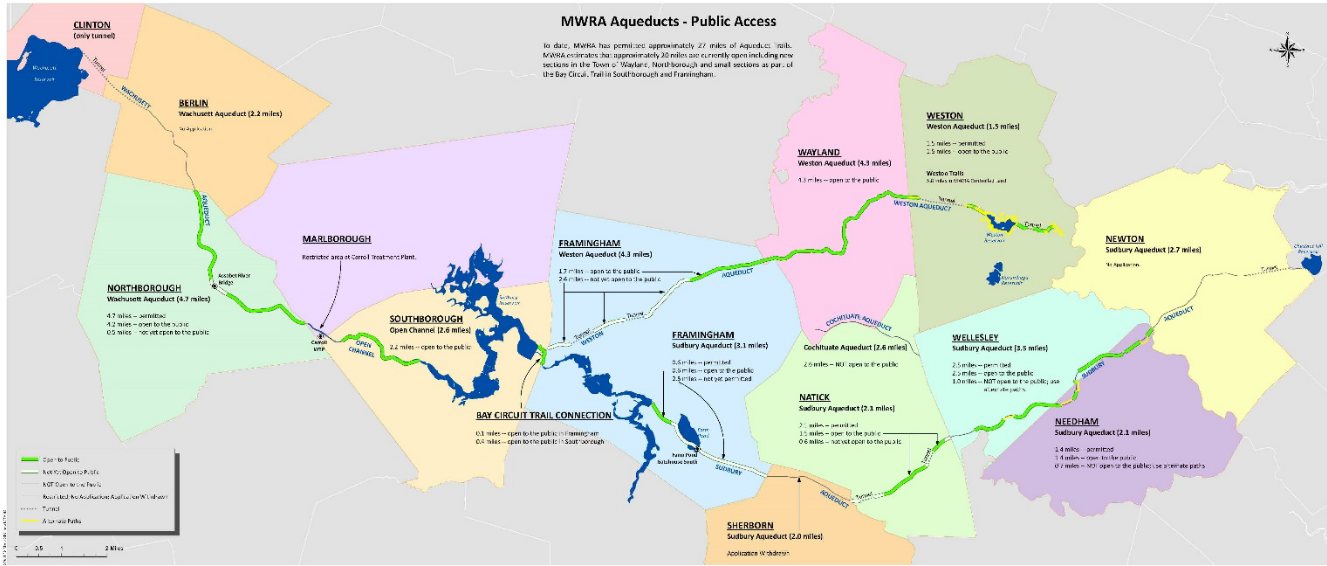
- A major initiative that was completed in FY25 was the refresh of MWRA's website.

- Recognizing the importance of providing accessible communications, engaging with communities, and fostering involvement from all members of the public, MWRA prepared a Language Access Plan (LAP) outlining how the Authority will reach individuals who have limited English proficiency. MWRA is committed to improving the accessibility of our programs, policies and activities for the non-English speaking residents within the communities it serves.

- Successfully grew the Everbridge communication platform to over 1650 public opt-in subscription in an effort to keep community members informed of construction project updates, service notices, and public meetings. Sent critical updates for construction projects, Monthly Water Quality Updates and Board Meeting notifications. Continued efforts will be made to increase public opt-in subscriptions and expand MWRA utilization of this platform, including the newly developed CSO Public Notification effort.

- MWRA continues to hold both virtual and in-person public meetings and meetings with local officials to keep our communities and their residents updated on upcoming and ongoing infrastructure investments in our local communities.

- Aqueduct Trails: To date, MWRA staff has issued Section 8 (m) Permits to most communities hosting the Wachusett, Wachusett Open Channel, Weston, Sudbury, and Cochituate Aqueducts as part of the Public Access Aqueducts Program.



- The Annual Water Quality Report was mailed out to all households in MWRA water service communities in June in accordance with the EPA mandate.

- Staff have continued to provide monthly updates on construction projects on MWRA's website.

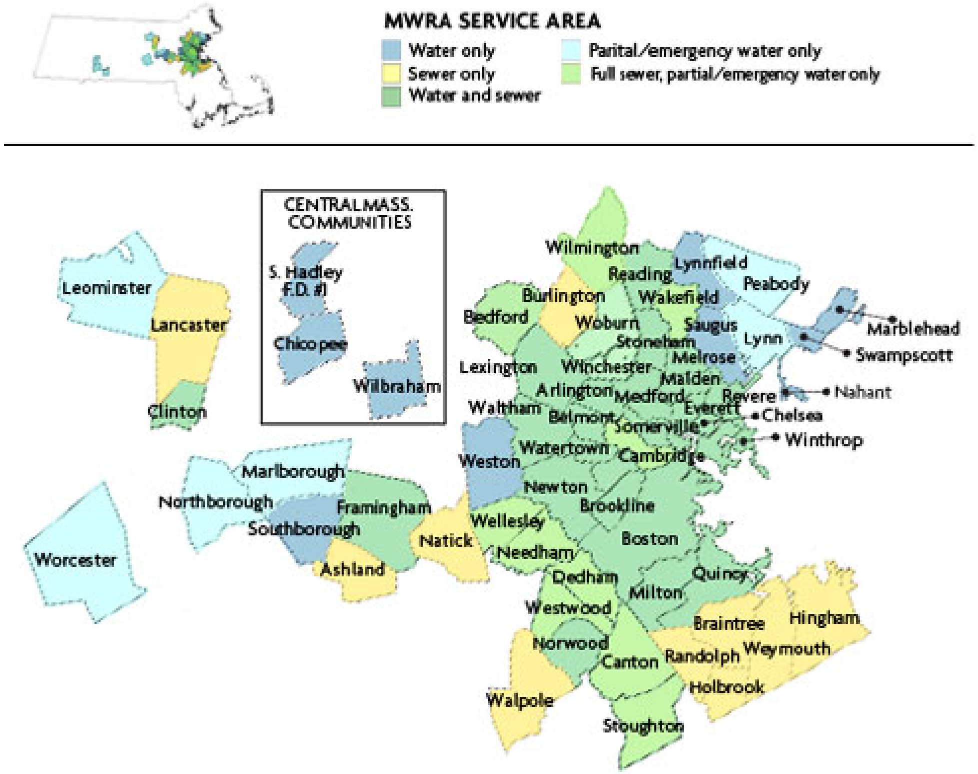
- School Education Program staff continue to work with educators across the service area to provide tools and services to help educate elementary school children on the importance of water and sewer infrastructure on their daily lives. This program provides an important opportunity for the students, teachers and parents to learn together about MWRA's mission.

Budget Highlights:

The FY26 Budget is $1.5 million, a decrease of $87,000 or 5.4%, as compared to the FY25 Budget.

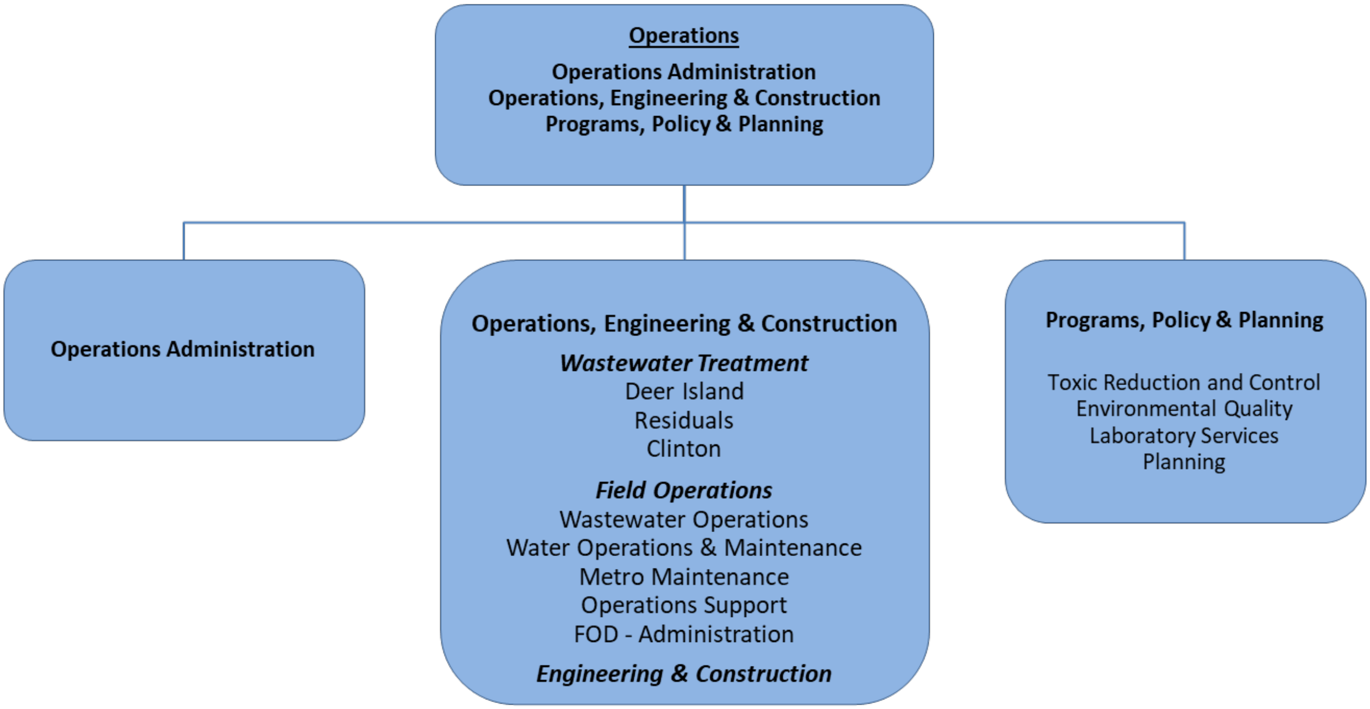
- $1.4 million for **Wages and Salaries**, a decrease of $91,000 or 5.9%, as compared to the FY25 Budget primarily reclassification of two positions partially offset by wage increases associated with collective bargaining agreements. The FY26 Budget includes funding for 13.0 FTEs, two more than FY25.

PUBLIC AFFAIRS DEPARTMENT	FY25 FTEs	FY26 FTEs
PUBLIC AFFAIRS	11.0	13.0
TOTAL	**11.0**	**13.0**


MWRA SERVICE AREA
Water only
Sewer only
Water and sewer
Parital/emergency water only
Full sewer, partial/emergency water only
CENTRAL MASS. COMMUNITIES
S. Hadley F.D. #1
Chicopee
Wilbraham
Leominster
Lancaster
Clinton
Worcester
Northborough
Marlborough
Southborough
Framingham
Ashland
Natick
Wilmington
Reading
Lynnfield
Peabody
Burlington
Wakefield
Bedford
Woburn
Saugus
Marblehead
Stoneham
Lynn
Swampscott
Lexington
Winchester
Melrose
Malden
Arlington
Medford
Revere
Nahant
Waltham
Belmont
Everett
Chelsea
Somerville
Winthrop
Watertown
Cambridge
Weston
Newton
Brookline
Wellesley
Boston
Needham
Quincy
Dedham
Milton
Westwood
Braintree
Hingham
Norwood
Canton
Randolph
Weymouth
Holbrook
Walpole
Stoughton

Operations Division Budget

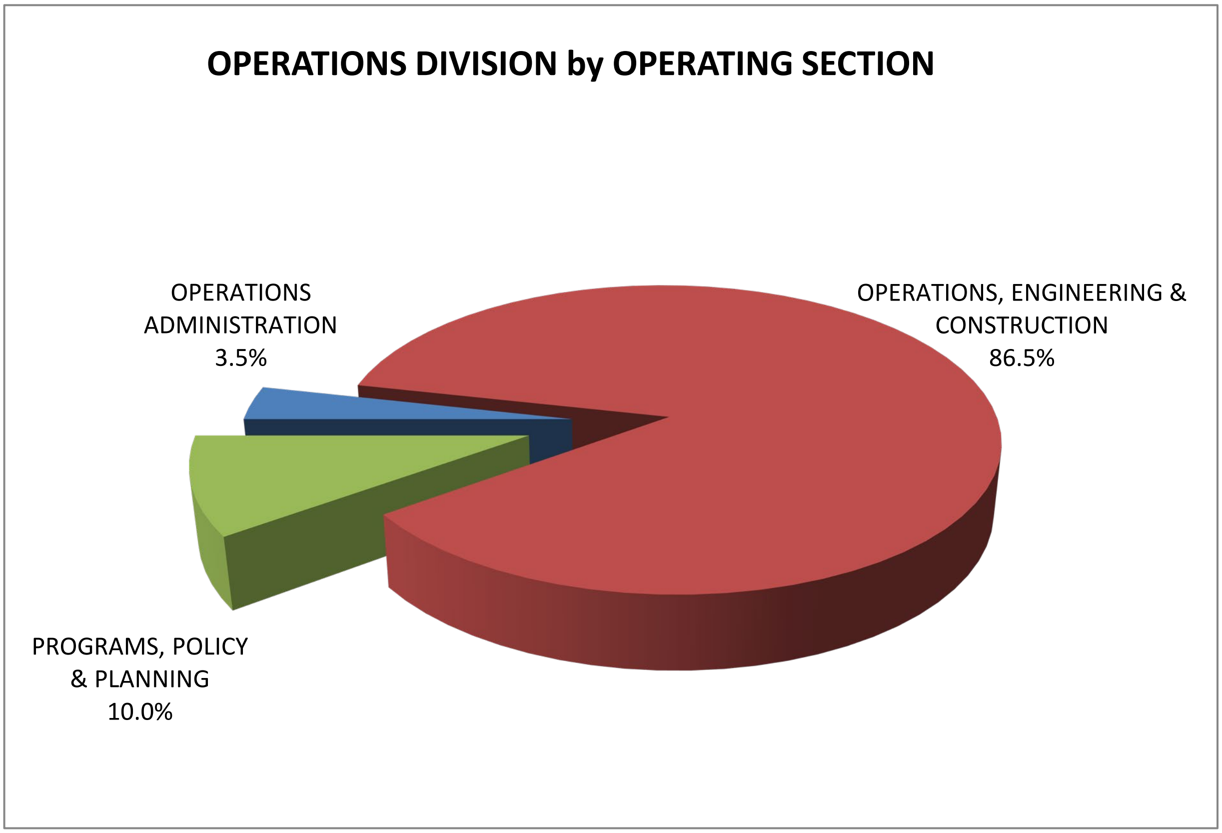
OPERATIONS DIVISION



The **Operations Division** provides MWRA's wastewater and water system services including operations, maintenance, and treatment; environmental monitoring and laboratory testing and analyses; and engineering, construction, planning, and administration. MWRA's Chief Operating Officer (COO) leads this division.

FY26 Final Current Expense Budget OPERATIONS DIVISION						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 82,716,894	$ 88,290,732	$ 103,818,148	$ 103,842,897	$ 24,749	0.0%
OVERTIME	5,075,251	6,326,197	5,987,867	6,292,020	304,153	5.1%
FRINGE BENEFITS	111,539	132,713	113,999	127,028	13,029	11.4%
CHEMICALS	18,038,588	21,125,295	19,706,033	19,307,228	(398,805)	-2.0%
UTILITIES	32,371,078	32,943,375	32,026,710	33,554,637	1,527,927	4.8%
MAINTENANCE	27,767,971	31,044,861	39,735,320	35,360,214	(4,375,106)	-11.0%
TRAINING & MEETINGS	151,992	186,342	228,255	286,650	58,395	25.6%
PROFESSIONAL SERVICES	2,202,053	2,452,697	3,402,201	3,156,496	(245,705)	-7.2%
OTHER MATERIALS	3,593,864	5,081,552	5,168,103	5,119,469	(48,634)	-0.9%
OTHER SERVICES	23,034,662	28,471,532	31,019,389	35,488,534	4,469,145	14.4%
TOTAL	**$ 195,063,892**	**$ 216,055,296**	**$ 241,206,025**	**$ 242,535,173**	**$ 1,329,148**	**0.6%**

The Operations Division is composed of the Operations Administration Department and four operating sections, led by the Deputy Chief Operating Officer (DCOO), Chief Engineer, Director of Wastewater and Director of Water. In addition to managing the operating sections, the managers provide support to the Chief Operating Officer on key MWRA operations, technical, policy, community coordination, permitting and public constituency matters.



The **Operations Administration Department** provides division-level oversight and general management support in the following areas: administration, personnel, finance, contract administration, comprehensive energy planning and management, regulatory affairs and environmental management, and general management. The Operations Administration Department budget represents 3.5% of the Operations Division budget and includes funds for MWRA vehicle purchases and division-wide professional memberships.

The Department's budget also covers the Tunnel Redundancy Program that oversees and manages the upcoming multi-decade $2.1 billion water system Tunnel Redundancy Program, expected to be active from FY18 through FY42. Given the complexity of the project, the group is independent of existing engineering and construction departments and reports directly to the Executive Director. However, the department's CEB is included within the Operations Division budget to allow for sufficient administrative support.

The **Programs, Policy & Planning Section** is composed of the Toxic Reduction and Control, Environmental Quality, Laboratory Services, and Planning departments. In total, the budgets for these departments represent 10.0% of the Operations Division's budget. Brief descriptions of the departments in this section are as follows:

- The **Toxic Reduction and Control (TRAC) Department** operates a multi-faceted program to minimize and control the inflow of hazardous or toxic materials into the MWRA sewer system. TRAC operates MWRA's Environmental Protection Agency (EPA-approved) Industrial Pretreatment Program and oversees implementation of MWRA's 8-M Permits processes.

- The **Environmental Quality Department (EnQual)** has two units: EnQual-Water and EnQual-Wastewater. EnQual-Water manages compliance with the reporting requirements of the MassDEP Drinking Water Regulations, as well as conducts and oversees the drinking water quality-monitoring program. EnQual-Wastewater manages compliance with the reporting requirements of MWRA's National Pollutant Discharge Elimination System (NPDES) permits. This unit analyzes environmental data and prepares reports on the quality of sewage influent and effluent and the water quality of Boston Harbor and its tributary rivers and Massachusetts Bay.

- The **Laboratory Services Department** supports various client groups in the Operations Division, the Massachusetts Department of Conservation and Recreation (DCR), and the MWRA member communities; providing field sampling, laboratory testing, and reporting services. Most of the testing is required to meet the strict guidelines of regulatory programs and permits including the Safe Drinking Water Act (SDWA) and MWRA's NPDES permits.

- The **Planning Department** provides planning, advocacy, and decision support services on policy, public health, regulatory, and operations matters regarding MWRA's potable water and wastewater systems.

The **Operations, Engineering & Construction Section** is composed of the Wastewater Treatment, Field Operations, and Engineering & Construction departments. In total, the budgets for these departments represent 86.5% of the Operations Division's budget. Brief descriptions of the departments in this section are as follows:

- The **Wastewater Treatment Department** operates and maintains the Deer Island Treatment Plant (DITP), Clinton Wastewater Treatment Plant, and Residuals Processing Facility (pelletization plant) in Quincy.

- The **Field Operations Department (FOD)** manages the following functions: wastewater pretreatment, wastewater collection and transport, water distribution, and water treatment including the Carroll Water Treatment Plant (CWTP). This department is responsible for operating, maintaining, and metering both the water and wastewater systems.

- The **Engineering and Construction Department** supports the maintenance, repair, and rehabilitation of the wastewater and water systems by providing in-house engineering, drafting, surveying, consultant management, construction management, and other technical assistance. The department is also responsible for implementation and monitoring of the Combined Sewer Overflow (CSO) plan.

FY26 Final Current Expense Budget OPERATIONS DIVISION by OPERATING SECTION						
OPERATING SECTION	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
OPERATIONS ADMINISTRATION	$ 5,154,941	$ 7,000,277	$ 7,978,854	$ 8,436,444	$ 457,590	5.7%
OPERATIONS, ENGINEERING & CONSTRUCTION	170,399,701	187,397,295	208,773,210	209,802,434	1,029,224	0.5%
PROGRAMS, POLICY & PLANNING	19,509,250	21,657,724	24,453,961	24,296,295	(157,666)	-0.6%
TOTAL	**$ 195,063,892**	**$ 216,055,296**	**$ 241,206,025**	**$ 242,535,173**	**$ 1,329,148**	**0.6%**

FY26 Goals and Initiatives:

The Operations Division core function is to plan, develop, implement, and operate efficient, reliable, and economical water treatment/delivery and wastewater transport/treatment systems in an environmentally sound manner. Accordingly, the Division takes the lead on the following MWRA goals included in the FY26-FY30 Five-Year Strategic Business Plan:

I. Drinking Water Quality and System Performance

- ***Goal #1- Compliance with Regulatory Requirements and Public Health Standards:*** Maintain drinking water quality to protect public health, and continue to ensure that MWRA water meets all applicable regulations. Special initiatives include:
  - Identify and evaluate the impact of different treatment strategies and scenarios on the mitigation of transportation related contaminants into the source water.
  - Evaluate new water quality monitoring equipment and testing techniques to monitor and maintain high quality water all the way to the ends of the community systems.
  - Participate with other nationwide water utilities in Water Research Foundation studies, specifically research opportunities pertaining to algae monitoring and mitigation strategies in source water.
  - Collaborate with CVA communities to modify chlorine-dosing strategy to minimize the formation of disinfection byproducts.
  - Increase water quality monitoring at the Quabbin Reservoir by the installation of a seasonal water quality-profiling buoy. Implement routine and automatic data transfers to ensure data is proactively reviewed and managed.
  - Evaluate data from UCMR4 2018-2020 monitoring and compare against nationwide occurrence data.
  - Advocate for responsible and reasonable new and revised state and federal drinking water regulations, and provide training and technical support to communities for new regulations.

- ***Goal #2 – Water Quality Public Communications***: Continue to effectively report and communicate water quality information to our customers and public officials. Special initiatives include:
  - Regulatory communicate routine TCR monitoring data to Water Departments and assist with water quality sampling or training, as needed.
  - Continue to strengthen planning and emergency response documents for Boil Water Order (BWO) events. Work with departments to create, disseminate and train staff on materials that can be used during a BWO event or at a public information call center.

- ***Goal #3 – Technical Assistance for Water Communities:*** Assist member communities to improve local water distribution systems through ongoing financial, technical and operational support programs to maximize long-term water quality benefits. Special initiatives include:
  - Enhance outreach and technical assistance within the existing Lead Service Line Replacement program to support communities in response to EPA's revisions to the Lead and Copper Rule.
  - Develop the capability to evaluate potential changes to corrosion control treatment using a pipe loop system constructed using "harvested" lead service lines.

II. Wastewater Quality and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system. Initiatives include:
  - Continue to carry out the Pretreatment Program to protect receiving water quality, maximize the beneficial reuse of wastewater residuals, and protect workers and MWRA's wastewater treatment plants and receiving waters.
  - Continue to monitor DITP processes to ensure high quality treated effluent, optimizing plant performance to ensure all applicable NPDES permit limits continue to be attained.
  - Operate the newly installed enhanced phosphorus control systems at the Clinton Wastewater Treatment Plant to ensure compliance with its new NPDES permit.

- ***Goal #5 – Regulatory Changes:*** Continue to initiate plans and studies to prepare for regulatory changes; identify opportunities to refine monitoring requirements; and improve effluent quality. Special initiatives include:
  - Develop strategies to address emerging contaminants, such as PFAS, micro plastics, etc. as they are identified, and frame an approach to respond to the public's concerns about these contaminants.
  - Assess thresholds for annual nitrogen loading, including evaluating the existing thresholds and the environmental impact of nitrogen, as well as whether these thresholds developed over 20 years ago are valid or should be modified.
  - Review new waste treatment technologies as they arise to continuously improve treatment performance and efficiency.
  - Continue to work with researchers investigating the use of wastewater as an indicator of the presence of the Covid-19 virus.

- ***Goal #6 – Wastewater Infrastructure:*** Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects. Initiatives include:
  - Continue to design and implement facility rehabilitation projects for various pump stations, headworks, CSO facilities and the Deer Island Treatment Plant.
  - Continue to implement an ongoing program to review, prioritize and accelerate interceptor renewal projects.

- ***Goal #7 – CSO Plan Compliance:*** Complete all CSO milestones by 2021 and demonstrate that the CSO Plan meets its performance objectives. Special initiatives include:

- Conduct an evaluation of the CSO treatment processes to determine potential opportunities to better meet permit limits. Confirm or reassess treatment processes as part of CSO facility rehabilitation projects.
- Implement a subscriber-based CSO Public Notification Program. Provide notification of a CSO overflow within 4 hours of start of the discharge.
- Implement near real-time SSO reporting system to provide public information and ensure reporting timeframes meet regulatory requirements.

- ***Goal #8 – Technical Assistance for Wastewater Communities:*** Assist member communities to improve their wastewater collection systems through ongoing technical, financial, and operational support programs. Initiatives include:
  - Provide technical and operational support including TV inspections, fieldwork assistance, or other targeted assistance, as needed.
  - Promote and manage MWRA's Inflow/Infiltration Local Financial Assistance Program to facilitate reduced I/I in local community infrastructure.

III. Infrastructure Management and Resilience

- ***Goal #9 – System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support levels.
  - The FY26 Capital Improvement Program forecasts $380.8 million in spending in FY26, of which $175.1 million supports Wastewater System Improvements and $173.9 million supports Waterworks System Improvements.
  - For FY26, the FY26 Final CIP includes 200 active contracts of which 68 are for design of Wastewater and Waterworks Systems Improvements and 47 are for construction, with projected spending of $107.9 million for design and $167.1 million for construction. In addition, there are 85 active other contracts with total spending of $105.8 million.

  Special initiatives include:
  - Continue use of Condition Monitoring for all Water and Wastewater sites. Expand Condition Monitoring techniques to provide earlier indication of asset degradation.
  - Conduct an updated benchmarking analysis in order to identify gaps and sustain the goal of maximizing asset protection while potentially identifying new best practices in the industry.
  - Update the wastewater metering system and evaluate new technologies to ensure continued accurate flow accounting and to enhance its usefulness for operational and evaluation purposes by adding additional monitoring locations.
  - Continue to research and develop Key Performance Indicators (KPI) to compare our performance internally and against the industry.
  - Enhance and monitor water pipeline protection to maximize pipeline lifetime.
  - Expand integration between the MWRA's Authority-wide Enterprise Asset Management (EAM) system Maximo with Lawson (Infor), Process Information (PI) and Automated Vehicle Location (AVL) systems to expand the use of Predictive Management (PdM) tasks, increasing functionality, asset tracking and improved workflow to reduce equipment downtime and control budget spikes. Utilize updated MAXIMO to increase opportunities for paperless work.
  - Continue to upgrade and improve upon the Supervisory Control and Data Acquisition (SCADA) and Process Information and Controls System (PICS) hardware and software to meet the current industry standard and to address cyber security concerns.

- ***Goal #10 – Emergency Preparedness:*** Prepare for catastrophic events and malicious acts that could affect the water and wastewater systems. Operations Division initiatives include:
  - Continue to improve and incorporate redundancy and operational flexibility within the water system to ensure uninterrupted service.
  - Design and implement projects including those that eliminate or mitigate single points of failure within MWRA's water transmission and distribution system.
  - Continue to train staff on various potential emergency scenarios and participate in broader Massachusetts Emergency Management Agency (MEMA) and other training exercises.
  - Complete the Preliminary Design and Environmental Impact Report for the Metropolitan Tunnel Redundancy Program and initiate final design.
  - Update MWRA's earthquake preparedness to bring our facilities up to current standards as they are rehabilitated.
  - Move forward with Wastewater Facility Emergency Response Planning to identify potential measures to minimize disruptions from failures of facilities, including development of a comprehensive Emergency Response Plan for each facility.
  - Create and implement a predetermined schedule of review for facility risk assessments.
  - Participate in Lower Mystic Resiliency Planning as an abutter to the Lower Mystic.

VI. Environmental Sustainability

- ***Goal #17 – Energy Optimization***: Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets.
  - Self-generate ~ 28.5% of the Deer Island Treatment Plant's (DITP) required power through optimization of power generation assets, including the wind turbines, Steam Turbine Generation (STG) back pressure system, photovoltaic panels, and Combustion Turbine Generators (CTGs).
  - Contribute ~ $3.2 million in energy revenue to MWRA's ratepayers through optimization of power generation assets and participation in energy revenue programs such as demand response, energy credits, power sales, and utility rebates. Also, avoid at least $1.4 million in capacity charges through use of self-generation assets during peak load events.

  Special initiatives include:
  - Incorporate employee education on energy efficiency in MWRA training outlets, e.g. tool box talks.
  - Design new gas turbine combined heat and power equipment to take advantage of the higher power and thermal efficiencies of new equipment, maximizing the production of additional electric power for on-site use at Deer Island as well as cost savings while reducing maintenance spending on aging equipment.
  - Evaluate and implement where feasible combined heat and power technology in plant operations to improve energy efficiency (e.g. pellet plant, Clinton)
  - Continue to develop the battery storage projects and work with the utility and its contractor to optimize demand savings. Evaluate opportunities for future battery storage projects. Explore community solar opportunities that will stimulate large-scale remote solar installations and save money on our electric bills.
  - Expand our fleet of electric vehicles and charging stations.
  - Explore a new MWRA-wide building/plant information management system that includes a comprehensive energy management system.

- ***Goal #18 – Climate Change Adaptation***: Continue to monitor climate change research and move forward with plans to reduce impacts of projected sea level rise and storm surge events on MWRA infrastructure. Initiatives include:
  - o Continue to incorporate design modifications into facility renovations and maintenance activities to address sea level rise and storm surge.
  - o Plan and install flood protection barriers at water and wastewater sites which fall below expected elevations of flood waters under condition of a FEMA 100 year storm plus 2 ½ feet to minimize damage and still provide service.

- ***Goal #19 – Water System Expansion:*** Advance reasonable water system expansion. Initiatives include:
  - o Continue to provide assistance to communities seeking admission to the MWRA's water system or seeking emergency withdrawals.
  - o Work with prospective communities to inform them of the benefits of admission.

The strategic priorities and goals that apply to each department within the Operations Division are presented in departmental budget sections. For more information about MWRA's Business Plan, please refer to the Business Plan section of the Transparency page on MWRA's website at mwra.com.

FY25 Year-End Accomplishments:

For more information about this topic, please refer to the Performance Indicator section of the Transparency page on MWRA's website at mwra.com.

I. Drinking Water Quality and System Performance

- Met water quality and treatment standards in the drinking water system during FY25.
- Performed reservoir level management control at all western and metropolitan reservoirs to maintain normal operating levels.
- The Laboratory Services Department performed 141,954 tests (including data entry of field tests) related to drinking water quality including the annual Lead and Copper Rule testing.
- The Laboratory Services Department performed numerous tests in support of community efforts to identify and reduce lead service lines in schools.
- Local Water System Assistance Program: In FY25, MWRA distributed $27.9 million in Local Water System Assistance Program interest-free loans. In total, MWRA has distributed $634.3 million in loans to fund 625 local projects with participation from 45 of the 47 eligible water communities. This total includes the $30 million pilot program in FY98-00. Since 1998, MWRA has replaced or cleaned and lined 638 miles of local water main (about 9% of the regional system) via projects funded by MWRA financial assistance.
- Community Leak Detection Program: Through June 2025, Assisted many customer communities with both routine and emergency assistance, including:leak detection for Boston, Brookline, Canton, Chelsea, Everett, Medford, Milton, Newton, Revere, Saugus, Somerville, Stoneham, Waltham, Watertown, Wilmington and Winthrop.

II. Wastewater Quality and System Performance

- Deer Island received the Platinum Peak Performance Award for calendar year 2024 from the National Association of Clean Water Agencies (NACWA) for the 17th continuous year. The award recognizes facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permit limits. DITP has had no permit violations for over 17 years.
- Deer Island met secondary permit limits at all times, treating on average 99.6% of flows with full secondary treatment. More detailed information about DITP's NPDES Permit compliance is available on the Transparency/Performance Indicator section of MWRA's website.
- Processed 100.8 average tons per day of sludge at the Pelletization Plant and disposed of 4,692 tons of grit and screenings through a contracted vendor.
- In FY25, the TRAC Department completed the following Environmental Protection Agency (EPA)-required work for significant industrial users (SIUs): 178 inspections, 159 monitoring events, and 387 sampling of connections. TRAC also issued or renewed 335 permits to SIUs and non-SIUs.
- The Department of Laboratory Services (DLS) performed 278,087 tests during FY25 including 133,741 tests for the wastewater system including the MA Bay water column testing for the Harbor and Outfall Monitoring program.
- Met all NPDES reporting requirements including routine monthly, quarterly, and annual reports, and required notifications under Part II of permits, Contingency Plan, DITP blending order.
- Performed testing in-house PFAS Testing for MWRA and community compliance testing as requested. Arranged for contract testing of wastewater samples by a newly revised and expanded EPA Method for the new Clinton permit and as requested by TRAC.
- Sewer Grant/I/I Local Financial Assistance Program – In FY25 distributed $28.1 million in grants and interest-free loans to member sewer communities for Infiltration/Inflow reduction and sewer system rehabilitation projects. In total, MWRA has distributed $586 million in grants and loans to fund 702 local projects with participation from all 43-member sewer communities.

III. Infrastructure Management and Résilience

<u>Maintenance</u>

- For FY25, the Operations Division spent $40.1 million on maintenance of which $13.3 million was for materials and $26.8 million was for services.

- Issued Notice to Proceeds for Asset Protection Program contracts including the following:
  - Deer Island Combined Heat & Power Design/ESDC (Oct-2024)
  - Deer Island HVAC Control System, Equipment & Fume Hood Replacement Preliminary Design/Final Design/ESDC (Apr-2025)

- Substantially completed projects:
  - Deer Island Roof Replacement (Jun-2025)
  - Deer Island Misc. VFD Replacements FY19-FY23 (Jun-2025)

- **Clinton Wastewater Treatment Plant** - Completed numerous maintenance projects at the including the following representative work:

  - Issued notice to proceed of construction of digester cover, valve and gate replacement at Clinton (Mar-2025).

- Completed numerous maintenance projects including the following:
  - Operations and Maintenance staff completed acid wash on #1, #2 and #3 disk filter and cleaned the troughs for all three filters.
  - Maintenance staff checked and greased the equipment for the Digester's Floating Cover Ovivo mixer.
  - Maintenance staff cleaned and greased the upper and lower pin rack, cleaned the upper Grit room and greased the Grit Classifier and belt.
  - Staff replaced the drive bolt in the grit classifier screw. Also rebuilt primary pump #4, installing new power frame head.
  - Operations staff rebuilt two PRF polymer pumps located in the chemical building.

- **Water System -** Completed numerous maintenance projects including the following representative work:
  - Completed the CWTP half plant maintenance including a structural inspection of the Ozone Contactors and Storage tanks.
  - Staff in coordination with guidance from an expert panel completed operational testing of the lead pipe test rigs using control rigs as well as multiple dosing scenarios to measure the effectiveness of sodium orthophosphate on lead service lines.
  - Successfully managed the design the cleaning and inspection contracts of all three cells at Norumbega Covered Storage Facility and the replacement of the 72 – inch influent and effluent couplings.
  - Invasive species survey, control and removal work was completed for 2024 season at Shaft 8 Intake Pool, the Wachusett, Quabbin/Pottapaug Pond, Sudbury, Foss, Ware River, Weston and Chestnut Hill Reservoirs. This includes the initial survey at Pottapaug Pond to address Swollen Bladderwort. Detailed invasive plant surveys were completed at all MWRA reservoirs and water quality baseline surveys completed at all emergency backup reservoirs.
  - Managed the consultant for the CWTP SCADA System Upgrades contract and provided SCADA support for the replacement of all PLCs, including cutting over major portions of the controls system, training staff on the new system and managing the impacts of the cutover process.
  - Successfully managed the operations of the Metropolitan System while the Dorchester Tunnel was isolated during the repair of the drilling incident in October , including completing the isolation and reactivation of the Dorchester Tunnel and the operation of the Chestnut Hill Emergency Pump Station and maintaining system pressures during incident.
  - Successfully maintained all instrumentation, network, and communications infrastructure for the MWRA Water and Wastewater systems.
  - In water system through June 2025, exercised 805 and replaced 3 mainline valves; exercised 533 and replaced 34 blow-off valves.

- **Wastewater System** - Completed numerous maintenance projects including the following representative work:

- A purchase order was issued to rent equipment to temporarily store sodium hypochlorite outside of the Cottage Farm and Prison Point Chemical Feed Buildings. The equipment was installed in April 2025, allowing for the leaking sodium hypochlorite tanks to be taken offline.
- A task order to design repairs to the deteriorating seawall at the Alford Street Pump Station had a NTP of July 2024. The preliminary design report is being finalized. Staff anticipate a construction NTP in December 2025.
- Interim Roof Repairs at Columbus Park and Ward Street Headworks: A Task Order to inspect and recommend necessary roof repairs in advance of the full facility rehabilitation projects has been developed. NTP is expected in June 2025.
- A task order to design an in-situ, structurally independent fiberglass tank within the existing five 6,300 gallon sodium hypochlorite storage tanks at Cottage Farm and Prison Point was executed. Staff anticipate having bid-ready documents June 2025.
- In the wastewater system through June 2025, inspected 29.0 miles and cleaned 43.0 miles of MWRA pipeline. Inspected 661 structures and rehabilitated 45 manholes. Also inspected 42 and cleaned 71 inverted siphon barrels.

<u>Capital Improvements</u>

- Capital spending for FY25 totaled $207.1 million broken out by category as follows: $102.1 million for Wastewater System projects, $96.6 million for Water System projects, and $8.4 million for Business and Operations Support projects.

- Awarded or Issued Notices to Proceed for numerous contracts including the following:

- Wastewater System - $70.8 million:

  - Hayes Pump Station Rehab Construction – November 2024 – $25.6 million
  - Combined Heat and Power Design/ESDC/REI – August 2024 – $18.4 million
  - HVAC Design/ESDC – April 2025 – $8.3 million
  - Clinton Digester Cover Replacement – March 2025 – $7.0 million
  - Somerville Marginal New Pipeline October 2024 – $4.4 million
  - Cottage Farm PCB Abatement – Design/CA – October 2024 – $3.8 million
  - Hayes Pump Station Rehab REI – January 2025 – $1.8 million
  - West Roxbury Tunnel Inspection – July 2024 – $1.7 million

- Water System- $158.7 million:
  - Final Design/ESDC Tunnel Redundancy – Nov 2024 – $93.6 million
  - CP-2 NEH Improvement Sects 45 & 63 – April 2025 – $26.8 million
  - Section 75A and 47 Extension – Construction CP-1 – February 2025 - $22.6 million
  - Section 56 Replacement – Construction – April 2025 – $9.5 million
  - Steel Tank/Improvement Construction Walnut Hill – April 2025 – $8.8 million
  - Section 75A and 47 REI CP-1 – January 2025 – $1.8 million
  - CP-2 Tops of Shafts REI – August 2024 – $0.9 million

For more information about projects in the Capital Improvement Program, please refer to the Fiscal Year 2026 Capital Improvement Program document located on the Budget page of the MWRA's website at mwra.com.

VI. Environmental Sustainability

- Received a total of $1.6 million in revenue for energy generated at numerous facilities including hydroelectric from Oakdale Station and Cosgrove Station; wind from Charlestown Pump Station; and solar from Carroll Water Treatment Plant.
- Continue to leverage MWRA's self-generation assets and participation in the competitive energy market to offset operating costs. The combined impact of participation in the Independent System Operators of New England (ISO-NE) load response program, non-rate revenue from the sale of Renewable Portfolio Standards Program (RPS) credits, and receipt of utility rebates for CEB-funded efficiency projects resulted in $1.4 million in revenue in FY25. MWRA also avoided more than $1.4 million in capacity charges through operation of self-generation assets during peak load events as called by the regional transmission organization (ISO New England).
- Deer Island self-generated 24.0% of the plant's total required power FY25.
- Spec'd and purchased 6 additional electric vehicles for the Authority.
- Continued to operate and optimize the phosphorous treatment system and natural gas lines at the Clinton Wastewater Treatment Plant; fourth full year of operation for both. The lower seasonal effluent phosphorus limit of 150 ug/L and 3.8 pounds per day loading limit became effective starting April 1, 2019. The effluent for FY24 has met these new lower limits.

Budget Highlights:

The FY26 Budget is $242.5 million which is $1.3 million, or 0.6%, more than the FY25 Budget.

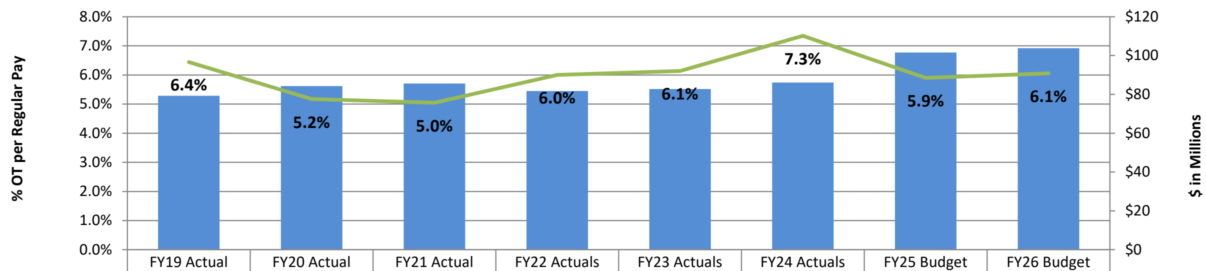
FTEs Operations by Department		
DEPARTMENT	FY25 FTEs	FY26 FTEs
OPERATIONS ADMINISTRATION*	32.1	32.6
OPERATIONS, ENGINEERING & CONSTRUCTION	729.6	726.2
PROGRAMS, POLICY & PLANNING	155.3	157.2
TOTAL	**917.0**	**916.0**

*includes Tunnel Redundancy

- The FY26 Budget of $103.8 million for **Wages and Salaries essentially matching the** FY25 Budget. The FY26 Budget funds 916 full-time equivalent positions for the Operations Division departments, including Tunnel Redundancy staffing, a reduction of one FTE from the FY25 position level. Staffing for the water system Tunnel Redundancy Program dropped 1 positions to 13 positions in the FY26 Budget as this department takes shape. However, MWRA currently plans to add FTEs over the next few fiscal years to support this project.

- The FY26 Budget of $6.3 million for **Overtime** is a net increase of $300,000 or 5.1% from the FY25 Budget primarily due to collective-bargaining wage increases and resizing estimates based on trends. The budget includes $2.6 million for emergencies and storms; $1.6 million for planned work primarily required on off-shifts and during periods of lower flows; and $1.9 million for routine coverage of operations per prevailing collective bargaining agreements.

Operations Division: % Overtime vs. Regular Pay

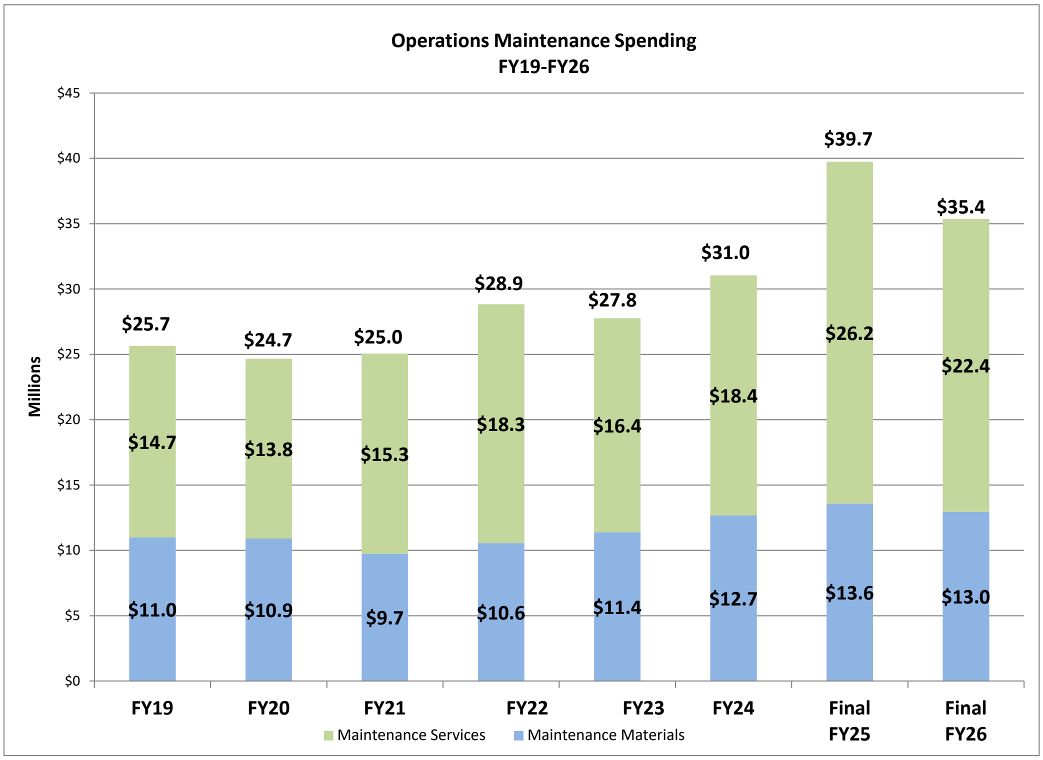


	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Budget	FY26 Budget
Reg Pay	$79,310,824	$84,240,964	$85,601,814	$81,750,965	$82,716,894	$86,147,850	$101,536,846	$103,842,897
% OT per Reg Pay	6.4%	5.2%	5.0%	6.0%	6.1%	7.3%	5.9%	6.1%

- The FY26 Budget of $19.3 million for Chemicals is a decrease of $400,000 or 2.0% from the FY25 Budget, as this market has return to pre-pandemic norms which impacted contractual prices and market projections. The FY26 Budget includes $8.5 million for disinfection and treatment in the water system and $10.8 million for disinfection, treatment, and odor control in the wastewater system. The budget includes $3.8 million for soda ash, $5.9 million for sodium hypochlorite, $3.9 million for ferric chloride, $797,000 million for carbon dioxide, $787,000 for sodium bisulfite, $532,000 for polymer, $872,000 for liquid oxygen, $804,000 for hydrogen peroxide, $294,000 for aquammonia, $564,000 for hydrofluosilicic acid, $545,000 for activated carbon, and $173,000 for sodium hydroxide.

- The FY26 Budget of $33.5 million for **Utilities** includes $26.1 million for electricity, $3.3 million for diesel fuel, $2.9 million for water, $892,000 for natural gas, and $308,000 for propane and other utilities. The utility budget is $18.3 million for the Deer Island Treatment Plant, $6.9 million for Wastewater Operations, $7.2 million for Water Operations, $690,000 for the Chelsea office and maintenance facilities, and $410,000 for the Clinton Wastewater Treatment Plant. The utilities budget is $1.5 million or 4.8% more than the FY25 budget.

- The FY26 Budget for **Maintenance** is $35.4 million, a net decrease of $4.4 million or 11.0% from the FY25 Budget primarily due to changes in project priorities from year to year. The FY26 Budget includes $22.4 million for services and $13.0 million for materials. By maintenance area, the largest categories of spending for materials and services include $14.5 million for plant and machinery; $6.7 million for building and grounds; $6.7 million for specialized equipment; $3.3 million for electrical; $1.9 million for pipeline, and $1.7 million for HVAC systems. The budget also funds special initiatives such as energy conservation projects at DITP and in the Field Operations Department facilities; invasive plant control in the water reservoirs; painting and coating upkeep at the wastewater treatment plants; and easement clearing on MWRA's aqueducts. As shown below, the range of maintenance spending has been fairly consistent over the last few fiscal years.



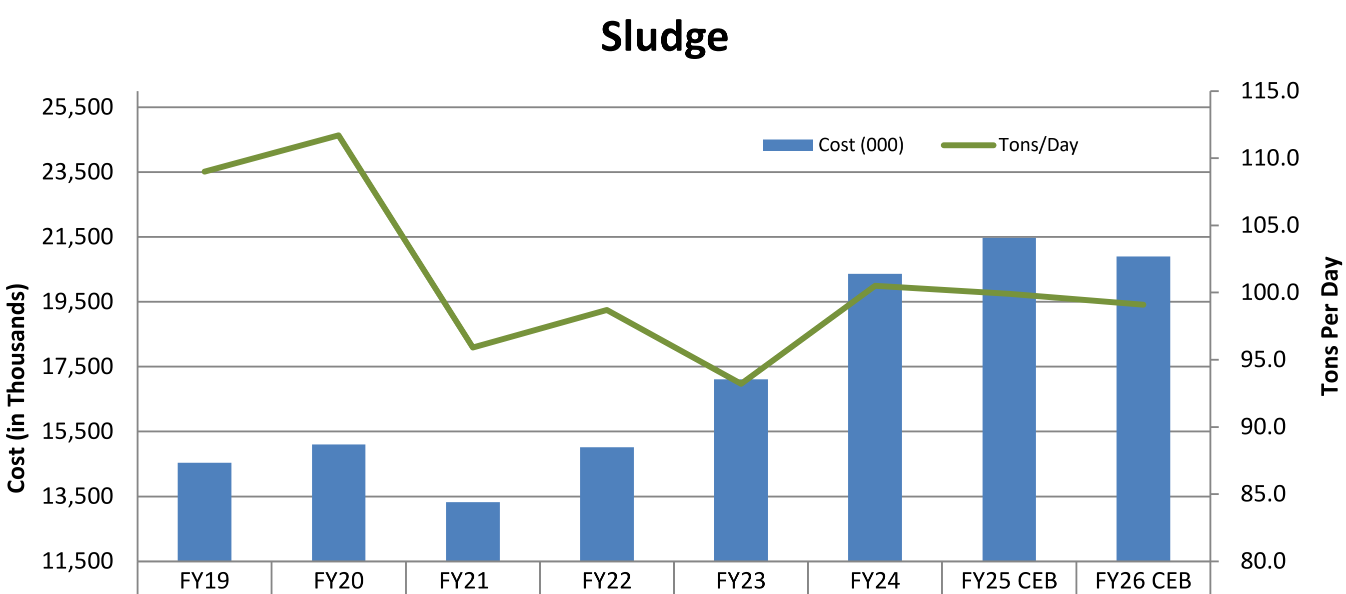
Norumbega Covered Storage Tank and Norumbega Open Reservoir (now a backup supply)

- The FY26 Budget of $287,000 for **Training and Meetings** covers specialized training, attendance at industry conferences, and site visits as required to vendors and other plants. It specifically funds training for topics such as spill response and boom deployment; spill control and prevention; trenchless technology; cyber security; and electrical voltage. The budget also continues to include funds to support workforce development efforts as part of MWRA's succession planning initiative. The FY26 Budget is $58,000 more than the FY25 Budget.

- The FY26 Budget for Professional Services is $3.2 million, including $2.2 million for lab and testing services, $540,000 for engineering services, and $327,000 for all other services. Major items in the budget include $1.5 million for Harbor and Outfall Monitoring; $146,000 Cape Cod Bay monitoring, $100,000 for as-needed engineering services to support CEB-funded projects; $187,000 for PFAS monitoring, $150,000 for site remediation inspection services; $150,000 Hydro Feasibility Study, $150,000 UMAss organic material in Wachusett study; $100,000 for a comprehensive reservoir-wide plant survey in the water system; and $53,000 for invasive species control services in the reservoirs. The FY26 Budget is $246,000 or 7.2% below the FY25 Budget primarily due to reductions HOM water column monitoring.

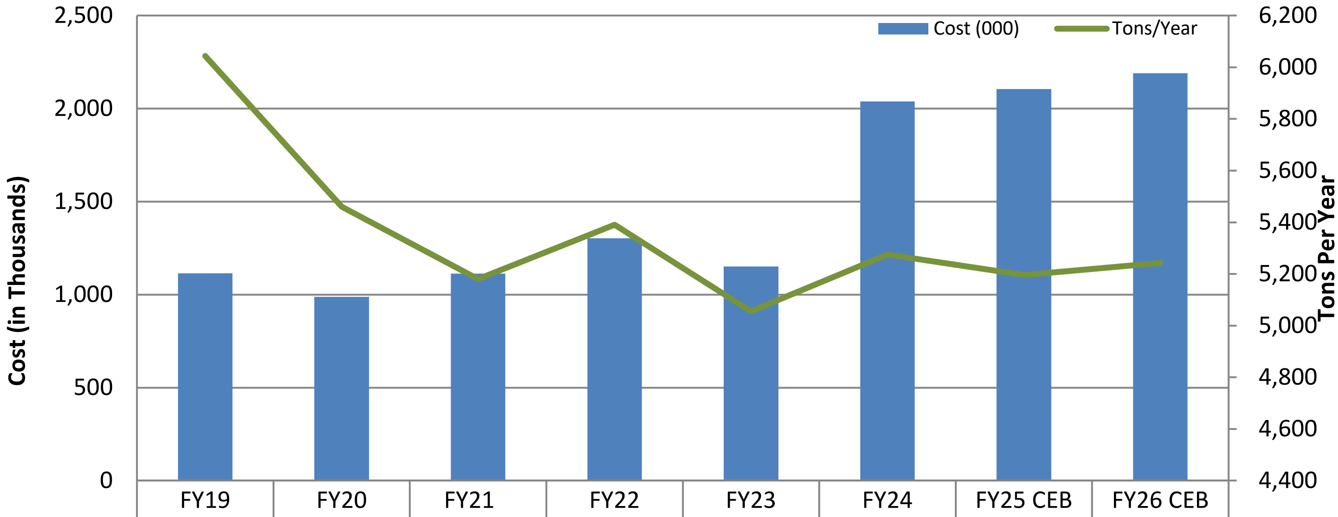
- The FY26 Budget of $5.1 million for **Other Materials** includes $1.5 million for Vehicle Replacements; $1.3 million for Lab and Testing Supplies; $374,000 for Equipment and Furniture; $458,000 for Work Clothes; $413,000 for Health and Safety Supplies; $442,000 for other materials; and $294,000 for Vehicle Expenses (gas, mileage reimbursement). The budget decreased $49,000 or 0.9% from the FY25 Budget.

- The FY26 Budget for **Other Services** is $35.5 million, including $26.9 22.7 million for sludge pelletization; $3.3 million for building space leases and rentals (including the Chelsea office facility); $2.2 million for grit and screenings removal and disposal; $724,000 for telecommunications services; $738,000 for dues, memberships, and subscriptions; $584,000 for police details; and $137,000 for other services. The FY26 Budget increase of $4.5 million or 14.4% from the FY25 Budget due primarily to contractual prices for the new sludge pelletization contract and an increase in the grit and screen contract based on new contract.



	FY19	FY20	FY21	FY22	FY23	FY24	FY25 CEB	FY26 CEB
Cost (000)	$14,537	$15,105	$13,319	$15,016	$17,114	$20,364	$21,471	$20,895
Tons/Day	109.0	111.7	95.9	98.7	93.2	100.5	99.9	99.1

Grit & Screenings



	FY19	FY20	FY21	FY22	FY23	FY24	FY25 CEB	FY26 CEB
Cost (000)	$1,114	$988	$1,112	$1,304	$1,152	$2,038	$2,106	$2,190
Tons/Year	6,043	5,461	5,180	5,390	5,055	5,275	5,196	5,243

Alewife Brook Wastewater Pump Station

OPERATIONS ADMINISTRATION

Operations Administration funds the CEBs for two departments including Operations Administration and Tunnel Redundancy Program Management.

The **Operations Administration Department** includes the Office of the Chief Operating Officer (COO); the Office of the Deputy Chief Operating Officer (DCOO); and division-level support staff. The department's primary goal is to oversee, manage, and implement MWRA policies and procedures pertaining to the following functions: administration, labor relations, finance, contract administration, comprehensive energy planning and management, regulatory affairs, environmental management, and general management.

The **Tunnel Redundancy Program Management Department** was created by MWRA's Board of Directors on February 15, 2017 to oversee the planning, design, and construction of a northern and a southern deep rock tunnel that will provide redundancy for the Metropolitan Tunnel system (waterworks). This $2.1 billion CIP-funded project will take more than a decade to complete. Also, given the complexity of the project, the group is independent of existing engineering and construction departments and reports directly to the Executive Director. However, the department's CEB is included within the Operations Division budget to allow for sufficient administrative support.

FY26 Final Current Expense Budget
OPERATIONS ADMINISTRATION

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 3,526,846	$ 3,751,104	$ 4,533,494	$ 4,946,083	$ 412,589	9.1%
OVERTIME	18	1,476	5,000	6,600	1,600	32.0%
FRINGE BENEFITS	-	-	360	360	-	0.0%
MAINTENANCE	952	9,530	34,000	22,000	(12,000)	-35.3%
TRAINING & MEETINGS	47,360	47,209	52,300	91,800	39,500	75.5%
PROFESSIONAL SERVICES	-	7,658	161,002	161,001	(1)	0.0%
OTHER MATERIALS	672,587	1,713,607	1,561,000	1,559,500	(1,500)	-0.1%
OTHER SERVICES	905,977	1,452,127	1,614,698	1,620,500	5,802	0.4%
TOTAL	**$ 5,154,941**	**$ 7,000,277**	**$ 7,978,854**	**$ 8,436,444**	**$ 457,590**	**5.7%**

FY26 Final Current Expense Budget
OPERATIONS ADMINSTRATION by Programs

PROGRAM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
OPERATIONS ADMINSTRATION	$ 3,617,975	$ 4,847,450	$ 5,087,430	$ 5,592,039	$ 504,609	9.9%
WATER REDUNDANCY PGR MGMT	1,536,966	2,152,827	2,891,424	2,844,405	(47,019)	-1.6%
TOTAL	**$ 5,154,941**	**$ 7,000,277**	**$ 7,978,854**	**$ 8,436,444**	**$ 457,590**	**5.7%**

FY26 Final Current Expense Budget WATER REDUNDANCY PROGRAM MANAGEMENT						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,284,930	$ 1,319,092	$ 1,889,564	$ 1,845,745	$ (43,819)	-2.3%
OVERTIME	-	-	5,000	5,000	-	0.0%
FRINGE BENEFITS	-	-	360	360	-	0.0%
CHEMICALS	-	-	-	-	-	-
UTILITIES	1,201	17,566	17,000	28,600	11,600	68.2%
MAINTENANCE	952	9,530	34,000	22,000	(12,000)	-35.3%
TRAINING & MEETINGS	21,828	1,093	30,000	45,500	15,500	51.7%
PROFESSIONAL SERVICES	-	7,658	1,000	1,000	-	0.0%
OTHER MATERIALS	4,485	47,227	56,500	38,200	(18,300)	-32.4%
OTHER SERVICES	223,570	750,661	858,000	858,000	-	0.0%
TOTAL	**$ 1,536,966**	**$ 2,152,827**	**$ 2,891,424**	**$ 2,844,405**	**$ (47,019)**	**-1.6%**

FY26 Goals and Initiatives:

The Operations Administration Department's purview and function supports all the goals of the Operations Division set forth in the department budgets in the Operations, Engineering & Construction section and the Program, Policy and Planning section.
Key FY26 initiatives include:

- **Tunnel Redundancy Program** – Plans for FY26 include hiring additional staff, raising awareness of the project in the engineering and construction communities, and developing detailed plans for all phases of implementation including procurement, design, engineering, and construction. The Tunnel Final Design was awarded in the fall of 2024.
- **Energy** – Continue to refine and implement MWRA's comprehensive energy management strategy, primarily with a focus on expanding solar energy sites and securing grant funding from relevant programs; increasing the use of electric vehicles in MWRA's fleet; optimizing energy generation assets for 'behind the meter' use and revenue from power sales and market-based incentive programs; implementing MOUs with two utility companies for energy conservation projects at numerous facilities; and consolidating energy data management to support decision-making.
- **Regulatory** – Continue to advocate for MWRA during the regulatory review processes for key issues including implementation of the CSO Program assessment phase and development of the requirements for the new NPDES permit for the Deer Island Treatment Plant.
- **Organizational succession** – Continue to develop and implement succession plans to ensure efficient and effective organizational continuity as a significant portion of MWRA's workforce retires in the next few years. Key aspects of this initiative include documenting institutional policies and practices; identifying and developing employees qualified for promotion into key positions; hiring additional qualified employees to ensure 'depth of bench' in staffing in critical functions; and in general, providing programs to the overall MWRA workforce for learning and development.

Budget Highlights:

The FY26 Budget is $8.4 million, an increase of $458,000 or 5.7%, compared to the FY25 Final Budget.

- $4.9 million for **Wages and Salaries**, an increase of $413,000 or 9.1%, as compared to the FY25 Final Budget. The FY26 Budget supports 32.6 full-time equivalents (FTEs), an increase of 0.5 FTS. That total includes 13 positions from the Tunnel Redundancy Management Unit. FTEs for Tunnel Redundancy fell from 14 to 13 FTEs during the recent budget cycle. The FY26 Budget also funds wage increases associated with collective bargaining agreements.
- $92,000 for **Training & Meetings** an increase of $40,000 or 75.5%. This funds attendance at conferences for the COO, DCOO, and department staff as well as division-wide attendance at major industry professional conferences held annually. The budget also funds $46,000 for attendance by tunnel redundancy program staff at industry conferences to stay current on relevant technical topics and to educate potential engineering and construction vendors about the upcoming projects. This is a $16,000 increase over the prior year's budget.
- $161,000 for **Professional Services** for inspection and remediation of MWRA's underground storage tanks. This matches the FY25 Budget.
- $1.6 million for **Other Materials;** $1,500 below the FY25 Final Budget. The major item in this budget line is $1.5 million for vehicle purchases for replacement of vehicles valued at less than $100,000, MWRA's minimum threshold for funding from the Capital Improvement Program (CIP). The FY26 Budget supports replacement of up to 35 vehicles or approximately 6% of the active fleet.
- $1.6 million for **Other Services** which includes $775,000 for Rock Core Shed, $150,000 for fuel tank storage maintenance services and $630,000 for memberships and dues, primarily in industry associations for MWRA and departmental staff. MWRA continues to fund annual memberships in organizations such as the National Association of Clean Water Agencies (NACWA), Association of Metropolitan Water Agencies (AMWA), American Water Works Association (AWWA), and Boston NOW (focused on Boston Harbor).

OPERATIONS, ENGINEERING & CONSTRUCTION

Operations, Engineering & Construction

Wastewater Treatment
Deer Island
Residuals
Clinton

Field Operations
Wastewater Operations
Water Operations & Maintenance
Metro Maintenance
Operations Support
FOD - Administration

Engineering & Construction

The work of this section is directed by a team of three senior managers including the Director of Wastewater, Director of Waterworks, and Chief Engineer; each of whom report to the Chief Operating Officer (COO). The purview of this section is as follows:

- operations and maintenance of MWRA's wastewater treatment facilities including Deer Island Wastewater Treatment Plant, Clinton Wastewater Treatment Plant, Residuals Pelletizing Facility, Combined Sewer Overflow facilities, and screenhouses;
- operations and maintenance of MWRA's wastewater distribution system including pipelines, pump stations, and other appurtenances;
- operations and maintenance of MWRA's water treatment facilities including the Carroll Water Treatment Plant serving communities in the Boston metropolitan area and the Brutsch Water Treatment Plant serving communities in the Chicopee Valley Aqueduct (CVA) Water System communities;
- operations and maintenance of the water distribution system including pipelines, pump stations, and valves;
- operations and maintenance of the wastewater and water metering system, Operations Control Centers, and Supervisory Control and Data Acquisition (SCADA) system;
- engineering and construction functions for the Operations Division; and
- energy conservation, capacity, and efficiency maintenance and capital projects.

FY26 Final Current Expense Budget OPERATIONS, ENGINEERING & CONSTRUCTION						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 64,244,616	$ 67,997,087	$ 80,676,160	$ 80,466,475	$ (209,685)	-0.3%
OVERTIME	4,801,446	6,020,348	5,671,002	5,955,991	284,989	5.0%
FRINGE BENEFITS	108,318	129,000	110,157	122,286	12,129	11.0%
CHEMICALS	18,038,588	21,125,295	19,706,033	19,307,228	(398,805)	-2.0%
UTILITIES	32,292,768	32,853,464	31,949,656	33,457,425	1,507,769	4.7%
MAINTENANCE	27,266,650	30,432,134	39,115,207	34,781,105	(4,334,102)	-11.1%
TRAINING & MEETINGS	92,777	85,977	146,100	146,100	-	0.0%
PROFESSIONAL SERVICES	457,867	515,235	705,505	674,100	(31,405)	-4.5%
OTHER MATERIALS	1,377,971	1,649,891	1,740,812	1,558,464	(182,348)	-10.5%
OTHER SERVICES	21,718,700	26,588,864	28,952,578	33,333,260	4,380,682	15.1%
TOTAL	**$ 170,399,701**	**$ 187,397,295**	**$ 208,773,210**	**$ 209,802,434**	**$ 1,029,224**	**0.5%**

The Operations, Engineering & Construction Section is composed of the Wastewater Treatment, Field Operations, and Engineering and Construction departments, which report directly to the Chief Operating Officer. In total, the budgets for these programs represent 84.7% of the Operations Division's FY25 Budget.

FY26 Final Current Expense Budget OPERATIONS, ENGINEERING & CONSTRUCTION by Programs						
PROGRAM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WASTEWATER TREATMENT	$ 83,678,397	$ 93,750,024	$ 100,848,614	$ 103,427,924	$ 2,579,310	2.6%
FIELD OPERATIONS	78,982,800	85,476,417	97,842,782	96,495,940	(1,346,842)	-1.4%
ENGINEERING & CONSTRUCTION	7,738,504	8,170,854	10,081,814	9,878,570	(203,244)	-2.0%
TOTAL	**$ 170,399,701**	**$ 187,397,295**	**$ 208,773,210**	**$ 209,802,434**	**$ 1,029,224**	**0.5%**

WASTEWATER TREATMENT

The primary function of the Wastewater Treatment Department is to collect and treat community wastewater so that it can be discharged either into the Massachusetts Bay or the South Nashua River in compliance with federal and state environmental standards. The second function of the Department is to recycle sludge to produce fertilizer and provide for the proper disposal of any materials not suitable for treatment or fertilizer.

FY26 Final Current Expense Budget
WASTEWATER TREATMENT

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 22,355,220	$ 23,089,952	$ 26,430,851	$ 26,137,515	$ (293,336)	-1.1%
OVERTIME	1,843,115	2,299,953	1,836,251	2,024,291	188,040	10.2%
FRINGE BENEFITS	43,842	50,730	47,245	52,545	5,300	11.2%
CHEMICALS	9,066,074	11,837,198	10,307,737	9,946,267	(361,470)	-3.5%
UTILITIES	17,576,331	18,435,053	17,957,501	18,670,117	712,616	4.0%
MAINTENANCE	13,552,142	14,580,897	17,960,072	16,131,275	(1,828,797)	-10.2%
TRAINING & MEETINGS	1,952	12,606	39,100	39,100	-	0.0%
PROFESSIONAL SERVICES	42,280	107,518	354,500	248,500	(106,000)	-29.9%
OTHER MATERIALS	630,183	655,313	811,700	759,040	(52,660)	-6.5%
OTHER SERVICES	18,567,258	22,680,804	25,103,657	29,419,274	4,315,617	17.2%
TOTAL	**$ 83,678,397**	**$ 93,750,024**	**$ 100,848,614**	**$ 103,427,924**	**$ 2,579,310**	**2.6%**

The **Deer Island Treatment Plant**, the **Residuals Management Program**, and the **Clinton Treatment Plant** comprise the Wastewater Treatment Department. Together, the budgets for these programs represent 32% of the Operations Division's FY26 Final Budget.

FY26 Final Current Expense Budget
WASTEWATER TREATMENT by Program

PROGRAM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
DEER ISLAND	$ 62,420,080	$ 68,256,329	$ 72,918,962	$ 71,012,679	$ (1,906,283)	-2.6%
RESIDUALS	18,451,362	22,582,924	24,984,253	29,284,501	4,300,248	17.2%
CLINTON	2,806,955	2,910,771	2,945,399	3,130,744	185,345	6.3%
TOTAL	**$ 83,678,397**	**$ 93,750,024**	**$ 100,848,614**	**$ 103,427,924**	**$ 2,579,310**	**2.6%**

DEER ISLAND WASTEWATER TREATMENT PLANT

The **Deer Island Wastewater Treatment Plant** (Deer Island or DITP) budget accounts for 22% of the Operations Division's FY26 Final Budget. DITP has a peak capacity of 1.27 billion gallons per day (BDG) and peak secondary treatment capacity of 700 million gallons per day (MGD).

Wastewater influent from MWRA customer communities arrives at the plant through four deep rock tunnels. Pumps then lift the influent 80 to 150 feet, depending on the tunnel, to the head of the plant.

North system flows pass through grit channels and bar screens at the headworks that remove grit and screenings for disposal in an off-island landfill. South system flows are pre-treated for grit at Nut Island and the Braintree-Weymouth Intermediate Pump Station. Flow is routed to primary treatment clarifiers, which remove about half of the pollutants brought to the plant in typical wastewater (removes 50% of total suspended solids and up to 50% of pathogens and toxic contaminants). In the clarifiers, gravity separates sludge and scum from the wastewater.

In secondary treatment, reactors and clarifiers remove non-settleable solids through biological and gravity treatment. The biological process is a pure oxygen-activated sludge system, using aerobic microorganisms to consume organic matter that remain in the primary effluent flow. Secondary treatment raises the level of pollution removal to over 85%. More than 100 tons of pure oxygen is manufactured each day at Deer Island's cryogenic oxygen facility to support the aerobic biological treatment process.

Sludge from primary and scum from both primary and secondary treatment is thickened in gravity thickeners. Excess sludge from secondary treatment is thickened in centrifuges. Polymer is used in the secondary sludge thickening process to increase its efficiency. Digestion occurs in the egg-shaped anaerobic digesters at the Deer Island Treatment Plant. There are a total of 12 digesters, each 90 feet in diameter at their widest point and approximately 140 feet tall (128 ft. liquid level). Microorganisms naturally present in the sludge work to break sludge and scum down into methane gas, carbon dioxide, solid organic byproducts, and water. Digestion significantly reduces sludge quantity for later recycling. The methane gas produced in the digesters is used in the plant's on-site combined heat and power facility to save operating costs by reducing consumption of fuel oil for heating and purchased electricity. The remaining digested sludge is pumped through pipes embedded in the sidewall of the Nut Island inter-island tunnel and

Braintree-Weymouth extension tunnel directly to the MWRA's Pelletizing Facility at Fore River, where it is further processed into a Class A EQ fertilizer product as defined by EPA.

FY26 Final Current Expense Budget DEER ISLAND TREATMENT PLANT						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 21,192,078	$ 21,879,959	$ 25,160,937	$ 24,899,812	$ (261,125)	-1.0%
OVERTIME	1,771,487	2,222,652	1,743,232	1,932,375	189,143	10.9%
FRINGE BENEFITS	42,686	49,398	44,745	50,045	5,300	11.8%
CHEMICALS	8,528,957	11,184,574	9,739,230	9,335,402	(403,828)	-4.1%
UTILITIES	17,175,730	18,026,721	17,645,673	18,260,446	614,773	3.5%
MAINTENANCE	12,996,891	14,018,683	17,440,045	15,505,499	(1,934,546)	-11.1%
TRAINING & MEETINGS	1,402	12,606	35,600	35,600	-	0.0%
PROFESSIONAL SERVICES	19,702	72,481	320,000	234,000	(86,000)	-26.9%
OTHER MATERIALS	418,563	539,531	495,700	465,700	(30,000)	-6.1%
OTHER SERVICES	272,584	249,724	293,800	293,800	-	0.0%
TOTAL	**$ 62,420,080**	**$ 68,256,329**	**$ 72,918,962**	**$ 71,012,679**	**$ (1,906,283)**	**-2.6%**

Organizational Structure:

The Deer Island Treatment Plant has six major functional areas: Operations, Thermal Power Plant, Process Control, Maintenance, Capital Engineering, and Operations and Maintenance (O&M) Support.

- Operations manages the day-to-day treatment operation of plant processing units, performs minor preventative maintenance activities, and oversees plant functions 24-hours per day, seven days per week.

- Thermal Power Plant manages and operates the Deer Island generation and thermal systems. Power Plant personnel provide 24-hour operation of the high-pressure, high temperature steam power plant. This facility is capable of producing up to 75 megawatts of electrical power including green energy assets with hydro-electric power, wind and solar.

- Process Control manages and maintains the following programs in support of plant operations; real-time process instrumentation and control system (PICS), operational data system (OMS), plant performance monitoring and reporting programs, and regulatory compliance programs including all plant permits, water quality, and air quality. Process Control provides technical expertise for plant unit operations and routinely performs process optimization studies to help increase performance and reduce operating costs.

- Maintenance performs preventive, predictive, and corrective maintenance repairs on all equipment, utilizing a computerized maintenance management system (CMMS) to coordinate scheduling and document all work completed. Staff has developed the Reliability Centered Maintenance (RCM) program, which has improved plant performance by applying maintenance resources where they are most effective. RCM analyzes operating systems with the objective of ensuring critical functions perform as required. Implementation of a preventive maintenance program using RCM helps reduce the cost of maintaining the plant and improves efficiency by anticipating when maintenance will be required. An on-island warehouse, managed by Procurement Department staff, ensures there is adequate stock for maintenance repairs and plant operations.

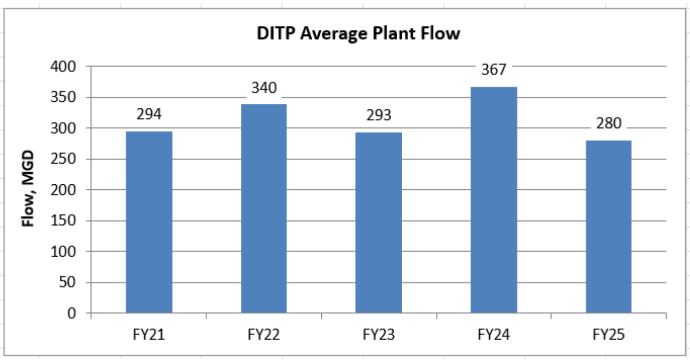
- Capital Engineering provides technical support services for both Operations and Maintenance. Staff is responsible for all aspects of plant engineering including developing, procuring, and implementing all service contracts, consultant designs, and capital improvement projects at Deer Island. This group also manages the on-island Technical Information Center, which provides services to the DITP community and external clients, and ensures quick access to plant drawings and technical information for operational and maintenance needs.

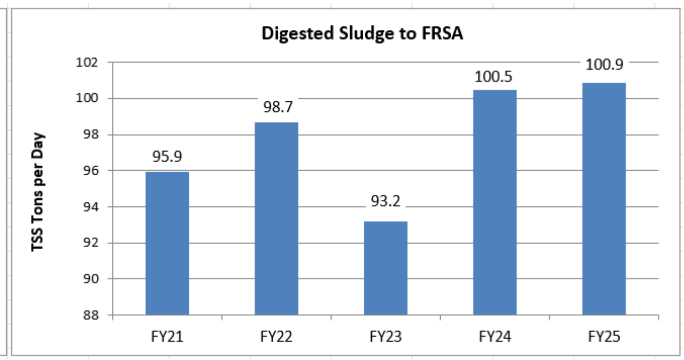
- O&M Support is responsible for supporting the business needs of the plant. The Administration and Finance Unit provides financial and administrative support to meet daily operational needs of the plant.

The Deer Island Director's Office provides overall management for the plant plus policy direction and support in the areas of public access and community relations.

Operating Assumptions:

Deer Island's FY26 Budget assumes treatment of an average flow of 312 mgd based on four years (FY21-24) of historical data. The projected quantity of digested sludge to be pumped to FRSA (TSS basis) is 97.1 TPD. This is based on four years of recent operating data for FY21-24.





Deer Island's FY26 Budget accounts for the impact of self-generation of electricity from the steam turbine generators (STG), combustion turbine generators (CTG), hydroelectric generators, wind turbine generators, and photovoltaic panels. These assets will provide approximately 24.0% of the total electricity needs of the plant.

Deer Island continues to comply with the conditions of the National Pollutant Discharge Elimination System (NPDES) Permit issued in 1999, which has been administratively continued since FY05. Staff reviewed and provided comments on the 2023 Draft NPDES Permit for DITP. Staff began evaluation to determine if any process or reporting changes are required when new permit goes into effect. In preparation for potential new NPDES seasonal permit limits for indicator bacteria, staff have been testing higher chlorine residual targets (and higher sodium hypochlorite dosing) in the disinfection basins. This is to continue to develop operating strategies for the new permit. Deer Island's FY26 Budget assumed a full year under the new permit limits.

FY26 Goals and Initiatives:

I. Wastewater Quality and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system. Through FY25, Deer Island has met all its compliance goals.
  - **Key Regulatory Performance Measurements:**

Effluent Characteristic	Permit Limits	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Dry Day Flow (mgd)	436	257.7	316.8	250.9	100%
cBOD (mg/L)	25	6.8	5.7	7.9	100%
TSS (mg/L)	45	11.3	9.6	8.9	100%
TCR (ug/L)	631	<40	<40	<40	100%
Fecal Coliform	14,000	7	7	6	100%
pH (S.U.)	6 to 9	6.6	6.6	6.6	100%
Acute Toxicity	Pass	Pass	Pass	Pass	100%
Chronic Toxicity	Pass	Pass	Pass	Pass	100%

- ***Goal #6 – Wastewater Infrastructure:*** Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects.
  - Issue Notice to Proceed for numerous contracts including the following major DITP asset protection projects including:
    -
    - Deer Island Chemical Pipe Replacement Construction (Nov-2025)
    - Deer Island Centrifuge Replacement Des/ESDC/REI (Dec-2025)
    - Deer Island Dystor Membrane Replacement (Oct-2025)
    - Deer Island Cryo Plant Equipment Replacement Design/ESDC/REI (Jul-2025)
    - Deer Island Odor Control Rehab Design/ESDC (Oct-2025)
  - Make substantial progress according to FY25 CIP schedule for other near-term major DITP projects including:
    - Eastern Seawall and Shoreline Protection Remediation,
    - Digester & Storage Tank Rehabilitation Design/ESDC,
    - South System Pump Station Variable Frequency Drive Replacement Design/ESDC/REI,
    - MCC & Switchgear Replacement Design/ESDC/REI,
    - Clarifier Rehab Phase 2 Design/ESDC,
    - Clarifier Rehab Phase 2 Construction,
    - Clarifier Rehab Phase 2 REI.
    - Deer Island HVAC Design/ESDC
  - Substantially complete CIP phases for DITP asset protection including the:
    - Deer Island As-Needed Design 10-1 (Apr-2026)
    - Deer Island As-Needed Design 10-2 (Apr-2026)
    - Deer Island As-Needed Design 10-3 (Apr-2026)

II. Infrastructure Management and Resilience

- ***Goal #9 – System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support services levels. Through FY25, Deer Island has met all the goals in this area.

- **Key Maintenance Measurements:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Critical Equipment Availability	99.9%	99.0%	99.3%	100%
Predictive Maintenance Completion	99%	99%	99%	100%
Predictive Maintenance - % of work orders	25.1%	25.0%	25%	25%
Maintenance Backlog (hours)	17,365 Standard	17,375 Standard	17,232 Standard	Within industry standard
Preventive Maintenance Completion	99%	99%	99%	100%
Maintenance Kitting - % of work orders	57.3%	57.0%	57%	57%

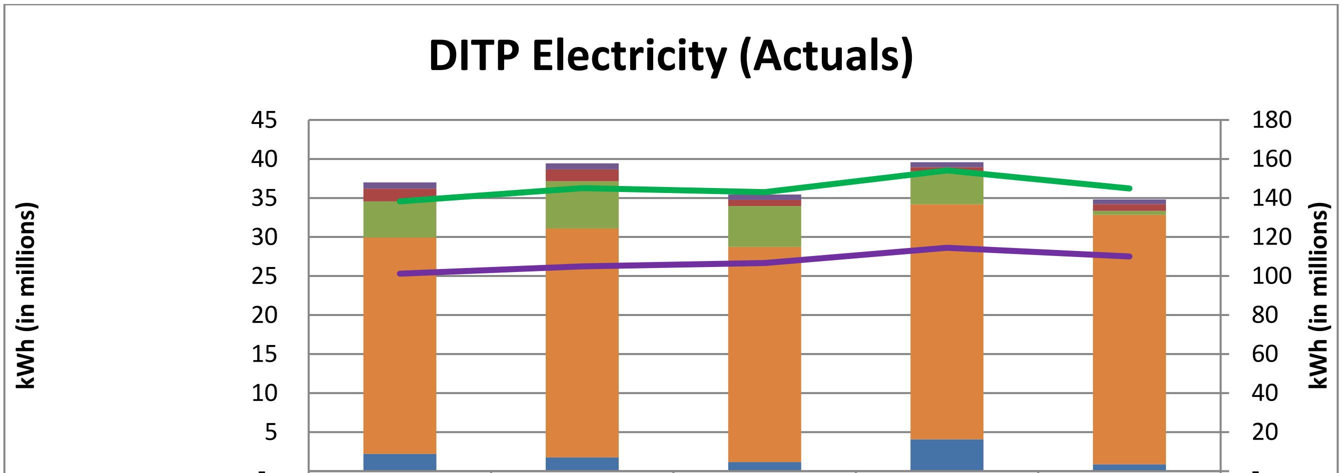
V. Environmental Sustainability

- ***Goal #15 – Energy Optimization***: Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets.

  - **Key Performance Measurements and Accomplishments:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
% Required Power Self-Generated – Total	24.8%	24.8%	24.0%	24.2%
% Required Power Self-Generated – Renewables	24.0%	24.0%	23.4%	22.8%
Thermal/Power Plant Digester Gas Utilization	98.3%	98.7%	98.9%	98.1%
Generation revenue from energy programs (RPS credits, demand response)	$1,191,356	$360,543	$985,686	$1,074,252

  - Continue to implement projects to reduce energy use, increase energy revenue, decrease greenhouse gas emissions, and increase self-generation capacity, particularly via renewable energy.



	FY21	FY22	FY23	FY24	FY25
Solar	800,492	770,381	702,965	636,063	609,564
Wind*	1,632,057	1,517,706	788,515	532,067	862,399
Hydro**	4,615,937	6,050,552	5,222,423	4,218,104	510,597
STG	27,740,551	29,333,585	27,579,131	30,119,882	31,954,447
CTG	2,211,294	1,763,729	1,156,813	4,081,632	877,555
Total Self Generated	37,000,331	39,435,953	35,449,847	39,587,748	34,814,562
kWh Amounts					
kWh Purchased	101,212,865	104,935,640	106,661,272	114,482,902	110,046,466
kWh Required	138,273,872	145,089,340	142,979,447	154,114,060	144,889,154

* On May 29, 2023 (FY23) one of the two wind turbines on Deer Island had a catastrophic failure. Staff are reviewing options to replace this wind turbine.
** Starting during FY25, hydro was offline for the wicket gate replacement project.

FY25 Year-End Accomplishments:

- Deer Island received the Platinum Peak Performance Award for calendar year 2024 from the National Association of Clean Water Agencies (NACWA) for the 18th continuous year. The award recognizes facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permit limits. DITP has had no permit violations for over 18 years.

- Deer Island always met secondary permit limits, treating on average 99.6% of flows with full secondary treatment. More detailed information about DITP's NPDES Permit compliance is available on the Transparency/Performance Indicator section of MWRA's website.

- Completed numerous major maintenance projects including:
  - Maintenance Staff installed Grit Sample Shed outside of the Grit Facility. The installation of the shed moved the Grit Sample System from inside the facility preventing premature failure of system components.
  - Electrical Staff replaced one Sim Loop Sample Pump VFD and added a second pump and VFD for redundancy to the Sim Loop sample system.
  - HVAC and Welding staff upgraded the Bisulfite system heat exchangers, pumps and associated piping on Mid-Level Disinfection.

- Staff purchased twelve low voltage Speed Controllers for the Centrifuge Polymer system. The original Speed Controllers were installed in the late 1990s and are failing, obsolete, and replacement parts are no longer available. DITP C&C staff are installing all Speed Controllers.
- Residuals Maintenance staff replaced one Odor Control Fan in the Residuals Area Odor Control System. The fan had been identified for replacement with an imbalance during vibration analysis.
- Power & Pump Maintenance staff replaced one Odor Control Fan in the North Main Pump Station Odor Control System. The fan had been identified for replacement with an imbalance during vibration analysis.
- Residuals staff removed and replaced two digester mixers. The mixers were recommended for refurbishment based upon impeller and bearing wear, which was identified by vibration analyses. Mixers are critical to plant performance. It provides the driving force for mixing the digester content and ensuring a uniform temperature within the sludge mass.
- Plumbing staff replaced eighteen 8-inch Plug Valves, ten 10-inch Plug Valves, and eighteen 12-inch plug valves in the Mod I Digester Complex that had exceeded their useful life. As part of the valve replacement project staff replaced multiple piping sections that had deteriorated as a result of Struvite Control in the Digester Mod.
- HVAC Staff replaced ten valves on the H1S/H1R system during the Thermal Power Plant Annual outage. The valves were originally installed in the 1990's and are failing to isolate and needed to be replaced so the system can be isolated without a Plant-wide shutdown.
- Plumbing and Electrical staff installed new RODI Demineralized Water system for Lab Facility. Old system had failed and could not keep up with demineralized water demand in the lab.

- Issued Notice to Proceeds for Asset Protection Program contracts including the following:
  - Deer Island Combined Heat & Power Design/ESDC (Oct-2024)
  - Deer Island HVAC Control System, Equipment & Fume Hood Replacement Preliminary Design/Final Design/ESDC (Apr-2025)

- Substantially completed projects:
  - Deer Island Roof Replacement (Jun-2025)
  - Deer Island Misc. VFD Replacements FY19-FY23 (Jun-2025)

Budget Highlights:

The FY26 Budget is $71.0 million, a decrease of $1.9 million or 2.6% compared to the FY25 Budget.

- $24.9 million for **Wages and Salaries**, a decrease of $261,000 or 1.0%, compared to the FY25 Budget, primarily due to an increase in the vacancy rate. The FY26 Budget also includes $379,000 for stand-by pay to support operational and maintenance needs primarily during storms and emergencies. This was an increase of $190,000 as compared to FY25 Budget, due to new union contract agreements.

- $1.9 million for **Overtime**, an increase of $189,000 or 10.9% compared to the FY25 Budget due to wage increases associated with collective bargaining agreements and an increase for unplanned overtime due to coverage for vacant instrument tech and communication and control tech positions. The FY26 Budget is based on multi-year historical trends and supports overtime required for operational coverage, critical maintenance projects, and regulatory requirements (i.e. inspections).

- $9.3 million for **Chemicals**, a decrease of $404,000 or 4.2% compared to the FY25 Budget. The decrease is due to price adjustments. The FY26 Budget, which is based on multi-year historical usage trends and projected market prices, includes $3.9 million for ferrous/ferric chloride, an increase of $158,000 primarily due to quantity and price; $3.1 million for sodium hypochlorite, a decrease of $589,000 primarily due to price; $804,000 for hydrogen peroxide, an increase of $8,000 due to quantity; $496,000 for sodium bisulfite, an increase of $20,000; $478,000 for polymer, a decrease of $33,000; $385,000 for activated carbon, an increase of $27,000; and $162,000 for sodium hydroxide, an increase of $6,000. The budget includes the full year impact $358,000 on sodium hypochlorite and $323,000 on sodium bisulfite for the anticipated impact of a new NPDES permit

- $18.3 million for **Utilities**, an increase of $605,000 due to $703,000 increase in electricity for quantity and pricing. $52,000 for water for higher quantity and pricing. This is offset by a $140,000 decrease in diesel fuel for lower pricing and quantity.

- $15.5 million for **Maintenance**, a decrease of $1.9 million or 11.1% compared to the FY25 Budget. The FY26 Budget includes $5.7 million for materials and $9.8 million for services. Of the total, $8.4 million or 54% is for plant and machinery materials and services, $1.9 million is for electrical system maintenance and $1.5 million is for building and grounds work, and $1.2 million is for HVAC system maintenance. The budget reflects project priorities with particular emphasis on maintenance of critical equipment.

- $234,000 for **Professional Services**, a decrease of $86,000 from the FY25 Budget. The FY26 Budget includes $150,000 for a hydro feasibility and $64,000 for the study to look at the feasibility of a battery backup system, which was started in FY25.

- $466,000 for **Other Materials**, a decrease of $30,000 from the FY25 Budget. The FY26 Budget includes $166,000 for health and safety materials, $120,000 for work clothes, $62,000 for office supplies, $58,000 for vehicles expenses (bulk fuel and mileage reimbursements), and $26,000 for equipment and furniture,.

- $294,000 for **Other Services**, level funded from the FY25 Budget. The FY26 Budget includes $132,000 for health and safety services, $55,000 for permit fees, $40,000 for telephones, $20,000 for membership dues and subscriptions, $18,000 for police details, $15,000 for freight charges, and $5,000 for printing services. The budget is based on historical averages for most items in this category.

RESIDUALS MANAGEMENT

The **Residuals Management Program** manages the processing and disposal of approximately 95-110 dry tons per day (on average per year) total suspended solids (TSS) of sludge from the anaerobic digestion process at the Deer Island Wastewater Treatment Plant, as well as the disposal of grit and screenings from all MWRA facilities. MWRA pumps liquid digested sludge from Deer Island through the inter-island tunnel to the Fore River Pelletizing Plant where the sludge is dewatered, dried, and shipped by either rail or truck for use as fertilizer or to other appropriate disposal options. MWRA is committed to the beneficial use of biosolids to the greatest extent practicable. MWRA seeks to dispose of all sludge and grit and screenings in a reliable, economical, and environmentally sensitive manner.

- MWRA has contracted with the New England Fertilizer Company (NEFCo) since 1991 to operate the sludge pelletizing plant and to market and distribute biosolids products. The first 10-year contract ran from 1991-2001. The second 15-year contract continued from 2001 to December 31, 2015. MWRA and NEFCo negotiated a five-year contract extension that commenced in January 2016 and ended December 31, 2020. MWRA and NEFCo negotiated another two-year extension, which commenced January 1, 2021 and is in effect during calendar years 2021 and 2022. The extension includes a third optional year for calendar year 2023, which the MWRA Board of Directors approved to execute at the June 2022 Board of Director's meeting. The third 10-year contract continued from January 1, 2024 to December 31, 2033.

- The FY26 Budget is based on the assumption of 97.1 average tons per day (TPD; TSS basis), consistent with historical averages from recent years.

- Grit and screenings (minor residuals) from MWRA's headworks and certain pump stations are collected and disposed of in landfills. MWRA contracts with a third party operator for this service. Minor residuals are by-products of wastewater pre-treatment and primary/secondary treatment processes and include grit, screenings, and scum screenings.

FY26 Final Current Expense Budget
RESIDUALS MANAGEMENT PROGRAM

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 162,124	$ 163,593	$ 175,036	$ 184,367	$ 9,331	5.3%
MAINTENANCE	-	-	-	-	-	-
TRAINING & MEETINGS	-	-	3,200	3,200	-	0.0%
PROFESSIONAL SERVICES	15,740	11,000	20,000	-	(20,000)	-100.0%
OTHER MATERIALS	311	-	-	-	-	-
OTHER SERVICES	18,273,187	22,408,331	24,786,017	29,096,934	4,310,917	17.4%
TOTAL	**$ 18,451,362**	**$ 22,582,924**	**$ 24,984,253**	**$ 29,284,501**	**$ 4,300,248**	**17.2%**

FY26 Goals and Initiatives:

II. Wastewater Quality and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.
    - Continue marketing efforts for Bay State Fertilizer.
    - Maintain beneficial use of MWRA's processed pellets.

Key Performance Measurements:

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Pelletize all sludge received from DITP	100%	100%	100%	100%
Average Tons Per Day Sludge (TSS basis)	93.2	100.5	100.8	97.1
Monthly Ave % Capture – Processed Sludge (goal per contract with NEFCo)	90.9%	90.9%	91.0%	90%
Properly dispose of grit & screenings	100%	100%	100%	100%
Annual grit and screenings tonnage	5,064	5,275	4,692	5,243

- ***Goal #6 – Capital Improvements:*** Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects.
    - Continue work on the following Residuals Asset Protection Program contracts:
        - Various Equipment Replacement NTP (Dec-2025)
        - Various Equipment Replacement Design NTP (Dec-2025)

FY25 Year-End Accomplishments:

- Through NEFCo, processed and pelletized 100.8 tons per day of sludge on average from DITP.
- Through contracted operator, collected and properly disposed of 4,692 tons of grit and screenings.

Budget Highlights:

The FY26 Budget is $29.3 million, which is $4.3 million or 17.2% more than the FY25 Budget.

- $184,000 for **Wages and Salaries**, an increase of $9k or 5.3%, funds one permanent position and stand-by pay to provide coverage for emergencies during off-shifts. This department also receives on-going management oversight and staff support from other departments of the MWRA including Deer Island, Treasury, and Operations Administration.

- **Professional Services The** $20,000 budget in FY25 has been removed. These funds are used for the bi-annual stack testing, which are not required in FY26.

- $29.1 million for **Other Services**, an increase of $4.3 million or 17.2% from the FY25 Budget based on contractual prices for the new sludge pelletization contract and an increase in the grit and screen contract based on new contract. The two major items funded in the FY26 Final Budget include $2.2 million for grit and screenings disposal and $26.9 million for sludge pelletization services, both are provided through contracts with private vendors.

MWRA Sludge Pelletizing Facility

CLINTON

The Clinton Wastewater Treatment Plant provides advanced wastewater treatment services to the Town of Clinton and the Lancaster Sewer District. MWRA assumed formal operational responsibility for the Clinton plant in 1987. Since then, MWRA has designed and constructed new primary, secondary, and advanced treatment facilities, which incorporated rehabilitated portions of the existing plant with new construction. The new facilities, designed to meet all current and projected National Discharge Elimination System (NPDES) discharge standards, were completed in 2017.

EPA issued a new General Permit for all Medium Wastewater Treatment Facilities on September 28, 2022 with an effective date of April 1, 2023 for the Clinton plant. New permit requirements included stricter ammonia limits, rapid reporting of sanitary sewer overflows and upsets, and monitoring of PFAS, nitrogen, and phosphorus. Under a prior NPDES permit, MWRA commenced construction and operations of a phosphorous reduction facility to meet more stringent phosphorus removal requirements and lower discharge limit. The Clinton Plant complies with all phosphorous limits established under the NPDES permit.

FY26 Final Current Expense Budget
CLINTON WASTEWATER TREATMENT PROGRAM

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,001,018	$ 1,046,400	$ 1,094,878	$ 1,053,336	$ (41,542)	-3.8%
OVERTIME	71,628	77,301	93,019	91,916	(1,103)	-1.2%
FRINGE BENEFITS	1,156	1,332	2,500	2,500	-	0.0%
CHEMICALS	537,117	652,624	568,507	610,865	42,358	7.5%
UTILITIES	400,601	408,332	311,828	409,671	97,843	31.4%
MAINTENANCE	555,251	562,214	520,027	625,776	105,749	20.3%
TRAINING & MEETINGS	550	-	300	300	-	0.0%
PROFESSIONAL SERVICES	6,838	24,037	14,500	14,500	-	0.0%
OTHER MATERIALS	211,309	115,782	316,000	293,340	(22,660)	-7.2%
OTHER SERVICES	21,487	22,749	23,840	28,540	4,700	19.7%
TOTAL	**$ 2,806,955**	**$ 2,910,771**	**$ 2,945,399**	**$ 3,130,744**	**$ 185,345**	**6.3%**

The plant provides secondary treatment using an activated sludge process in combination with advanced nutrient removal, chlorination and dechlorination. The major facilities include headworks, primary sedimentation tanks, digesters, sludge processes, trickling filters, aeration tanks, secondary sedimentation tanks, phosphorus removal via chemical addition and filtration and disinfection and dechlorination facilities. The plant discharges its effluent into the South Nashua River in accordance with the discharge limits of the facility's NPDES permit, with a design flow of 3.01 MGD. The plant has a potential peak flow rate of 12 MGD. Residual materials are pressed and transported to an MWRA-owned landfill for final disposal. Staff manage and regularly monitor the landfill site, which discharges leachate back to the Clinton Wastewater plant for treatment.

FY26 Goals and Initiatives:

This department contributes significantly to the following MWRA goals included in the draft FY21-FY25 Five-Year Strategic Business Plan;

II. Wastewater Quality and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.
  - Fully comply with lower ammonia removal requirements.
  - Comply with Department of Environmental Protection (DEP) finding for landfill height levels and sloping that require ongoing remediation efforts.

  - **Key Regulatory Performance Measurements:**

Effluent Characteristicα	Permit Limitβ	FY23 Actual	FY24 Actual	FY25 Actual	FY25 Goal % compliance
Daily Average Flow (MGD) – 12 month rolling average	3.01 MGD	2.49 MGD	3.76 MGD	2.19 MGD	100%
BOD (mg/L)	20 mg/L	1.71 mg/L	1.75 mg/L	1.90 mg/L	100%
TSS (mg/L)	20 mg/L	2.32 mg/L	2.56 mg/L	3.26 mg/L	100%
TCR (mg/L)	17.6 mg/L	<0.02 mg/L	<0.02 mg/L	<0.02 mg/L	100%
E.coli (cfu/100mL)	126 cfu/100mL	5.27 cfu/100mL	7.60 cfu/100mL	5.29 cfu/100mL	100%
pH (S.U.)	6.5-8.3	7.48 S.U.	7.43 S.U.	7.47 S.U.	100%
Acute Toxicity (%)	>100%	>100%	(**)54.1%	>100%	100%
Chronic Toxicity (%)	≥62.5%	(*)12.5%	(**)12.5%	100%	100%
Total Phosphorus (mg/L)	0.15 mg/L Apr-Oct 1.0 mg/L Nov-Mar	0.10 mg/L	0.06 mg/L	0.10 mg/L	100%
Total Ammonia as Nitrogen (mg/L)	3.9 mg/L Apr 2.1 mg/L May 2.0 mg/L Jun-Oct 6.6 mg/L Nov-Mar	0.092 mg/L	0.100 mg/L	0.105 mg/L	100%

α Annual averages are shown for all characteristics except toxicity. Toxicity reported by lowest reported result during fiscal year. Not all permit limits are shown. Permit limits shown are for monthly average BOD, TSS, TCR, E. coli, pH, Total Phosphorus, Total Ammonia Nitrogen, and minimum acute and chronic toxicity.
β Clinton's new NPDES permit went into effect on April 1, 2023
(*)Chronic Toxicity levels below target due to Q1. Staff investigated these intermittent instances of apparent toxicity in the plant effluent and found no obvious cause. The next three tests showed no evidence of toxicity (all results were 100%).
(**) Chronic and Acute Toxicity levels below target due to Q4. Staff investigated these intermittent instances of apparent toxicity in the plant effluent and found no obvious cause. All other quarters were above the permit limit.

- ***Goal #6 – Wastewater Infrastructure:*** Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects included in the FY26 CIP.

  Issue notice to proceed for:
  - Clinton Screw Pump Replacement Phase 2 Construction (Sep-2025)

  Continue work on:
  - Clinton Digester Cover Replacement

III. Infrastructure Management and Resilience

- ***Goal #9 – System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support levels.
  - Make substantial progress or complete major maintenance projects.

Purchase grit screw parts.

V. Environmental Sustainability

- ***Goal #15 – Energy Optimization***: Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets.
  - Continue operations of recently installed natural gas line to replace use of fuel oil in the facility.
  - Continue to evaluate and implement energy audit recommendations.

FY25 Year-End Accomplishments:

- Clinton received the Silver Peak Performance Award for calendar year 2024 from the National Association of Clean Water Agencies (NACWA). The award recognizes facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permit limits.

Staff performed process operation and maintenance of the new phosphorus reduction facility (PRF). The PRF was shut down for the winter 2024/2025 and restarted in March 2025 in order to meet very low NPDES permit limits for phosphorus effective April 1, 2025. During the winter downtime, staff implemented a number of minor system modifications and improvements were made to increase the reliability of the system including replacement of 100% of the filter cartridges in PRF filter #2 (250 cartridges) following OEM recommendations.

- Issued notice to proceed of construction of digester cover, valve and gate replacement at Clinton (Mar-2025).

- Completed numerous maintenance projects including the following:
  - Operations and Maintenance staff completed acid wash on #1, #2 and #3 disk filter and cleaned the troughs for all three filters.
  - Maintenance staff checked and greased the equipment for the Digester's Floating Cover Ovivo mixer.
  - Maintenance staff cleaned and greased the upper and lower pin rack, cleaned the upper Grit room and greased the Grit Classifier and belt.
  - Staff replaced the drive bolt in the grit classifier screw. Also rebuilt primary pump #4, installing new power frame head.
  - Operations staff rebuilt two PRF polymer pumps located in the chemical building.

Budget Highlights:

The FY26 Final Budget for Clinton is $3.1 million, a decrease of $183,000 or 6.3% from the FY25 Budget.

- $1.1 million for **Wages and Salaries**, a decrease of $42,000 or 3.8%, from the FY25 Budget due to increase in the vacancy rate.

- $92,000 for **Overtime,** a decrease of $1,000 or 1.2% compared to the FY25 Budget. Overtime is used for critical maintenance work and to meet the 24 hour, 7 days per week emergency coverage requirement.

- $611,000 for **Chemicals**, an increase of $42,000 or 7.5% from the FY25 Budget, for higher quantities and prices.

- $410,000 for **Utilities**, an increase of $98,000 or 31.4% from the FY25 Budget due to higher electricity mostly for new supplier contract pricing. The budget includes $343,000 for electricity, $61,000 for natural gas, and $2,000 for water.

- $626,000 for **Maintenance**, an increase of $106,000 or 20.3% from the FY25 Budget due to higher cost for grit screw parts.

- $293,000 for **Other Materials**, a decrease of $23,000, or 7.2% from the FY25 Budget. This line item includes $269,000 for clean fill for the landfill operation, which caused the decrease due to new contract pricing.

- $29,000 for **Other Services**, an increase or $5,000 or 19.7% from the FY25 Budget. This line item includes $13,000 for permit fees, $6,000 for telephones, $4,000 for health and safety services, and $4,000 for railroad easement expenses.

Clinton Wastewater Treatment Plant

FIELD OPERATIONS

The primary function of the **Field Operations Department (FOD)** is to provide high quality, uninterrupted water delivery and wastewater collection services to MWRA communities. The Department is responsible for the treatment, transmission, and distribution of water from the Quabbin and Wachusett reservoirs to community water systems. It also manages the collection, transport, and screening of wastewater flow from MWRA communities to the Deer Island Wastewater Treatment Plant.

FY26 Final Current Expense Budget
FIELD OPERATIONS

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 34,243,008	$ 36,875,415	$ 44,344,610	$ 44,609,340	$ 264,730	0.6%
OVERTIME	2,920,321	3,675,945	3,729,501	3,854,450	124,949	3.4%
FRINGE BENEFITS	64,356	77,812	62,412	69,241	6,829	10.9%
CHEMICALS	8,972,514	9,288,097	9,398,296	9,360,961	(37,335)	-0.4%
UTILITIES	14,716,437	14,418,411	13,992,155	14,787,308	795,153	5.7%
MAINTENANCE	13,712,303	15,851,035	21,155,135	18,649,830	(2,505,305)	-11.8%
TRAINING & MEETINGS	87,055	64,664	87,500	87,500	-	0.0%
PROFESSIONAL SERVICES	415,587	407,517	351,005	425,600	74,595	21.3%
OTHER MATERIALS	724,361	965,570	905,312	770,124	(135,188)	-14.9%
OTHER SERVICES	3,126,858	3,851,951	3,816,856	3,881,586	64,730	1.7%
TOTAL	**$ 78,982,800**	**$ 85,476,417**	**$ 97,842,782**	**$ 96,495,940**	**$ (1,346,842)**	**-1.4%**

FOD consists of five operating units: Wastewater Operations, Water Operations and Maintenance, Metropolitan Maintenance, Operations Support, and Administration.

FY26 Final Current Expense Budget
FIELD OPERATIONS by Programs

Program	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WASTEWATER OPERATIONS	$ 14,462,234	$ 15,389,711	$ 15,530,007	$ 16,438,674	$ 908,667	5.9%
WATER OPERATIONS & MAINT	37,669,748	40,192,010	45,970,905	44,233,480	(1,737,425)	-3.8%
METRO MAINTENANCE	13,513,829	14,438,509	19,396,748	19,428,138	31,390	0.2%
OPERATIONS SUPPORT	8,875,945	9,844,290	11,008,232	11,607,126	598,894	5.4%
FOD ADMIN	4,461,044	5,611,897	5,936,890	4,788,522	(1,148,368)	-19.3%
TOTAL	**$ 78,982,800**	**$ 85,476,417**	**$ 97,842,782**	**$ 96,495,940**	**$ (1,346,842)**	**-1.4%**

Wastewater Operations operates MWRA's wastewater transport facilities, including four continuously staffed headworks facilities; thirteen fully automated pumping stations; and five Combined Sewer Overflow (CSO) facilities which are similarly unstaffed. The wastewater system is monitored and controlled from the operations control center (OCC) in MWRA's Chelsea facility. Wastewater Operations aims to meet all operational and regulatory performance standards and requirements efficiently and cost-effectively.

FY26 Final Current Expense Budget
WASTEWATER OPERATIONS

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 5,876,965	$ 6,258,187	$ 7,120,358	$ 7,274,923	$ 154,565	2.2%
OVERTIME	909,868	1,341,451	1,185,219	1,219,571	34,352	2.9%
FRINGE BENEFITS	19,169	26,568	21,769	23,838	2,069	9.5%
CHEMICALS	877,236	811,097	710,332	870,597	160,265	22.6%
UTILITIES	6,569,354	6,778,109	6,343,462	6,915,838	572,376	9.0%
MAINTENANCE	74,278	76,936	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-
OTHER MATERIALS	36,339	97,797	69,825	70,067	242	0.3%
OTHER SERVICES	99,025	(434)	79,042	63,840	(15,202)	-19.2%
TOTAL	**$ 14,462,234**	**$ 15,389,711**	**$ 15,530,007**	**$ 16,438,674**	**$ 908,667**	**5.9%**

Water Operations and Maintenance operates and maintains the water supply and treatment facilities to provide an adequate supply of properly treated drinking water to meet all operational and regulatory performance requirements. The Unit is responsible for the treatment and delivery of approximately 200 million gallons per day (average mgd**)** of water from the Quabbin and Wachusett reservoirs to the community water systems. Water must be supplied to customer communities at the expected pressure. This unit is also responsible for the maintenance of 300 miles of distribution pipeline and 6,000 valves in a water system that encompasses a service area from Chicopee in the western part of the state to Lynnfield, Wakefield, Marblehead, Norwood and Canton in the metropolitan area. This unit operates twelve pumping stations in the Metropolitan area and operates and maintains MWRA's western waterworks facilities, including the Carroll Water Treatment Plant, the Metro West Tunnel, the Brutsch Water Treatment Plant, the Cosgrove Intake Facility, the Norumbega Reservoir, and the covered storage facilities. There are two operations centers providing monitoring and control of the water system on a 24-hour per day basis. The Metropolitan

Operations and Control Center (OCC) is located at MWRA's Chelsea office Facility and the Western Operations Center is located at the Carroll Water Treatment Plant.

Metro Maintenance is responsible for the maintenance of MWRA's wastewater and water facilities within the Route 128 area. Staff maintain interceptors, pumps, facility equipment, and buildings and grounds.

FY26 Final Current Expense Budget
METRO MAINTENANCE

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 8,227,882	$ 8,767,188	$ 11,061,166	$ 10,434,307	$ (626,859)	-5.7%
OVERTIME	401,822 / 1,489,874	614,233 / 1,621,227	908,830 / 1,426,592	944,994 / 1,474,759	36,164 / 48,167	4.0% / 3.4%
FRINGE BENEFITS	9,519	14,090	10,137	11,454	1,317	13.0%
CHEMICALS	4,200 / 8,091,078	8,477,000	8,687,964	8,490,364	(197,600)	-2.3%
UTILITIES	-	-	-	-	-	-
MAINTENANCE	4,556,888 / 6,689,819	4,550,083 / 8,010,456	6,964,071 / 11,222,085	7,457,815 / 8,704,211	492,844 / (2,517,874)	7.1% / -22.4%
TRAINING & MEETINGS	3,672	-	-	-	-	-
PROFESSIONAL SERVICES	30,728 / 377,228	165,987 / 241,930	100,000 / 201,004	187,000 / 228,000	87,000 / 27,996	79.1% / 13.7%
OTHER MATERIALS	200,420	200,923	259,856	259,856	-	0.0%
OTHER SERVICES	78,638 / 394,578	126,005 / 340,295	81,768 / 489,787	122,712 / 469,774	(10,924) / (19,733)	50.0% / -4.0%
TOTAL	**$ 13,513,829**	**$ 14,438,509**	**$ 19,396,748**	**$ 19,428,138**	**$ 31,390**	**0.2%**

Operations Support provides technical support to the FOD in three areas. Operations engineering staff coordinate all engineering issues related to the operation of the water and wastewater systems, and provide technical support to Operations staff. The SCADA unit is responsible for the maintenance of the water and wastewater Supervisory Control and Data Acquisition (SCADA) systems. Metering Department staff maintain revenue meters and provide flow data. Staff collect meter data for operational and revenue generating purposes from the water and wastewater systems. Over 200 water meters and over 250 wastewater meters are operated and maintained by MWRA staff. The data collection and analysis supports MWRA Rates and Budget Department's allocation of MWRA rate revenue requirements.

FY26 Final Current Expense Budget OPERATIONS SUPPORT						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 6,104,875	$ 6,598,954	$ 8,183,414	$ 8,662,554	$ 479,140	5.9%
OVERTIME	88,756	79,780	156,790	161,494	4,704	3.0%
FRINGE BENEFITS	1,875	1,773	1,647	1,802	155	9.4%
CHEMICALS	-	-	-	-	-	-
UTILITIES	92,157	98,419	79,315	85,547	6,232	7.9%
MAINTENANCE	1,999,165	2,468,875	1,937,844	2,007,844	70,000	3.6%
PROFESSIONAL SERVICES	7,463	-	40,001	-	(40,001)	-100.0%
OTHER MATERIALS	63,210	59,590	67,281	67,281	-	0.0%
OTHER SERVICES	518,444	524,039	541,940	620,604	78,664	14.5%
TOTAL	**$ 8,875,945**	**$ 9,844,290**	**$ 11,008,232**	**$ 11,607,126**	**$ 598,894**	**5.4%**

FOD Administration provides financial, administrative, planning, and policy oversight functions for the entire Department.

FY26 Final Current Expense Budget FOD ADMIN						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 833,329	$ 913,442	$ 1,103,798	$ 896,474	$ (207,324)	-18.8%
OVERTIME	30,001	19,254	52,070	53,632	1,562	3.0%
FRINGE BENEFITS	13	4	15	16	1	6.7%
UTILITIES	970,053	774,062	828,235	617,410	(210,825)	-25.5%
MAINTENANCE	392,153	744,685	1,030,235	479,960	(550,275)	-53.4%
TRAINING & MEETINGS	82,393	51,804	87,500	87,500	-	0.0%
PROFESSIONAL SERVICES	113	-	-	-	-	-
OTHER MATERIALS	116,616	246,600	210,658	49,074	(161,584)	-76.7%
OTHER SERVICES	2,036,373	2,862,046	2,624,379	2,604,456	(19,923)	-0.8%
TOTAL	**$ 4,461,044**	**$ 5,611,897**	**$ 5,936,890**	**$ 4,788,522**	**$ (1,148,368)**	**-19.3%**

FY26 Goals and Initiatives:

I. Drinking Water Quality and System Performance

- ***Goal #1 – Compliance with Regulatory Requirement and Public Health Standards***: Maintain drinking water quality to protect public health, and continue to ensure that MWRA water meets all applicable regulations.
  - Optimize operation of water treatment facilities to produce high quality, safe drinking water while maximizing water aesthetics (i.e. taste, clarity and odor).

- Monitor drinking water quality in collaboration with member communities and the Department of Conservation and Recreation (DCR) in order to verify high quality water and provide guidance for operating decisions.
- Operate the reservoir system to optimize both quality and quantity of water available for water supply purposes and to meet statutory and regulatory requirements for downstream releases.

- **Key Regulatory Performance Measurements:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Turbidity < 5NTU	100%	100%	100%	100%
pH >9.1 & Alkalinity >37 mg/l	100%	100%	100%	100%
Disinfection Effectiveness	100%	100%	100%	100%

- Complete the 2025/2026 Carroll Water Treatment Plant half plant maintenance.
- Inspect, clean, and/or paint water storage tanks according to the prevailing maintenance plan.
- Continue valve replacement and exercising annual goals.

II. Wastewater Management and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.
  - **Key Regulatory Performance Measurements:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Total annual flow (billion gallons based on DITP mgd) – Process all flow at headworks within system parameters	106.9	134.7	102.4	117.4
Minimize choking at headworks (# of hours/highly dependent on weather):				
Nut Island	0	0	0	0
Columbus Park	36.67	87.5	36.9	0
Ward Street	20.42	59.9	24.5	0
Chelsea Creek	15.73	36.5	6.3	0

III. Infrastructure Management and Resilience

- ***Goal #9 – System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support service levels.
  - Continue to ensure proper operations and maintenance of the water and wastewater systems and minimize system downtime by performing:

- Preventative maintenance
- Predictive maintenance
- Corrective maintenance on equipment and linear assets
- Leak surveys of the water system
- Water system valve inspections and exercise
- Wastewater pipelines, structures, water storage tanks, and inverted siphons inspections, and cleanings.

o Inspect, maintain, and improve the dams, dikes, and other facilities constituting the watershed system infrastructure through ongoing maintenance and an adequate multi-year capital improvement program to ensure system reliability and limit potential flood hazards.

o **Key Maintenance Measurements:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
% Total Revenue Calculated Using Meters				
Water	98.6%	99.1%	99.2%	98%
**Wastewater	98.6%	97.8%	97.9%	95%
Water System:				
Leak Detection – miles surveyed)	167	143	127	150
Main Line Valves – # exercised	582	750	805	1100
Main Line Valves – # replaced	2	6	1	15
Blow-off Valves – # exercised	484	458	533	600
Blow-off Valves – # maintained	15	28	34	20
Wastewater System:				
Pipeline Inspections – miles	33.62	28	29	32
Pipeline Cleaning – miles	37.85	25	43	36
Structure Inspections – # structures	652	687	661	650
Manhole Rehabilitation – # manholes	38	78	45	105
Inverted Siphon Inspections – # siphons	49	21	42	48
Inverted Siphon Cleaning – # siphons	46	18	71	36
Metro Maintenance-Equipment and Facilities:				
Ops Light Preventive Maint (PM) - % maint hours	11%	13%	13.75%	10%
Preventive Maintenance Completion	100%	100%	100%	100%
*Maint Kitting – % work orders kitted	63%	64%	63%	60%
Ops Light Maint % PM Completion	100%	100%	100%	100%
Maintenance Backlog – crew hours	14,046	12,983	13,335	13,275

VI. Environmental Sustainability

- ***Goal #17 – Energy Optimization***: Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets.
  - Continue to implement projects to reduce energy use, increase energy revenue, decrease greenhouse gas emissions, and increase self-generation capacity, particularly via renewable energy, including:
    - Energy audits at all facilities as needed.
    - Stand-alone renewable energy projects at all MWRA facilities.

- Electrification for heating and MWRA vehicle fleet energy efficiency, non-fossil fuel heating, and renewable energy projects into new construction, rehabilitation projects, and equipment replacement.

- **Key Performance Measurements:**

Indicator	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Energy programs-Generate revenue from FOD-managed facilities:				
Power Sales	$1,114,379	$763,488	$699,759	$797,948
Demand Response	$90,325	$124,667	$113,386	$116,071
Renewable Portfolio Standard Credits	$264,464	$371,442	$15,454	$171,135

FY25 Year-End Accomplishments:

Water System

- Completed the CWTP half plant maintenance, including a structural inspection of the Ozone Contactors and Storage tanks.
- Staff successfully operated the Deer Island Water Supply system
- Staff in coordination with guidance from an expert panel completed operational testing of the lead pipe test rigs using control rigs as well as multiple dosing scenarios to measure the effectiveness of sodium orthophosphate on lead service lines.
- Staff successfully supported the ongoing SCADA upgrade project, including cutting over major portions of the controls system, training staff on the new system and managing the impacts of the cutover process and managing the consultant for this project.
- Successfully managed the design the cleaning and inspection contracts of all three cells at Norumbega Covered Storage Facility and the replacement of the 72 – inch influent and effluent couplings.
- Invasive species survey, control and removal work completed for 2024 season at Shaft 8 Intake Pool, the Wachusett, Quabbin/Pottapaug Pond, Sudbury, Foss, Ware River, Weston and Chestnut Hill Reservoirs. This includes the initial survey at Pottapaug Pond to address Swollen Bladderwort. Detailed invasive plant surveys were completed at all MWRA reservoirs and water quality baseline surveys completed at all emergency backup reservoirs.
- Completed the replacement of the hatches at Fells Covered Storage Facility which included a secondary barrier and allowed the removal of the existing concrete covers. Coordinated the disinfection and reactivation following the installations.
- Detail invasive plant surveys were completed at all MWRA reservoirs.
- Successfully maintained all instrumentation, network, and communications infrastructure for the MWRA Water and Wastewater systems.
- Continued cybersecurity projects to improve SCADA cybersecurity profile in accordance with NIST guidelines.

- Successfully managed the operations of the Metropolitan System while the Dorchester Tunnel was isolated during the repair of the drilling incident in October, including completing the isolation and reactivation of the Dorchester Tunnel and the operation of the Chestnut Hill Emergency Pump Station and maintaining system pressures during incident.
- Assisted many customer communities with both routine and emergency assistance, including: leak detection for Boston, Brookline, Canton, Chelsea, Everett, Medford, Milton, Newton, Revere, Saugus, Somerville, Stoneham, Waltham, Watertown, Wilmington and Winthrop.

Wastewater System

- Design of the Ward Street and Columbus Park Headworks Rehabilitation was started in January 2021. Final Design Report submitted in May 2023 with partial NTP to begin developing contract documents issued May 2023. An amendment to support additional design services was issued December 2024. The 60% final design documents are due July 2025. NTP for Ward Street Headworks is anticipated in October 2026 and for Columbus Park Headworks in April 2027.
- Design of Ward Street Headworks Make-up Air Handling Units Replacement under Technical Assistance task order was awarded in December 2024. The 100% design is anticipated in July 2025.
- The Cottage Farm CSO Facility PCB Abatement Design, Construction Administration, Engineering Services During Construction and Resident Engineering Services Phase 1 RFP/Q was awarded in October 2024. Facility survey work was conducted. Weston & Sampson submitted the Hazardous and Regulated Building Material Evaluations in March 2025 and the Preliminary Design Report in April 2025. MWRA requested modifications to the EPA approved PCB abatement requirements for the facility.
- The 100% design documents for the Cottage Farm CSO Engine Exhaust Silencers are anticipated in May 2025.
- The Chelsea Screenhouse, DeLauri and Caruso Pump Stations Duct Cleaning and Repairs contract was advertised in April 2025, with NTP expected in July 2025.
- The Nut Island Fire Pump #3 and Controller Replacement project design is complete. Advertisement is anticipated in July 2025 with NTP expected in September 2025.
- Design is at 100% for the addition of a manual transfer switch for connection to a temporary generator at the Prison Point CSO facility. NTP is expected in September 2025.
- Regulator 051 Weir Wall Modification design to replace existing weir wall with a new configuration to reduce CSOs at the CAM005 outfall was started in July 2024 and is expected to achieve 90% design in May 2025.
- Interim Roof Repairs at Columbus Park and Ward Street Headworks: A Task Order to inspect and recommend necessary roof repairs in advance of the full facility rehabilitation projects has been developed. NTP is expected in June 2025.
- A task order to design repairs to the deteriorating seawall at the Alford Street Pump Station had a NTP of July 2024. The preliminary design report is being finalized. Staff anticipate a construction NTP in December 2025.

- A task order to design an in-situ, structurally independent fiberglass tank within the existing five 6,300 gallon sodium hypochlorite storage tanks at Cottage Farm and Prison Point was executed. Staff anticipate having bid-ready documents June 2025.
- A purchase order was issued to rent equipment to temporarily store sodium hypochlorite outside of the Cottage Farm and Prison Point Chemical Feed Buildings. The equipment was installed in April 2025, allowing for the leaking sodium hypochlorite tanks to be taken offline.

Energy Conservation

- Staff continued coordination with the Town of Weston to further planning for solar development at the Norumbega Covered Storage Facility.
- HB 4967 (c. 179 of Acts of 1997) was signed by the Governor in August 2024, to expand the use of the Norumbega Covered Storage Facility land area to include solar photovoltaic.
- Staff continued to meet with National Grid and Eversource monthly, to coordinate efforts on MWRA's work on energy efficiency and emission reductions. MWRA avoided ISO-NE peak hour demand by taking the Carroll facility off the grid and supplying facility power with backup generators, therefore avoiding capacity charges of approximately $60,000 for the Carroll Plant for FY2025.
- MWRA successfully participated in ISO-NE Demand Response Program at Carroll, Loring Road and Brutsch Water Treatment Facility, generating approximately $113,386 in revenue through fiscal year 2025.
- Eversource Electric Vehicle (EV) Make Ready Program – Eversource has approved the Chelsea facility for funding of infrastructure costs. Chelsea project was executed in FY24, with installation expected in late FY25/early FY26.
- Staff received a Massachusetts Department of Energy Resources grant for five dual port Level 2 EV charging equipment and installation at MWRA's Southborough facility. Work is expected to be completed in FY25. Staff are also engaged with NGRID to seek approval for EV charging at the Carroll Plant and Clinton.
- Third party power supply contracts for MWRA's Profile Accounts and Interval accounts were executed in FY25.
- MWRA completed a heat pump project at the Norumbega Headquarters, receiving an $8,750 utility incentive, and saving 2,900 gallons of heating oil annually.
- MWRA is currently conducting a competitive procurement for the replacement of 19 existing gas-fired rooftop units with heat pumps. Notice to proceed is expected at the end of FY25.
- MWRA has conducted heat pump audits (including weatherization and other energy efficiency opportunities) at four wastewater pump stations, and two water pump stations. Project implementation will be considered after review of the proposals, expected before the end of FY25
- Charlestown Wind Turbine generated 1,309,920 kWh in fiscal year 2025 and energy revenue of $336,906.
- Carroll Treatment Plant photovoltaic array generated 362,369 kWh in fiscal year 2025 and energy revenue of $91,621.

- Cosgrove hydroelectric turbine generated 2,423,627 kWh in fiscal year 2025 and energy revenue of $105,159.
- Oakdale hydroelectric turbine generated 14,980,379 kWh in fiscal year 2025 and energy revenue of $880,192.
- Loring Road in-line hydroelectric turbine generated 1,044,813 kWh in fiscal year 2025 and energy revenue of $149,846.
- Brutsch in-line hydroelectric turbine generated 412,130 kWh in fiscal year 2025 and energy revenue of $59,520.
- Wachusett Aqueduct Pumping Station arrays generated 100,453 kWh in fiscal year 2025 and energy revenue of $9,680.

Budget Highlights:

The FY26 Final Budget is $96.5 million, a decrease of $1.3 million or 1.38% from the FY25 Budget.

- $44.6 million for **Wages and Salaries**, an increase of $265,000 or .6% over the FY25 Budget, and reflects increases to collective bargaining agreements and the vacancy rate. The FY26 Budget includes $851,000 for stand-by pay to ensure support for operational and maintenance needs during wet weather and emergencies and $74,000 for interns to provide support in several areas including Operations Engineering, SCADA, and Pipe and Grounds Maintenance.

- $3.85 million for **Overtime**, an increase of $125,000 or 3.35% over the FY25 Budget. The FY26 Budget for overtime, which incorporates collective bargaining increases, includes $1.95 million for emergency related overtime; $1 million for planned overtime; and $758,000 for operational coverage needs.

- $9.36 million for **Chemicals**, a decrease of $37,000 or .4% under the FY25 Budget. The FY26 budget includes $8.5 million for water treatment chemicals and $871,000 for wastewater treatment chemicals and is based on multi-year historical usage trends and projected market prices. The budget includes $2.6 million for sodium hypochlorite, $3.5 million for soda ash, $797,000 for Carbon Dioxide, $872,000 for liquid oxygen, $294,000 for aqua ammonia, $564,000 for Hydrofluosilic Acid, $238,000 for sodium bisulfite, $274,000 for other oxidizers, $160,000 for Activated Carbon, $20,000 for other chemicals (sodium thiosulfate) and $15,500 for Sodium Hydroxide.

- $14.8 million is included for **Utilities**, an increase of $795,000 or 5.68% over the FY25 Budget. The FY26 Budget includes $11.75 million for electricity, $1.48 million for diesel fuel, $931,000 for natural gas, $537,000 for water and $79,000 for propane.

- $18.65 million for **Maintenance**, a decrease of $2.5 million or 11.84% under the FY25 Budget due to project priorities and projected needs. The FY26 Budget includes $6.8 million in major projects, $5.5 million in day-to-day needs $5.7 million for services, and $657,000 for energy initiatives. Some of the major projects included for the FY26 Budget are:

• Duct Cleaning for Pump Stations (Phase 3)	$872,000
• Installation of Diesel Exhaust Silencers (Cottage Farm)	$470,000
• Union Park PLC Replacement	$450,000
• Farm Pond Inlet Chamber Repair	$410,000
• Invasives Control - Wachusett Res Basins & Coves	$400,000

    - NITP - Fire Pump & Controller Replacement $400,000

- $87,500 for **Training and Meetings**, a level funding and continuation of the FY25 Budget. The budget covers training required for work duties, health and safety compliance, job-related licensures and certifications, cyber-security and SCADA technical training.

- $426,000 for **Professional Services**, an increase of $75,000 or 21.25% over the FY25 Budget. The FY26 Budget includes $176,000 for engineering services comprised of as-needed engineering services to support CEB-funded maintenance projects; and $92,600 for consulting services to test hazardous materials. Additionally, the professional services budget includes $100,000 for an annual Macrophyte (invasive species) survey at the reservoirs; and $53,000 for quality assurance services for Macrophyte harvesting, and $4,000 for Digsafe membership.

- $770,000 for **Other Materials**, a decrease of $135,000 or 14.93% under the FY25 Budget. The FY26 Budget includes $270,000 for work clothes, $40,000 for furniture, $200,000 for health and safety supplies, $195,000 for vehicle expenses, $36,000 for office supplies, $26,000 for lab and testing supplies, $1,900 for other materials, and $1,000 for postage.

- $3.9 million for **Other Services**, an increase of $65,000 or 1.7% from the FY25 Budget primarily due to an increase in costs associated with police details. The FY26 Budget includes $2.5 million for annual lease payments for the Chelsea office building; $634,000 for telecommunication services, and $555,000 for police details.

Shaft 7C Main Line Valve Replacement

ENGINEERING AND CONSTRUCTION

FY26 Final Current Expense Budget ENGINEERING AND CONSTRUCTION						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 7,646,388	$ 8,031,720	$ 9,900,699	$ 9,719,620	$ (181,079)	-1.8%
OVERTIME	38,010	44,450	105,250	77,250	(28,000)	-26.6%
FRINGE BENEFITS	120	458	500	500	-	0.0%
MAINTENANCE	2,205	202	-	-	-	-
TRAINING & MEETINGS	3,770	8,707	19,500	19,500	-	0.0%
OTHER MATERIALS	23,427	29,008	23,800	29,300	5,500	23.1%
OTHER SERVICES	24,584	56,109	32,065	32,400	335	1.0%
TOTAL	**$ 7,738,504**	**$ 8,170,854**	**$ 10,081,814**	**$ 9,878,570**	**$ (203,244)**	**-2.0%**

The **Engineering and Construction Department (ECD)** manages and coordinates the planning, design, and construction of system improvements that ensure a safe and adequate water supply and reliable wastewater collection and treatment. Staff is organized into three units: Wastewater Engineering, Water Engineering, and Construction.

The Department provides in-house engineering, consultant management (during the facilities planning, environmental review, design, and engineering services during construction stages of capital projects), drafting, surveying, construction management, and other technical assistance. This work supports projects necessary for the maintenance, repair, and rehabilitation of wastewater and waterworks systems. In accordance with the CIP, the Department plans and implements the rehabilitation of existing facilities and construction of new facilities. This includes pipelines, pump stations, storage facilities, and treatment facilities on schedules that allow for sufficient system capacity and performance.

The **Wastewater Engineering Unit** manages all wastewater design and engineering projects including Combined Sewer Overflow (CSO) engineering activities as well as specialized technical services in electrical, structural, mechanical, and civil engineering disciplines.

The **Water Engineering Unit** manages all water design and engineering projects. The unit also maintains the Design Information Services Center (DISC), which provides computer-aided design and drafting (CADD) services.

The **Construction Unit** provides contract management and resident inspection on all MWRA water and wastewater construction and rehabilitation projects, with the exception of Deer Island Treatment Plant.

FY26 Goals and Intiatives:

The Engineering and Construction Department has significant responsibility for the following MWRA goals included in the draft FY22-FY26 Five-Year Strategic Business Plan;

Wastewater Quality and System Performance

- ***Goal #6 – Wastewater Infrastructure***: Move forward with design and construction of major wastewater infrastructure rehabilitation and renewal projects. Initiatives include:
  - Continue to design and implement facility rehabilitation projects for various pump stations, headworks, and CSO facilities.
  - Continue to implement an ongoing program to review, prioritize, and accelerate interceptor renewal projects.

- ***Goal #7 – CSO Plan Compliance:*** Demonstrate that the CSO Plan meets its performance objectives. Ensure compliance with CSO NPDES permit requirements.

III. Infrastructure Management and Resilience

- ***Goal #9 – System Maintenance and Enhancement:*** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk consistent with customer, community, and regulatory support levels.
  - Issue Notices to Proceed for numerous contracts in accordance with the FY26 CIP.
  - Substantially complete numerous project phases in accordance with the FY26 CIP.

For more information about Capital Improvement Program projects, please refer to the Fiscal Year 2026 Capital Improvement Program document located on the Budget page of the MWRA's website at mwra.com.

FY25 Year-End Accomplishments:

- Awarded or Issued Notices to Proceed for numerous contracts including the following:
  - Wastewater System:
    - Hayes Pump Station Rehabilitation Construction
    - Somerville Marginal New Pipe Connection
    - Cottage Farm PCB Abatement Design / Construction Administration

  - Water System:
    - Northern Extra High Service Construction CP-2
    - New Connecting Mains Section 75 Extension Construction CP-1
    - Northern High Service Section 56 Replacement Construction
    - Northern Intermediate High Storage – Design/CA/RI

- Substantially completed numerous design and construction phases including the following:
  - Wastewater System:
    - Braintree-Weymouth Construction Improvements
    - Nut Island Odor Control and HVAC Improvements Design/CA/REI
    - Columbus Park Headworks Air Handling Equipment

  - Water System:
    - Redundancy Interim Improvements WASM/SPSM West PRV Construction

- Redudancy Interim Improvements WASM 3 CP-1
- Carroll Water Treatment Plant Chemical Feed System Improvements
- Carroll Water Treatment Plant Parapet Wall Repairs
- Walnut Street Bridge Truss Construction

Budget Highlights:

The FY26 Budget is $9.9 million, a decrease of ($203,000) or -2%, as compared to the FY25 Budget.

- $9.7 million for **Wages and Salaries**, a decrease of ($181,000) or -1.8% compared to the FY25 Budget primarily for adjustments in budget reserves. FY26 CEB was level funded at 80 approved positions before applying the vacancy rate.

- $77,200 for **Overtime**, which includes wage increases and overtime associated with ten construction projects scheduled for FY26. The overtime projection decreased for FY26 to reflect a historical decrease in the use of overtime. Overtime covers resident inspection at construction sites after regular work hours to ensure monitoring of construction projects. Overtime also covers unplanned design or survey needs, evening attendance at public meetings, and achieving project deadlines.

- $20,000 for **Training & Meetings** to cover attendance at conferences and technical seminars. This funds staff attendance at conferences as part of MWRA's workforce development and succession planning strategies.

- $29,000 for **Other Materials** to cover office supplies, work clothes, health and safety supplies, and survey equipment. The projection for work clothing increased based on historical spending.

- $32,000 for **Other Services** for printing/duplicating, telephone expenses, memberships and dues, on-line engineering services and police details.

PROGRAMS, POLICY AND PLANNING

Programs, Policy & Planning

Toxic Reduction and Control
Environmental Quality
Laboratory Services
Planning

The Deputy Chief Operating Officer oversees this section, which focuses on the following:

- Master planning, business planning, and strategic initiatives (such as system expansion);
- Environmental programs and regulatory coordination;
- Water and wastewater quality testing and reporting;
- Divisional budget preparation and monitoring;
- Financial planning and analysis;
- Accounts payable and contract administration;
- Human resources management functions; and
- Energy program planning, evaluation, analysis, reporting and audits.

The Deputy Chief Operating Officer also provides support to the Chief Operating Officer on key MWRA operations, technical, policy, community coordination, permitting, and public constituency matters.

FY26 Final Current Expense Budget
PROGRAMS, POLICY & PLANNING

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 14,945,430	$ 16,542,541	$ 18,608,494	$ 18,430,338	$ (178,156)	-1.0%
OVERTIME	273,786	304,375	311,865	329,429	17,564	5.6%
FRINGE BENEFITS	3,221	3,713	3,482	4,382	900	25.8%
UTILITIES	77,110	72,347	60,055	68,613	8,558	14.3%
MAINTENANCE	500,367	603,197	586,112	557,109	(29,003)	-4.9%
TRAINING & MEETINGS	11,854	53,155	29,855	48,750	18,895	63.3%
PROFESSIONAL SERVICES	1,744,187	1,929,803	2,535,694	2,321,394	(214,300)	-8.5%
OTHER MATERIALS	1,543,309	1,718,053	1,866,291	2,001,505	135,214	7.2%
OTHER SERVICES	409,986	430,540	452,113	534,775	82,662	18.3%
TOTAL	**$ 19,509,250**	**$ 21,657,724**	**$ 24,453,961**	**$ 24,296,295**	**$ (157,666)**	**-0.6%**

The Programs, Policy & Planning Section is composed of the Toxic Reduction and Control, Environmental Quality (EnQual), Laboratory Services, and Planning departments. The Environmental Quality Department has two units; EnQual-Wastewater and EnQual-Water Quality Assurance. In total, the budgets for these programs represent 10.1% of the Operations Division's FY25 Budget.

FY26 Final Current Expense Budget
PROGRAMS, POLICY & PLANNING by Program

PROGRAM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
TOXIC REDUCTION & CONTROL	$ 4,950,790	$ 5,205,911	$ 5,925,181	$ 5,851,730	$ (73,451)	-1.2%
ENVIRONMENTAL QUALITY	5,397,303	5,825,132	6,865,268	6,608,437	(256,831)	-3.7%
LABORATORY SERVICES	6,763,038	7,711,120	8,390,544	8,419,980	29,436	0.4%
PLANNING	2,398,119	2,915,561	3,272,968	3,416,148	143,180	4.4%
TOTAL	**$ 19,509,250**	**$ 21,657,724**	**$ 24,453,961**	**$ 24,296,295**	**$ (157,666)**	**-0.6%**

Nut Island Headworks

TOXIC REDUCTION AND CONTROL

The Toxic Reduction and Control (TRAC) Department operates a multi-faceted program to minimize and control the inflow of hazardous or toxic materials into the MWRA sewer system. TRAC operates MWRA's Environmental Protection Agency (EPA) approved Industrial Pretreatment Program and is responsible for all associated activities which include conducting inspections (approximately 1,250 annually), issuing permits (approximately 500 annually), conducting sampling (more than 2,500 events annually), and carrying out enforcement activities (approximately 300 annually). The program tracks more than 1,900 permitted facilities and 4,000 gas/oil separators. TRAC uses a software application to manage an extensive amount of industrial data on analytical test results, compliance status, and facility sampling and permitting requirements.

FY26 Final Current Expense Budget
TOXIC REDUCTION AND CONTROL

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 4,584,920	$ 4,809,420	$ 5,275,379	$ 5,396,583	$ 121,204	2.3%
OVERTIME	182,729	208,354	203,342	221,043	17,701	8.7%
FRINGE BENEFITS	1,822	2,668	1,800	2,700	900	50.0%
UTILITIES	-	490	-	-	-	-
MAINTENANCE	21,030	6,742	14,501	14,501	-	0.0%
TRAINING & MEETINGS	87	1,979	1	-	(1)	-100.0%
PROFESSIONAL SERVICES	-	-	250,000	30,001	(219,999)	-88.0%
OTHER MATERIALS	139,858	148,088	150,657	152,741	2,084	1.4%
OTHER SERVICES	20,344	28,170	29,501	34,161	4,660	15.8%
TOTAL	**$ 4,950,790**	**$ 5,205,911**	**$ 5,925,181**	**$ 5,851,730**	**$ (73,451)**	**-1.2%**

FY26 Goals and Initiatives:

II. Wastewater Management and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.
    - Continue to carry out the Pretreatment Program to protect receiving water quality, maximize the beneficial reuse of wastewater residuals, and protect workers and MWRA's wastewater treatment plants and receiving waters.
    - Ensure compliance with MWRA and Federal regulations by issuing appropriate enforcement actions as outlined in the Enforcement Response Plan.
    - Staff will continue to transition the 8M permitting process into TRAC's Pre-treatment Information Management System (PIMS) software.
    - TRAC staff will utilize the PIMS software to schedule and track work and to draft permits and track permit requirements. Sampling required by permits is entered into the PIMS system by permittees' contract laboratories. This electronic reporting system has EPA's Cross Media Electronic Reporting Rule (CROMERR) approval.

- ***Goal #5 – Regulatory Changes***: Continue to initiate plans and studies to prepare for regulatory changes; identify opportunities to refine monitoring requirements; and improve effluent quality.

- Prepare updated Local Limits Studies for Deer Island in accordance with EPA guidelines to confirm appropriate discharge limits from industries.
- Continue to closely follow developing permit issues such as the impact of changes in bacterial and nutrient water quality standards; effluent loading limits; emerging contaminants and PFAS regulations; stormwater permitting; endangered species designations and phosphorus and PFAS in biosolids.

FY25 Year-End Accomplishments:

- In FY25 TRAC began the reassessment of technically based industrial discharge limits. This reassessment is a requirement of the U.S. Environmental Protection Agency (EPA) and the requirements for the reassessment are found in the National Pollutant Discharge Elimination System (NPDES) Permit. A contract was awarded to review and extract relevant information from existing data including industrial discharge, influent, effluent, residential and background discharge, infiltration, sludge, air quality, and operational records. Using this data, conduct a local limits analysis in accordance with the EPA – New England's Reassessment of Technically Based Industrial Discharge Limits requirements.

- TRAC continued to collect and test Per-and polyfluoroalkyl substances (PFAS) samples throughout the collection system and at permitted industries. During FY25, TRAC collected and tested 88 industries for PFAS and 117 PFAS samples throughout the collection system. This data will help to provide a better picture of industrial PFAS sources by industry type and build a better understanding of industrial versus domestic loadings.

- In FY25 TRAC renewed 839 dental group permits (D1) for dentists that operate in a commercial space within the MWRA sewage district and uses an amalgam separator.

- Key performance indicators includes;

Indicators	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
EPA Required SIU Monitoring Events	159	156	159	156
Non-SIU Monitoring Events	59	138	74	93
SIU Connections to be Sampled	382	375	387	389
EPA Required SIU Inspections	189	180	178	177
SIU Permits due to Expire	62	87	63	76
Non-SIU Permits due to Expire	452	262	272	183
Issue Annual Industrial Pretreatment Program Report	Oct 2023	Oct 2024	Oct 2025	Oct 2026

Budget Highlights:

The FY26 Budget is $5.85 million, a decrease of $73,000 or 1.24%, from the FY25 Budget.

- $5.4 million for **Wages & Salaries**, an increase of $121,000 or 2.3% over the FY25 Budget primarily due to wage increases associated with collective bargaining agreements. The budget includes $164,000 for stand-by pay for wet weather sampling events.

- $221,000 for **Overtime,** an increase of $17,700 or 8.7% over the FY25 Budget primarily due to increases associated with collective bargaining agreements. Overtime covers sampling, monitoring, and inspections during off-hours as well as emergencies and wet weather events.
- $14,500 for **Ongoing Maintenance**, a level funding and continuation of the FY25 Budget. This funds sampling equipment, materials, and maintenance of equipment used in sampling discharges at permitted industries.
- $30,000 for **Engineering Services**, a decrease of $220,000 under the FY25 Budget. This funds the costs associated with the NPDES (National Pollutant Discharge Elimination System) permit.
- $152,000 for **Other Materials**, an increase of $2,000 or 1.4% over the FY25 Budget. Funding in this line item mainly supports lab and testing supplies, health and safety materials, and work clothes.
- $34,000 for **Other Services**, an increase of $4,600 or 15.8% over the FY25 Budget. This line item also funds printing costs for regulations, telecommunications,, and police details for sampling work done in public stre

TRAC staff collecting and testing wastewater samples to monitor the collection system

ENVIRONMENTAL QUALITY

The core function of the Environmental Quality Department is to monitor wastewater and the receiving water environment as laid out in the Ambient Monitoring Plan; and to ensure compliance with regulatory reporting requirements governing wastewater treatment and discharges.

FY26 Final Current Expense Budget ENVIRONMENTAL QUALITY						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,740,555	$ 1,747,274	$ 2,019,600	$ 1,900,318	$ (119,282)	-5.9%
OVERTIME	1,187	647	10,000	10,000	-	0.0%
FRINGE BENEFITS	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-
TRAINING & MEETINGS	2,661	8,045	8,500	10,350	1,850	21.8%
PROFESSIONAL SERVICES	1,399,237	1,530,773	1,753,579	1,759,278	5,699	0.3%
OTHER MATERIALS	1,659	1,749	2,200	2,600	400	18.2%
OTHER SERVICES	13,174	13,461	18,490	18,490	-	0.0%
TOTAL	**$ 3,158,473**	**$ 3,301,949**	**$ 3,812,369**	**$ 3,701,036**	**$ (111,333)**	**-2.9%**

The **Environmental Quality Department** (EnQual) manages compliance with the reporting requirements of MWRA's National Pollutant Discharge Elimination System (NPDES) permits. The department must submit permit reports to state and federal regulators, the science advisory panel and its subcommittees, and post many of these reports on the MWRA website. EnQual manages environmental data and monitors and reports on the environmental quality of Massachusetts Bay, sewage influent and effluent, Boston Harbor and its tributary rivers, and Harbor beaches. EnQual uses the monitoring data to demonstrate benefits of CSO control and support future decision-making. EnQual also keeps current with upcoming and draft regulations, providing comments and evaluating potential impacts on MWRA.

The Environmental Quality Department has significant responsibility for the following MWRA goals included in the Five-Year Strategic Business Plan:

FY26 Goals and Initiatives:

I. Wastewater Quality and System Performance

- ***Goal #4– Compliance with Regulatory Requirements*: Meet or surpass environmental compliance standards at all MWRA treatment facilities and throughout the wastewater collection system.**
  - Accurately report combined sewer overflow (CSO) and sanitary sewer overflow (SSO) activation and volume data. Sewage releases from CSOs, blending, and certain SSOs are reported within two hours to a subscriber list and posted on MWRA's website.
  - Continue to develop and manage a monitoring program for Boston Harbor and its tributary rivers, and Massachusetts Bay, reflecting permit and CSO Variance requirements, relevant current concerns, and long-term interests of the area.
  - Continue to implement the reporting requirements of DITP and Clinton Treatment Plant NPDES permits. Respond to regulatory changes and program initiatives, including any new permits.
  - Continue to produce scientific reports and manage environmental monitoring data; make data and analysis available in-house, in public presentations, online, and in designed print products; keep up-to-date data available for presentations to regulators and other interested parties.

- ***Goal #5 – Regulatory Changes:* Continue to initiate plans and studies to prepare for regulatory changes; identify opportunities to refine monitoring requirements; and improve effluent quality.**
  - Review other draft permits, including general permits that affect MWRA facilities, and regulatory changes, e.g., water quality standards and criteria.

- ***Goal #7 – Combined Sewer Overflow Plan Compliance:* Assist Engineering & Construction to complete all CSO milestones in the Long Term Control Plan and identify additional mitigation projects as needed to meet goals.**
  - Provide technical and scientific support for additional analyses following the EPA-required CSO Program performance assessment.
  - Work with staff from Planning, Engineering and Construction, and Operations and assist with CSO Variance requirements. To continue to meet Variance requirements for the Mystic/Alewife and Charles watersheds, produce annual water quality report bringing together disparate datasets such as localized rainfall data, metered and modeled CSO discharges, and receiving water quality.

II. Drinking Water Quality and System Performance

- ***Goal #1 – Compliance with Regulatory Requirements and Public Health Standards*:**
  - Manage water facility NPDES permits, and provide monthly and quarterly reports to regulators. If issued in FY26, review and comment on a draft NPDES permit for the Carroll Water Treatment Plant (current permit expired in December 2024).
  - Awaiting authorization from EPA to discharge under the 2024 Non-Contact Cooling Water General Permit (NCCW GP) at the Wachusett Aqueduct Pumping Station (WAPS). The NOI was submitted in June 2024. WAPS is currently discharging under the administratively continued 2014 NCCW GP.

FY25 Year-End Accomplishments:

- ***Goal #4– Compliance with Regulatory Requirements*:**
  - EnQual-Wastewater published 7 technical reports in FY25.
  - Implemented MWRA's sewage notification web pages and database to meet the rapid notification requirements for CSOs, SSOs, and blending in the Sewage Notification Regulations (314 CMR 16.00). Met all NPDES routine reporting deadlines and required notifications under Part II of permits, Contingency Plan, DITP blending order.
  - Conducted all permit-required ambient monitoring sampling, collecting and analyzing seawater, sediment and flounder, lobster, and mussel samples for evidence of outfall-related environmental degradation (none was observed).
  - Complied with monitoring and reporting requirements for permits including the Medium Wastewater General Permit for Clinton and the Dewatering & Remediation General Permit for Norumbega tank cleaning, Hydroelectric General Permit for Cosgrove Intake Facility and Oakdale Power Station. Also complied with monitoring and reporting requirements for the CSO Variances for the Alewife/Upper Mystic and Charles Rivers.
- ***Goal #5– Regulatory Changes*:**
  - Reviewed and commented on other communities' draft and final permits. Reviewed and commented on the draft updated NPDES Permit for DITP. Identified possible impacts to

operations, laboratory, TRAC, and NPDES reporting. Provided information to member communities and advisory committees to assist them in making their comments.

- ***Goal #7– Combined Sewer Overflow Compliance*:**
  - Continued monitoring and data analyses required by the CSO Variances for the Charles and Alewife/Mystic Rivers. Assisted with public briefings, interagency meetings, and reports for variances. Continued to use the CSO public notification system implemented in July 2020 to make required notifications to regulatory agencies, boards of health, and subscribers. As of September 2025, notifications are being sent to 427 subscribers, including the required notifications to regulatory agencies and boards of health.
  - Made notifications of blending, CSOs, and SSOs, and updated website data, in accordance with the Sewage Notification Law and Regulations requiring reporting within two hours.

Enqual Budget Highlights:

The FY26 Final Budget is $3.7 million, a decrease of $111K or 3% from the FY25 Budget. This decrease is due to the loss of a secretary position and an increase in vacancy rates because of staff turnover

- $1.9 million for Wages and Salaries, a decrease of $119,282 or 6%, due to vacancies and the loss of one position. The budget includes $12,937 for an Enqual intern to assist with permit deliverables; $30K in stand-by pay associated with rapid NPDES reporting and CSO, SSO and blending notifications, increased due to new union contracts.
- $1.76 million for Professional Services, an increase of $5,699 or less than 1% from the FY25 Budget. $974K for the Harbor and Outfall Monitoring (HOM) water column monitoring contract OP-466 and $487K for the HOM benthic monitoring contract OP-401B. In addition, the budget contains the following activities that are co-funded through cost-sharing or cost-reduction agreements:
  - University of Maine's buoy off Cape Ann: instruments measuring algae, chlorophyll and other water-quality indicators (Two contracts, $95,000).
  - The Center for Coastal Studies: monitors water quality in Cape Cod Bay ($146,337).
- $2,600 for Other Materials an increase of $400 or 18% from the FY25 Budget, for office supplies.
- $18,490 for Other Services, level funded with the FY25 Budget, for memberships, printing, and Verizon service.
- $20,000 for Overtime to support staff called to work at off-hours, level funded with the FY25 budget.
- $10,350 for Training and Meetings to cover staff participation in professional conferences and technical and software training, increased by 22% from the FY25 Budget to reflect actual costs.

WATER QUALITY ASSURANCE

The core function of the Water Quality Assurance Department is to monitor and report drinking water quality and to ensure compliance with regulatory reporting requirements governing drinking water.

FY26 Final Current Expense Budget WATER QUALITY						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,847,712	$ 2,064,638	$ 2,443,993	$ 2,420,695	$ (23,298)	-1.0%
OVERTIME	4,640	3,990	12,000	12,000	-	0.0%
FRINGE BENEFITS	70	50	200	200	-	0.0%
MAINTENANCE	94,725	150,924	227,156	119,156	(108,000)	-47.5%
TRAINING & MEETINGS	4,628	14,047	8,500	8,500	-	0.0%
PROFESSIONAL SERVICES	99,806	101,191	151,000	151,000	-	0.0%
OTHER MATERIALS	117,771	121,145	134,500	119,500	(15,000)	-11.2%
OTHER SERVICES	69,478	67,198	75,550	76,350	800	1.1%
TOTAL	**$ 2,238,830**	**$ 2,523,183**	**$ 3,052,899**	**$ 2,907,401**	**$ (145,498)**	**-4.8%**

Water Quality Assurance manages compliance with the reporting requirements of the Massachusetts Department of Environmental Protection (MADEP) Drinking Water Regulations, as well as conducts and oversees the drinking water quality-monitoring program. Activities include maintaining the Contaminant Monitoring System (CMS), reservoir buoys, water quality instrumentation, and a mobile CMS unit for as-needed sampling including emergency response situations. The group also conducts an algae monitoring program, responds to customer complaints, conducts sampler training; reviews and reports system changes within the source water and treatment plant as well as MWRA communities while assessing needs for treatment plant chemical dose changes. The unit assists water department officials with water quality concerns such as declining chlorine residuals, total coliform or *E. coli* detections including preparation for possible Boil Water Order events, storage tank management, community sampler training and regulatory total coliform rule level assessments.

FY26 Goals and Initiatives:

III. Drinking Water Quality and System Performance

- ***Goal #1 – Compliance with Regulatory Requirements and Public Health Standards***: Maintain drinking water quality to protect public health, and continue to ensure that MWRA water meets all applicable regulations and reporting requirements.

  - As of April 1, 2024, started a new three-year Interdepartmental Service Agreement with UMass Amherst, focusing on investigating the impacts of organic matter in the Wachusett Reservoir on MWRA's drinking water supply.
  - In coordination with the MA Department of Conservation & Recreation (DCR), continue to update operational emergency response plans for nuisance and harmful algal blooms, detection of taste and odor compounds, and algal toxins.
  - Monitor algal toxins and taste and odor compounds in source and drinking water and adapt the program to the rapidly changing regulatory landscape of this issue.
  - Continue the process of transitioning water quality reporting to automated platforms.

- Respond to MADEP and the U.S. Environmental Protection Agency (USEPA) regarding regulatory changes for drinking water quality monitoring, as in previous years.
- Assess the market for new technologies associated with continuous drinking water monitoring, sensors, and alarming (ongoing). Participate in an EPA-facilitated Online Water Quality Monitoring Forum to stay well-informed of equipment other utilities are using.
- Assist communities with drinking water regulatory compliance including level assessments, coliform sample plan updates, sample site investigations, Boil Water Order planning, and water quality reporting.
- Generate and present water quality data weekly on both the Wachusett & Quabbin systems to treatment plant and water quality staff to assess and/or modify treatment plant chlorine dosing.
- Update water quality response plans, and incorporating input and planning with core groups within MWRA and DCR.
- Support Lead and Copper regulatory program by providing data to the Expert Panel for the lead Pipe Rig, collecting samples from the rig, and performing field tests. Coordinate and collect samples for "Find and Fix" requirements as part of a current pilot program, but future requirement of the Lead and Copper Rule program. As part of the new Lead and Copper Rule with a compliance deadline of October 2024, any residence that is over the Action Level needs a follow-up sample at a nearby routine community sample site.
- Work with vendors to enhance operation and calibration methods for remote and continuous monitoring for chlorophyll-a, VOC parameters like benzene, toluene, and xylene through the S::CAN Contaminant Monitoring system.
- Staff, along with Metering group assistance, will install backup Telog monitoring for S::CAN at remaining CMS locations. A Telog backup system will provide water quality alarming and response in the event of a SCADA outage.

- ***Goal #2 –Water Quality Public Communications:*** Continue to effectively report and communicate water quality information internally and to our customers.
  - As part of an Authority Consequence Management Plan, operate a comprehensive network of water quality monitoring stations; operate and maintain four reservoir profiling buoys, maintain a mobile water quality trailer to provide field-monitoring capabilities; and oversee a quality-monitoring program for emergency standby reservoirs. Develop and train staff on emergency response procedures and contaminant response procedures for reservoir or distribution system events.
  - Collect samples and evaluate data for the emergency standby reservoirs to ensure they are ready for use in the event of a drinking water shortage. Continue to annually report reservoir data.
  - Train water department staff from MWRA communities in drinking water coliform sampling and chlorine residual and other water quality parameter testing, drinking water quality complaints, emergency response, and regulatory compliance assistance. Disseminate monthly chlorine residual reports to communities. Train additional MWRA-member community staff on the use of water quality instruments that measure multiple parameters. Semi-annually provide training on water quality topics during MWRA's semi-annual Emergency Response Training.

FY26 Year-End Accomplishments:

Drinking Water Quality and System Performance

- ***Goal #1 – Compliance with Regulatory Requirement and Public Health Standards***:
  - In FY25, MWRA and DCR collected algae samples on Wachusett and Quabbin Reservoirs. Staff performed algal toxin and taste and/or odor compound sampling at treated water taps through the routine monitoring season. Results revealed no cyanotoxin detections at active reservoir systems during any routine sampling events.
  - Implemented water quality monitoring of the Quinapoxet Basin in Wachusett Reservoir through deployment, maintenance and use of a fixed-depth buoy.
  - Continued to develop a central location to store all automated applications that support water quality reporting.
  - Staff, working in conjunction with the Engineering & Construction department and consultant, finalize the redesign and bid the Route 12 shed sampling intake system.
  - Throughout FY25 staff completed the following initiatives:
    - Community assistance sampling events: 2 events
    - Water quality complaint assistance: 3 events
    - Offline pipeline or tank clearance sampling: 20 events
    - Drinking water sampler training: 8 events
    - Performed “Find and Fix” sampling: As part of the updated Lead and Copper Rule announced in 2021, any residence that is over the Action Level needs a follow-up sample at a nearby routine community sample site within 3 days. Water Quality performed this task in FY25 at over 17 locations, all within the DEP timeline.
  - Continuing into FY25, ENQUAL staff provided sampling support for the Carroll Water Treatment Plant lead pipe-rig study. This project involved multiple groups across the agency with a goal to measure lead in tap water using community lead service lines with various corrosion control treatment.
  - Ensured winter maintenance of all reservoir buoy-related equipment; installed additional batteries on all buoys in FY25. Procured and received a replacement boat for reservoir sampling and buoy maintenance.
  - Finalized various response plans including those pertaining to raw water turbidity, bulk water and wastewater treatment chemical supply, total coliform and *E.coli* response, and chemical feed upsets.
  - MWRA received a MassDEP drinking water compliance award in the Large System Category. To receive this award MWRA must be in compliance with the drinking water regulations for all of the calendar year and the past five years.

- ***Goal #2 –Water Quality Public Communications:*** **Continue to effectively report and communicate water quality information to our customers and public officials.**
  - Assisted numerous MWRA communities with sampling/testing needs in FY25. Most assistance was related to storage tank and pipeline clearance sampling following cleaning events, coliform detection investigations, special Optimal Water Quality Parameter sampling, or coliform sampling.
  - Provided updated community sampling training and community water quality briefings on the Unregulated Contaminant Monitoring Rule 5.

- Reviewed proposed and final drinking water regulations; communicate potential compliance issues to possibly affected communities.
- Continued to provide monthly virtual drinking water sampler training to newly hired MWRA and community sampling staff. Provided training to community samplers on field chlorine residual testing.
- Presented water quality updates at both the spring and fall Emergency Response Planning training that MWRA provides.
- Conducted training sessions on chemical delivery acceptance procedures for water and wastewater operators. Performed site visits to bulk chemical manufacturing or distribution sites to ensure adherence to MWRA's standards and contract specifications.

Budget Highlights:

The FY26 Final Budget is $2.9 million, a decrease of $145,498 or 4.8% from the FY25 Budget. This decrease is due to the delay of the redesign of the Route 12 Shed sampling system; the reduction of one intern; and the cancellation of a video surveillance system at the Route 12 Shed.

- $2.4 million for **Wages and Salaries**, a decrease of $23,298 or less than 1%, due to eliminating an intern position. The budget includes $89,976 five QA interns to conduct data analysis and water quality sampling. Stand-by pay associated with water quality monitoring and rapid notifications increased to $50,000 due to changes in the new union contract agreements.
- $150,000 for a cost-saving agreement with UMass to investigate the impact of organic matter in Wachusett Reservoir.
- $119,156 for **Maintenance**, a decrease of $108,000 or 48% from the FY25 Budget because the project materials needed to renovate the Rte. 12 sampling shed at the Wachusett Reservoir will be purchased in FY27. Included are a service contract for 27 SL1000 portable water quality field meters, and for CMS battery or Telog replacements ($16K); Repairs and service for sondes, buoys, online analyzers and CMS panels ($50K); and maintenance divers ($20K).
- $119,500 for **Other Materials,** a decrease of $15,000 or 11% from the FY25 Budget because of the cancellation of video surveillance equipment for the Route 12 Shed. The budget includes $69,000 for lab and testing supplies for the Contaminant Monitoring System (CMS), $38,000 for equipment replacement, and $11,000 for clothing and health and safety gear.
- $76,350 for **Other Services,** an increase of $800 or 1% from the FY25 Budget, based on actual costs for algal toxin shipments and insurance. Also included is $55,000 for Verizon services for the CMS and buoy communication.
- $12,000 for **Overtime** to support water quality monitoring programs, level funded with the FY25 budget.
- $8,500 for **Training and Meetings** to cover staff participation in professional conferences and technical and software training, which is level funded with the FY25 Budget.

LABORATORY SERVICES

The core function of the **Department of Laboratory Services** is to provide high quality and responsive laboratory services to MWRA's water and wastewater treatment programs, including the Watershed Division of the Department of Conservation and Recreation (DCR) and the MWRA member water and wastewater communities. This involves timely and cost-effective laboratory tests to meet the strict testing guidelines required by all regulatory programs and permits, including the Safe Drinking Water Act (SDWA), Clean Water Act, and National Pollutant Discharge Elimination System (NPDES) permits.

The Department supports these functions at five locations: Chelsea, Southborough, Quabbin, the Central Laboratory at Deer Island, and Clinton. Testing supports drinking water transmission and treatment processes, wastewater operations and process control at Deer Island and Clinton, NPDES compliance, Massachusetts Bay outfall monitoring, Toxic Reduction and Control, and wastewater residuals. The Department also conducts the Boston Harbor monitoring program that involves regular sampling for nutrients, bacteria, and water quality parameters throughout Boston Harbor. Laboratory staff track and analyze results for submission to the Environmental Protection Agency (EPA) and the Massachusetts Department of Environmental Protection (MassDEP).

Most MWRA laboratory testing is done in-house. Certain highly specialized or low volume tests are outsourced, such as tests for cryptosporidium, giardia and radioactivity.

FY26 Final Current Expense Budget
LABORATORY SERVICES

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 4,731,593	$ 5,376,605	$ 6,044,720	$ 5,897,724	$ (146,996)	-2.4%
OVERTIME	84,450	91,122	86,523	85,986	(537)	-0.6%
FRINGE BENEFITS	1,329	995	1,482	1,482	-	0.0%
UTILITIES	77,110	71,857	60,055	68,613	8,558	14.3%
MAINTENANCE	384,612	445,531	344,455	423,452	78,997	22.9%
TRAINING & MEETINGS	1,562	17,248	2,854	18,000	15,146	530.7%
PROFESSIONAL SERVICES	245,144	297,431	380,115	380,115	-	0.0%
OTHER MATERIALS	1,073,941	1,239,368	1,308,763	1,361,084	52,321	4.0%
OTHER SERVICES	163,297	170,963	161,577	183,524	21,947	13.6%
TOTAL	**$ 6,763,038**	**$ 7,711,120**	**$ 8,390,544**	**$ 8,419,980**	**$ 29,436**	**0.4%**

FY26 Goals and Initiatives:

The Laboratory Services Department has significant responsibility for the following MWRA goals included in MWRA's FY21 - FY25 Five-Year Strategic Business Plan:

I. Drinking Water Quality and System Performance

- ***Goal #1 – Compliance with Regulatory Requirement and Public Health Standards***: Maintain drinking water quality to protect public health, and continue to ensure that MWRA water meets all applicable regulations.
- ***Goal #3 – Technical Assistance for Water Communities:*** Assist member communities to improve local water distribution systems through ongoing financial, technical, and operational support programs to maximize long-term water quality benefits.

- PFAS testing: MWRA has developed the capability to meet the new MassDEP PFAS testing requirements for both fully and partially served communities.

II. Wastewater Quality and System Performance

- ***Goal #4 – Compliance with Regulatory Requirements***: Meet or surpass environmental compliance standards at both MWRA treatment facilities and throughout the wastewater collection system.
  - CSO Assessment: Continue to perform weekend CSO receiving water sampling during/after significant wet weather events.
  - PFAS testing: MWRA is developing the capability to assess the PFAS inputs into the wastewater system and the subsequent impacts on effluent quality and fertilizer pellet marketability.
  - Decision support: Provide as-needed laboratory services to support assessment of regulatory and operational issues.

- ***Goal #5 – Compliance with Regulatory Requirements***: Continue to initiative plans and studies to prepare for regulatory changes; identify opportunities to refine monitoring requirements; and improve effluent quality. Special initiatives include:
  - Continue to work with researchers investigating the use of wastewater as an indicator of the presences of the Covid19 virus and other diseases.

In addition, the Laboratory Services Department provides support functions for other MWRA Departments. FY26 Major Initiatives in support of those functions include:

- **NPDES Permits** – Provide laboratory data and consulting to wastewater operations and EnQual on Deer Island draft or final NPDES permits. The draft DITP permit includes substantial increases in the amount of PFAS testing required, including quarterly testing of influent, effluent and sludge, and an estimated 750 samples per year from permitted industries.

- **Revised Lead and Copper Rule** – EPA has already imposed some requirements of the new rule on MWRA. This includes an increase in the number of compliance samples and "find and fix" response. Additionally the required treatment optimization (pipeloop) study is now fully underway. Two major changes that are yet to be implemented are the 5th liter sampling at residences with lead service lines, and the requirement to offer testing tp 20% of all schools and daycares each year. The MA DEP school program (in conjunction with UMASS) drastically increased school testing in the latter half of FY24, and this is expected to continue in FY26. All of these changes together will represent a major increase in the anticipated number of samples per year, and will likely require increased staffing for the lab.

  School Lead Testing Initiative – This special project began in FY16 and is continuing into FY26. MWRA's lab completed 2,177 lead and copper tests from 119 schools and childcare facilities in 35 communities during FY25. Since 2016, MWRA's Laboratory has conducted over 46,000 tests from 701 schools and daycares in 49 communities. We have also completed 1,106 home lead tests under the DPH sampling program since 2017. Overall MWRA's lab completed 6,362 drinking water lead and copper tests in FY25.

- **Ethics Training** – Continue laboratory ethics and data integrity training to meet MassDEP laboratory certification and National Environmental Laboratory Accreditation Program (NELAP) requirements.

- **Laboratory Renovation Projects** – MWRA is planning for eventual replacement of the HVAC system and fume hoods at the Central Lab. Replacement of the system that circulates laboratory grade water throughout the Central Lab was completed in FY25.

- **Key Department Performance Measurements and Accomplishments:**

Indicator	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Total # of Tests Performed	275,619	268,064	282,994	278,087	281,400
Percent On-Time Results	90.6%	91.9%	87.4%	89.6%	95%
Average Turnaround Time (days)	7.89	7.51	8.84	8.35	9
Percent Quality Control Within Specifications	98.1%	97.8%	96.9%	97.0%	97%
Special Project: School Lead Project # Samples	1,416	248	4,055	3,116	As-needed

FY25 Year-End Accomplishments:

- The Department of Laboratory Services (DLS) performed 278,087 tests during FY25 including 133,741 tests for the wastewater system and 141,954 tests for the water system.

- **CSO Assessment:** Performed CSO receiving water sampling in the Charles and Mystic Rivers during/after significant wet weather events to document the recovery of the rivers after rain events. MWRA will use this information as part of the court-ordered CSO Assessment.

- **Pandemic Management:** Issued regular internal reports on the status and prevailing guidance regarding the COVID19 pandemic in Massachusetts. Also worked with the current vendor, Biobot Analytics, to monitor and report the presence of the virus in MWRA's wastewater. Worked with DPH, other academic groups and association research projects to further the goal of Wastewater Based Epidemiology for the future.

- **PFAS Testing:** Performed testing in-house for MWRA and community compliance testing as requested. Arranged for contract testing of wastewater samples by a newly revised and expanded EPA Method for the new Clinton permit and as requested by TRAC.

- **Decision support:** Provided testing and analytical services to support assessment of numerous issues. These included School Lead testing, the drinking water lead pipeloop study, the next DITP NPDES Permit, the new Clinton NPDES Permit, consulting on PFAS regulations and concerns for both drinking water and wastewater, testing for algae blooms in the Emergency Distribution Reservoirs, and red tide testing in Massachusetts Bay.

- **Staff Turnover:** Staff turnover was 6.8% in FY25, down from a high of 20.7% for FY22. The department started FY25 with 1 vacancy out of 59 budgeted regular positions, and 1 vacancy for contract positions.

Budget Highlights:

The FY26 Budget is $8.4 million, an increase of $29,000 or 0.4% compared to the FY25 Final Budget.

- $5.9 million for **Wages and Salaries**, a decrease of $147,000 or 2.4% compared to the FY25 Budget primarily due to labor union contract agreements, and a high vacancy rate the prior year.

- $87,000 for **Overtime**, a reduction of $537 or 0.6% compared to the FY25 Final Budget based on recent history, to cover work associated with peak periods, emergencies, and special initiatives.

- $68,000 for **Utilities**, an increase of $9,000 or 14.3% compared to the FY25 Final Budget. The budget covers the purchase of gases and cryogenic liquids used for various laboratory instruments. A worldwide shortage of helium gas has driven price increases in the last year.

- $423,000 for **Ongoing Maintenance**, an increase of $79,000 or 22.9% compared to the FY25 Final Budget. This budget includes Lab equipment maintenance, repairs, and calibration for major lab instruments and once a year preventive maintenance for all ovens, water baths, incubators, refrigerators, freezers, chillers, meters, sensors, microscopes, thermometers, and balances. The budget for FY26 is based on historical spending levels.

- $380,000 for **Professional Services**, level funded with the FY25 Final Budget. This includes testing for PFAS and Lithium required under UCMR5 and an anticipated need to test permitted industries in the wastewater system for PFAS, above and beyond the in-house testing capacity.

- $18,000 for **Training and Meetings** to fund attendance at the Lab Accreditation/National Environmental Monitoring Conference and the Association of Public Health Laboratories (APHL) annual meeting. Also included are several new conferences and seminars to keep staff technically knowledgeable.

- $1,361,000 for **Other Materials** an increase of $52,000 or 4.0% compared to the FY25 Final Budget. This budget reflects the price of supplies and reagents required for test methods performed in house.

- $184,000 for **Other Services** an increase of $22,000 or 14.6% compared to the FY25 Final Budget. This increase reflects costs associated with shipping samples and materials between the five lab locations, and to outside laboratories as needed.

PLANNING

FY26 Final Current Expense Budget PLANNING						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 2,040,650	$ 2,544,604	$ 2,824,802	$ 2,815,018	$ (9,784)	-0.3%
OVERTIME	780	262	-	400	400	-
FRINGE BENEFITS	-	-	-	-	-	-
ONGOING MAINTENANCE	-	-	-	-	-	-
TRAINING & MEETINGS	2,916	11,836	10,000	11,900	1,900	19.0%
PROFESSIONAL SERVICES	-	408	1,000	1,000	-	0.0%
OTHER MATERIALS	210,080	207,703	270,171	365,580	95,409	35.3%
OTHER SERVICES	143,693	150,748	166,995	222,250	55,255	33.1%
TOTAL	**$ 2,398,119**	**$ 2,915,561**	**$ 3,272,968**	**$ 3,416,148**	**$ 143,180**	**4.4%**

The **Planning Department** provides regulatory, public policy, and public health advocacy for MWRA's drinking water and wastewater programs. It provides decision support on planning, policy and operations matters, using a range of technical and analytical tools. Staff administers financial assistance programs to improve the infrastructure of member communities and to promote water conservation. The Department integrates staff efforts and coordinates MWRA activities related to system and capital planning, infrastructure renewal, and watershed management (in conjunction with the Commonwealth's Department of Conservation and Recreation; DCR); strategic business planning; agency-wide performance measurement; and industry research.

The department previously had two units, the **Planning Unit** and the **Meter Data Unit**. As of FY21, the Meter Data Unit shifted to the Field Operations/Operations Support Department, so the budget no longer rolls up into the Planning Department.

The functions of the **Planning Department** are:

- **Mapping, Modeling, and Data Analysis** – Technical staff develops and maintains the Geographic Information Systems (GIS) for the water and wastewater systems, including integration of field and engineering records into GIS for access by planning, engineering, and operations staff. Provides demand analysis and forecasting of water and wastewater flows for master planning and system operations; models reservoir operations and performs drought forecasting and planning; evaluates system expansion requests; and develops and maintains water and wastewater system models in support of master planning, system operations, and optimization. Staff assists in developing agency wide summaries of energy and greenhouse gas emission efficiency improvements.
- **System Planning and Renewal** – In coordination with colleagues across MWRA, **s**taff with expertise in engineering and planning are responsible for water and wastewater system master planning, infrastructure needs assessment, and capital project development. Key work includes:
  - Reviews water and wastewater system expansion requests, water supply agreements, and emergency water withdrawal requests;
  - Assists with project siting decisions, environmental reviews, and permitting, including assessing impacts on MWRA facilities from other agencies' projects;

- o Develops strategies for reducing long-term emergency risks; and
- o Prepares plans for mitigating the risk of a range of hazards (i.e. climate change and sea level rise) on MWRA facilities and systems.

- **Regulatory and Policy Matters** – Staff work with various regulatory entities to advocate for cost-effective rule setting that protects the environment and promotes public health. Senior staff members also actively work with industry associations and other groups with agendas consistent with MWRA's to advance regulations that make environmental and economic sense. Senior staff conduct strategic policy research on a broad range of topics. Staff also conduct public health research and reports on potable water quality through production of the annual regulatory-required Consumer Confidence Report (CCR). Staff also coordinates with DCR on watershed protection initiatives. In conjunction with the Office of the Executive Director and Public Affairs, this unit serves as the Operations Division's lead on regulatory and policy matters potentially affecting MWRA's water and wastewater systems.

- **Community Support Program** – This unit oversees and manages MWRA's financial assistance and technical community support programs. Staff are responsible for the development, implementation, and reporting on Inflow/Infiltration (I/I) reduction policy; oversight of and reporting on MWRA leak detection and demand management programs; and reporting on the portions of MWRA's NPDES permit related to demand management and flow limitation activities. Staff administers community assistance programs including sewer Inflow/Infiltration financial and technical assistance, water pipeline rehabilitation financial assistance, lead service line replacement funding, water distribution systems technical assistance, water leak detection technical assistance, and water conservation programs.

FY26 Goals and Initiatives:

I. Drinking Water Quality and System Performance – The Planning Department's purview and function supports all the goals associated with this strategic priority. FY26 priorities include:
- Provide cost-effective and timely mapping, modeling, data analysis, and regulatory review services to support decision-making on operational, planning, environmental, and regulatory issues.
- Continue coordination with member communities for distribution of grants and loans for local sewer, water, and lead service line removal projects.
- Continue to conduct more intensive outreach on the revised lead service line replacement program, encouraging communities to adopt a 2032 goal for completion.
- Conduct training and technical assistance to support communities in compliance with the revised Lead and Copper Rule. Continue outreach and coordination to schools and childcare facilities on lead testing and remediation. Work collaboratively with MA Department of Public Health on testing of water in homes with children who have elevated blood lead levels and other priority initiatives.
- Continue to advocate for responsible and reasonable revised drinking water regulations.
- Distribute the federally required annual water quality report, the Consumer Confidence Report (CCR), to all households. Begin preparation for compliance with the revisions to the CCR rule.

II. Wastewater Quality and System Performance – The Planning Department's purview and function supports all the goals associated with this strategic priority. FY26 priorities include:
- Provide cost-effective and timely mapping, modeling, data analysis, and regulatory review services to support decision-making on operational, planning, environmental, and regulatory issues

- Update selected record plans and real estate records.
- Comply with I/I mapping and planning requirements in state environmental regulations and NPDES permits; interact with regulators after submitting full I/I control plan for MWRA collection system.
- Continue coordination with member communities for distribution of grants and loans for local sewer projects.

III. **Infrastructure Management and Resilience -** Maintain and enhance water and wastewater system assets over the long term at the lowest possible life cycle cost and acceptable risk, consistent with customer, community, and regulatory support service levels. FY26 priorities include:

- Provide cost-effective and timely mapping, modeling, data analysis, and regulatory review services to support decision-making on planning, regulatory, and infrastructure issues.
- Establish regular update processes for the new water distribution system model.
- Complete the updating of the Water and Wastewater Master Plans.

V. Environmental Sustainability – The Planning Department's purview and function supports all the goals associated with this strategic priority by directing and managing MWRA's planning processes including water system expansion planning, and climate change adaptation and mitigation efforts. FY26 priorities include:

- Update reports on greenhouse gas tracking and energy efficiency efforts and develop a sustainability section on MWRA's web page.
- Work with state and regional organizations and academic institutions to identify how MWRA can use existing long-term environmental data sets to help assess and project impacts of climate change.
- Continue to assist communities seeking admission to the MWRA's water system or approval of emergency withdrawals.
- Complete MWRA's long-term greenhouse gas reduction plan.

FY25 Year-End Accomplishments:

- **Local Water System Assistance Program**: In FY25, MWRA distributed $27.9 million in Local Water System Assistance Program interest-free loans. In total, MWRA has distributed $634.3 million in loans to fund 625 local projects with participation from 45 of the 47 eligible water communities. This total includes the $30 million pilot program in FY98-00. Since 1998, MWRA has replaced or cleaned and lined 638 miles of local water main (about 9% of the regional system) via projects funded by MWRA financial assistance.

- **Lead Service Line Replacement Program**: In FY25, MWRA distributed $17.4 million in Lead Service Line Replacement Program grants and loans. In total, MWRA has distributed $61.2 million in loans and grants to fund 60 local projects with participation from 20 of the 47 eligible water communities. MWRA has financed the replacement of 9,100 lead service lines and 1,579 lead goosenecks, and the investigation of 3,681 service lines of unknown material.
-
- **Community Leak Detection:** In FY25, assisted six (6) municipalities in MWRA's service area with leak detection (via task-order contracts) in their systems..

- ***Lead Reduction Assistance*** - Continued outreach to communities on sampling in schools for lead in conjunction with third round of DEP's Technical Assistance program. Continued laboratory assistance to MDPH for water sampling for schools and day care centers.

- ***Regulatory Input*** - Planning Department staff have continued to be active in state and federal review of the Lead and Copper Rule, Consumer Confidence Rule, PFAS rules, and Microbial/Disinfection Byproducts rules, as well as other proposed state and Federal rule changes. Provided community updates on the revised LCR.

- ***I/I Local Financial Assistance Program:*** In FY25, distributed $28.1 million in grants and interest-free loans to member sewer communities for Infiltration/Inflow reduction and sewer system rehabilitation projects. In total, MWRA has distributed $586 million in grants and loans to fund 702 local projects with participation from all 43-member sewer communities.

- ***Emergency Planning*** -Developed and implemented staff training program for AWIA compliance. Coordinated and completed Risk and Resilience Assessment a required by AWIA and certified it to EPA. Began review and updating of Emergency Response Plans as required by AWIA. Updated drought modeling processes, produced and submitted updated Drought Management Plan to DEP, complying with revisions to the Water Management Act.

- ***Computer Modeling*** - Provided computer modeling support for major capital programs including operational planning for pipeline shutdowns, metro tunnels emergency planning, and system expansion on the water side; and ongoing support for wastewater projects including the CSO evaluation. Assisted in project to update the water distribution system model.

- ***Greenhouse Gas Reduction*** - Continued coordination with local and regional climate change adaptation planning efforts. Completed and posted an update to MWRA's greenhouse gas inventory

- ***Climate Change Adaptation*** - Coordinated the design, procurement and installation training for flood protection equipment to be installed at key MWRA wastewater facilities. Participated in Metro Mayors' Climate Change Coalition Task Force and continued to monitor new research related to the effects of climate change in the service area.

- ***Mystic River*** - Staff continued to represent MWRA on the Mystic River Steering Committee (facilitated by EPA and Mystic River Watershed Association staff). Key objectives are improved water quality and access to the River and improved open space opportunities are key objectives.

- Completed 94 training events or drills.

FY25		
Type	**Number**	**Comment**
Reservoir Spill Field Drills and Training	18	Boom deployment and Quabbin and Wachusett, soil response
Reservoir/Water Quality Drills and Training	10	Wachusett Reservoir Cooper sulfate onsite, algae monitoring, review turbidity response
Ops Equipment deployment	4	Tested emergency interconnections, testing mobile pump unit
Large tabletop/field drill/response	3	Response to Dorchester Tunnel incident, Sparky tank retrieval, earthquake response
Community ERP trainings	2	ERP training – half day sessions via Webex and in-person
Community Drinking Water Sampling training	6	Coliform training for communities
Laboratory Right-To-Know and Health and Safety Training	8	
Mobile Lab Training	1	
Water system isolation exercises	2	WASM for Waltham, Metro Tunnel
Potential boil water order preparedness	1	Revere
Emergency Services Unit training	6	Confined space, oil spill response, small boat operator training, wilderness first aid
Flood protection deployment training	2	Chelsea Creek Headworks and Alewife Pump Station
Misc.	5	Fire flow test at Nut Island, planned power outage at CWTP, DI muster, Dam break response
Contaminant Monitoring System Alarms	26	
Total	**94**	

Budget Highlights:

- The FY26 Final Budget is $3.4 million, an increase of $143,000 or 4.4% as compared to the FY25 Budget, the increase primarily reflects increases in the cost of printing and mailing the annual water quality report.
- $2.8 million for **Wages and Salaries**, essentially level funded FY25 Budget. The FY25 Budget funds 21.5filled positions, 0.5 FTE's below the FY25 Budget. Wages and Salaries includes $5,000 for summer interns to assist with analyses in the areas of climate change, benchmarking, public health, and other projects in the spring of 2026.
- **Ongoing Maintenance** is not funded in FY26 due to the transfer of the Meter Data Unit in FY21.
- $11,900 for **Training and Meetings**, showing a $1,900 increase over the FY25 Budget. The budget covers participation in training and conferences primarily focused on water quality regulations and geographic information systems.
- $1,000 for **Professional Services** costs associated with the translation of the CCR.
- $366,000 for **Other Materials** which includes funding of $207,000 for postage and mailing of the CCR, $30,000 for new oil boom, $15,000 for water conservation kits, $61,000 for replacement of gas meters and sensors, $10,000 for team clothing, and $5,000 for mapping supplies.
- $222,000 for **Other Services** which includes $170,000 for printing the CCR; $20,000 for technical assistance related to lead issues, $10,000 for printing water conservation and other informational brochures, $7,500 for costs associated with community lead service line reduction initiatives, and $13,000 for Memberships and Dues for department employees.

Law Division Budget

LAW DIVISION

Law

Legal Reviews, Counsel & Representation
Litigation
Court Order Compliance
Labor/Employment
Real Estate
Environmental Regulation

The Law Division provides legal counsel to the Board of Directors, the Executive Director, and staff on compliance with federal and state laws, regulations, court cases, and administrative orders. Staff also handle and provide assistance with respect to litigation, contracts, tort claims, real estate, environmental matters, energy issues, labor/employment issues, procurement issues, and construction projects. The General Counsel interprets the MWRA Enabling Act and provides advice on conflict of interest and Code of Conduct issues. Division attorneys monitor the work of outside counsel when it is necessary to retain such services.

Law Division staff, though usually representing MWRA in a defensive posture, also work with Operations Division staff to effectuate cost recovery claims for design errors and omissions and construction defects. In addition, the Law Division assists in the early resolution of contractor and vendor claims prior to litigation so as to resolve them as favorably and early as possible thereby reducing or eliminating litigation costs and interest payable.

FY26 Final Current Expense Budget LAW DIVISION						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,366,321	$ 1,482,196	$ 1,708,784	$ 1,658,212	$ (50,572)	-3.0%
OVERTIME	428	264	-	-	-	-
TRAINING & MEETINGS	-	3,041	9,000	5,000	(4,000)	-44.4%
PROFESSIONAL SERVICES	355,428	304,953	750,000	900,000	150,000	20.0%
OTHER MATERIALS	8,104	3,465	3,500	3,500	-	0.0%
OTHER SERVICES	35,162	37,832	50,835	56,835	6,000	11.8%
TOTAL	**$ 1,765,443**	**$ 1,831,751**	**$ 2,522,119**	**$ 2,623,547**	**$ 101,428**	**4.0%**

FY26 Goals and Initiatives:

For FY26, the Law Division has identified the following goals and initiatives:

- Provide exemplary legal representation of MWRA.

- Provide timely and cost effective resolution of legal disputes involving MWRA through litigation, administrative proceedings, mediation, arbitration, negotiation or other means of dispute resolution.
- Provide high quality legal services, advice and guidance to support the business and operational needs of MWRA in several areas of the law including employment, labor, construction, contracts, procurement, environmental, energy, real estate, tort, regulatory compliance and ethics/conflict of interest.
- Provide legal advice on legislation and regulatory issues.

FY25 Year-End Accomplishments:

- Worked with outside counsel in obtaining denial of motion to add MWRA as a cross-claim defendant, or in the alternative, for leave to file a third-party complaint against MWRA in a pending federal court action involving claims of, among others, property damage and personal injury for alleged PFAS contamination of drinking water wells and soil.

- Assisted with the preparation and filing of the Annual Report in the Boston Harbor case. Also provided counsel and assistance to staff on various Combined Sewer Overflow (CSO) issues.

- Worked with staff and outside counsel in preparing and filing Authority's Annual Report and Supplement to 2021 Final Combined Sewer Overflow Post Construction Monitoring Program and Performance Assessment Report in the Boston Harbor case.

- Obtained a determination from the Department of Unemployment Assistance in favor of the MWRA, affirming the prior determination that a former employee is ineligible for benefits.

- Negotiated a settlement of a claim for personal injuries resulting from an accident involving a MWRA vehicle.

- Negotiated resolution of TRAC permittee's appeal of a penalty assessment, resulting in payment of a $28,000 penalty to MWRA. Negotiated resolution of an administrative cease and desist order.

- Settled contractor claims on an Authority project and secured dismissal of suit against MWRA.

- Secured dismissal of Chapter 93A and defamation counterclaims asserted against the Authority by a contractor.

- Resolved matter with contractor resulting in full replacement of failed and non-compliant equipment.

- Received a finding of lack of probable cause dismissal of charges of discrimination and retaliation.

- After mediation at the EEOC, settled charges of discrimination.

- Received an arbitration award in favor of MWRA denying a Union's grievance alleging that an employee was working out of title without appropriate compensation.

- Received an arbitration award in favor of the MWRA denying a union's grievance asserting that the MWRA denied overtime for certain employees.

- Settled a grievance that a Union filed on behalf of a former employee alleging that the MWRA issued unjust discipline.

- Settled a grievance that a Union filed on behalf of a former employee asserting that the MWRA failed to pay the employee for working out-of-title.

- Settled an arbitration matter and 45 related grievances concerning reclassification issues.

- Settled four related grievances alleging that the Authority violated the collective bargaining agreement concerning the promotion of one of its members.

- Provided legal support, advice and counsel to the staff in the Human Resources Department throughout the discipline and grievance process for a Union's and employee's claims of violations of collective bargaining agreements.

- Provided legal support, advice and counsel to staff in the Affirmative Action Compliance Unit and the Human Resources Department regarding requests for accommodations.

- Provided legal support, advice and counsel to staff in the Human Resources Department for workers'
Settled a number of grievances, resulting in withdrawals of arbitration demands.

- Led negotiations for successor collective bargaining agreements for all bargaining units. Drafted and assisted with negotiations of multiple side agreements to address and resolve labor issues with Unions.

- Provided legal support, including research, legal review, and drafting and recording various documents for the acquisition of real property interests by the Authority for various MWRA projects including eminent domain takings, grants of permanent and temporary easements, licenses, and/or plans.

- Drafted and finalized Cease and Desist Orders related to water pipeline section 90 in Hyde Park and water pipeline section 77 in Dedham.

- Finalized Quabbin WPR Acquisition W-001266 in Petersham and Quabbin WPR Acquisition W-001258 in Barre.

- Reviewed two hundred thirty three 8(m) permits, including any applicable MEPA Section 61 findings. Finalized one public access 8(m) permit for the Town of Stoneham, and six direct connection permits. Finalized third amendment to a license agreement and two DITP one-day access licenses.

- Negotiated and finalized Letter of Intent and Non-disclosure Agreement regarding potential solar-pv installation(s) at Deer Island and other Authority facilities.

- Prepared necessary filings and correspondence concerning the Harbor Electric Energy Corporation proposed 2025 Capacity and Support Charge filing with the DPU.

- Provided counsel and assistance regarding Water Supply Continuation Agreements with nine municipalities.

- Assisted energy program and finalized contract terms regarding electricity supply for MWRA profile accounts.

- Assisted with responses to requests for Tax Code Section 179D allocations regarding certain design work at MWRA facilities.

- Provided advice and counsel to TRAC staff regarding permitting, enforcement, and other regulatory matters arising under the TRAC program. Represented MWRA in various appeals related to TRAC permits.

- Provided counsel and assistance to Finance and Environmental teams with Financial Responsibility filings for the Underground Storage Tank program.

- Provided counsel and assistance to staff on various CSO issues including administrative and judicial proceedings challenging the final variances for the CSO discharges to the Lower Charles River Basin and Alewife Brook/Upper Mystic River.

- Provided counsel and assistance to staff in several areas affecting the Authority's interests in environmental matters including NPDES permits (*e.g.,* comments on draft NPDES permits), proposed regulations, and similar regulatory actions (*e.g.,* comments on EPA guidance).

- Reviewed and advised on proposed legislation. Assisted with fulfilling public records requests and updating various policies. Assisted with matters presented to the Board of Directors.

- Provided representation, advice and counsel relating to litigation, real estate matters, tort claims, labor and employment matters, conflict of interest and open meeting law issues, and claims and issues arising out of MWRA's operations and construction projects; and in several areas affecting the Authority's environmental and energy interests including CSO issues, NPDES permits, variances and proposed regulations and regulatory actions.

Budget Highlights:

The FY26 Budget is $2.6 million, an increase of $100,000 or 4.0%, as compared to the FY25 Budget.

- $1.7 million for **Wages and Salaries**, a decrease of $268,000 or 13.5%, as compared to the FY25 Budget primarily due to the elimination of two positions partially offset by wage increases associated with collective bargaining agreements. The FY26 Final Budget includes funding for 12.0 FTEs, 2.0 FTEs below the FY25 Budget.

LAW DEPARTMENT	FY25 FTEs	FY26 FTEs
LAW	12.0	12.0
TOTAL	**12.0**	**12.0**

- $900,000 for **Professional Services**, $150,000 above FY25's funding level.

Brutsch Water Treatment Facility

CVA System Map

Administration Division Budget

ADMINISTRATION DIVISION

Administration

Director's Office
Facilities Management
Fleet Services
Human Resources
Management Information Systems
Procurement
Occupational Health and Safety

The **Administration Division** is responsible for managing the support service functions of the Authority. Its departments support daily operations and maintenance and ensure the implementation of the Authority's policies and long-term goals and strategies.

FY26 Final Current Expense Budget ADMINISTRATION						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 14,337,147	$ 15,416,008	$ 17,405,741	$ 17,866,278	$ 460,537	2.6%
OVERTIME	82,144	56,282	144,710	144,710	-	0.0%
FRINGE BENEFITS	23,010,397	24,472,684	27,720,125	30,361,973	2,641,848	9.5%
WORKERS' COMPENSATION	2,076,732	2,606,979	2,073,434	2,179,730	106,296	5.1%
UTILITIES	143,138	24,663	21,466	24,427	2,961	13.8%
MAINTENANCE	5,962,746	5,942,182	5,859,575	6,847,888	988,313	16.9%
TRAINING & MEETINGS	102,467	123,090	270,490	339,490	69,000	25.5%
PROFESSIONAL SERVICES	2,017,890	2,139,912	2,300,829	2,597,235	296,406	12.9%
OTHER MATERIALS	1,178,500	1,614,014	2,048,125	2,464,135	416,010	20.3%
OTHER SERVICES	3,151,749	1,384,006	1,930,730	2,485,496	554,766	28.7%
TOTAL	**$ 52,062,910**	**$ 53,779,820**	**$ 59,775,225**	**$ 65,311,362**	**$ 5,536,137**	**9.3%**

The Administration Division is comprised of seven departments: Director's Office (which includes Real Property); Facilities Management; Fleet Services; Human Resources; Management Information Systems (MIS); Procurement; and Occupational Health and Safety.

FY26 Final Current Expense Budget ADMINISTRATION by Department						
DEPARTMENT	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
ADMIN DIRECTOR'S OFFICE	436,491	404,935	410,912	502,927	92,015	22.4%
HUMAN RESOURCES	27,638,894	29,906,809	32,942,482	36,035,244	3,092,762	9.4%
MIS	13,056,658	14,079,997	16,452,514	18,748,141	2,295,627	14.0%
FACILITIES MANAGEMENT	2,665,211	672,962	1,129,394	1,063,021	(66,373)	-5.9%
FLEET SERVICES	1,867,167	1,888,891	2,462,907	2,487,806	24,899	1.0%
PROCUREMENT	5,456,854	5,601,452	4,711,589	4,741,968	30,379	0.6%
OCCUPAT HEALTH AND SAFETY	941,635	1,224,774	1,665,427	1,732,255	66,828	4.0%
TOTAL	**$ 52,062,910**	**$ 53,779,820**	**$ 59,775,225**	**$ 65,311,362**	**$ 5,536,137**	**9.3%**

FY26 Goals and Initiatives:

Consistent with MWRA's proposed FY21 - FY25 Five-Year Strategic Business Plan, the Administration Division's FY26 goals are as follows:

IV. Finance and Management

- ***Goal # 12 – Ensure Cost-Effective Operational and Resource Management:***
  - Provide Real Estate Support to Tunnel Redundancy Project's property acquisition needs
  - Assure a safe and well-maintained working environment for all MWRA staff and appropriate space for staff by coordinating workspace planning, design, and furniture acquisitions.
  - Work with staff MWRA-wide to improve specifications development and documentation.
  - Transition from paper to electronic processes.

- ***Goal #13 – Leverage Information Technology to Improve Organizational Effectiveness:***
  - Deliver Information Technology (IT) services and solutions efficiently and effectively.
  - Continue to provide IT resources to support remote work and meetings.
  - Provide IT solutions to streamline work processes while ensuring the security and integrity of MWRA data by leveraging the use of existing or emerging technologies.
  - Maintain current technology hardware, software, and network infrastructure.
  - Maintain a secure technology environment.

V. Diversity, Equity, Inclusion & Workforce Development

- ***Goal # 15 – Foster and Sustain a High Performing Workforce:***
  - Prioritize Succession Planning in anticipation of critical requirements over the next five years and to minimize disruption to operations in the short term.
  - Provide effective training necessary for employees to obtain and maintain required licenses and certifications to ensure a highly skilled workforces.
  - Expand training include management development initiatives designed to prepare staff to grow into managerial roles.

- ***Goal #16 – Foster a diverse and inclusive workplace:***
    - Cultivate a safe work environment for all employees that is free from harassment and encourages respect.
    - Provide training to all employees on diversity, inclusion, equity, respect, and harassment prevention in the workplace.
    - Continue MWRA's efforts to develop new recruitment and retention strategies to foster diversity, including traditionally underrepresented categories, people with disabilities, and veterans.
    - Develop leadership skills at every level to increase opportunities for staff advancement and ownership.
    - Continue to facilitate the Diversity Equity, and Inclusion working group and implement its recommendations with measurable goals.

- ***Goal #17 – Ensure a safe and healthful workplace for all employees, contractors and visitors free of recognized hazards.***
    - Continue to identify hazards and assess associated risks. Provide training on programs and procedures to prevent or control incidents and ensure employee safety.
    - Maintain compliance with Massachusetts' Occupational Safety and Health For State Workers regulations (454 CMR 25.00) by meeting the requirements set forth under the Occupational Safety and Health Act (OSHA) of 1970.
    - Maintain records concerning occupational injuries, illnesses, deaths, and exposures to toxic materials in compliance with regulations. Develop appropriate response plans when necessary and appropriate.

- ***Goal #18 – Support businesses in and around MWRA's member communities by making MWRA procurement and contracting opportunities accessible to all potential qualified vendors or firms:***
    - Ensure equitable access to contract opportunities for firms, including minority business enterprises (MBE) and women business enterprises (WBE), and other disadvantaged firms for all contracts including contracts for construction, goods/non-professional services (supplies and equipment) and professional services (design selection and consultants.)

V. Environmental Sustainability

- ***Goal #15 – Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets:***
    - Integrate more alternative fueled vehicles into the Authority's fleet. Continue to install idle reduction devices in all Authority vehicles to comply with state and federal regulations and also purchase more fuel efficient vehicles.
    - Continue to oversee the installation of additional electric vehicle charging stations at MWRA facilities.

FY25 Year-End Accomplishments:

- Offered in-person and virtual trainings on a range professional and technical topics in support of different learning types.

- Continued to fill positions with qualified applicants using electronic processes and conducting interviews both virtually and in person.

- Participated in the Diversity, Equity, and Inclusion (DEI) Workgroup to promote a safe and inclusive work environment, encourage staff engagement, and enhance the MWRA's recruitment efforts.

- The wireless network was expanded into eleven sites Belchertown, Chelsea, Clinton, Cosgrove, CWTP, DITP, MMF, Needham, Nut Island, Southborough and Walpole.

- Continued to implement the Infor/Lawson upgrade

- Continued to support the agency's efforts in implementing succession planning activities in anticipation of increases in retirements over the next several years.

- Continued to offer supervisory, professional, and career development training programs necessary to support succession planning initiatives.

- Established career paths in operations and fleet services. Continued to develop career paths in other areas.

- Continued to utilize specialized recruitment sources to attract women, minority, and veteran candidates to fill positions including expanding social network recruiting capabilities.

- Reduced future MWRA exposure on Workers' Compensation cases through aggressive claims management.

- Continued management of the MWRA's Telework and Performance Evaluation programs which provide participating employees flexibility and ensure accountability.

- Investigated reported complaints of violations of MWRA policies and Code of Conduct. Implemented disciplinary action as necessary.

- Finalized salary reviews for non-union managers to ensure compliance with the Massachusetts Equal Pay Act and internal pay equity principles.

- Successfully negotiated successor collective bargaining agreements with all bargaining units for 2024–2027.

- Developed specifications for new replacement vehicles and equipment. The majority of the vehicles and equipment will utilize alternative fuel, including Bio-Fuel which is consistent with the Authority's goal of purchasing environmentally friendly products. Updated the Fleet Services Policy (Adm. 11) to encourage the electrification of the fleet.

- Installed additional electric vehicle charging stations at Chelsea.
- Developed a policy for employee use of MWRA EV charging stations.
- Completed the fuel management system installation at Chelsea, Deer Island, Southboro, and Lonergan Intake. Continue to work with MIS and Engineering staff on the implementation of a new fuel management system at the Weston facility.
- Completed 7,065 purchase orders for a total of $77 million in FY25.
- Online vehicle and equipment auctions resulted in revenue of $169,312.92. Recycled batteries 11.63 tons, paper 10.75 tons, scrap metal 170.17 tons generating $75,869.24 in revenues.

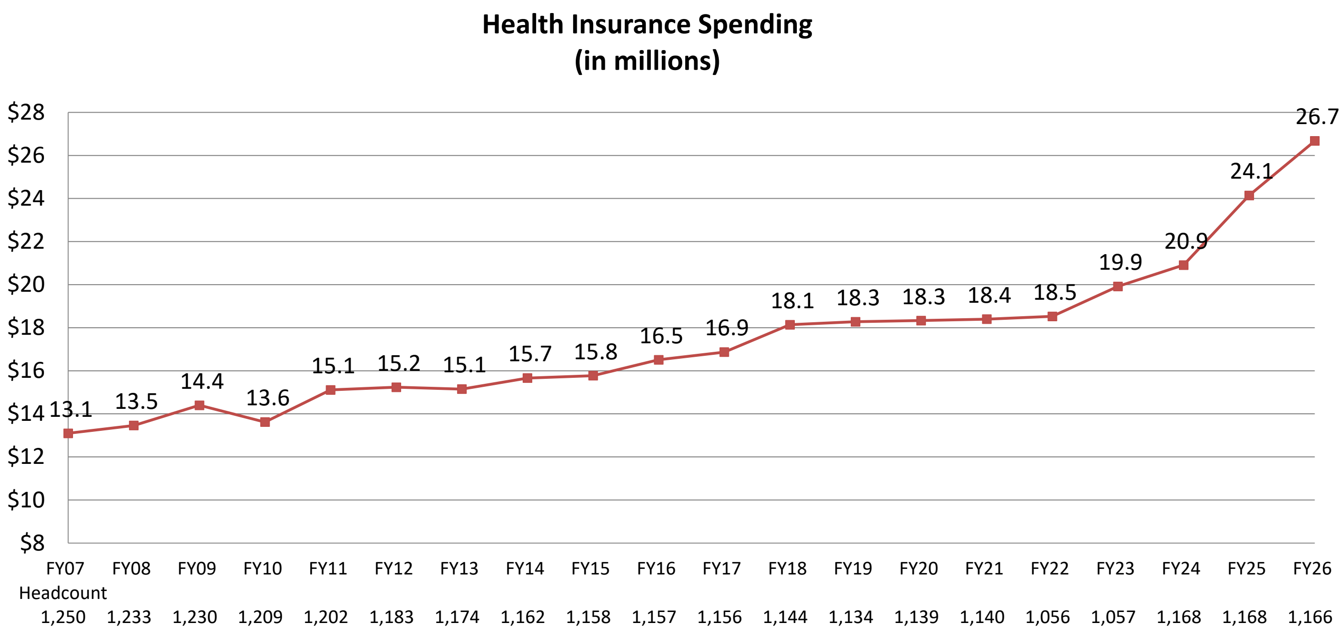
Budget Highlights:

The FY26 Final Budget is $65.3 million, an increase of $5.5 million or 9.3% as compared to the FY25 Budget.

- $17.9 million for **Wages and Salaries**, an increase of $461,000 or 2.6% as compared to the FY25 Budget. The increase is primarily due to wage increases associated with collective bargaining agreements, partially offset by retirements and backfilling at a lower wage rate. The FY26 Final Budget funds 151.9 FTE, an increase 0.9 FTEs, from the FY25 Budget.
- $145,000 for **Overtime,** matching the FY25 Budget.
- $30.4 million for **Fringe Benefits,** an increase of $2.6 million or 9.5% as compared to the FY25 Budget, reflecting the continuing rise in health insurance costs.

FTEs
ADMINISTRATION by Department

DEPARTMENT	FY25 FTEs	FY26 FTEs
ADMIN DIR OFFICE	3.0	3.0
HUMAN RESOURCES	20.0	22.9
MIS	59.0	59.0
FACILITIES MGMT	6.0	4.0
FLEET SERVICES	12.0	12.0
OH&S	11.0	11.0
PROCUREMENT	40.0	40.0
TOTAL	**151.0**	**151.9**



- $2.2 million for **Workers' Compensation**, $106,000 above the FY25 Budget or 5.1%. Actual spending for Worker's Compensation can vary as evidenced below. The Workers' Compensation budget is based on the average of the last three years of actual spending excluding reserve adjustments.

Worker's Compensation	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Final	FY26 Final	3 Year Average*
Compensation Payments	1,259,213	1,862,210	1,172,825	999,514	1,097,561	1,253,924	1,788,479	1,341,930	1,421,388	1,379,988
Medical Payments	718,233	707,099	516,755	641,740	454,995	696,914	691,481	583,533	632,897	614,463
Other	169,617	148,259	173,362	201,599	112,461	125,894	127,019	147,972	125,445	121,791
Total Worker's Comp.	**$2,147,063**	**$2,717,568**	**$1,862,942**	**$1,842,853**	**$1,665,017**	**$2,076,732**	**$2,606,979**	**$2,073,435**	**$2,179,730**	**$2,116,243**

- $6.8 million for **Maintenance**, an increase of $1.0 million or 16.9% as compared to the FY25 Budget.$906,000 of this increase is due to Microsoft 365 subscription licenses.

- $339,000 for **Training and Meetings,** a change of $69,000 or 25.5% as compared to the FY25 Budget.

- $2.6 million for **Professional Services,** an increase of $300,000 or 12.9% as compared to the FY25 Budget. The largest component of this line item is $1.8 million for computer consultants an increase of $200,000 from FY25. The budget includes a cyber security monitoring and managing contract for $462,000.

- $2.5 million for **Other Materials**, an increase of $416,000 or 20.3% as compared to the FY25 Budget. The increase is attributed to funds for the replacement of laptops, Surface tablets, and ipads.

- $2.5 million for **Other Services**, an increase of $555,000 or 28.7% as compared to the FY25 Budget. The largest budget item is $1.7 million for telephone services.

ADMINISTRATION DIVISION DIRECTOR'S OFFICE

FY26 Final Current Expense Budget ADMINISTRATION DIVISION DIRECTOR'S OFFICE						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 339,936	$ 368,969	$ 391,690	$ 416,205	$ 24,515	6.3%
OVERTIME	-	-	-	-	-	-
FRINGE BENEFITS	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
ONGOING MAINTENANCE	104	-	-	-	-	-
TRAINING & MEETINGS	3,485	-	4,000	66,500	62,500	-
PROFESSIONAL SERVICES	92,625	16,410	15,000	20,000	5,000	30.5%
OTHER MATERIALS	-	44	-	-	-	0.0%
OTHER SERVICES	341	19,512	222	222	-	0.0%
TOTAL	**$ 436,491**	**$ 404,935**	**$ 410,912**	**$ 502,927**	**$ 92,015**	**22.4%**

The **Administration Division Director's Office** is responsible for the centralized support functions of procurement, human resources, management information systems, fleet services, facilities management, and real property. Additionally, the Director's Office ensures compliance with applicable statutes, regulations, Authority policies and procedures, and contract terms.

The Administration Director's Office core functions are to:

- Manage and coordinate the Authority's support service functions.
- Guide and coordinate division activities to support MWRA's goals and objectives.
- Continuously improve processes and performance for greater efficiency.

FY26 Goals and Initiatives:

- Provide Real Estate Support to Tunnel Redundancy Project's property acquisition needs.
- Assure a safe and well-maintained working environment for all MWRA staff and appropriate space for staff by coordinating workspace planning, design, and furniture acquisitions.
- Work with staff MWRA-wide to improve specifications development and documentation.
- Transition from paper to electronic.

FY25 Year-End Accomplishments:

- Continued to support the agency's efforts in implementing succession planning activities in anticipation of increases in retirements over the next several years.

- Investigated reported complaints of violations of MWRA policies and Code of Conduct. Implemented disciplinary action as necessary.

- Successfully negotiated successor collective bargaining agreements with all bargaining units for 2024–2027.

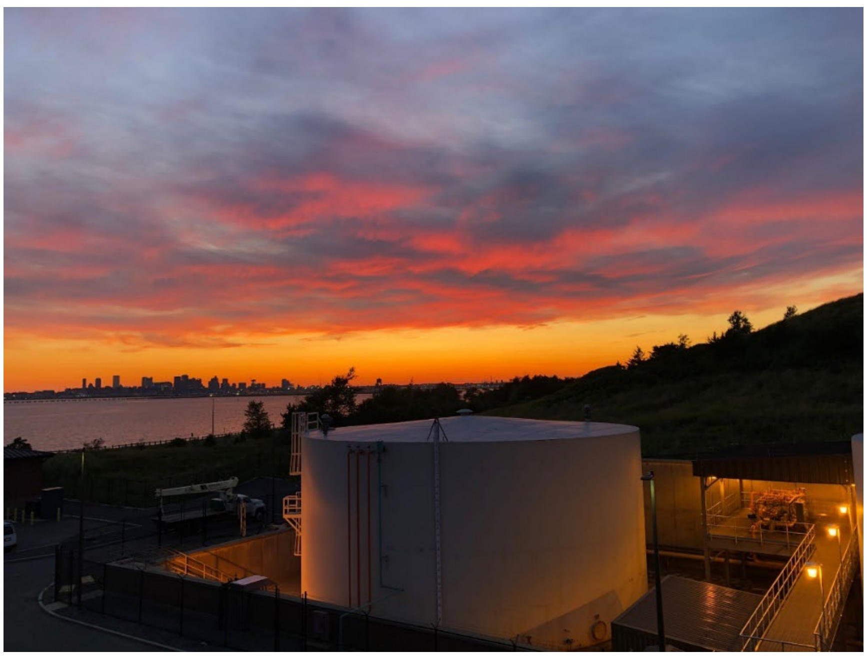
- Continued to implement the Infor/Lawson upgrade.

Budget Highlights:

The FY26 Budget is $503,000, an increase of $92,000 or 22.4% as compared to the FY25 Budget.

- $416,000 for **Wages and Salaries**, an increase of $25,000 or 6.3% as compared to the FY25 Budget, primarily due to wage increases associated with collective bargaining agreements. The FY26 Budget supports three FTEs, matching the FY25 Budget.

- $67,000 for **Training and Meetings**, an increase of $63,000 compared to the FY25 Budget, primarily reflecting introduction of UNC training program for $60,000.



Deer Island Treatment Plant Thermal Power Plant

FACILITIES MANAGEMENT

The **Facilities Management Department** provides mail, courier, shuttle and motor pool services to MWRA staff. Staff provides administrative and office support services that facilitate the efficient use of MWRA resources including the Walpole Record Center. These responsibilities include providing and managing the motor pools at both the Chelsea and Deer Island Facilities, transportation, mail, and courier services.

FY26 Final Current Expense Budget FACILITIES MANAGEMENT											
		FY23		FY24		FY25		FY26		Change	
LINE ITEM		Actuals		Actuals		Final Budget		Final Budget		FY26 vs. FY25	
WAGES & SALARIES	$	430,431	$	333,219	$	385,569	$	319,206	$	(66,363)	-17.2%
OVERTIME		14,292		7,828		20,000		20,000		-	0.0%
FRINGE BENEFITS		32		40		-		-		-	-
UTILITIES		141,303		23,103		18,966		21,427		2,461	13.0%
MAINTENANCE		841		91		600		600		-	0.0%
PROFESSIONAL SERVICES		10,392		44		4,000		4,000		-	0.0%
OTHER MATERIALS		27,560		73,162		456,500		456,500		-	0.0%
OTHER SERVICES		2,040,360		235,475		243,759		241,288		(2,471)	-1.0%
TOTAL	**$**	**2,665,211**	**$**	**672,962**	**$**	**1,129,394**	**$**	**1,063,021**	**$**	**(66,373)**	**-5.9%**

FY26 Goals and Initiatives:

IV. Finance and Management

- ***Goal #12 – Ensure Cost-Effective Operational and Resource Management:***
  - Provide administrative and office support services.

FY25 Year-End Accomplishments:

- The wireless network was expanded into eleven sites Belchertown, Chelsea, Clinton, Cosgrove, CWTP, DITP, MMF, Needham, Nut Island, Southborough and Walpole.

Budget Highlights:

The FY26 Final Budget is $1.1 million, a decrease of $66,000 as compared to the FY25 Budget.

- $319,000 for **Wages and Salaries**, a decrease of $66,000 or 17.2% as compared to the FY25 Budget, primarily due to drop of two FTE's partially offset by wage increases associated with collective bargaining agreements and new hires and backfilling positions at lower rates. The FY26 Budget funds four FTEs, a decrease of two from the FY25 Budget.

- $457,000 for **Other Materials**, level funded with the FY25 Budget, The FY25 Budget includes $400,000 in moving related expenses as employees are relocated and space reconfigured with MWRA departure from Charlestown space and that staff relocated to other facilities.

- $241,000 for **Other Services**, $2,500 or 1.0% below the FY25 Budget. Includes $232,000 for the Walpole Records Center lease and associated operating costs.

FLEET SERVICES

FY26 Final Current Expense Budget FLEET SERVICES						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 740,381	$ 745,974	$ 1,047,243	$ 1,064,142	$ 16,899	1.6%
OVERTIME	3,428	1,240	25,000	25,000	-	0.0%
FRINGE BENEFITS	66	53	250	250	-	0.0%
UTILITIES	1,835	1,438	2,500	3,000	500	20.0%
MAINTENANCE	544,002	629,648	682,500	691,000	8,500	1.2%
TRAINING & MEETINGS	1,172	-	4,000	4,000	-	0.0%
OTHER MATERIALS	575,172	508,607	700,000	699,000	(1,000)	-0.1%
OTHER SERVICES	1,111	1,931	1,414	1,414	-	0.0%
TOTAL	**$ 1,867,167**	**$ 1,888,891**	**$ 2,462,907**	**$ 2,487,806**	**$ 24,899**	**1.0%**

The **Fleet Services Department** manages and maintains MWRA's motor vehicle and equipment fleet. The goal of the Fleet Services Department is to maintain MWRA's vehicle and equipment fleet to minimize downtime and extend the life of the assets. Fleet Services also manage the Chelsea, Deer island, Southboro, and Lonergan Intake in Barre fuel facility, the gas card program, the Two-Way radio communication system, the EV Connect electric vehicle charging system, and the development and processing of specifications for new vehicles and equipment.

FY26 Goals and Initiatives:

IV. Finance and Management

- ***Goal #12 – Ensure Cost-Effective Operational and Resource Management:***
  - Continue to cost effectively maintain the Authority's fleet of vehicles and equipment.
- ***Goal #13 – Maintain a Safe Workforce:***
  - Continue to Purchase vehicles with additional safety lighting to enhance driver/vehicle visibility and added blue tooth technology to all vehicles.
  - Purchase vehicles with current driver safety technology, including collision avoidance and lane departure warning, and seat belt activation.

V. Environmental Sustainability

- ***Goal #15 – Continue to maximize energy efficiency of MWRA operations, renewable energy production, and revenue generation opportunities using MWRA's energy assets:***
  - Integrate more Electric vehicles into the Authority's fleet. Continue to install idle reduction devices in all Authority vehicles to comply with state and federal regulations and also purchase more fuel-efficient vehicles.
  - Continue to oversee the installation of additional electric vehicle charging stations at MWRA facilities.

FY25 Year-End Accomplishments:

- Developed specifications for new replacement vehicles and equipment. The majority of the vehicles and equipment will utilize alternative fuel, including Bio-Fuel, and Electric, which is consistent with the Authority's goal of purchasing environmentally friendly products.
- Completed the fuel management system installation at Chelsea, Deer Island, Southboro, and Lonergan Intake. Continue to work with MIS and Engineering staff on the implementation of a new fuel management system at the Weston facility.
- Spec'd and purchased 7 additional electric vehicles for the Authority.
- Installed additional electric vehicle charging stations at Chelsea and Deer Island.
- Electric charging stations installed at CWTP, Southboro, and Clinton Treatment Facility.

Budget Highlights:

The FY26 Budget is $2.5 million, an increase of $25,000 or 1.0% as compared to the FY25 Budget.

- $1.1 million for **Wages & Salaries**, an increase of $17,000 or1.6% as compared to the FY25 Budget, primarily for wage increases associated with collective bargaining agreements offset by retirements and backfilling at lower rates. The FY26 Budget funds 12 FTEs, the same as the FY25 Budget.

- $691,000 for **Ongoing** Maintenance, 1.2% or $9,000 slightly above the FY25 Budget.

- $700,000 for **Other Materials**, level funded with FY25 Budget. The FY26 Budget funds vehicle/equipment fueling which is based on historical fuel usage and current pricing. Fleet Services procures bulk fuels from state contracts while continuing to meet all governmental alternative fuel directives. It should be noted that the volatility of fuel pricing could impact this line item.

New Chevy Volt at Charging Station

HUMAN RESOURCES

FY26 Final Current Expense Budget HUMAN RESOURCES						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,812,383	$ 2,053,430	$ 2,330,658	$ 2,629,990	$ 299,332	12.8%
OVERTIME	765	345	-	-	-	-
FRINGE BENEFITS	23,009,219	24,471,502	27,718,200	30,360,048	2,641,848	9.5%
WORKERS' COMPENSATION	2,076,732	2,606,979	2,073,434	2,179,730	106,296	5.1%
MAINTENANCE	91	235	-	-	-	-
TRAINING & MEETINGS	1,500	5,051	4,713	6,213	1,500	31.8%
PROFESSIONAL SERVICES	694,382	717,379	731,391	737,791	6,400	0.9%
OTHER MATERIALS	4,431	13,814	17,650	44,660	27,010	153.0%
OTHER SERVICES	39,391	38,074	66,436	76,812	10,376	15.6%
TOTAL	**$ 27,638,894**	**$ 29,906,809**	**$ 32,942,482**	**$ 36,035,244**	**$ 3,092,762**	**9.4%**

The **Human Resources Department** is responsible for the overall management of MWRA employees. The Department enables employees to contribute successfully to MWRA's goals and objectives through effective talent acquisition, labor and employee relations management, learning and development, and employee benefits management.

The Human Resources Department is comprised of several units:

- The **Talent Acquisition Unit** coordinates and oversees all recruitment and selection activities including hirings, lateral transfers, and promotions to meet the business needs of MWRA.

- The **Compensation Unit** is responsible for MWRA's compensation and classification programs, including salary and pay equity reviews, classification assessments, processing of personnel actions, and ensuring all MWRA employees possess the necessary licenses and certifications required for their positions.

- The **Benefits and HRIS Unit** oversees benefit strategies and programs, including medical, dental, and life insurance benefits, the MWRA's workers' compensation program, leave administration, and unemployment applications. In addition, the Benefits and HRIS Unit is responsible for employee record management.

- The **Employee Relations Unit** conducts personnel investigations and oversees the corrective action process when appropriate.

- The **Labor Relations Unit** is responsible for fulfilling MWRA's collective bargaining and contract administration obligations under Massachusetts' public sector collective bargaining law.

- The **Training Unit** develops, coordinates, delivers, and evaluates MWRA's technical and professional development training programs, as well as programs designed to improve employee knowledge, skills, productivity, and the quality of workplace interaction and safety.

In addition, the Human Resources Department includes the Centralized Fringe Benefits cost center, which carries the budget for fringe benefits for all MWRA employees as well as for mandatory payments for unemployment expenses and Medicare.

FY26 Final Current Expense Budget HUMAN RESOURCES by Unit						
UNIT	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
EMPLOYEE/COMP/BEN	$ 1,291,313	$ 1,313,045	$ 1,563,792	$ 1,762,635	$ 198,843	12.7%
LABOR RELATIONS	455,861	458,910	571,053	573,113	2,060	0.4%
TRAINING	708,262	987,032	873,362	1,009,077	135,715	15.5%
CENTRALIZED FRINGE BENEFITS	25,183,458	27,147,822	29,934,275	32,690,419	2,756,144	9.2%
TOTAL	**$ 27,638,894**	**$ 29,906,809**	**$ 32,942,482**	**$ 36,035,244**	**$ 3,092,762**	**9.4%**

FY25 Year-End Accomplishments:

- Continued to manage employee leaves for qualifying reasons under the Massachusetts Paid Family Medical Leave law and the federal Family and Medical Leave Act.
- Continued to review and approve, when applicable, employee requests for reasonable accommodations.
- Continued to fill positions with qualified applicants using electronic processes and conducting interviews both virtually and in person.
- Participated in the Diversity, Equity, and Inclusion (DEI) Workgroup to promote diversity and inclusion within the workplace and in the MWRA's recruitment efforts.
- Continued to utilize specialized recruitment resources to attract women, minority, and veteran candidates to fill positions, including expanding social network recruiting capabilities.
- Continued to support the agency's efforts in implementing succession planning activities in anticipation of increases in retirements over the next several years.
- Continued to offer supervisory, professional, and career development training programs necessary to support succession planning initiatives.
- Reduced future MWRA exposure on Workers' Compensation cases through aggressive claims management.
- Initiated procurement for new dental insurance contract.
- Initiated procurement for harassment prevention training
- Procured new contract for drug and alcohol testing program.
- Procured new contract for workers' compensation litigation services.

- Investigated reported complaints of violations of MWRA policies and Code of Conduct. Implemented disciplinary action as necessary.

- Offered a variety of professional and technical training to MWRA employees, including but not limited to Confined Space Entry, Hoisting License Mandatory Refresher Training, Wastewater & Water Operator Exam Prep, OSHA 40-Hour Hazardous Waste Operations and Response (HAZWOPER) training, OSHA 10-Hour Construction Safety, OSHA 8-Hour Annual Refresher, created learning paths on LinkedIn Learning specific to MWRA skills needs, Supervisory Development, RCRA/DOT Safety, Work-zone Safety, Lockout/Tagout, Electrical Safety, Electric and Plumbing Code Review classes, Keolis & MBTA Track Safety, and a number of training contact hours (TCH) classes for Water and Wastewater License holders.

- Worked with various vendors to provide training for the Nut Island HVAC and Odor Control Project.

- Offered in-person and virtual trainings to support different learning types.

- Continued to implement the Infor Learning Management System (LMS) to manage trainings, particularly with respect to tracking, course scheduling, and course delivery.

- Finalized salary reviews for non-union managers to ensure compliance with the Massachusetts Equal Pay Act and internal pay equity principles.

- Finalized compensation survey of several bargaining unit positions, including some hard-to-fill positions, to assess MWRA's wage competitiveness amongst similar public sector employers.

- Worked with union partner to renew the OMC Laborer-in-Training pilot program, which establishes an entry-level career path.

- Worked with union partner to establish Operator-in-Training positions and an expanded career path for water and wastewater operations positions.

- Worked with union partners to extend several recruitment and retention initiatives, including but not limited to recruitment rate pilot programs and sign-on bonus fee pilot program for hard-to-fill positions, enhanced shift differential pilot programs for continuous operations staff, and an employee referral fee pilot program.

- Successfully negotiated successor collective bargaining agreements with all bargaining units for 2024 – 2027.

- Continued to manage the MWRA's Telework and Performance Evaluation programs which provide participating employees flexibility and ensure accountability.

- Successfully completed Year 3 of the CORE Mentorship Program which provides participants with a structured environment to develop and enhance the mentor-mentee relationship.

- Continued a partnership with the City of Boston in connection with a climate workforce grant program aimed at placing City residents in climate resilient positions.

Budget Highlights:

The FY26 Budget is $36.0 million, an increase of $3.1 million or 9.4% as compared to the FY25 Budget.

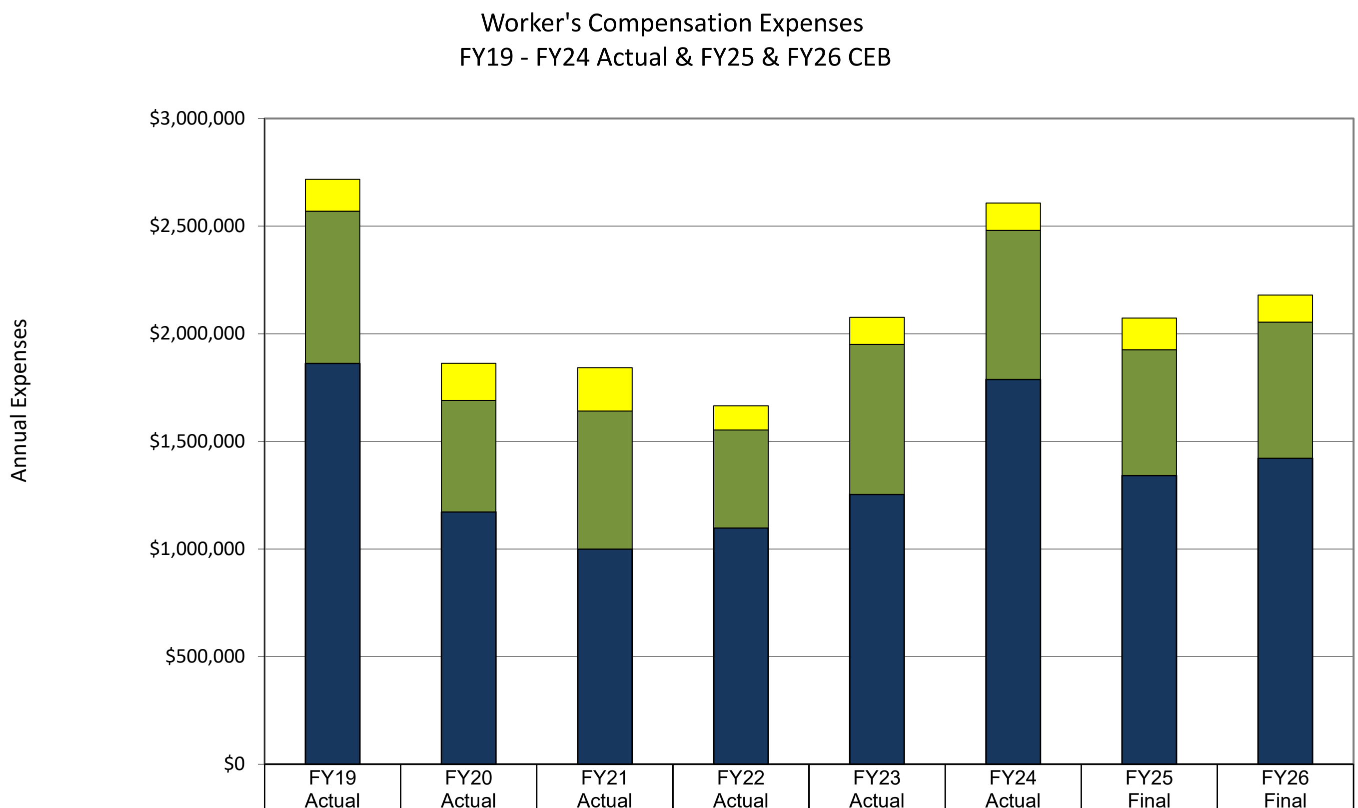
- $2.6 million for **Wages and Salaries**, an increase of $300,000 or 12.8%, as compared to the FY25 Budget, the increase reflect the collective bargaining agreements and additional staffing. The FY25 Budget includes funding for 22.9 FTEs, an increase of 2.9 FTEs from the FY25 Budget for training.

- $30.4 million for **Fringe Benefits**, an increase of $2.6 million or 9.5%, as compared to the FY25 Budget mainly for increases in health insurance costs. The FY26 Budget includes $26.7 million for health insurance, $1.8 million for Medicare, $1.1 million for dental insurance, $579,000 for the Massachusetts Paid Family and Medical Leave (PFML) law, $140,000 for unemployment insurance, and $40,000 for tuition reimbursement.

Human Resouces Fringe Benefits

Line Item	FY24 Actuals	FY25 Budget	FY26 Budget	Difference
Health Insurance	$ 20,909,901	$ 24,143,389	$ 26,674,890	$ 2,531,502
Dental Insurance	1,154,756	1,115,162	1,115,162	-
Unemployment Insuranc	303,825	140,000	140,000	-
PFML	440,209	578,839	578,839	-
Medicare	1,651,447	1,700,810	1,811,157	110,347
Tuition Reimbursement	11,364	40,000	40,000	-
Total Fringe Benefits	**$ 24,471,502**	**$ 27,718,200**	**$ 30,360,048**	**$ 2,641,849**

- $2.2 million for **Workers' Compensation**, an increase of $106,000 or 5.1%, as compared to the FY25 Budget, based on historical spending. The Workers' Compensation expenses can be difficult to predict and the budget is based on an average of the prior three years of expenditures excluding reserve adjustments. Below is a graph showing actual expenditures beginning in FY19 and budgets for fiscal years FY25 and FY26. The Human Resources Department is responsible for the management of this program and the coordination with the third-party administrator and legal counsel.



	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Final	FY26 Final
Other	148,259	173,362	201,599	112,461	125,894	127,019	147,972	125,445
Medical Payments	707,099	516,755	641,740	454,995	696,914	691,481	583,533	632,897
Compensation Payments	1,862,210	1,172,825	999,514	1,097,561	1,253,924	1,788,479	1,341,930	1,421,388
Total Worker's Comp.	$2,717,568	$1,862,942	$1,842,853	$1,665,017	$2,076,732	$2,606,979	$2,073,435	$2,179,730

$738,000 for **Professional Services**, an increase of $6,400 or 0.9% as compared to the FY25 Budget. The major budgeted items for FY26 include $385,000 for Professional Development and Technical Training, $135,000 for Workers' Compensation Claims Administration and Legal Services, $96,000 for Medical Evaluation Services, $47,000 for Arbitrators and Arbitration Expenses, and $30,000 for the Employee Assistance Program.

MANAGEMENT INFORMATION SYSTEM

The **MIS Department** provides MWRA with the secure information processing services necessary to carry out the Authority's mission. Applications in use range from financial to operational, and enhance MWRA's ability to access data and improve internal controls, reporting, and management performance. In addition to computing and telephone systems, the department also provides library and records management services. The MIS department supports all MWRA staff, including those at the Chelsea Facility, Deer Island Wastewater Treatment Plant, Southborough Facility, Carroll Water Treatment Plant, and other remote sites.

FY26 Final Current Expense Budget
MANAGEMENT INFORMATION SYSTEM

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 5,901,502	$ 6,338,389	$ 7,395,560	$ 7,535,507	$ 139,947	1.9%
OVERTIME	1,741	213	12,000	12,000	-	0.0%
FRINGE BENEFITS	-	226	-	-	-	-
MAINTENANCE	4,441,213	4,306,471	5,176,475	6,156,288	979,813	18.9%
TRAINING & MEETINGS	95,384	117,655	229,026	229,026	-	0.0%
PROFESSIONAL SERVICES	1,220,180	1,405,960	1,550,438	1,835,444	285,006	18.4%
OTHER MATERIALS	433,656	896,501	662,875	1,037,875	375,000	56.6%
OTHER SERVICES	962,982	1,014,582	1,426,140	1,942,001	515,861	36.2%
TOTAL	**$ 13,056,658**	**$ 14,079,997**	**$ 16,452,514**	**$ 18,748,141**	**$ 2,295,627**	**14.0%**

FY26 Goals and Initiatives:

IV. Finance and Management

- ***Goal #13 – Leverage Information Technology to Improve Organizational Effectiveness:***
  - Deliver Information Technology (IT) services and solutions efficiently and effectively.
  - Provide IT solutions to streamline work processes by leveraging the use of existing or emerging technologies.
  - Obtain feedback from users on satisfaction levels and desired new services and implement changes accordingly.
  - Maintain current technology hardware, software, and network infrastructures.
  - Maintain a secure technological environment by ensuring the confidentiality, availability, and integrity of MWRA data.
  - Enhance Information Technology workforce capabilities through new certifications and license requirements.

The MIS Department divides the IT services that it provides into 4 programs. A description of each program and the specific initiatives in each are detailed below:

Information Technology Management Program

This program is intended to improve the Information Technology (IT) organization and the oversight processes for selecting, implementing and operating IT solutions throughout the MWRA.

- ***Project Portfolio Management:*** Continue the adoption and use of the IT project management solution and develop an executive dashboard.
- ***IT Project Steering Committee:*** Increase awareness throughout the organization of MIS processes and initiatives by formalizing the project initiation process and prioritizing MIS resources with MWRA's goals. Provide updates at quarterly meetings.

Application Improvement Program Initiatives

This program, along with associated projects, continues MWRA's efforts to update and enhance a wide range of applications to improve efficiencies of business processes and effectiveness of the staff while ensuring the confidentiality, integrity and availability of the MWRA's data resources.

Administration and Finance Initiatives

- ***Electronic Document Management***: Following the successful implementation of e-Construction and design (e-Engineering) processes, recent development work has included workflows for the staff summary and MWRA policy and procedure review and approvals to the system.

- ***Enterprise Resource Planning (ERP) System Upgrades:*** The initiative to upgrade and migrate the ERP system is well underway. The Project and Technical Planning, Current State Analysis, System Provisioning, Build and Configuration, Super User and Technical Training, Design Workshops, and initial passes at Data Conversion have been completed. User Acceptance Testing is in process. The anticipated go-live date of the new system is Spring 2026.

- ***Budgeting Software Upgrade:*** This initiative will replace or migrate the legacy application to new budget application platform with better integration to Infor.

- ***MHC Upgrade:*** MHC is used for printing bank checks. This application is being upgraded to a Saas solution and will be integrated with the new CloudSuite ERP platform. The anticipated go-live date is Spring 2026.

Compliance Management Initiatives

- ***Laboratory Information Management (LIMS)***: An upgrade assessment was performed reviewing current system and business processes against upgrade version functionality to provide an informed decision on the upgrade path. Discussions are underway in the development of a scope of work for a future proof of concept for the upgrade.

- ***Pretreatment Information Management System (PIMS)***: A number of service releases have been made to the system including updates to Copy of Record, NPDES reports, authentication, and infrastructure updates such as database password changes.

System Integration and Data Warehousing Initiatives

- ***ESRI GIS Infrastructure:*** Continue development work in the GIS portal to enhance functionality and integration with other applications.

- ***Enterprise Data Management***: Develop an Authority-wide data architecture that maximizes benefits from data capture and ongoing maintenance. Implement Authority-wide data modeling and management, to standardize data access across multiple systems for a consistent view of the Authority across all business units.

Operations Management Initiatives

- ***Maximo:*** A point release upgrade, required to maintain support, of the Maximo environment was built in parallel with the ongoing interface enhancements. Planning is underway for the next major release upgrade of the system in FY26.

- ***OMMS Application refresh***: MWRA's existing OMMS application is built using 20-year-old technology. Redesign of the application includes integration with GIS and is complete.

- ***DataPARC:*** DataPARC was selected to replace the obsolete Processbook applications. This initiative migrated Processbook display worksheets to DataPARC and included training for staff on using the new application and also migrate additional Processbook displays as needed.

Information Security Program Initiatives

This program focuses on the strength, resiliency, and sustainability of MWRA's cyber security practices for its data and computing-related assets. The program also monitors for and protects against penetration, intrusions, and malicious actions from both internal and external threats. The projects associated with this program continue to assess, implement, and improve MWRA's information security protections, including recommendations to improve each IT system's security profile. The following are the FY26 projects under this program:

- ***M365 Migration:*** This initiative encompasses not only the migration of Office application and mailboxes to Exchange Online, but will also include the migration from Webex messaging, meetings, and eventually calling to Microsoft Team, Okta to MS Authenticator, Sharepoint, Intune for device management, Defender for endpoint protection and Purview for e-discovery. Office upgrades and mailbox migrations are under way and is anticipated to be complete in October.

- ***Archiving & Purge and e-Discovery:*** Leveraging licensing and storage within Microsoft 365, staff will evaluate the Archive and e-Discovery capabilities in this solution to streamline processes and user interface allowing for self-service capabilities.

- ***American Water Infrastructure Act (AWIA):*** Congress imposed new requirements for assessing and responding to water system vulnerabilities in the AWIA. AWIA requires that community drinking water systems develop or update risk assessments and emergency response plans and certify to EPA that they have been completed or updated by specific deadlines. Under AWIA, systems must now re-certify that they have reviewed and updated their Risk and Resiliency Assessments (RRA) every five years. The initial assessment was completed in March 2020 and staff continue to address and implement security improvements based upon this assessment. 104 of the 105 of the identified tasks have been implemented. The last of these items will be completed in Fall 2025. In March 2025, MWRA successfully completed the recertification for AWIA and staff are in the process of documenting and updating emergency response plans.

- ***Load Balancer Appliance Replacement:*** A new Application Delivery Controller (ADC) has been implemented to replace the legacy system. The new ADC integrates natively with existing security infrastructure management consoles providing improved visibility and security of network traffic.

- ***Software Defined-Wide Area Network (SD-WAN):*** This initiative will provide resiliency to network connectivity along with added security with the further segmentation of network traffic and additional firewalls. SD-WAN has been implemented across nine facility locations.

- ***Wireless Network Expansion: As*** MWRA becomes a more mobile workforce, the wireless infrastructure will be expanded to support staff as they move throughout facilities and use new collaboration spaces.

- ***Network Segmentation:*** Network segmentation is a recommended best practice from the U.S. Cybersecurity & Infrastructure Security Agency ("CISA"). Planning is underway to further segment network traffic to improve the security posture of the MIS network.

- ***East-West Network Traffic Monitoring:*** This initiative will provide the ability to apply security controls and visibility through monitor of network traffic between systems to ensure compliance with expected communication.

- ***Network Routing Redesign:*** Design and implement network traffic routing to improve efficiency and resiliency of internet connectivity.

- ***SASE Migration:*** This initiative will design and implement a modern cybersecurity architecture delivering a seamless user experience whether on premise or working remotely.

Technology Infrastructure Improvement Program

The MWRA IT department currently operates 517 desktops, 553 laptops, more than 450 virtual servers, 73 tablets, 306 Smartphones, and 22 wide area network circuits. This program will assess and implement consolidated and optimized versions of these core IT infrastructure elements as utility-like services and commodities. Furthermore, it will look to improve and optimize data management practices including: storage, backup, and archive and purge processes and technologies. The following projects are currently under way:

- ***Disaster Recovery:*** Build out of a Disaster Recovery site providing the ability to restore business data and applications should the Chelsea Data Center, servers or infrastructure get damaged or destroyed. Plans are underway to adopt cloud based backup solution for the third copy of system and data backups. The implementation of SD-WAN has improved site resiliency by providing dual paths for secure access the MWRA resources.

- ***Telephone System Replacement:*** A Cisco Unified Communications Manager, Voice over IP, telephone system has been implemented for most of the MWRA. Rollout for the Deer Island auxiliary buildings has begun. The anticipated completion date for all DIPT phones is October 2025

- ***Edge Switch Hardware Refresh:*** The current hardware has reached end of life and require replacement in order to maintain support. This initiative is being rolled out in multiple phases. New Edge switches have been installed in all locations except some Deer Island auxiliary buildings due to fiber cabling requirements. Deployment of switches on DITP will continue following the installation of new fiber cabling.

- ***Instrumentation and Controls of IT:*** Plan for the implementation of additional tools to monitor, manage, and alert on the infrastructure and application health.

- ***SAN Switch Hardware Refresh:*** SAN switches provide connectivity between virtual and physical host and the large Storage Area Network appliance supporting all application and infrastructure systems. These specialized switches are approaching end of life and are in need of a hardware refresh.

- ***Deer Island Cabling:*** The fiber and ethernet cabling in areas within Deer Island that were not impacted by the office consolidation are in in need of an upgrade in order to maintain compatibility with new infrastructure hardware such as Edge Switches and to provide improved network performance. The ethernet cabling in these areas has been completed allowing end of life hardware to be replaced and the migration of phones to the VOIP phone system to occur. Design specifications are being developed for the replacement of the fiber optic cabling.

- ***Distributed Antenna System:*** Designs are underway to install additional antenna in areas and facilities that currently have none (Chestnut Hill Pump Station, Spot Pond, Southborough and expansion on DITP)..

- ***Operating System and Database Upgrades: Ongoing*** maintenance of server and database infrastructure to latest supported version.

- ***Wireless Network Management Console Upgrade:*** This initiative will upgrade the management platform for the wireless network to a supported version allowing for the application of additional features.

- ***DITP Database Mapping:*** In support of the M365 migration, staff are working with DITP to review and capture use cases of Access databases used to in Operations for the management of various functions.

- ***VMware Infrastructure Refresh:*** This initiative will upgrade the hardware and virtual server environment to supported versions.

FY25 Year-End Accomplishments:

- ***Webcams:*** New webcams have been installed at Quabbin, Cosgrove and Deer Island. The live video streams have been integrated with the website.

- ***PIMS Upgrades***: The PIMS application infrastructure was successfully upgraded to Windows 2022 Operating System. In addition a number of service releases have been made to the system including updates to Copy of Record, NPDES reports, and infrastructure updates such as database password changes.

- ***Wireless Expansion:*** The wireless network was expanded into eleven sites Belchertown, Chelsea, Clinton, Cosgrove, CWTP, DITP, MMF, Needham, Nut Island, Southborough and Walpole.

- ***SD-WAN***: Designed and implemented Software Defined Wide Area Network to provide redundancy, resiliency and network traffic optimizations at Chelsea, Southboro, Clinton, Cosgrove, CWTP and Nut Island.

- ***Mobile Device Management***: Implemented new asset management tool to manage both iOS and Windows devices. Successfully migrated all devices to the new platform.

- ***IT Kiosk:*** Implemented additional kiosk on Deer Island to provide self-service to IT accessories.

- ***Website Replacement/Upgrade:*** A new hosted website www.mwra.com was launched leveraging current technologies, adoption of standards, and enhance the user/visitor experience.

- ***Debt Management:*** A new debt management platform has been implemented to replace the unsupported legacy solution.

- ***ForeRiver Railroad Account:*** Upgraded and migrated the accounting application used by Finance to manage the Fore River Railroad to a Saas solution.

- ***Core Switch Hardware Refresh:*** Core switches in the Chelsea and Deer Island datacenters have been replaced.

- ***ESRI GIS Infrastructure:*** The GIS environment has been upgraded along with implementation of recommended best practices. In addition, the use of multi-factor authentication has been added to the portal along with integration with the new communities OMMS application.

- ***System Backups:*** Completed the hardware and software upgrades of current backup solution.

- ***Storage Area Network:*** Completed hardware refresh.

- ***Plant Information (PI) System:*** Completed the implementation of new PI System in support of the Carrol Water Treatment Plant OCC SCADA rehab project.

- ***New Hire Application:*** Updated the New Hire application to enhance its functionality and integration with Maximo.

- ***Distributed Antenna System:*** The Distributed Antenna System in Chelsea and Deer Island that delivers cellphone service within facility building was repaired to restore reliable service in the areas with antennas.

- ***Electronic Document Management***: The MWRA has implemented a Content Management System that will support e-Construction and design (e-Engineering) processes including corresponding Procurement, Contract Management processes (e-Procurement), and Document and Records Management processes.

Budget Highlights:

The FY26 Budget is $18.7 million, an increase of $2.3 million or 14.0% as compared to the FY25 Budget.

- $7.5 million for Wages and Salaries, an increase of $140,000 or 1.9% as compared to the FY25 Budget. The increase in Wages and Salaries reflecting wage increases associated with collective bargaining agreements and salary adjustments associated with position changes/upgrades within the department partially offset by backfilling positions at lower wage rates. The FY26 Budget includes funding for 59 FTEs, matching the FY25 Budget.

- $6.2 million for **Ongoing Maintenance**, an increase of $980,000 or 18.9%, as compared to the FY25 Budget. The increase is attributed to the subscription costs for Microsoft 365.

- $1.8 million for **Professional Services**, an increase $285,000 compared to the FY25 Budget. Professional services include computer consulting services to augment MIS staff as needed for upgrades that include Infor Cloudsuite, Maximo, Oracle, Aruba wireless, DataPARC, MSSP, PIMS, PI. LIMS and East/West Traffic Monitor.

- $1.0 million for **Other Materials**, an increase of $375,000 or 56.69%, as compared to the FY25 Budget. The increase is attributed to funds for the replacement of laptops, Surface tablets, and ipads.

- $1.9 million for **Other Services**, an increase of $516,000 or 36.2%, as compared to the FY25 Budget. Funding of $1.7 million is for facility data and voice circuits cost. Remaining funds are for the lease of Automated Vehicle Location (AVL) services and Library subscriptions for the Authority.

PROCUREMENT

FY26 Final Current Expense Budget PROCUREMENT						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 4,307,292	$ 4,455,297	$ 4,547,038	$ 4,577,417	$ 30,379	0.7%
OVERTIME	35,460	29,782	41,500	41,500	-	0.0%
FRINGE BENEFITS	818	661	1,200	1,200	-	0.0%
UTILITIES	-	122	-	-	-	-
MAINTENANCE	970,890	1,005,107	-	-	-	-
TRAINING & MEETINGS	926	-	14,751	14,751	-	0.0%
PROFESSIONAL SERVICES	311	119	-	-	-	-
OTHER MATERIALS	70,934	56,752	91,000	91,000	-	0.0%
OTHER SERVICES	70,223	53,612	16,100	16,100	-	0.0%
TOTAL	**$ 5,456,854**	**$ 5,601,452**	**$ 4,711,589**	**$ 4,741,968**	**$ 30,379**	**0.6%**

The **Procurement Department** provides timely and high quality services to all MWRA Divisions to enable MWRA programs to meet their public, production and schedule responsibilities. The Procurement Department is responsible for procuring materials, equipment, supplies, construction, professional, and non-professional services in a timely, efficient, and openly competitive process in accordance with MWRA applicable law and policies and procedures, including those related to meeting affirmative action goals. The Department also maintains a centralized, efficient, and cost-effective management of spare parts and operating supplies inventory.

The **Procurement Department** includes three operational units. The **Purchasing Unit** operates a competitive purchasing system for the procurement of materials, goods, and non-professional services in accordance with MWRA policies and procedures. The **Contract Management Unit** reviews, drafts, and negotiates contracts, amendments, and change orders for all professional, non-professional, and construction services contracts. Staff directs the bid, review, and selection process, and maintains a contracts database. The **Materials Management Unit** manages an Authority-wide inventory control and management system for better control, storage, distribution, and accounting of MWRA's inventory. The unit manages three regional warehouses/distribution centers that support all MWRA activities.

FY26 Goals & Initiatives:

IV. Finance & Management

- ***Goal #11 - Ensure Financial Sustainability, Integrity, and Transparency:***
    - Continue to conduct strategic energy procurements for both the purchase of energy and sale of energy credits generated from MWRA energy production.
- ***Goal #12 – Promote Effective Business Operations and Resource Management:***
    - Maintain and expand recycling program in order to contain MWRA operating costs by removing recyclable materials from the waste stream.
    - Review and update policies and procedures for procurement of professional services, non-professional services and goods and materials.
    - Update construction contract documents.

FY25 Year-End Accomplishments:

- Provide training to MWRA staff on various procurement policies and procedures including purchasing of goods and materials and consultant selection committee service.

- Awarded the following Major Capital Improvement Program Contracts and Other Contracts necessary for Operations and Maintenance through Q4, FY25:

  - Hazardous Materials Assessment Technical Assistance
  - Regulatory Compliance At Former General Dynamics Shipyard
  - West Roxbury Tunnel Inspection, Sections 637 & 637A
  - Top of Shaft 5 Interim Improvements – Resident Engineering Services
  - Norumbega Covered Storage Tank Cell No. 1 Cleaning Weston
  - Dam Safety Compliance and Consulting Services
  - Installation of Energy Efficient LED Interior & Exterior Lighting at the DeLauri Pump Station
  - Phase 13 Sewer Manhole Rehabilitation
  - Centrifuge Services DITP
  - Oxygen Generation Facility Services
  - Design, Engineering Services During Construction and Resident Engineering Services For Cottage Farm CSO Facility PCB Abatement
  - Fire Alarm System Services Central and Western Facilities
  - Deer Island Treatment Plant Combined Heat and Power System – Design and Engineering Services During Construction
  - Somerville Marginal Facility New Pipe Connection
  - Deer Island Treatment Plant Feasibility Study for Large Scale Battery Deployment
  - Installation of Air Source Heat Pumps at Norumbega Headquarters
  - Metropolitan Water Tunnel Program Final Design Engineering Services
  - Installation of Energy Efficient LED Lighting at the Fuel Facility – Deer Island
  - Hayes Pump Station Rehab
  - Elevator Maintenance and Repair Services (Various Facilities)
  - Instrumentation Services – Metro Boston
  - Intermediate High Pipeline Improvements, CP1, Secs 75A and 47 RE/I Services
  - Digester Fixed Cover Replacement, CWWTP
  - Air Compressor Maintenance and Repair Services at Various Authority Facilities
  - Design and Engineering Services During Construction for Deer Island Treatment Plant HVAC Control System, Equipment and Fume Hood Replacement
  - Northern Extra High Pressure Zone Improvements CP2
  - Steel Water Storage Tank Painting & Improvements Walnut Hill
  - Saugus River Crossing Section 56 Replacement
  - WOC Building 270 Roof Coating

Budget Highlights:

The FY26 Budget is $4.7 million, an increase of $30,000 or 0.6% as compared to the FY25 Budget.

- $4.6 million for **Wages and Salaries**, an increase of $30,000 or 0.7% as compared to the FY25 Budget. The increase in Wages and Salaries reflects wage increases associated with collective bargaining agreements partially offset by a decrease of 3 FTE and backfilling positions at lower wage rate. The FY26 Budget funds 40.0 FTEs, matching the FY25 Budget.

OCCUPATIONAL HEALTH AND SAFETY

FY26 Final Current Expense Budget OCCUPATIONAL HEALTH AND SAFETY						
	FY23	FY24	FY25	FY26	Change	
LINE ITEM	Actuals	Actuals	Final Budget	Final Budget	FY26 vs. FY25	
WAGES & SALARIES	$ 805,222	$ 1,120,729	$ 1,307,983	$ 1,323,811	$ 15,828	1.2%
OVERTIME	26,458	16,873	46,210	46,210	-	0.0%
FRINGE BENEFITS	262	202	475	475	-	0.0%
CHEMICALS	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
MAINTENANCE	5,606	628	-	-	-	-
TRAINING & MEETINGS	-	385	14,000	19,000	5,000	35.7%
PROFESSIONAL SERVICES	-	-	-	-	-	-
OTHER MATERIALS	66,747	65,136	120,100	135,100	15,000	12.5%
OTHER SERVICES	37,340	20,821	176,659	207,659	31,000	17.5%
TOTAL	**$ 941,635**	**$ 1,224,774**	**$ 1,665,427**	**$ 1,732,255**	**$ 66,828**	**4.0%**

The Occupational Health and Safety Department supervises MWRA's adherence to regulations established by the Massachusetts Department of Labor Standards and federal agencies. It guarantees that MWRA employees operate within safe and healthy environments, devoid of recognized hazards, by establishing and enforcing standards, providing training, offering expert support, and minimizing workplace hazard-related expenditures. The department holds responsibility for ensuring compliance with state standards and collaborates closely with other safety and health officials to communicate, implement, monitor, and track regulatory compliance. Moreover, the Occupational Health and Safety (OHS) team spearheads the organization's proactive initiatives to mitigate health issues and prevent circumstances that could result in workers' compensation claims.

FY26 Goals and Initiatives:

V. Diversity, Equity, Inclusion & Workforce Development

- ***Goal #16 – Ensure a safe and healthful workplace for all employees, contractors, and visitors, free of recognized hazards:***
  - o Continue reviewing and updating risk assessments and Personal Protective Equipment (PPE) for the Western Region, Metro Region, and Deer Island. Review and update for 2026.
  - o Continue to provide updated departmental training sessions via the online training portal (LMS) throughout the year 2026.
  - o Arrange for the scheduling of building life safety walkthroughs and inspections with the respective departments at Metro, Western, and Deer Island, encompassing all buildings for 2026.
  - o Reapply for the DIA Workplace Safety grant in June 2026.
  - o Perform safety observations at job sites and document in the tracking software throughout the year 2026.
  - o Continue evaluating and enhancing Toolbox talks for 2026.

- Continue reviewing, updating, and developing safety programs and plans for the MWRA to meet DLS standards and effectively communicate these to the workforce, ensuring compliance with safety and health requirements.
- Continue to identify cost-effective strategies to furnish the MWRA with suitable safety equipment.
- Provide the MWRA community with expert guidance, service, and direction on the safety and health of employees, visitors, vendors, and contractors.

FY25 Year-End Accomplishments:

- Successfully launched SDS Search system online (On pipeline) using 3E portal
- Mapped Safety Data Sheets (SDS) across the metro and western regions on the 3E portal and updated binders in all locations/buildings that store chemicals.
- Safety committee meetings scheduled in Southboro, Chelsea, and the Deer Island area per month
- Responded to the Massachusetts Department of Labor Standards (DLS) notifications for Ward Street and Columbus Park wastewater stations in collaboration with the affected departments.
- Answered to the DLS standard injury notifications for MWRA
- Established consistent practices of Toolbox talks across the metro and western regions
- DIA workplace Safety Grant granted for 2025 and 2026.
- Successfully completed Workzone Safety (6 classes) and Lockout Tagout (5 classes). Classes are scheduled for February through April 2026.
- Conducting PPE assessment for the tools used by MWRA employees in Chelsea and Western Operations.
- Several safety training modules are available online on the LMS and are delivered to the departments promptly by the training department.
- Building inspections in progress in the metro area, and action taken reports are being maintained online.
- Conducted incident/accident investigations for all injuries to identify the root cause and safety gaps.
- Conducted safety observations via walkthroughs and logged in a spreadsheet and application with action items to correct findings.
- Maintained and evaluated injury and illness records in accordance with DLS, OSHA, and BLS requirements.
- Used safety audit software to assist in conducting safety inspections of MWRA facilities.

Budget Highlights:

The FY26 Budget is $1.7 million, which is $67,000 or 4.0% below the FY25 Budget.

- $1.3 million for **Wages & Salaries**, an increase of $16,000 or 1.2% over FY25, primarily due to wage increases associated with collective bargaining agreements. OHS is staffed by 11 FTE's matching FY25's level.
- $46,000 for **Overtime**, to respond to as-needed incidents.

- $135,000 for Other Materials, a $15,000 increase over the FY25 Budget, which includes $120,000 for work clothes.
- $208,000 allocated for Other Services, an increase of $31,000 for services and freight to support Authority-wide life safety equipment such as confined space winches, fire extinguishers, respirators, AEDs, and first aid cabinets.

Finance Division Budget

FINANCE DIVISION

Finance

Director's Office
Treasury
Controller
Rates and Budget
Risk Management

The **Finance Division** is responsible for managing the finance functions of the Authority. It performs a multitude of functions that support the daily operations and ensure the implementation of the Authority's long term goals and strategies. The Finance Division also ensures that a variety of fiscal management systems are in place to monitor and control the Current Expense Budget (CEB) and Capital Improvement Program (CIP).

FY26 Final Current Expense Budget
FINANCE DIVISION

LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 5,036,272	$ 5,155,355	$ 6,143,078	$ 5,876,717	$ (266,361)	-4.3%
OVERTIME	7,258	8,338	-	8,586	8,586	-
FRINGE BENEFITS	88	106	-	106	106	-
UTILITIES	-	-	-	-	-	-
ONGOING MAINTENANCE	-	-	-	-	-	-
TRAINING & MEETINGS	625	2,415	7,000	7,000	-	0.0%
PROFESSIONAL SERVICES	493,818	606,526	704,505	734,505	30,000	4.3%
OTHER MATERIALS	9,352	11,172	11,300	11,991	691	6.1%
OTHER SERVICES	3,129	3,194	9,541	11,424	1,883	19.7%
TOTAL	**$ 5,550,542**	**$ 5,787,106**	**$ 6,875,424**	**$ 6,650,329**	**$ (225,095)**	**-3.3%**

The Finance Division is comprised of five departments: Director's Office; Rates and Budget; Treasury; Controller; and Risk Management.

FY26 Final Current Expense Budget
FINANCE by Department

DEPARTMENT	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
DIR OFFICE (FINANCE)	$ 294,366	$ 333,654	$ 310,105	$ 306,879	$ (3,226)	-1.0%
CONTROLLER	1,445,913	1,595,895	1,922,838	1,885,024	(37,814)	-2.0%
RATES AND BUDGET	1,605,512	1,692,369	2,004,173	1,844,454	(159,719)	-8.0%
TREASURY	1,679,279	1,744,932	2,018,755	1,968,708	(50,047)	-2.5%
RISK MANAGEMENT	525,472	420,256	619,553	645,264	25,711	4.1%
TOTAL	**$ 5,550,542**	**$ 5,787,106**	**$ 6,875,424**	**$ 6,650,329**	**$ (225,095)**	**-3.3%**

FY26 Goals & Initiatives:

The Finance Division supports the fourth key strategic priority set forth in the Authority's FY21 - FY25 Strategic Business Plan.

IV. Finance & Management

- **Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:**
  - Develop and implement long-term strategies to ensure assessment increases to MWRA's Continue assessment and evaluation of sustainable cost savings opportunities throughout the organization.
  - Continue to implement MWRA's approach to sustainable rate increases while accounting for the pandemic's effects on its communities' revenue.
  - Manage debt and investment portfolios to maximize prudent savings/returns in compliance with all applicable rules and regulations.
  - Continue diversification strategy to insulate against overexposure and promote resiliency to changing market conditions.
  - Maintain a system of internal controls to best protect the organization's resources.
  - Continue to employ budget and expense control practices to manage expenses.
  - Identify and pursue optimization in all aspects of MWRA financial operations.
  - Continue to conduct strategic energy procurements.
  - Continue to fund the pension fund at the annual required contribution level and to fund Other Post-Employment Benefits at a level that has a meaningful impact on the unfunded liability while being sustainable.

FY25 Year-End Accomplishments:

- Developed the FY26 Budget consistent with the FY25 planning estimates, for both the Current Expense Budget and the Capital Improvement Program.

- Maintained MWRA's strong credit ratings, Aa1, AA+, AA+ from Moody's, Standard & Poor's and Fitch respectively. MWRA's credit ratings from all three major agencies are only one ratings step below the highest rating of AAA. These high credit ratings enable MWRA to borrow at very advantageous interest rates helping to minimize debt service expenses.

- Prepared submission of MWRA's Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association

- Held Budget Briefings with the MWRA Advisory Board to communicate FY26 departmental budgets and initiatives and how they relate to the MWRA's Master Plan.

Budget Highlights:

The FY26 Budget for the Finance Division is $6.6 million, a decrease of $225,000 million or 3.3% as compared to the FY25 Budget.

- $5.9 million for **Wages and Salaries**, a decrease of $266,000 or 4.3% as compared to the FY25 Budget, the increase reflects wage increases associated with collective bargaining agreements offset by staff reduction of 3.7 FTE's. The FY26 Budget funds 49.3 FTEs, a decrease of 3.7 FTEs from the FY25 Budget.

FTEs FINANCE by Department		
DEPARTMENT	FY25 FTEs	FY26 FTEs
DIR OFFICE (FINANCE)	2.0	2.0
CONTROLLER	16.0	15.5
RATES AND BUDGET	16.0	15.0
TREASURY	15.0	12.8
RISK MANAGEMENT	4.0	4.0
TOTAL	**53.0**	**49.3**

FINANCE DIRECTOR'S OFFICE

FY26 Final Current Expense Budget FINANCE DIVISION DIRECTOR'S OFFICE						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 285,076	$ 322,872	$ 295,253	$ 292,027	$ (3,226)	-1.1%
OVERTIME	-	-	-	-	-	-
TRAINING & MEETINGS	625	281	3,000	3,000	-	0.0%
OTHER MATERIALS	8,327	10,137	10,100	10,100	-	0.0%
OTHER SERVICES	338	364	1,752	1,752	-	0.0%
TOTAL	**$ 294,366**	**$ 333,654**	**$ 310,105**	**$ 306,879**	**$ (3,226)**	**-1.0%**

The **Finance Division Director's Office** oversees a multitude of functions that support the daily operations and ensure the implementation of the Authority's long-term goals and strategies.

The Director's Office is responsible for the centralized financial functions of rates development, revenue collection, budgeting, capital financing, debt and investment management, accounting, payroll and accounts payable processing, and risk management. Additionally, the Director's Office ensures that transactions comply with all rules, regulations, Authority policies and procedures, and contract terms. The Director's Office manages the development and implementation of policies to uphold the efficient utilization of resources and control of all monies. The Director's Office provides advice and analysis to the Executive Director and the Board of Directors on all financial issues.

The Division's continuing challenge in FY26 will be maintaining an agency-wide focus on balancing competing needs to minimize assessment increases while ensuring the provision of critical MWRA services.

FY26 Goals and Initiatives:

IV. Finance & Management

- **Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:**
  - Manage and coordinate the Authority's finance functions.
  - Identify and pursue optimization in all aspects of MWRA's financial operations.
  - Continue to fund the Pension Fund at the annual required contribution level and to fund Other Post-Employment Benefits at a level that has a meaningful impact on the unfunded liability while being sustainable.
  - Guide and coordinate division activities to support MWRA's goals and objectives.
  - Continuously improve processes and performance for greater efficiency.
  - Develop and implement long-term strategies to ensure sustainable and predictable assessments and charges to our communities at both the water and wastewater utility level.

Budget Highlights:

The FY26 Budget is $307,000, a decrease of $3,000 or 1.0% as compared to the FY25 Budget.

- $292,000 for **Wages and Salaries**, a decrease of $3,000 or 1.1% as compared to the FY25 Budget, reflecting collective bargaining agreements. The FY26 Final Budget funds two FTEs, the same as in the FY25 Budget.

TREASURY

FY26 Final Current Expense Budget TREASURY						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,368,147	$ 1,344,222	$ 1,554,438	$ 1,493,683	$ (60,755)	-3.9%
OVERTIME	244	-	-	-	-	-
FRINGE BENEFITS	-	-	-	-	-	-
TRAINING & MEETINGS	-	-	-	-	-	-
PROFESSIONAL SERVICES	309,893	399,632	462,005	472,005	10,000	2.2%
OTHER MATERIALS	567	282	500	600	100	20.0%
OTHER SERVICES	428	796	1,812	2,420	608	33.6%
TOTAL	**$ 1,679,279**	**$ 1,744,932**	**$ 2,018,755**	**$ 1,968,708**	**$ (50,047)**	**-2.5%**

The **Treasury Department** secures funds for ongoing operations and capital programs in addition to processing cash disbursements. Department staff collects revenue, disburses funds, and manages grant and loan programs in addition to debt issuance and investments.

FY26 Goals and Initiatives:

IV. Finance & Management

- **Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:**
    - Manage debt and investment portfolio to maximize savings/returns in compliance with all applicable rules and regulations while maintaining compliance with the General Revenue Bond Resolution requirements regarding security and liquidity and contributing to the achievement of sustainable and predictable assessment increases.
    - Continue diversification strategy to insulate against overexposure and promote resiliency to changing market conditions.

FY25 Year-End Accomplishments:

- Maintained MWRA's strong credit ratings, Aa1, AA+, AA+ from Moody's, Standard & Poor's and Fitch respectively. MWRA's credit ratings from all three major agencies are only one ratings step below the highest rating of AAA. The credit report from Moody's noted that for the rates management and Compliance and Capital Planning key ratings indicators, MWRA was assigned the highest Aaa rating. These high credit ratings enable MWRA to borrow at very advantageous interest rates minimizing debt service expense.

- Worked with bond counsel and MWRA's financial advisor to develop a proposed amendment to the General Revenue Bond Resolution to address the definition of Credit Facility which will increase flexibility in managing its variable rate debt portfolio without having a negative impact on MWRA's credit rating.

- Completed two borrowings with the Massachusetts Clean Water Trust, the first was a $73.5 million long-term borrowing with the Massachusetts Clean Water Trust in February 2025. The long-term borrowings are for a term of 20 years at a 2.0% interest rate. The second transaction completed in February 2025, was an interim loan for $65.0 million.

- Executed a $28.0 million and a $32.0 million defeasance of outstanding senior principal in October 2024 and June 2025 respectively. These defeasances reduced the debt service requirement between FY26 and FY31 by a total of $69.3 million reducing the rate of increase to the Rate Revenue Requirement in those years. The transactions also resulted in $5.7 million in interest savings by paying bonds on their call dates.

- Procured and implemented new debt management software that will assist in the management of MWRA's $4.1 billion debt portfolio including developing issuance scenarios that will assist with MWRA's long-term rate management.

Budget Highlights:

The FY26 Final Budget is $2.0 million, a decrease of $50,000 or 2.3% as compared to the FY25 Budget.

- $1.6 million for **Wages and Salaries**, a decrease of $61,000 or 3.9% as compared to the FY25 Budget, this decrease is driven by a decrease of 2.2 FTE's partially offset by wage increases associated with collective bargaining agreements. The FY26 Budget funds 12.8 FTEs, 2.2 less than the FY25 Budget.

- $472,000 for **Professional Services**, $10,000 or 2.2% over the FY25 Budget. These funds are used for banking, financial advisory, bond and disclosure counsel services.

CONTROLLER

FY26 Final Current Expense Budget CONTROLLER						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,316,964	$ 1,450,570	$ 1,751,516	$ 1,713,702	$ (37,814)	-2.2%
OVERTIME	-	-	-	-	-	-
TRAINING & MEETINGS	-	2,134	4,000	4,000	-	0.0%
PROFESSIONAL SERVICES	127,183	141,786	162,500	162,500	-	0.0%
OTHER MATERIALS	93	-	200	200	-	0.0%
OTHER SERVICES	1,673	1,405	4,622	4,622	-	0.0%
TOTAL	**$ 1,445,913**	**$ 1,595,895**	**$ 1,922,838**	**$ 1,885,024**	**$ (37,814)**	**-2.0%**

The **Controller Department** consists of the Accounting, Accounts Payable, Accounts Receivable, and Payroll units. The department has the responsibility for ensuring integrity within the financial accounting system and integration among the four functions. The department is also responsible for the appropriate treatment, classification, and reporting of the MWRA's assets, liabilities, revenues and expenditures in accordance with accounting principles generally accepted in the United States of America.

FY26 Goals and Initiatives:

IV. Finance & Management

- **Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:**
  - Implement process efficiencies in all department units.
  - Enhance controls to safeguard Authority assets and ensure accurate and timely reporting.
  - Continue to support management initiatives with underlying documentation and detail.
  - Implement any new or changed GASB standards as appropriate.
  - Manage the certification of Financial Statements by Independent Auditors.

FY25 Year-End Accomplishments:

- Successfully completed certified financial statement audit for FY25 with no audit findings.

- Awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the MWRA's FY24 Annual Comprehensive Financial Report. The FY25 Comprehensive Annual Financial Report will be submitted to the GFOA for review.

Budget Highlights:

The FY26 Budget is $1.9 million, a decrease of $38,000 or 2.0% as compared to the FY25 Budget.

- $1.7 million for **Wages and Salaries**, a decrease of $38,000 or 2.2%, as compared to the FY25 Budget, the decrease reflects 0.5 drop in FTE, backfilling vacant positions at a lower rate partially offset by wage increases associated with collective bargaining agreements. The FY26 Budget funds 15.5 FTEs, 0.5 less than the FY25 Budget.

RATES & BUDGET

FY26 Final Current Expense Budget RATES AND BUDGET						
LINE ITEM	FY23 Actuals	FY24 Actuals	FY25 Final Budget	FY26 Final Budget	Change FY26 vs. FY25	
WAGES & SALARIES	$ 1,597,468	$ 1,682,705	$ 2,002,818	$ 1,832,541	$ (170,277)	-8.5%
OVERTIME	7,015	8,337	-	8,586	8,586	-
FRINGE BENEFITS	88	106	0	106	106	-
TRAINING & MEETINGS	-	-	-	-	-	-
PROFESSIONAL SERVICES	0	0	0	0	-	-
OTHER MATERIALS	365	592	500	1,091	591	118.2%
OTHER SERVICES	576	629	855	2,130	1,275	149.1%
TOTAL	**$ 1,605,512**	**$ 1,692,369**	**$ 2,004,173**	**$ 1,844,454**	**$ (159,719)**	**-8.0%**

The **Rates & Budget Department** provides the financial analysis that allows MWRA to translate its goals, and legal and financial commitments into cost-effective annual and multi-year programs and budgets. Department staff works closely with divisional staff to coordinate development of the long-term Capital Improvement Program (CIP) and monitor the progress of capital projects compared to projected schedules and budgeted spending. Staff also coordinates the development of MWRA's annual Current Expense Budget (CEB) and monitors spending compared to the budget throughout the year. The Budget Department also manages the annual process of establishing water and sewer assessments to be paid by MWRA's member communities and develops planning estimates of rate projections.

FY26 Goals and Initiatives:

IV. Finance & Management

- ***Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:***
  - *Continue long-term strategic budgeting practices to ensure predictable and sustainable sewer and water assessments and charges to our member communities at both the combined and the water and wastewater utility level.*
  - *Continue to employ budget and expense control practices to manage expenses.*
  - *Continue to enhance processes and the management of resources to deliver the final CIP and CEB timely and accurately.*
  - *Adhere to all MWRA policies, procedures, and administrative practices as well as all relevant statutory and regulatory authority, accounting, and budgeting principles.*
  - *Provide financial analysis as required, including system expansion opportunities.*
  - *Start the process of evaluating and selecting software applications to replace the CEB and* CIP programs.
  - Improve the quality and presentation of budget documents and regularly required reports while working to develop new reports that will aid the Authority's Board of Directors, Management, and the MWRA Advisory Board.

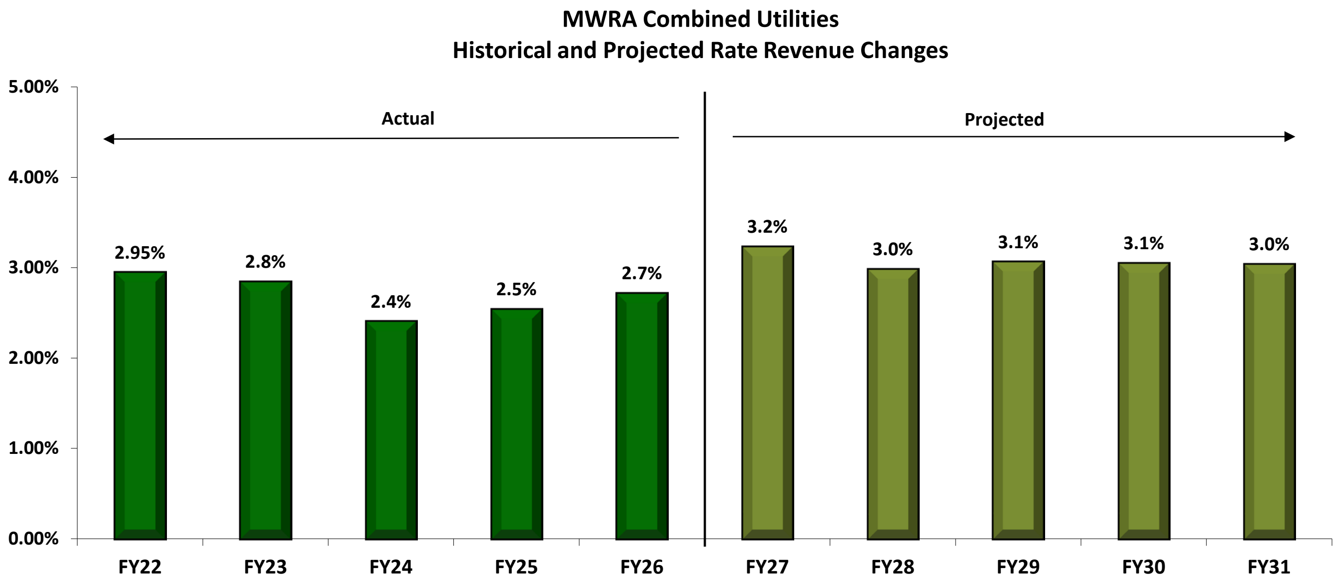
FY25 Year-End Accomplishments:

- Developed the FY26 Current Expense Budget below the FY25 planning estimates for combined water and sewer assessment increases.

- Developed the FY26 Capital Improvement Budget. Also, FY25 CIP complied with the established the five-year spending cap for the FY24-28 period.

- Communicated Final FY26 Assessments to the service area communities, staying within the 3.3% projected assessment changes that are in the MWRA's multi-year planning model.

- Held Budget Briefings with the MWRA Advisory Board to communicate FY26 departmental budgets and initiatives and how they relate to the MWRA's Master Plan.



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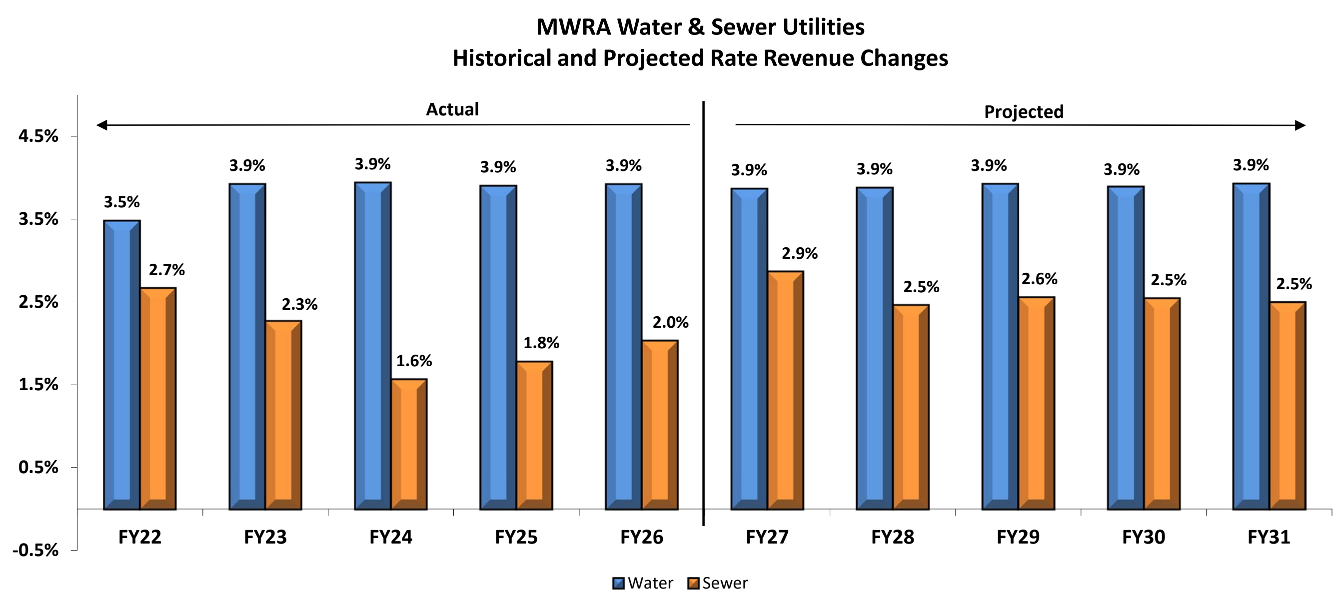


Budget Highlights:

The FY26 Budget is $1.8 million, a decrease of $160,000 or 8.0% as compared to the FY25 Budget.

- $1.8 million for **Wages and Salaries**, a decrease of $170,000 or 8.5% as compared to the FY25 Budget, this decrease is driven by a drop of one FTE partially offset by increases associated with collective bargaining agreements. The FY26 Budget funds fifteen FTEs, one less than the FY25 Budget.

RISK MANAGEMENT

FY26 Final Current Expense Budget RISK MANAGEMENT										
LINE ITEM		FY23 Actuals		FY24 Actuals		FY25 Final Budget		FY26 Final Budget		Change FY26 vs. FY25	
WAGES & SALARIES	$	468,618	$	354,986	$	539,053	$	544,764	$	5,711	1.1%
OVERTIME		-		-		-		-		-	-
FRINGE BENEFITS		-		-		-		-		-	-
TRAINING & MEETINGS		-		-		-		-		-	-
PROFESSIONAL SERVICES		56,740		65,108		80,000		100,000		20,000	25.0%
OTHER MATERIALS		-		162		-		-		-	-
OTHER SERVICES		114		-		500		500		-	0.0%
TOTAL	**$**	**525,472**	**$**	**420,256**	**$**	**619,553**	**$**	**645,264**	**$**	**25,711**	**4.1%**

The **Risk Management Department** is responsible for all MWRA insurance programs and risk management functions. Department staff manages all administrative functions relating to the initial reporting, processing, and resolution of construction contract claims and self-insured auto, general liability, and property damage claims. Department staff members are responsible for the annual procurement, renewals, and maintenance of all Authority-wide insurance policies and programs and for managing all aspects of MWRA's contractor/vendor insurance certificate program. Department staff serves as liaisons to insurance industry participants including brokers, insurers, insurance consultants, and attorneys as well as providing support to all MWRA departments.

FY26 Goals and Initiatives:

IV. Finance & Management

- **Goal #11- Ensure Financial Sustainability, Integrity, and Transparency:**
  - Secure the timely, cost-effective renewal of Authority-wide insurance policies and contracts.
  - Minimize MWRA's exposure to financial loss stemming from contractor and vendor activities by reviewing risk exposures and establishing contract insurance requirements and monitoring contractors/vendors for compliance.
  - Process self-insured automobile, general liability, property damage, and construction contract claims in an efficient and timely manner.
  - Provide support to all MWRA Departments on all insurance, claims, litigation and risk management issues.

FY25 Year-End Accomplishments:

- Successfully procured MWRA's FY25 Insurance Program through a competitive bid process for all lines of coverage.

- Staff renewed MWRA's FY25 license to operate as a self-insured entity for workers' compensation claims by completing the annual application process with the Division of Insurance.

- Received, investigated and processed 104 self-insured Automobile (74), General Liability (24) and Property Damage (6) claims.

- Conducted 63 Contract Risk Assessments in support of Construction, Professional Services, License Agreements and Purchase Order Contracts.

- Performed 81 Insurance Package reviews in support of support of construction, professional services and purchase order contracts.

- Received, tracked, analyzed and processed 10 Construction Contract Claims in support of issuance of Engineer's Decisions by MWRA.

- Provided timely support to MWRA managers on all insurance, claims, litigation and risk management issues.

Budget Highlights:

The FY26 Final Budget is $645,000, an increase of $26,000 or 4.1% as compared to the FY25 Budget.

- $545,000 for **Wages & Salaries**, $6,000 or 1.1% above the FY25 Budget. The increase reflects wage increases associated with collective bargaining agreements. The FY26 Budget funds three FTEs.

- $100,000 for **Professional Services** represents a 20% increase over the FY25 Budgeted amount. The increase reflects anticipated higher consultant fees associate with insurance portfolio renewal activities.


Quabbin Reservoir

Appendices

APPENDIX A

DIRECT EXPENSES BUDGET LINE ITEM DESCRIPTIONS

MWRA's direct expenses budget funds the annual expenses of its operating and support divisions. Though the direct expenses budget is approximately 31% of MWRA's total budget, it is these expenses which directly support the provision of water and sewer services to MWRA's customers. The direct expense budget includes the annual costs of operating the water and sewer systems, and funds the policy direction, administrative, financial, and legal support services for MWRA's ongoing operations. The direct expenses budget also includes the personnel costs for management and oversight of MWRA's extensive capital programs.

There are 11 line items in the division budgets. The line items are:

Wages and Salaries - This line item includes funds for regular pay, shift differential, holiday pay, and standby pay for MWRA staff, as well as funds for interns and temporary staff.

Overtime - This line item includes funds for overtime related to operations, maintenance, emergencies, and training.

Fringe Benefits - This line item includes funds for health and dental insurance, unemployment compensation, Medicare, overtime meals, and tuition reimbursement.

Workers' Compensation - This line item includes funds for compensation payments, medical payments, and settlements of compensation claims.

Chemicals - This line item includes funds for the chemicals used in water and wastewater treatment, such as sodium hypochlorite, soda ash, sodium bisulfite, and hydrofluosilicic acid.

Utilities - This line item includes funds for electricity, diesel fuel, natural gas and other utilities such as water and sewer services paid by MWRA to the towns in which it operates facilities.

Maintenance - This line item includes funds to purchase materials and services for the maintenance of MWRA's plants and machinery, water and sewer pipelines, grounds, and buildings.

Training and Meetings - This line item covers the costs of staff training, meetings, and professional seminars.

Professional Services - This line item funds outside consultants supporting MWRA activities, including engineering and construction services, laboratory and testing contracts, computer system consultants, and legal and audit services.

Other Materials - This line item includes funds for office materials, equipment, postage, laboratory supplies, MWRA vehicles, work clothes, and computer hardware and software.

Other Services - This line item includes funds for space leasing, health and safety initiatives, removal of grit and screenings from the sewerage system, and the contracted operation of MWRA's residuals processing plant.

FY25 Final Current Expense Budget MWRA Direct Expenses by Line Item						
LINE ITEM	FY22 Actuals	FY23 Actuals	FY24 Final Budget	FY25 Final Budget	Change FY25 vs. FY24	
WAGES & SALARIES	$ 105,394,954	$ 106,433,845	$ 127,828,242	$ 133,658,955	$ 5,830,713	4.6%
OVERTIME	5,010,758	5,172,629	5,727,593	6,133,078	405,485	7.1%
FRINGE BENEFITS	21,714,918	23,122,023	25,823,383	27,834,124	2,010,741	7.8%
WORKERS' COMPENSATION	1,665,017	2,076,732	2,144,395	2,073,434	(70,961)	-3.3%
CHEMICALS	11,788,437	18,038,588	28,269,124	19,706,033	(8,563,091)	-30.3%
UTILITIES	29,352,756	32,514,216	31,064,891	32,048,176	983,285	3.2%
MAINTENANCE	28,842,198	34,317,838	38,574,255	46,653,200	8,078,945	20.9%
TRAINING & MEETINGS	232,056	258,753	498,597	568,346	69,749	14.0%
PROFESSIONAL SERVICES	7,373,709	7,546,594	10,410,484	11,121,730	711,246	6.8%
OTHER MATERIALS	5,039,040	4,837,988	7,167,400	7,270,879	103,479	1.4%
OTHER SERVICES	25,243,013	27,017,485	38,494,660	33,945,804	(4,548,856)	-11.8%
TOTAL	**$ 241,656,857**	**$ 261,336,692**	**$ 316,003,024**	**$ 321,013,759**	**$ 5,010,735**	**1.6%**

FY25 Final Current Expense Budget MWRA Direct Expenses by Division						
DIVISION	FY22 Actuals	FY23 Actuals	FY24 Final Budget	FY25 Final Budget	Change FY25 vs. FY24	
EXECUTIVE	$ 1,313,489	$ 1,250,004	$ 1,410,181	$ 1,303,312	$ (106,869)	-7.6%
EMERGENCY PREPAREDNESS	3,409,153	3,592,355	4,489,575	5,216,632	727,057	16.2%
ADMINISTRATION	49,563,902	52,062,910	58,088,755	59,775,225	1,686,470	2.9%
FINANCE	3,931,402	5,550,540	6,597,913	6,875,424	277,511	4.2%
LAW	1,743,373	1,765,443	2,837,856	2,522,119	(315,737)	-11.1%
AFFIRMATIVE ACTION	585,459	542,303	1,527,342	1,580,690	53,348	3.5%
INTERNAL AUDIT	580,488	576,540	838,602	913,527	74,925	8.9%
PUBLIC AFFAIRS	993,736	932,705	1,514,486	1,620,805	106,319	7.0%
OPERATIONS/PLANNING	179,535,855	195,063,892	238,698,314	241,206,025	2,507,711	1.1%
TOTAL	**$ 241,656,857**	**$ 261,336,692**	**$ 316,003,024**	**$ 321,013,759**	**$ 5,010,735**	**1.6%**

Performance measures for all MWRA Divisions and Departments are published monthly in the MWRA "Yellow Notebook" and quarterly in the MWRA "Orange Notebook." In addition, monthly financial staff summaries are presented to the Board of Directors reviewing monthly budget performance and explaining variances. All documents are available on-line at mwra.com.

APPENDIX B
BUDGET PROCESS AND TIMETABLE

MWRA operates on a fiscal year that starts July 1. The budget development process begins in August and, as described below, continues through a series of interactive reviews and revisions until June, when the Board of Directors approves the final budget. Throughout the formal budget process, MWRA staff maintains an ongoing dialogue with the Board of Directors and Advisory Board to discuss issues, the status of budget development, and other concerns.

	Current Expense Budget (CEB)	**Capital Improvement Program (CIP)**
Date	**Activity**	**Activity**
Aug-24	Prepare kickoff materials and develop assumptions for the FY26 CEB	Prepare kickoff materials and develop assumptions for the FY26 CIP
Sep-24	The FY26 CEB Development Process formally begins	The FY26 CEB Development Process formally begins
Jan-25		Present Proposed CIP at MWRA Board Of Directors Meeting
Jan-25		MWRA Advisory Board 60-day (minimum) review period begins
Feb-25	Present Proposed CEB at MWRA Board of Directors Meeting	
Feb-25	MWRA Advisory Board 60-day (minimum) review period begins	
Mar-25	Begin Spring Revisit Process/Conduct Budget Briefings	Begin Spring Revisit Process/Conduct Budget Briefings
Apr-25	Conduct Public Hearing (solicit comments from the public)	Conduct Public Hearing (solicit comments from the public)
May-25	Receive MWRA Advisory Board's Comments & Recommendations on FY26 CEB	Receive MWRA Advisory Board's Comments & Recommendations on FY26 CIP
May-25	Presentation to MWRA Board of Directors on the Draft Final CEB	Presentation to MWRA Board of Directors on the Draft Final CIP
Jun-25	Provide Draft Final CEB Staff Summary to MWRA Board of Directors	Provide Draft Final CIP Staff Summary to MWRA Board of Directors
Jun-25	Provide Responses to MWRA Advisory Board's Comments & Recommendations on FY26 CEB	Provide Responses to MWRA Advisory Board's Comments & Recommendations on FY26 CIP
Jun-25	MWRA Board of Directors Meeting - Vote to approve Final CEB	MWRA Board of Directors Meeting - Vote to approve Final CIP

APPENDIX C

MASSACHUSETTS WATER RESOURCES AUTHORITY
BUDGET AND ASSESSMENT POLICIES AND PROCEDURES

(Revised August 2003 to incorporate changes to capital budget section of Management Policies adopted by the Board of Directors June 11, 2003)

These policies and procedures govern certain budget, assessment, and rates management practices at the Massachusetts Water Resources Authority (MWRA). Policies and procedures may be amended from time to time, provided that changes in provisions governing reporting to or approvals by the Board of Directors or the Advisory Board must be approved by the Board of Directors. If any sections of these policies and procedures are at variance with requirements of MWRA's financing agreements, the latter shall govern.

ASSESSMENT POLICIES AND PROCEDURES

Basis of MWRA Assessments

MWRA is required by its Enabling Act to establish assessments which, with other revenues, provide sufficient funds each year to pay all current expenses, debt service, and obligations to the Commonwealth; to pay all costs of maintenance, replacement, improvements, extension, and enlargement of the sewer and waterworks systems; to create and maintain reserve funds; and to provide amounts required by financing agreements. These assessments are adopted by MWRA based on the rate revenue requirements set forth in the Current Expense Budget.

Costs Recovered

MWRA capitalizes certain of its asset costs in accordance with its capitalization policy. Capital expenditures are planned as set forth in the Capital Improvement Program and are recovered through assessments in accordance with MWRA financing agreements. The Current Expense Budget provides detailed information on capital and debt costs, additions to reserves, and all operations and maintenance costs to be recovered with current revenue.

Sources of Current Revenue

MWRA recovers most of its current expenses from users of the services it provides. In addition to rate revenue requirements, budgeted current revenue includes anticipated fines, fees, investment income on certain fund balances, and payments for contracted services. MWRA is committed to seeking additional sources of current revenue.

Coverage Requirements

MWRA's financing agreements include coverage requirements which provide that each year revenue less operating expenses (net revenue) must be more than the amount required for debt service payments on outstanding bonds. The primary bond coverage requirement is that net revenue must be 120 percent of required debt service fund deposits for bonds outstanding excluding subordinated bonds. The secondary coverage requirement is that net revenue must be 110 percent of required debt service fund deposits for all bonds outstanding, including subordinated bonds. Revenue must be raised annually to meet the primary and secondary bond coverage requirements and may be used for additions to reserves or for payment of obligations to the Commonwealth. Amounts remaining after these uses are used to pay capital costs in order to reduce the need for future borrowing or to reduce current debt service costs.

Basis of Budgeting

The Authority is required by the Enabling Act to establish user rates for its water and sewer services which provide sufficient funds to recover the costs of operations (excluding depreciation), debt service, maintenance, replacements, improvements to its facilities, and appropriate reserves. MWRA budgets on the accrual basis, its financial statements are reported on the accrual basis of accounting and the economic measurement focus as specified by the Governmental Accounting Standards Board's (GASB) requirements for an enterprise fund.

The MWRA distinguishes operating revenues and expenses from nonoperation items. Operating revenues and expenses generally result from providing water and sewer services to its member communities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All operating revenues are pledged for repayment of outstanding debt service.

In addition, MWRA applies the provisions of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, to provide a better matching of revenues and expenses. The effect of this policy has been to defer certain outflows of resources, which will be recovered through future revenues in accordance with MWRA's rate model, and to record deferred inflows of resources for revenue collected through current rates for costs expected to be incurred in the future.

Budget Surpluses

In any year in which current revenue exceeds both current expenses on a budget basis and amounts required to meet bond coverage tests, the amount of over-recovery is deposited first to reserve funds, if any, which are below the level specified in any financing agreements, and second into MWRA's rate stabilization fund or bond redemption fund. Amounts deposited in these funds are used to offset rate requirements in subsequent years and such, to provide rate relief for our communities. With Board approval, surplus funds can also be used for targeted defeasance in future years and/or to reduce future liabilities, as part of a multi-year rate strategy. MWRA consults with the Advisory Board regarding the yearly use of these funds.

Budgeting and Assessment Objectives

MWRA follows conservative budgeting practices, and has the following objectives in developing budgets and community assessments:

1. To minimize total costs, consistent with MWRA's statutory responsibilities to provide effective, environmentally sound wholesale water delivery and wastewater collection and treatment services;

2. To minimize the cost of debt;

3. To avoid single year assessment spikes by prudent management of cost and assessment increases, and

4. To support inter-generational equity by avoiding unfair assessment burdens on either current or future ratepayers.

Allocation of Costs and Revenue to Systems

Most of MWRA's current expenses are directly attributable to either water or sewerage service costs or to investment in either the water or sewerage systems. Expenses which support both systems (indirect system costs) are allocated to the water or sewer system based on generally accepted cost allocation principles. Investment, contract, and other income offsets water and sewerage expenses on either a direct or allocated, indirect basis. The resulting net cost of water and sewerage services is the amount to be recovered through water and sewer assessments.

Allocation of Rate Revenue Requirements to User Assessments

Users of MWRA wholesale water and sewerage services are assessed for those services according to MWRA's water and sewer assessment methodologies. Assessments for water services are computed by MWRA based on metered water use for the preceding calendar year. The total assessment is allocated based on each community's share of water delivered in the immediately preceding calendar year.

Assessments for sewer services are computed on the basis of a combination of metered wastewater flow and loads, and population.

- Operations and Maintenance (O&M) costs are allocated based on total annual metered wastewater flow, and total annual average strength, septage, and high strength flow loads.

- Capital (or debt service) costs are allocated based on a combination of metered wastewater flow and loads, and population. One-quarter of capital costs are allocated based on maximum month flow, and total annual average strength, septage, and high strength flow loads. The remaining three-quarters of capital costs are allocated based on population. Half of the population allocation is based on census population and half is based on contributing population.

Schedule and Procedure for Adoption of Assessments

During the preparation of the proposed Current Expense Budget, required water and sewer rate revenue is determined, and a preliminary calculation of the allocation of costs to user-specific assessments is made. This information is provided to MWRA customers to assist them in their own fiscal planning. As provided in the Enabling Act, the proposed Current Expense Budget and preliminary assessments undergo statutory review, including public hearings and review by MWRA's Advisory Board. Further refinements of projected expenses and revenues also occur during this period. If review and analysis of the proposed Current Expense Budget results in lower projected expenses or higher projected revenue, some or all of such savings from preliminary estimates of assessments can be included in the adopted budget as additions to the rate stabilization fund and used to reduce rate revenue requirements in subsequent years. Alternatively, some or all of such savings can be used to reduce final assessments to customers below preliminary estimates.

The Current Expense Budget and final water and sewer assessments are adopted in June for the fiscal year beginning in July. The budget adopted in June may differ from the proposed budget as a result of review and further refinement of the proposed budget, although final assessments adopted by MWRA must be sufficient to recover water and sewer rate revenue requirements specified in the adopted budget. Final water and sewer rate requirements and their allocation to users may thus change from preliminary estimates. In addition, any individual community's final assessment may be higher or lower than the preliminary estimate, both because of changes in the factors which affect the allocation of assessments among wholesale customers, and because of differences between MWRA's proposed and final budgets as approved by the Board of Directors.

Review and Dispute Resolution Process

MWRA annually determines preliminary and final assessments for water and sewer services in February and June prior to the beginning of the new fiscal year. These assessments must satisfy the requirement that MWRA fully recover its water and sewer costs by apportioning total costs as assessments among its wholesale water and sewer customers pursuant to its water and sewer rate methodologies and to certain specified data including:

- Calendar year metered water volume and metered wastewater flow obtained from MWRA's water and wastewater metering systems;

- Federal and state community census statistics, and sewered population estimates and other information supplied on Customer Service Update forms and Municipal Discharge Permits; and

- High strength user monitoring data and estimates of community septage volumes as obtained by MWRA 's Toxic Reduction and Control Department.

The review and dispute resolution process provides MWRA's wholesale customers with the opportunity to review and comment on the reasonableness of the data used to calculate preliminary water and sewer assessments. During the year, MWRA provides its customers with monthly summaries of water and wastewater flow data distributed, at a minimum, on a bimonthly basis. Because annual metered water and wastewater flows are major components for establishing water and sewer charges for each community, customers are strongly encouraged to review this data closely upon receipt and raise questions with MWRA staff concerning the data. MWRA expects that prompt customer review and comment on meter data will result in the resolution of most water and wastewater metering questions and assure the most consistency between preliminary assessments in February and final assessments announced in June. Community contributions of high strength flow and septage, and population data are made available with the release of preliminary assessments in February.

If after an initial review a community believes that specific data used to calculate assessments should be reevaluated, a community may submit a written objection to the Executive Director with a copy to the Rates Manager or their designee. The objection must be signed by the local official on record with MWRA as responsible for water or sewer services in the city, town, or district. The objection should state the community's concern with the data used to calculate community assessments, and should also include information and technical data to support the community's objection.

In order for any data adjustments to be incorporated into the allocation of final fiscal year assessments, all objections to data used to calculate preliminary assessments must be received no later than the date of the final public hearing on the proposed budget and preliminary assessments, held pursuant to Section 10 of the MWRA Enabling Act. MWRA staff will review and evaluate the merits of all written objections. Customers are notified in writing of the results of this review prior to the release of final assessments.

Adjustments to preliminary data, if any, are not retroactive beyond the applicable calendar year for proposed assessments. Final fiscal year assessments are calculated incorporating adjustments, if any, resulting from the review and objection process, and final rate revenue requirements as adopted by the Board of Directors.

Written objection(s) may also be submitted following the adoption of final fiscal year assessments, but no later than the end of the fiscal year for which the assessments are applicable. Objections submitted in this manner must also be directed to the Executive Director with a copy to the Rates Manager or their designee.

Following MWRA staff review, adjustments to assessments resulting from the challenge of rate basis data that are submitted following the adoption of final fiscal year assessments will be applied to the subsequent year's assessments. Customers are notified in writing of the results of this review and any assessment adjustments prior to the release of the subsequent year's assessments.

Water and Sewer Assessment Payment Schedule

MWRA adopts a schedule of assessments and a schedule of payments annually. Any adjustments for prior years resulting from the review and objection process are apportioned to each of the scheduled payment amounts. No interest is paid or billed by MWRA for previous year's adjustments.

Assessments are payable to MWRA in ten equal installments due on the first day of August, September, October, November, December, February, March, April, May, and June.

Interest Charge on Delinquent Payments

For payments received after a payment due date MWRA levies an interest charge of one percent per month or 0.033 percent per day. Interest charges do not accrue until 30 days after the bills are mailed to MWRA's customer communities. Interest charges are added to subsequent regular billings.

Retail Rates

MWRA assessments are for MWRA's provision of wholesale services. Local bodies which receive wholesale services in turn provide retail services to their users at the local level.

MWRA encourages its customers to establish retail rates which:

1. Recover the full cost of providing local water and/or sewerage services, including both direct costs and an allocation or estimate of indirect costs,

2. Charge users of local water and/or sewerage services in a manner which demonstrates to customers that increased use of services results in increased user costs,

3. Comply with MWRA policies directed to conservation of water; elimination of infiltration and inflow of surface water and ground water into the sewage collection, treatment, and disposal system; and removal or pretreatment of industrial wastes, and

4. To the extent consistent with #1 and #2, provide assistance to low income users through lifeline rates.

CAPITALIZATION POLICY

It is the policy of the MWRA that capitalization of expenditures conforms to generally accepted accounting principles. Under such guidelines, MWRA has adopted the provisions of the Financial Accounting Standards Board's Statement No. 71, "Accounting for the Effects of Certain Types of Regulation," which is intended to assure that utility revenues are appropriately matched with incurred costs. Capital expenditures create assets or extend their useful lives. Assets are valued at their cost and provide benefits over an extended period of time. Sources of funds for capital expenditures include grants, proceeds of MWRA borrowing, loans, and current revenue.

Asset value created by MWRA is of two kinds. One is the value of tangible assets either created or increased through MWRA capital investments. Such assets include land, buildings, plant, equipment, and the system infrastructure for water and wastewater. The cost of such fixed asset investment includes not only purchase, rehabilitation, and construction cost, but also ancillary expenses necessary to make productive use of the asset. Ancillary costs can include, but are not limited to, costs for planning studies, professional fees, transportation charges, site preparation expenditures, and legal fees and claims directly attributable to the asset.

The second kind of asset value created by MWRA investment is the value of intangible assets. While such investment does not result in tangible MWRA assets, it does create a benefit to MWRA and its users over several years. Such assets include the cost of MWRA efforts to establish base-line leak detection information for the water systems of MWRA customers. The cost of providing water consumption-limiting devices to households is another example.

Expenditures for tangible assets are included in the Capital Improvement Program and Budget if the expected cost of the individual asset or capital project is $100,000 or more and if the expected useful life is more than one year. Expenditures for intangible assets are capitalized if the expected cost is $100,000 or more and if the expected benefit period is three years or more. Annually recurring costs and expenditures for maintenance of assets are not capitalized, even though their cost may exceed $100,000. Examples of such maintenance expenditures include replacement of vehicles or computers, replacement of inoperable valves or other equipment before the anticipated useful life has been reached, and pipeline or interceptor repairs that do not add significant life to the underlying asset.

RESERVES FUNDED FROM CURRENT REVENUE

Operating Reserve

The Operating Reserve has been established to provide a source of funds to be used to pay operating expenses of the sewer or water systems should there not be sufficient funds otherwise available for that purpose. Bond agreements specify that the fund level shall not be less than one-sixth of MWRA's annual operating expenses.

Insurance Reserve

The Insurance Reserve has been established to provide funds to restore, replace, or reconstruct lost or damaged property or facilities of the water or sewer system. It provides funds reserved against risks for which MWRA does not currently maintain insurance. This self-insurance reduces the cost MWRA might otherwise incur for purchased insurance policies. MWRA periodically evaluates the level of its insurance reserve and every three years a consulting engineer or an insurance consultant recommends an appropriate insurance reserve fund requirement. The current funding level of $14.0 million has been determined to be adequate based on a FY23 Insurance Reserve Fund review performed by an outside insurance consultant who estimated an acceptable fund level in the range of $10 to $13 million. The next Insurance Reserve Fund review is expected in February 2026.

Renewal and Replacement Reserve

The Renewal and Replacement Reserve has been established to pay the costs of emergency repairs or capital improvements to the system when funds are not available in either the Construction Fund or the Operating Fund. Amounts may not be withdrawn until MWRA has specified the project to which the amount will be applied, its estimated cost, and estimated completion date. It must also certify that such expenditures are reasonably required for the continued operation of the systems, or for maintenance of revenues, or that other provisions have not been made for funding such expenditures. The requirement of the Bond Resolution, every three years, MWRA receives recommendations from a Consulting Engineer as to the adequacy of the renewal and replacement reserve fund requirement. The Renewal and Replacement Reserve Fund requirement is presently established at $35 million. The adequacy of the funding requirements for the Operating Reserve Fund and the Replacement Reserve Fund have been confirmed by the Consulting Engineer in its most recent triennial report dated October 2023, prepared and delivered in accordance with the General Resolution. The next Triennial Report is scheduled for October 2026. The Consulting Engineer also provides an opinion as to the adequacy of the Authority rates, rentals, and other charges.

CURRENT EXPENSE BUDGET MANAGEMENT POLICIES AND PROCEDURES

A. Budget Allocations

Budget Contingency Holdbacks

After the Board of Directors adopts the Current Expense Budget each year, the Executive Director, the Chief Operating Officer, or a division director may reserve between two percent and four percent of a division's approved budget as a budget contingency to be expended only upon approval of the Executive Director. The contingency holdback may be from any line item or cost center or combinations thereof, and any amount reserved as a budget contingency is not to be included in the monthly budget allocation process described below. The Administration, Finance, and Audit Committee will be notified of all budget contingency holdback amounts.

Monthly Allocation of the Annual Current Expense Budget

Initial monthly allocations are made for purposes of adopting and filing an operating budget in accordance with MWRA's financing agreements. Before the end of the first reporting period of the fiscal year, divisions, with the assistance of the Rates and Budget Department, allocate the approved budget, less any holdbacks, by month. The allocations set forth planned expenditures and accruals for each of the 12 months of the year to be compared to actual expenditures and accruals as reported in MWRA's monthly variance reports.

B. Budget Variance Monitoring and Analysis

At the close of each monthly accounting period, the Controller Department prepares MWRA financial statements. The Rates and Budget Department then prepares monthly variance reports that compare budgeted to actual revenues and expenses.

Variance Analysis

Division directors and staff review variance reports and explain variances between budgeted and actual expenditures as requested by the Rates and Budget Department. Variance explanations are prepared as needed, usually at the first quarter of the year, and following monthly for the rest of the year. At least twice each year MWRA staff prepares forecasts of year-end expenditures and revenue. Barring extraordinary circumstances, division directors are responsible for controlling spending within the overall division budget. The Rates and Budget Department reviews all variances and projections so that appropriate measures may be taken to ensure that overall spending is within the MWRA’s budget.

Variance explanations are submitted to the Rates and Budget Department in accordance with the schedule developed by the Rates and Budget Department. Each month the Rates and Budget Department prepares a summary of budget variances for inclusion in the Management Indicators Report (Yellow Notebook). The Rates and Budget Department also prepares a monthly staff summary (except for July and August) to the Board of Directors describing major budget variances and a quarterly budget variance report for inclusion in the Board of Directors Report on Key

Indicators of MWRA Performance (Orange Notebook). At least twice a year, the Rates and Budget Department prepares a staff summary to the Board of Directors on year-end projections of revenue and expenses.

C. Budget Amendments

An amendment to an MWRA Current Expense Budget is defined as follows:

A proposed change in an adopted budget or a proposed budget transmitted to the MWRA Advisory Board in accordance with Section 8(b) of Chapter 372 of the Acts of 1984 which meets any of the following criteria:

1. Any increase in total current expenses.

2. An increase of five percent or more in total division expenses.

3. An increase in any expense line item (subsidiary account) of 15 percent or more if that line item is at least 2.5 percent of total current expenses.

4. An addition or deletion of a specific new program or initiative, the cost of which is greater than one percent of total current expenses, unless the addition or deletion has been specifically recommended by the Advisory Board.

The Executive Director, with the concurrence of the Chairman of the Board of Directors and the Chairman of the Administration, Finance, & Audit Committee of the Board of Directors, submits proposed amendments to the Advisory Board for comment and recommendation. At the end of the Advisory Board 30-day review period, the Board of Directors may take action on the amendment.

CAPITAL BUDGET MANAGEMENT POLICIES AND PROCEDURES

General Guidelines

The Authority shall periodically adopt and revise capital facility programs for the Waterworks and Sewer Systems and capital budgets based on these programs. The Authority shall consult in the preparation of its capital facility programs for the Sewer and Waterworks Systems with the Authority's Advisory Board, and may consult with other agencies of federal, state and local government concerned with the programs of the Authority. Proposed capital facility programs and capital expenditure budgets for said systems shall be submitted to the Advisory Board for such consultation no less than sixty days prior to adoption or revision by the Authority. The Authority shall prepare a written response to reports submitted to it by the Advisory Board, which response shall state the basis for any substantial divergence between the actions of the Authority and the recommendations contained in such reports of the Advisory Board. The Authority shall capitalize expenditures in accordance with generally accepted accounting principles. Capital expenditures will be planned in accordance with Authority financing agreements and policies for amortization of capital costs.

Capital Budget Contingency

A contingency for each fiscal year is incorporated into the Capital Improvement Program for the purpose of providing for unanticipated or unpredictable expenditures under the CIP spending cap.

Capital Budget Monitoring and Reporting

The Authority continually monitors the progress of capital projects for purposes of managerial control and decision-making and for financial planning and management. Two capital budget variance analysis reports are provided to the Board of Directors, one for the first six months of a year and one at year-end. The reports include a comparison between planned project schedules to actual performance. The reports highlight any major changes, either in scope or budget, of any project. Based on these reports, staff may recommend to the Board of Directors revisions, if appropriate, to the annual and five-year caps based upon said changes. In addition, capital budget progress reports are provided to the Board of Directors on a regular basis, both as project specific updates and in Quarterly Orange Notebook reports that shall include discussions of project progress compared to schedules. Monthly Financial Summary reports shall include discussions of capital expenditures compared to budget.

Capital Budget Spending Cap

Beginning in June 2003, the Board of Directors established a five-year Capital Budget Spending cap and annual caps for each year within the cap period. Spending for any year in the cap period may vary within plus or minus 20% of the annual cap, as long as total spending for the five-year period does not exceed the five-year cap. Before the end of each five-year cap period, the Board will adopt a cap for the next five-year period and annual caps for each year in the period. The Board established the fifth five-year cap for the FY24-28 period at its June 2023 meeting.

Expenditures in Excess of the Spending Cap

In the event of unanticipated spending requirements, the Executive Director may recommend to the Board of Directors that annual expenditures exceed an annual cap by more than 20% or that five-year expenditures exceed the current five-year CIP spending cap. In such an event, a proposed plan to adjust the five-year cap or any of the annual caps will be presented to the Board. Any such proposed plan will be submitted to the MWRA Advisory Board for review and comment for a period of thirty days. At the end of the thirty-day period, the Board of Directors may take action on the proposed plan.

Debt Limit

The Authority's statutory debt limit is $6,450,000,000. The current debt is well below the debt limit. The Authority's debt limit was most recently amended by Chapter 312 of the Acts of 2008 of the Commonwealth of Massachusetts.

Exhibit D

MWRA Planning Estimates FY2026 to FY2035

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
COMBINED UTILITIES										
EXPENSES										
Direct Expenses	$327,980	$337,919	$346,994	$356,809	$366,794	$377,291	$387,922	$398,951	$410,232	$421,897
Indirect Expenses	83,019	87,280	94,297	95,110	101,413	61,690	68,893	70,367	71,825	73,310
Capital Financing (before offsets)	508,710	476,781	493,275	523,362	545,016	582,257	648,516	674,494	700,382	723,004
Sub-Total Expenses	$919,709	$901,980	$934,566	$975,281	$1,013,223	$1,021,238	$1,105,331	$1,143,812	$1,182,439	$1,218,211
Debt Service Assistance	0	0	0	0	0	0	0	0	0	0
Bond Redemption Savings	0	0	0	0	0	0	0	0	0	0
Variable Rate Savings	0	0	0	0	0	0	0	0	0	0
Total Expenses	$919,709	$901,980	$934,566	$975,281	$1,013,223	$1,021,238	$1,105,331	$1,143,812	$1,182,439	$1,218,211
REVENUE & INCOME										
Non-Member and Other Revenue	$17,616	$18,054	$18,456	$18,841	$18,999	$19,262	$19,675	$20,029	$20,391	$20,787
Interest Income	23,332	28,061	24,132	26,346	28,778	30,840	33,745	36,704	38,887	40,749
Rate Stabilization/HEEC Reserve	0	780	782	740	140	12	0	0	0	0
Total Other Revenue	$40,948	$46,895	$43,370	$45,926	$47,918	$50,115	$53,420	$56,733	$59,279	$61,537
Total Rate Revenue	$878,761	$855,085	$891,196	$929,355	$965,305	$971,124	$1,051,911	$1,087,079	$1,123,161	$1,156,674
Rate Revenue Change	2.7%	-2.7%	4.2%	4.3%	3.9%	0.6%	8.3%	3.3%	3.3%	3.0%
					2.5%					
Estimated Annual Household Charge **										
Based on water use of 61k gpy (weighted)	$1,484	$1,520	$1,591	$1,666	$1,741	$1,804	$1,910	$1,994	$2,082	$2,172
Based on water use of 90k gpy (weighted)	$2,189	$2,243	$2,348	$2,457	$2,569	$2,662	$2,818	$2,942	$3,072	$3,205
WASTEWATER UTILITY	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
EXPENSES										
Direct Expenses	$216,778	$223,462	$229,318	$235,812	$242,495	$249,368	$256,389	$263,704	$271,167	$278,905
Indirect Expenses	33,369	35,176	38,788	38,556	41,738	15,943	19,644	19,720	19,754	19,787
Capital Financing (before offsets)	325,335	282,457	294,183	313,915	327,391	338,145	393,771	406,686	419,081	428,385
Sub-Total Wastewater Expenses	$575,483	$541,095	$562,290	$588,283	$611,624	$603,456	$669,803	$690,110	$710,002	$727,077
Debt Service Assistance	0	0	0	0	0	0	0	0	0	0
Bond Redemption Savings	0	0	0	0	0	0	0	0	0	0
Variable Rate Savings	0	0	0	0	0	0	0	0	0	0
Total Wastewater Expenses	$575,483	$541,095	$562,290	$588,283	$611,624	$603,456	$669,803	$690,110	$710,002	$727,077
REVENUE & INCOME										
Non-Member and Other Revenue	$6,189	$6,278	$6,454	$6,640	$6,828	$6,981	$7,244	$7,451	$7,667	$7,887
Interest Income	14,131	15,522	13,606	14,920	16,168	16,930	17,661	18,398	18,608	19,137
Rate Stabilization/HEEC Reserve	0	350	300	200	140	12	0	0	0	0
Prior Year Utility Surplus/Deficit Transfer	0	0	0	0	0	0	0	0	0	0
Total Revenue/Income/Utility Transfers	$20,319	$22,149	$20,360	$21,759	$23,136	$23,923	$24,905	$25,850	$26,275	$27,024
Wastewater Rate Revenue	$555,163	$518,945	$541,930	$566,523	$588,488	$579,533	$644,899	$664,260	$683,727	$700,053
Rate Revenue Change	2.0%	-6.5%	4.4%	4.5%	3.9%	-1.5%	11.3%	3.0%	2.9%	2.4%
					1.7%					
Estimated Annual Household Charge **										
Based on water use of 61k gpy (weighted)	$884	$894	$937	$982	$1,028	$1,059	$1,131	$1,181	$1,233	$1,285
Based on water use of 90k gpy (weighted)	$1,304	$1,319	$1,382	$1,449	$1,517	$1,563	$1,669	$1,743	$1,819	$1,896
WATER UTILITY	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
EXPENSES										
Direct Expenses	$111,202	$114,457	$117,676	$120,997	$124,299	$127,923	$131,533	$135,247	$139,065	$142,992
Indirect Expenses	49,650	52,104	55,508	56,554	59,675	45,747	49,249	50,647	52,072	53,523
Capital Financing (before offsets)	183,375	194,324	199,092	209,448	217,625	244,112	254,746	267,808	281,301	294,619
Sub-Total Water Expenses	$344,227	$360,886	$372,276	$386,998	$401,599	$417,782	$435,527	$453,702	$472,438	$491,134
Debt Service Assistance	0	0	0	0	0	0	0	0	0	0
Bond Redemption Savings	0	0	0	0	0	0	0	0	0	0
Variable Rate Savings	0	0	0	0	0	0	0	0	0	0
Total Water Expenses	$344,227	$360,886	$372,276	$386,998	$401,599	$417,782	$435,527	$453,702	$472,438	$491,134
REVENUE & INCOME										
Non-Member and Other Revenue	$11,427	$11,776	$12,002	$12,202	$12,171	$12,281	$12,431	$12,578	$12,724	$12,900
Interest Income	9,202	12,539	10,526	11,426	12,611	13,910	16,084	18,306	20,279	21,612
Rate Stabilization/HEEC Reserve	0.000	430	482	540	0	0	0	0	0	0
Prior Year Utility Surplus/Deficit Transfer	0	0	0	0	0	0	0	0	0	0
Total Revenue/Income/Utility Transfers	$20,629	$24,745	$23,010	$24,167	$24,782	$26,191	$28,515	$30,884	$33,004	$34,512
Water Rate Revenue	$323,598	$336,140	$349,266	$362,831	$376,817	$391,591	$407,012	$422,819	$439,434	$456,621
Rate Revenue Change	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Estimated Annual Household Charge **										
Based on water use of 61k gpy (weighted)	$600	$626	$654	$683	$713	$745	$778	$813	$849	$887
Based on water use of 90k gpy (weighted)	$885	$924	$965	$1,008	$1,052	$1,099	$1,148	$1,199	$1,253	$1,309

APPENDIX E
FY26 Current Expense Budget - Capital Financing Detail (as of 6/30/25)

	Outstanding as of 6/30/25	Total	Sewer	Water
SRF [1]				
1999E Sewer	$ 2,601,629	$ 392,413	$ 392,413	
1999E Water		$ -	$ -	$ -
1999F	$ 47,265,000	$ 10,667,522	$ 10,667,522	$ -
2000E Sewer	$ 22,847,703	$ 3,120,998	$ 3,120,998	$ -
2000E Water		$ -	$ -	$ -
2001D Sewer	$ 264,300	$ 40,659	$ 40,659	$ -
2001D Water		$ -	$ -	$ -
2002H Sewer	$ 33,975,000	$ 4,918,081	$ 4,918,081	$ -
2002H Water		$ -	$ -	$ -
2002I Sewer	$ 797,296	$ 102,183	$ 102,183	$ -
2002I Water		$ -	$ -	$ -
2003C Sewer	$ 13,303,061	$ 1,288,409	$ 1,288,409	$ -
2003C Water		$ -	$ -	$ -
2004C Sewer	$ 4,502,338	$ 500,513	$ 500,513	$ -
2004C Water		$ -	$ -	$ -
2004D Sewer	$ 25,805,000	$ 2,575,414	$ 2,575,414	$ -
2004D Water		$ -	$ -	$ -
2005C Sewer	$ 2,257,937	$ 254,861	$ 254,861	$ -
2005C Water		$ -	$ -	$ -
2005D Sewer	$ 29,493,560	$ 3,021,666	$ 3,021,666	$ -
2005D Water		$ -	$ -	$ -
2005E Sewer	$ 29,842	$ -	$ -	$ -
2005E Water		$ 5,479	$ -	$ 5,479
2006C Sewer	$ 2,832,649	$ 290,731	$ 290,731	$ -
2006D Sewer	$ 31,621,485	$ 2,787,036	$ 2,787,036	$ -
2006D Water		$ 1,455,438	$ -	$ 1,455,438
2006E Sewer	$ 64,389	$ -	$ -	$ -
2006E Water		$ 10,281	$ -	$ 10,281
2007C Sewer	$ 969,982	$ 73,216	$ 73,216	$ -
2007C Water		$ -	$ -	$ -
2007D Sewer	$ 11,675,743	$ 1,139,515	$ 1,139,515	$ -
2007E Sewer	$ 32,766,542	$ 2,721,457	$ 2,721,457	$ -
2007E Water		$ 1,145,497	$ -	$ 1,145,497
2008G Sewer	$ 850,165	$ 329,775	$ 329,775	$ -
2008G Water		$ 72,219	$ -	$ 72,219
2009C Sewer	$ 44,531,786	$ 3,234,789	$ 3,234,789	$ -
2009C Water		$ 1,866,650	$ -	$ 1,866,650
2009D Sewer	$ 4,429,131	$ 619,751	$ 619,751	$ -
2009D Water		$ 84,759	$ -	$ 84,759
2010 D Sewer	$ 21,630,237	$ 1,060,096	$ 1,060,096	$ -
2010 D Water		$ 1,423,280	$ -	$ 1,423,280
2011A Sewer	$ 3,709,890	$ 291,993	$ 291,993	$ -
2011A Water		$ 357,255	$ -	$ 357,255
2012C Sewer	$ 4,307,473	$ 516,167	$ 516,167	$ -
2012C Water		$ 255,179	$ -	$ 255,179
2012D Sewer	$ 23,348,273	$ 2,615,991	$ 2,615,991	$ -
2012D Water		$ 533,288	$ -	$ 533,288
2013B Sewer	$ 16,166,446	$ 2,049,819	$ 2,049,819	$ -
2013B Water		$ 534,585	$ -	$ 534,585
2014C Sewer	$ 5,386,303	$ 283,861	$ 283,861	$ -
2014C Water		$ 385,762	$ -	$ 385,762
2015A Sewer	$ 40,239,798	$ 2,650,839	$ 2,650,839	$ -
2015A Water		$ 981,018	$ -	$ 981,018
2015B Sewer	$ 2,525,949	$ 212,851	$ 212,851	$ -
2015B Water		$ 151,332	$ -	$ 151,332
2016A Sewer	$ 36,062,070	$ 2,078,723	$ 2,078,723	$ -
2016A Water		$ 849,080	$ -	$ 849,080
2017A Sewer	$ 21,836,054	$ 542,392	$ 542,392	$ -
2017A Water		$ 1,539,581	$ -	$ 1,539,581
2018E Sewer	$ 37,185,913	$ 1,078,303	$ 1,078,303	$ -
2018E Water		$ 2,022,824	$ -	$ 2,022,824
2019D Sewer	$ 41,402,141	$ 2,032,144	$ 2,032,144	$ -
2019D Water		$ 1,222,863	$ -	$ 1,222,863
2021A Sewer	$ 42,007,525	$ 1,559,096	$ 1,559,096	$ -
2021A Water		$ 1,567,901	$ -	$ 1,567,901
2022A Sewer	$ 17,248,691	$ 556,931	$ 556,931	$ -
2022A Water		$ 607,282	$ -	$ 607,282
2023A Sewer	$ 3,391,947	$ -	$ -	$ -

APPENDIX E
FY26 Current Expense Budget - Capital Financing Detail (as of 6/30/25)

	Outstanding as of 6/30/25	Total	Sewer	Water
2023AWater	$ 3,391,947	$ -	$ -	$ -
2023D Sewer	$ 36,984,152	$ 1,837,805	$ 1,837,805	$ -
2023D Water		$ 550,571	$ -	$ 550,571
2024A Sewer	$ 6,358,242	$ -	$ -	$ -
2024AWater		$ -	$ -	$ -
2025A Sewer	$ 73,549,549	$ 2,902,635	$ 2,902,635	$ -
2025A Water		$ 1,654,239	$ -	$ 1,654,239
2026 Sewer Projected	$ 65,000,000	$ 3,748,194	$ 3,748,194	
2026 Water Projected		$ 1,310,566		$ 1,310,566
Total SRF Debt	**$ 811,225,191**	**$ 84,683,758**	**$ 64,096,829**	**$ 20,586,929**
MWRA Senior Debt				
2007B Refunding	$ 554,135,000	$ 79,898,500	$ 67,114,740	$ 12,783,760
2013A Refunding		$ -	$ -	$ -
2014F Refunding	$ -	$ -		
2016B New	$ 1,590,000	$ 1,810,500	$ 905,250	$ 905,250
2016C Refunding	$ 226,070,000	$ 9,799,750	$ 4,615,900	$ 5,183,850
2016D Refunding	$ 41,770,000	$ 1,464,750	$ 952,088	$ 512,663
2017B New	$ 16,155,000	$ 943,500	$ 471,750	$ 471,750
2017C Refunding	$ 100,890,000	$ 5,297,000	$ 2,383,650	$ 2,913,350
2018B New	$ 47,210,000	$ 2,700,250	$ 1,620,150	$ 1,080,100
2018C Refunding	$ 7,100,000	$ 1,569,750	$ 21,000	$ 1,548,750
2019B New	$ 99,855,000	$ 4,692,750	$ 3,139,250	$ 1,553,500
2019E New	$ 48,160,000	$ 3,243,707	$ 1,621,854	$ 1,621,854
2019F Refunding	$ 247,485,000	$ 33,119,939	$ 13,247,976	$ 19,871,963
2020B New Money	$ 135,955,000	$ 7,321,500	$ 5,039,250	$ 2,282,250
2021B New	$ 45,240,000	$ 4,585,750	$ 2,719,500	$ 1,866,250
2021C Refunding	$ 489,140,000	$ 19,903,482	$ 10,272,913	$ 9,630,569
2023B New	$ 127,145,000	$ 11,168,088	$ 5,711,750	$ 5,456,338
2023C Refunding	$ 100,340,000	$ 35,387,000	$ 15,216,410	$ 20,170,590
2024B New	$ 166,260,000	$ 14,604,000	$ 7,070,750	$ 7,533,250
2024C Refunding	$ 279,275,000	$ 13,963,750	$ 6,842,238	$ 7,121,513
FY26 New Money	$ -	$ 39,381,653	$ 29,253,279	$ 10,128,374
Tender Cash Bonds Savings	$ -	$ -	$ -	$ -
Defeasance Assumption	$ -	$ (1,601,000)	$ (588,525)	$ (1,012,475)
Total Senior	**$ 2,733,775,000**	**$ 289,254,619**	**$ 177,631,171**	**$ 111,623,447**
Subordinate Debt				
1999B	$ 22,800,000	$ 6,314,000	$ 3,788,400	$ 2,525,600
2008A Refunding	$ 86,595,000	$ 25,901,567	$ 22,793,379	$ 3,108,188
2008C Refunding	$ 19,055,000	$ 10,165,983	$ 9,759,344	$ 406,639
2008E Refunding	$ 58,445,000	$ 17,763,793	$ 16,342,689	$ 1,421,103
2012E Refunding	$ 44,587,500	$ 7,688,743	$ 1,614,636	$ 6,074,107
2014A Refunding	$ 11,260,000			
2018A Refundng	$ 42,057,500	$ 7,581,218	$ 1,592,056	$ 5,989,162
2018D Refunding	$ 50,000,000	$ 15,930,396	$ 1,433,736	$ 14,496,660
Total Subordinate Debt	**$ 334,800,000**	**$ 91,345,699**	**$ 57,324,239**	**$ 34,021,460**
Total SRF & MWRA Debt Service[2]	**$ 3,879,800,191**	**$ 465,284,076**	**$ 299,052,240**	**$ 166,231,836**
Other Capital				
Water Pipeline Commercial Paper	$ -	$ 10,208,818	$ -	$ 10,208,818
Current Revenue/Capital [3]	$ -	$ 21,500,000	$ 17,445,100	$ 4,054,900
Capital Lease	$ -	$ 3,217,060	$ 1,941,010	$ 1,276,050
Debt Prepayment[4]	$ -	$ 8,500,000	$ 6,896,900	$ 1,603,100
Total Other Capital	**$ -**	**$ 43,425,878**	**$ 26,283,010**	**$ 17,142,868**
Total Capital Financing (before Debt Service Offsets)	**$ 3,879,800,191**	**$ 508,709,954**	**$ 325,335,250**	**$ 183,374,704**
Debt Service Offsets		$ -	$ -	$ -
Debt Service Assistance		$ -	$ -	$ -
Bond Redemption		$ -	$ -	$ -
Total Debt Service Offsets		$ -	$ -	$ -
MWRA Short-term Borrowings	$ 197,107,500	$ -	$ -	$ -
Total Capital Financing	**$ 4,076,907,691**	**$ 508,709,954**	**$ 325,335,250**	**$ 183,374,704**

[1] SRF debt service payments reflect net MWRA obligations after state and federal subsidies.

[2] Numbers may not add due to rounding.

[3] Current Revenue/Capital is revenue used to fund ongoing capital projects.
[4] Debt Prepayment will be used defeasance of bonds at end of fiscal year.

APPENDIX F

Advisory Boards and Committees

The Advisory Board

The Advisory Board is established by section 23 of the MWRA Enabling Act. The Advisory Board's primary purposes are as follows:

1. To appoints 3 members of the Board of Directors, with staggered 6-year terms.
2. To review and comment on the current expense and capital improvement budgets.
3. To approve expansion of the MWRA's service area, whether permanent or temporary.
4. To make recommendations to the governor and the legislature with respect to matters that affect the Authority.

The Authority's proposed annual current expenses budget and its capital improvement program budget must be submitted to the Advisory Board at least sixty days prior to the adoption of each budget by the Board of Directors. Amendments to the current expenses budget must be submitted to the Advisory Board at least thirty days prior to adoption, except in the event of emergencies. The Authority is required to provide a written response to any reports of the Advisory Board regarding its finances. The Advisory Board has provided the Authority with written comments to both the current expenses and the capital improvement budgets. The Advisory Board's budget for personnel and expenses is included in the Executive Division's budget.

Water Supply Citizens Advisory Committee to MWRA (WSCAC)

Originally formed in 1977 to review a proposed diversion of the Connecticut River for water supply to the metropolitan Boston area, WSCAC represents an unusual approach for engaging citizen participation in water resource policy decisions.

WSCAC advises the MWRA and the Department of Conservation and Recreation on water conservation and watershed protection strategies. The MWRA has implemented leak repair and demand management programs, avoiding the need for river diversion.

WSCAC's current focus is water quality - source protection and management of the watersheds, reservoirs and distribution system.

WSCAC worked with the New England Safe Drinking Water Task Force on the Safe Drinking Water Act reauthorization. WSCAC helped secure passage of state legislation - the Interbasin Transfer Act of 1983, the Water Management Act of 1985, and the Watershed Protection Act of 1992. State officials have tapped WSCAC for other statewide advisory groups.

The Wastewater Advisory Committee (WAC)

The MWRA Board of Directors created WAC in 1990 to offer independent recommendations on wastewater policies and programs. WAC's mission is to be an independent public forum for holistic discussion of wastewater issues. Membership is designed to reflect the knowledge and interest of major affected constituencies: engineering and construction, environmental advocacy, planning, academic research, and business.

WAC's contractual duties are as follows:

1. Provide independent advice to the MWRA Board and staff on wastewater programs and policies directly related to the MWRA
2. Review and comment to the Authority on wastewater reports and proposed documents; offer independent advice on current and proposed wastewater program and policy directions to further MWRA objectives
3. Reflect the knowledge and interest of major affected constituencies, including
    a. Engineering
    b. Construction
    c. Business/industry
    d. Planning
    e. Academic research
    f. Environmental advocacy
4. Advise MWRA on wastewater planning
5. Increase citizen participation and education by providing MWRA with assistance in outreach. Review programs and explain plans & policies to citizens
6. Attend Authority working groups related to wastewater programs and policy, including the Advisory Board and WSCAC
7. Propose to the Authority ways to continue effective and efficient long-term public involvement in wastewater programs.

WAC's focus includes:

- Protecting the ratepayer's massive investment in clean water remains one of WAC's primary interests, and it will continue to monitor maintenance as well as progress on the CSO project.
- WAC is interested in the possibilities of further energy efficiency and renewable energy production at all MWRA facilities.
- Other areas of interest:
    - Co-digestion as it expands across New England
    - Marketability of Bay State Fertilizer
    - Climate Change impacts
    - Regulatory changes that might affect MWRA

Exhibit G

MWRA Capital Improvement Program Overview

In 1984, legislation was enacted to create the Massachusetts Water Resources Authority, an independent agency with the ability to raise its revenues from ratepayers, bond sales and grants. The primary mission was to modernize the area's water and sewer systems and clean up Boston Harbor. Since its establishment, the MWRA has invested nearly $9.6 billion to improve the wastewater and waterworks systems serving its 61 customer communities with projected future spending of $6.6 billion. The system serves 3 million people and more than 5,500 businesses.

Since 1985, MWRA has been subject to a Clean Water Act enforcement action to end years of wastewater pollution of Boston Harbor and its tributaries from the old Deer Island and Nut Island treatment plants and combined sewer overflows (CSOs). The enforcement case was initiated by the Conservation Law Foundation in 1983 and taken up by the U.S. Environmental Protection Agency in 1985. The Commonwealth of Massachusetts, the Boston Water and Sewer Commission, the City of Quincy and the Town of Winthrop are also parties to the case.

The Orders of the Court set forth the schedules of activities to be undertaken to achieve compliance with the law. Since 1985, MWRA has complied with 422 milestones which include the completion of extensive new wastewater treatment facilities at Deer Island in Boston and Nut Island in Quincy, a residuals facility in Quincy, and 35 CSO control projects in Boston, Cambridge, Chelsea, Brookline, and Somerville which comprise the long-term CSO control plan, the last of which were completed in December 2015.

As part of compliance with the Court's Orders, MWRA was required to file monthly compliance and progress reports on its ongoing activities through December 15, 2000 and quarterly compliance and progress reports through December 2016. MWRA was required to submit bi-annual compliance and progress reports through December 2020. Bi-annual reports were also submitted in 2021 prior to the approval of a 3-year extension to the court ordered Long Term Control Plan (December 2024). Under this extension period, annual updates will be submitted to the court.

During the same time, MWRA complied with regulatory mandates to improve waterworks facilities. The mandated waterworks projects included the MetroWest Water Supply Tunnel, the Carroll Water Treatment Plant, and several covered water storage facilities.

The mandated projects account for most of the Capital Improvement Program (CIP) spending. The five initiatives below account for nearly $6.1 billion or approximately 64% of life spending to date:

- Boston Harbor Project - $3.8 billion
- Combined Sewer Overflow - $936 million
- MetroWest Tunnel - $697 million
- Carroll Water Treatment Plant - $431 million
- Covered Storage Facilities - $239 million

As the MWRA reaches maturity as an agency, the infrastructure modernization and new facilities construction phase is nearing completion, and, barring new mandates, most of the Authority's future capital budget will be designated for Asset Protection, Water System Redundancy, Pipeline Replacement and Rehabilitation, and Business System Support.

Asset Protection focuses on the preservation of the Authority's operating facilities. Currently over $3.8 billion in future spending is targeted for asset protection initiatives. Water System Redundancy aims to reduce the risks of service interruption and facilitate planned maintenance where major sections of the water delivery system assets can be taken off-line. Long-term water redundancy will be a critical future CIP initiative with estimated spending in excess of $2.6 billion over the next 17 years. Pipeline Replacement and Rehabilitation focuses on the maintenance and replacement of water and sewer pipelines. Business System Support provides for the continuing improvement and modernization of technology and security systems.

The FY26 CIP Budget reaffirms MWRA's commitment to the community financial assistance programs on both the water and wastewater side.

Capital initiatives to date have been primarily funded through long-term borrowings, and the debt service on these outstanding bonds represents a significant and growing portion of the Authority's operating budget. As of June 30, 2025, MWRA's total debt was $4.1 billion. The Authority's capital finance (including debt service) obligation as a percent of total expenses has increased from 36% in 1990 to 55.3% in the Final FY26 Current Expense Budget.

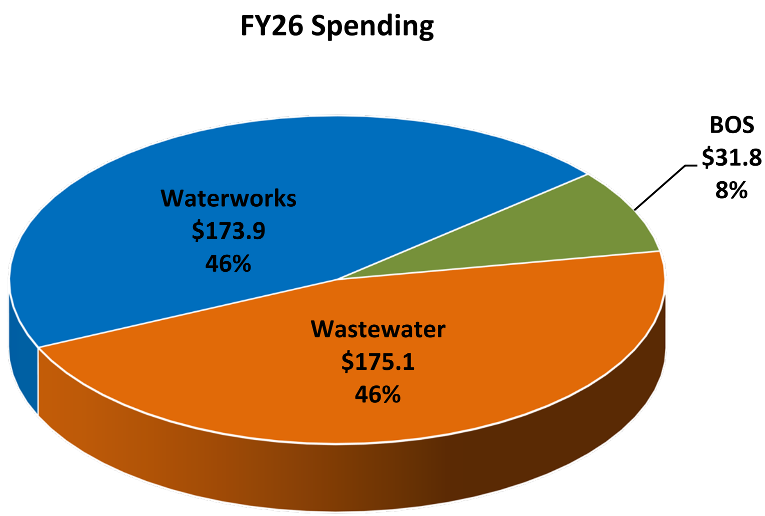
The MWRA's credit ratings of Aa1 from Moody's, AA+ from S&P, and AA+ from Fitch, reflect strong management of financial performance, application of operating surpluses to early debt defeasance, satisfactory debt service coverage ratios, well maintained facilities, comprehensive long-term planning of both operating and capital needs, and the strong credit quality of its member service communities.

To arrive at the FY26 CIP, the Authority identified the needs of the capital programs taking into account the recommendations of the Master Plan. The long-term strategy for capital work is identified in the Authority's Master Plan which was published in 2006 and updated in 2013 as well as 2018. The Master Plan serves as a road map for inclusion of projects in the CIP in every budget cycle. Additionally, the Authority's 5-Year Strategic Plan for FY21-FY25 was released in early 2021. The next 5-Year for the FY26-30 period is expected to be released in the early 2026.

The FY26 CIP represents an update to the FY25 CIP and was approved by the MWRA Board in June 2025. The spending projections are the result of prioritizing the projects, establishing realistic estimates based on the latest information, striking a balance between maintenance and infrastructure improvements, and ensuring that there is adequate support for MWRA's core operations to meet all regulatory operating permit requirements.

FY26 Capital Spending

The FY26 Final Capital Improvement Program projects $380.8 million in spending for FY26, of which $175.1 million supports Wastewater System Improvements, $173.9 million supports Waterworks System Improvements, and $31.8 million is for Business and Operations Support.



The FY26 Final CIP includes $83.9 million for community assistance programs, which are a combination of loan and partial grant programs, with net expenditures of $51.1 million for the local Infiltration/Inflow program and net expenditures of $32.8 million for the local water pipeline program.

The Fiscal Year 2026 Capital Improvement Program (CIP) represents an update to the FY25 CIP Program approved by the Board in June 2024 for Fiscal Year 2025. This budget includes the latest cost estimates and revised schedules that were the result of prioritizing the planned projects to support the MWRA's core operations, and meet regulatory requirements. It also reaffirms MWRA's commitment to the community financing assistance programs on both the water and wastewater sides. The FY26 Final CIP projects $380.8 million in spending for FY26, of which $175.1 million supports Wastewater System Improvements, $173.9 million supports Waterworks System Improvements, and $31.8 million is for Business and Operations Support. The projects with spending of $10.0 million or greater in FY26 include Deer Island Clarifier Rehabilitation Phase 2 Construction ($50.0 million), Metropolitan Tunnel Redundancy Final Design/Engineering Services During Construction ($26.5 million), Hayes Pump Station Rehabilitation ($12.4 million), Metropolitan Tunnel Redundancy Admin, Legal & Public Outreach ($12.0 million), New Connecting Mains Section 75 Extension Construction CP-1 ($12.0 million), and Northern Extra High Service (NEH) – CP-2 NEH Improvements – Construction ($10.0 million).

The $380.8 million in projected spending is driven by 41 active wastewater and water projects. Of this $380.8 million in projected spending, the top spending project contracts in FY26, excluding local community assistance programs, total $146.9 million and account for 38.6% of the total annual spending. Of the top 10 projects, 9 have already been awarded. These projects are presented in the following table:

Project	Subphase	FY26 Spending $s in Millions
Deer Island Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	$50.0
Metro Water Tunnel Program	Final Design/ESDC	$26.5
Facility Asset Protection	Hayes Pump Station Rehab Construction	$12.4
Metro Water Tunnel Program	Admin Legal & Public Outreach	$12.0
New Connect Mains-Shaft 7 to WASM 3	Section 75 Extension - Construction CP-1	$12.0
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	$10.0
Waterworks Facility Asset Protection	Steel Tank/Improvements Construction	$6.9
NHS - Revere & Malden Pipeline	Section 56 Replacement- Construction	$6.4
NHS - Revere & Malden Pipeline	CP-1 Section 68 Construction	$6.0
Quabbin Transmission System	Wachusett Lower Gate House Pipe & Boiler Replacement	$4.8
Total Top 10 Spending Subphases (excluding Loan Programs)		**$146.9**
% of FY26 Spending		**38.6%**
Other Project Spending		**$233.9**
Total FY26 Spending		**$380.8**

Clarifier Rehabilitation Phase 2 Construction - $50.0 million ($294.8 million total construction cost). This project will rehabilitate the sludge removal system in the primary tanks and the aeration/recirculation systems in the secondary tanks. The influent gates, effluent launders and aeration systems, and concrete corrosion in primary clarifiers will also be addressed and repaired.

Final Design/ESDC for the Metropolitan Tunnel - $26.5 million ($135.4 million total contract cost). Final Design and Engineering Services During Construction of the Northern and Southern Tunnels, including connecting mains.

Hayes Pump Station Rehab Construction - $12.4 million ($25.6 million total project cost). Construction of improvements to Hayes Pump Station, which was constructed in 1987. Due to its age, all major facility components require replacement or rehabilitation.

Metro Tunnel Program Administration Legal and Public Outreach - $12.0 million ($150.3 million total project cost). Includes community agreements and land acquisition for the North and South Tunnels. Also, includes electric service for tunnel boring machine launch shaft sites.

New Connecting Mains to WASM 3 Section 75 Extension Construction CP-1 - $12.0 million ($17.3 million total project cost). Addition of approximately 4,000 feet of new 30-inch diameter pipe to extend Section 75 easterly to Section 24 in Newton, to provide a redundant feed to the Intermediate High pressure zone supplying Arlington, Belmont and Watertown, and rehabilitation of a portion of Section 47, and replacement of Meters 111 and 81.

Northern Extra High CP-2 NEH Improvements - $10.0 million ($26.8 million total project cost). CP2 includes installation of up to 11,100 linear feet of new water main in Lexington to interconnect an existing MWRA water main to the new water main installed in CP1 to help improve redundancy. CP2 also includes installation of a new meter for Lexington and replacement of 3,400 linear feet of existing, undersized water main in Arlington.

FY24-28 Expenditures & Five-Year Spending Cap

The concept of a five-year spending Cap was first introduced at the Advisory Board's recommendation in 2003 for the FY04-08 period. The FY24-28 Cap is the fifth cap established by the Authority at $1.4 billion when the FY24 CIP was adopted. The Cap represents a targeted maximum spending limit to ensure adequate capital program funding and to serve as a guide for long-term planning estimates and community assessments. The following graph illustrates the history of the past four five-year Caps and the Final FY24-28 Cap, both in terms of the Cap levels and actual spending:

Major Planned Contract Awards for FY26:

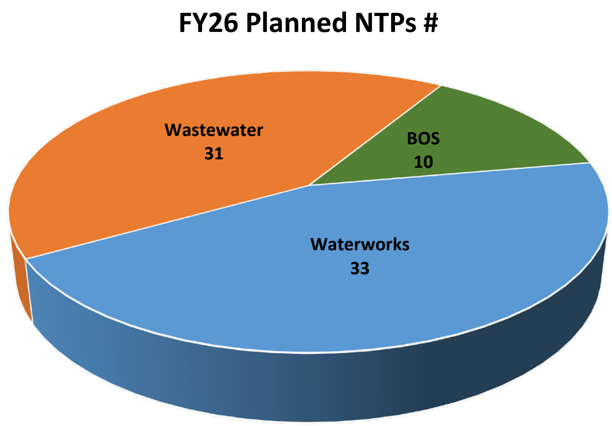
In Fiscal Year 2026, 74 contracts totaling $981.6 million are projected to be awarded. The largest ten projected contract awards total $183.5 million and account for 49.4% of expected awards.

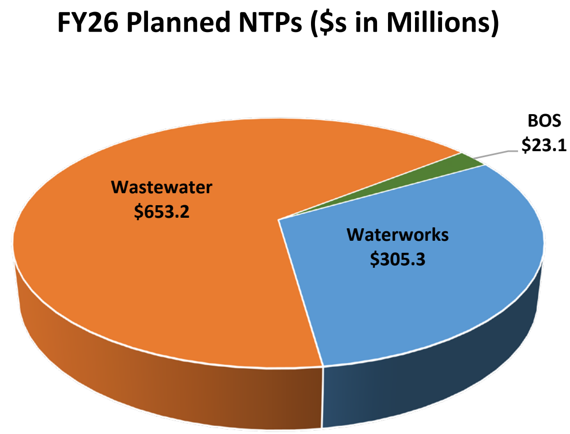
Those planned awards are presented in the following table.

Project	Subphase	Notice to Proceed	Total Contract Amount $s in Millions
DI Treatment Plant Asset Protection	Digestor/Storage Tank Rehab Construction	Jun-26	$400.0
Metro Water Tunnel Program	Construction Management	Jan-26	151.1
DI Treatment Plant Asset Protection	Eastern Seawall Construction - 1	Apr-26	45.0
DI Treatment Plant Asset Protection	Motor Control Center & Switchgear Replace Construction	Mar-26	39.0
Northern Extra High Service New Pipeline	CP-3 NEH Improvements	Jun-26	29.2
Metro Redundancy Interim Improvements	WASM 3 Rehab CP-2	Apr-26	24.7
Residuals Asset Protection	Various Equipment Replacement	Dec-25	20.0
NHS - Revere & Malden Pipeline	CP-1 Section 68 Construction	Oct-25	18.0
DI Treatment Plant Asset Protection	Odor Control Rehab - Design/ESDC	Oct-25	14.0
DI Treatment Plant Asset Protection	Centrifuge Replacement Design/ESCD/REI	Dec-25	14.0
Top 10 Planned Contract Awards			**$755.0**
% of Total Planned Awards			**76.9%**
74 Planned Contract Awards			**$981.6**

Of the 74 planned contract awards for FY26, 33 are for Waterworks, 31 are for Wastewater, and 10 for Business and Operation Services with associated dollar awards of $305.3 million, $653.2

million, and $23.1 million, respectively. Deer Island's Digester/Storage Tank Rehab Construction is the largest planned award at $400.0 million with a targeted notice to proceed of June 2026.





FY26 New Projects

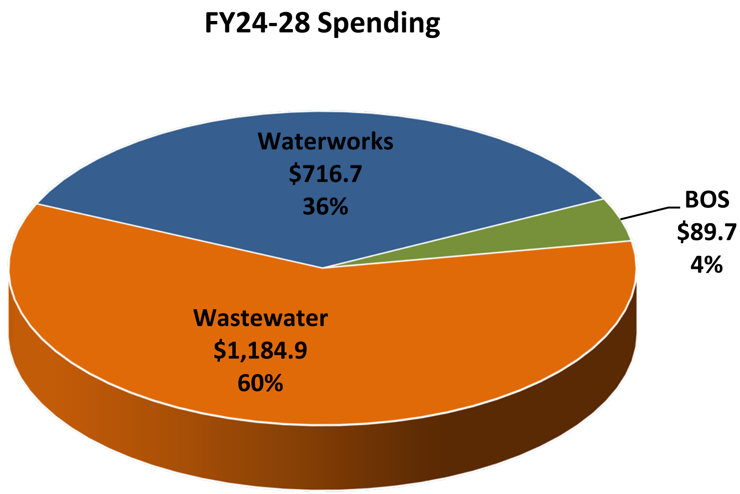
The FY26 CIP adds 9 new projects at a total cost of $18.0 million with projected spending of $17.5 million over the FY24-28 period. There are 4 water projects totaling $7.3 million, 3 wastewater project at $3.2 million, and 2 BOS projects at $7.5 million. The largest new project is the replacement of the failed Wind Turbine at Deer Island for $4.5 million. Energy grants and insurance proceeds are expected to fully fund the turbine project. A complete listing of projects is included as Attachment C.

Project	Total Contract Amount	FY24-28 Spending	Beyond FY28
Lonergan Intake Bldg Walkway and Wall Improvements	$4.0	$3.5	$0.5
Ware River Shaft 8 Retaining Wall Replacement	$1.4	$1.4	$0.0
Pipe Bridge Inspections/Structural Analysis	$0.9	$0.9	$0.0
Southboro Paving	$1.0	$1.0	$0.0
Total Waterworks(#4)	**$7.3**	**$6.8**	**$0.5**
Ward Street Headworks Air Handling Replacement	$2.0	$2.0	$0.0
Heat Pump Squantum PS	$0.3	$0.3	$0.0
Heat Pumps var WW facilities (BW, Hough's Neck, Quincy)	$0.9	$0.9	$0.0
Total Wastewater (#3)	**$3.2**	**$3.2**	**$0.0**
DITP Wind Turbine 1 Replacement	$4.5	$4.5	$0.0
Chelsea Administration Building Heat Pumps	$3.0	$3.0	$0.0
Total Business & Operation System (#2)	**$7.5**	**$7.5**	**$0.0**
Total 9 New Projects	**$18.0**	**$17.5**	**$0.5**

Additional details on these new projects with cash flows and descriptions can be found in Appendix 3.

FY24-28 Expenditures & Five-Year Spending Cap

Spending during the FY24-28 timeframe is planned to be $2.0 billion, including local community spending of $242.1 million for the I/I loan and grant program and $128.8 million for the water pipeline loan program. Spending under the Wastewater and Waterworks programs is projected at $1,184.9 million and $716.7 million, respectively, followed by Business and Operations at $89.7 million. The spending projections set forth here include updates to the approved FY25 CIP with the latest cost estimates, revised schedules, and new projects.



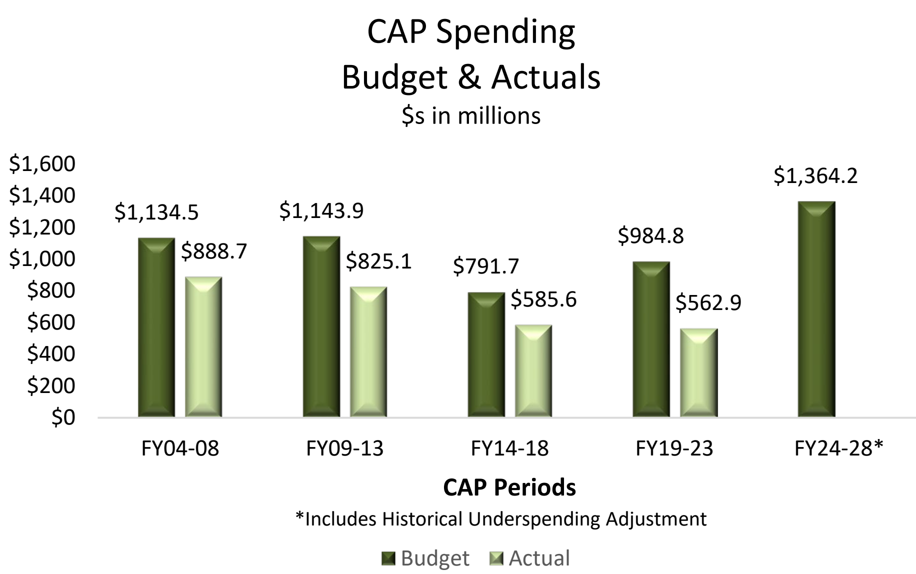
Yearly projected expenditures for the FY24-28 period by program are shown below in millions:

	FY24	FY25	FY26	FY27	FY28	Total FY24-28
Wastewater System Improvements	$94.0	$153.4	$175.1	$308.0	$454.5	$1,184.9
Waterworks System Improvements	$105.0	$125.0	$173.9	$149.6	$163.3	$716.7
Business & Operations Suppport	$9.3	$12.8	$31.8	$23.2	$12.6	$89.7
Total MWRA	$208.2	$291.1	$380.8	$480.8	$630.4	$1,991.3

FY24-28 Five-Year Spending Cap

The concept of a five-year spending Cap was first introduced at the Advisory Board's recommendation in 2003 for the FY04-08 period. The FY24-28 Cap is the fifth cap established by the Authority at $1.4 billion when the FY24 CIP was adopted. The Cap represents a targeted maximum spending limit to ensure adequate capital program funding and to serve as a guide for long-term planning estimates and community assessments. The following graph illustrates the history of the past four five-year Caps and the FY26 Final FY24-28 Cap, both in terms of the Cap levels and actual spending:

MWRA project spending (excluding water and wastewater loan programs) has been approximately 25% under plan levels on average since FY04. Underspending for the past two Cap periods, FY14-18 and FY19-23, were 26% and 43%, respectively. To better predict future spending, the Authority discounts projected Cap spending by applying a Spend Rate Adjustment of 25%. This will be a better reflection of likely spending targets without removing future projects from plan. The FY24-28 Base-Line Cap is set at $1.4 billion. The Base-Line Cap includes Cap cash flows total $1.8 billion and net to $1.4 billion after applying the 25% Spend Rate Adjustment. Annual cash flows for the Cap period are shown in the following table (in millions):



FY26 Final CAP		FY24	FY25	FY26	FY27	FY28	FY24-28
	Projected Expenditures excl. Metro Tunnel	$199.2	$268.9	$334.4	$436.7	$561.7	$1,800.9
	Metropolitan Tunnel	$9.0	$22.2	$46.4	$44.1	$68.6	$190.4
	I/I Program	(22.0)	(67.4)	(51.1)	(48.6)	(53.0)	(242.1)
	Water Loan Program	(26.2)	(34.0)	(32.8)	(18.9)	(16.9)	(128.8)
	MWRA Spending	**$160.1**	**$189.7**	**$296.9**	**$413.3**	**$560.4**	**$1,620.4**
	Contingency	0.0	0.0	19.5	27.9	40.5	88.0
	Inflation on Unawarded Construction	0.0	0.0	1.4	10.9	29.5	41.9
	Chicopee Valley Aqueduct Projects	0.0	0.0	0.0	(0.8)	(0.3)	(1.1)
	Projected Spending before Adjustment	**$160.1**	**$189.7**	**$317.8**	**$451.3**	**$630.1**	**$1,749.1**
	Spend Rate Adjustment (25%)*	0.0	(47.4)	(79.5)	(112.8)	(157.5)	(397.2)
	FY26 Final FY24-28 Spending	**$160.1**	**$142.3**	**$238.4**	**$338.5**	**$472.6**	**$1,351.8**

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

In addition to the Spend Rate Adjustment, the format of the Cap table is adjusted to account separately for MWRA and Metropolitan Water Tunnel Program spending, and excludes the local I/I grant and loan program and the local water pipeline loan spending which are both outside of MWRA's control. The Cap also excludes Chicopee Valley Aqueduct system projects. As in past Caps, contingency for each fiscal year is incorporated into the CIP to fund the uncertainties inherent to construction. The contingency budget is calculated as a percentage of budgeted expenditure outlays. Specifically, contingency is 7% for non-tunnel projects and 15% for tunnel projects. Inflation is added for unawarded construction contracts.

The Capital Improvement Program includes on-going Combined Sewer Overflow improvements in Boston, Chelsea and Somerville, rehabilitation of MWRA's Somerville Marginal, Prison Point and Cottage Farm CSO treatment facilities, and a new placeholder at the end of the cap period for design of any projects that come out of the Variance Water updated CSO Long-Term Control Plan process. MWRA continues to evaluate the needs of the program and will refine cost projections as more information becomes available.

The Capital Improvement Program continues to address critical redundancy improvements most notably the Metropolitan Water Tunnel Program. The FY26 CIP includes $2.1 billion in spending for this project, matching the FY25 Approved CIP. The initial contract for Program Support Services began in April 2019 in the amount of $10.2 million with an increase of $7.0 million and 24-month time extension (with one additional optional contract extension for $7.5 million in the CIP) and has a total budget of $24.7 million that spans over a nine-year period. This contract provides assistance with program-wide activities, such as risk management, quality management, design and construction package planning, independent technical reviews, construction practices review and implementation, independent cost estimates, critical path scheduling, and budget tracking. The second contract, Preliminary Design & MEPA Review (Massachusetts Environmental Policy Act), for $15.7 million was awarded in May 2020 and ended in January 2024. Spending for Preliminary Design and MEPA Review began in early FY21 and was completed in January 2024. The third contract, Metropolitan Water Tunnel Program Geotechnical Support Services, for $12.8 million and a term of 36 months was awarded in December 2022. This contract focuses on the collection of geotechnical/geological data to support final design, bidding and construction of the Program. The Final Design was awarded in October 2024 for $93.6 million.

Today, the Authority is better positioned to reinvest in rehabilitation and replacement of aging facilities as result of conservative fiscal management which includes judicious control of expenses, and the fact that MWRA has implemented the practice of utilizing available funds resulting from positive current expense budget variances for defeasances resulting in the reduction of future fiscal years debt service expense. MWRA projects an overall reduction in outstanding principal of debt during the FY24-28 cap period.

FY24-28 Expenditures

Yearly projected expenditures for the FY24-28 period by program are shown below in millions:

Yearly projected expenditures for the FY24-28 period by program are shown below in millions:

	Future Spending Beyond FY24	FY25	FY26	FY27	FY28	Total FY24-28
Wastewater System Improvements	**$3,374.6**	**$153.4**	**$175.1**	**$308.0**	**$454.5**	**$1,184.9**
Interception & Pumping	855.6	15.9	33.0	49.5	92.3	211.1
Treatment	2,184.2	65.0	82.7	201.2	292.7	683.0
Residuals	113.4	0.0	3.8	7.8	14.9	26.5
CSO	16.2	5.0	4.5	0.9	1.5	22.1
Other Wastewater	205.2	67.4	51.1	48.6	53.0	242.1
Waterworks System Improvements	**$3,163.9**	**$125.0**	**$173.9**	**$149.6**	**$163.3**	**$716.7**
Drinking Water Quality Improvements	73.0	2.7	4.9	3.3	5.8	19.4
Transmission	2,427.7	53.9	68.1	69.2	96.5	327.0
Distribution & Pumping	674.6	28.7	51.3	43.3	34.9	189.5
Other Waterworks	(11.4)	39.7	49.6	33.8	26.0	180.9
Business & Operations Suppport	**$84.3**	**$12.8**	**$31.8**	**$23.2**	**$12.6**	**$89.7**
Total MWRA	**$6,622.8**	**$291.1**	**$380.8**	**$480.8**	**$630.4**	**$1,991.3**

It is important to emphasize that the majority of spending within the Wastewater and Waterworks programs is concentrated in several larger projects with significant spending in the FY24-28 timeframe. The top 10 project contracts in terms of spending for the FY24-28 period total $681.3 million, which excludes local community assistance programs. These 10 projects account for over 34.2% of total period spending and 6 of those contracts have already been awarded. Largest construction initiatives in terms of FY24-28 spending include the Clarifier Rehabilitation at Deer Island of $232.1 million (total cost $294.8 million), Digester Storage Tank Rehab of $140.0 million (total cost $400 million), Tunnel Final Design $82.0 million (total cost $135.4 million), Deer Island Combined Heat & Power $55.0 million (total cost $210.0 million), Tunnel Admin and Public Outreach $36.6 million (total cost $150.3 million), and Deer Island Asset Protection South System Pump Station VFD Replacement of $30.0 million (total cost $197.0 million).

The table below highlights major project spending in the FY24-28 timeframe:

Project	Subphase	FY24-28 Spending $s in Millions
Deer Island Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	$232.1
Deer Island Treatment Plant Asset Protection	Digester/Storage Tank Rehab Construction	$140.0
Metro Water Tunnel Program	Final Design/ESDC	$82.0
Deer Island Treatment Plant Asset Protection	Combined Heat & Power - Construction	$55.0
Metro Water Tunnel Program	Admin Legal & Public Outreach	$36.6
Deer Island Treatment Plant Asset Protection	SSPS VFD Replace Construction	$30.0
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	$28.6
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	$26.8
Facility Asset Protection	Hayes Pump Station Rehab Construction	$25.6
Metro Water Tunnel Program	Tunnel Construction South CP2	$24.6
Total Top 10 Spenders (excluding Loan Programs)		**$681.3**
% of FY24-28 Spending		**34.2%**
Other Project Spending		**$1,310.0**
Total FY24-28 Spending		**$1,991.3**

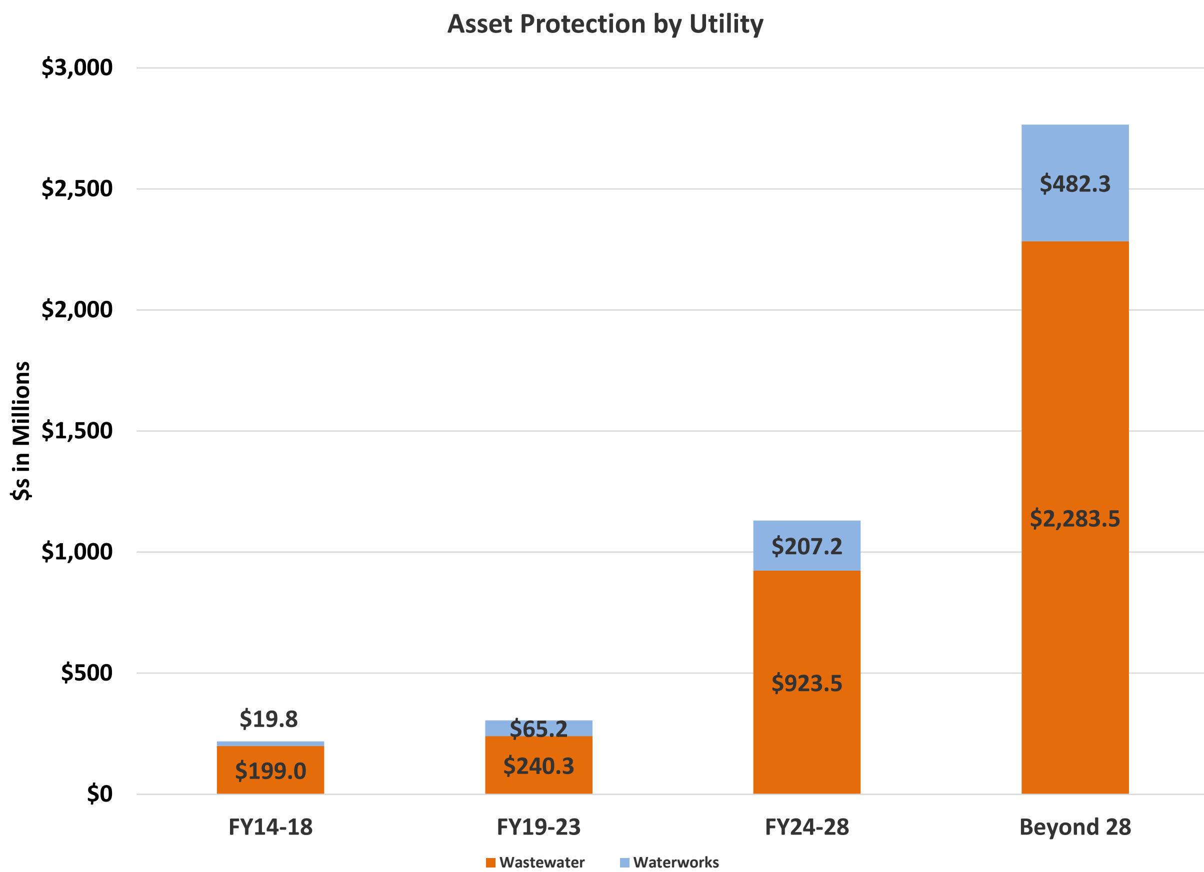
Asset Protection accounts for the largest share of capital expenditures for the FY24-28 period. The FY26 Final CIP includes $1.1 billion for asset protection initiatives, representing 57.7% of total MWRA spending in this timeframe. Asset protection spending by program is as follows: Wastewater ($923.5 million), Waterworks ($207.2 million), and Business and Operations Support ($18.9 million). Spending for Water Redundancy projects totals $355.7 million in the same FY24-28 period, accounting for 17.9% of total spending.

Changing nature of the CIP by Category
($s in millions)

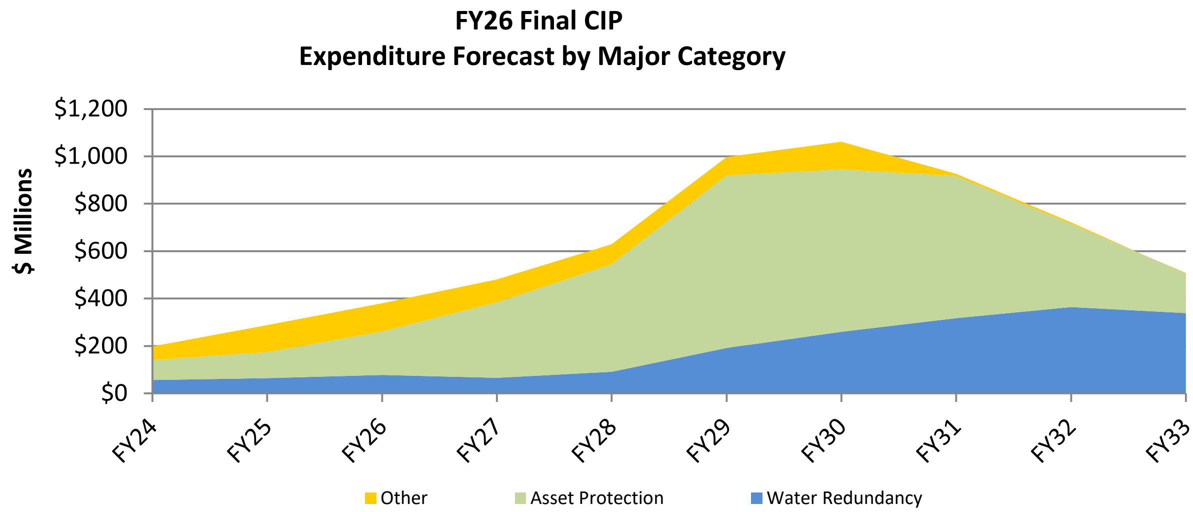
Project Category	FY19-23	FY24-28	Beyond 28
Asset Protection	$313.4	$1,149.6	$2,767.4
Water Redundancy	$186.9	$355.7	$2,251.4
CSO	$12.6	$16.9	$4.3
Other	$238.4	$469.1	-$183.3
Total	**$751.3**	**$1,991.3**	**$4,839.7**
Asset Protection	**41.7%**	**57.7%**	**57.2%**
Water Redundancy	**24.9%**	**17.9%**	**46.5%**
CSO	1.7%	0.8%	0.1%
Other	31.7%	23.6%	-3.8%
Total	**100.0%**	**100.0%**	**100.0%**

In terms of utility spending, Wastewater Asset Protection accounts for 80.3% of the FY24-28 projected Asset Projection spending at $923.5 million of which $665.1 million is designated for the Deer Island Wastewater Treatment Plant and $258.3 million for headworks and pipelines.

The $207.2 million targeted for Waterworks Asset Protection includes $130.7 million for water pipeline projects.



As illustrated by the following graph, the next two waves of spending over the FY24-28 and the FY29-33 periods will be for asset protection and water redundancy. This reflects MWRA's commitment to maintaining its physical plant and addressing the need for water system redundancy in some critical service areas.



FY26 CIP Future Expenditures

The FY26 CIP contains future spending (beyond FY24) estimated at $6.6 billion, including $3.4 billion for Wastewater (primarily Asset Protection of $3.1 billion) and $3.2 billion for Waterworks (primarily Redundancy projects of $2.6 billion). Wastewater Asset Protection includes $2.1 billion for Deer Island and $759.6 million for Wastewater Facility Asset Protection (primarily pump station rehabilitation). Redundancy projects include the Metropolitan Water Tunnel Program and Metropolitan Redundancy Interim Improvement projects with future spending of $2.1 billion and $184.0 million, respectively. FY24-FY28 spending is projected at $2.0 billion or 30.1% of future spending.

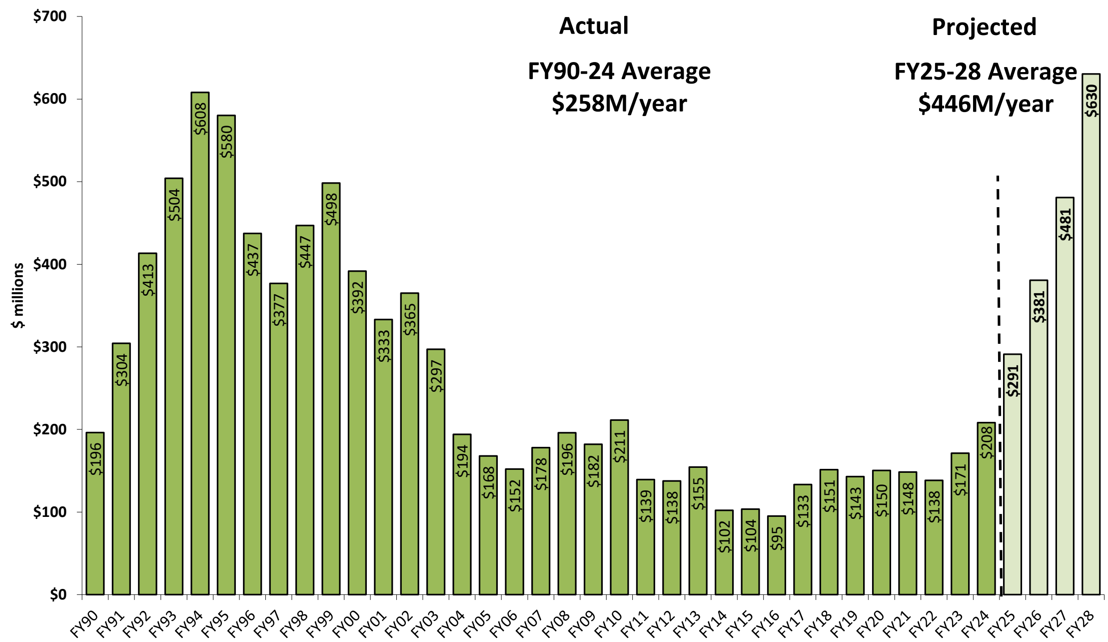
The table below represents the projected spending by the major project categories:

	Future Spending Beyond FY24	Total FY19-23	Total FY24-28	Beyond 28
Wastewater System Improvements	**$3,374.6**	**$397.1**	**$1,184.9**	**$2,283.7**
Interception & Pumping	855.6	161.5	211.1	664.8
Treatment	2,184.2	63.3	683.0	1,542.6
Residuals	113.4	15.6	26.5	86.9
CSO	16.2	12.6	22.1	4.3
Other Wastewater	205.2	144.1	242.1	(14.9)
Waterworks System Improvements	**$3,163.9**	**$314.4**	**$716.7**	**$2,552.1**
Drinking Water Quality Improvements	73.0	10.8	19.4	56.2
Transmission	2,427.7	105.6	327.0	2,140.0
Distribution & Pumping	674.6	127.9	189.5	516.4
Other Waterworks	(11.4)	70.2	180.9	(160.5)
Business & Operations Suppport	**$84.3**	**$39.7**	**$89.7**	**$3.9**
Total MWRA	**$6,622.8**	**$751.3**	**$1,991.3**	**$4,839.7**

Historical & Projected Spending

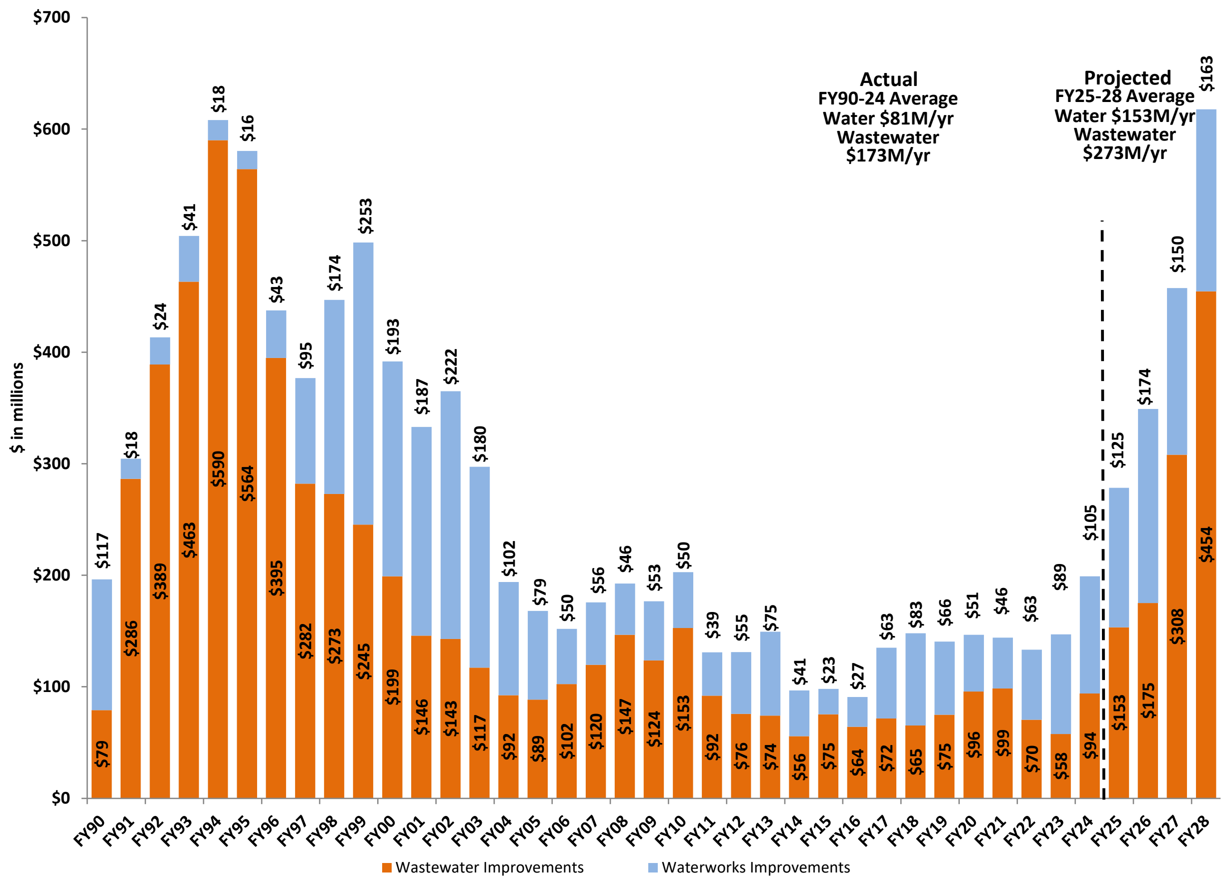
The following chart captures the historical CIP spending through FY24 and projects spending through FY28 based on the FY26 CIP. Average annual CIP spending through FY24 was $258 million. Average annual CIP spending for the FY25-28 period is projected to be $446 million.

Annual CIP Spending



The following chart shows the historical CIP spending from FY90 through FY24 by utility with projections through FY28. Average annual CIP spending through FY24 was $81 million for Waterworks and $173 million for Wastewater. Average annual CIP spending for FY25-28 is projected to be $153 million for Waterworks and $273 million for Wastewater.

Annual CIP Spending by Utility



Community Loan Programs

The MWRA offers its water and wastewater communities loan and grant opportunities for infrastructure preservation. Community loans are interest-free and repaid to MWRA over a 5-year or a 10-year period. On the water side, the program's goal is to improve local water system pipeline conditions to help maintain high water quality distribution from MWRA's treatment plant through local pipelines to customers' taps. The water loan program was established in 1998 and over 625 miles of pipeline have been improved. Similarly, on the wastewater side, the local financial assistance program provides MWRA sewer communities funding to perform local infiltration and inflow "I/I" reduction and sewer rehabilitation. The I/I program was established in 1993 and funds are currently approved for distribution through Fiscal Year 2030. Unlike the water loan program, the I/I program is a partial grant program. The FY25 CIP includes the expansion of the community assistance programs based on the MWRA Advisory Board recommendations. I/I Phase 15 with interest free loans only for $100 million was included as well as Phase 16 for $125 million (75% grant, 25% loan). Phase 4 water loans was added for $300 million and Lead Service Line

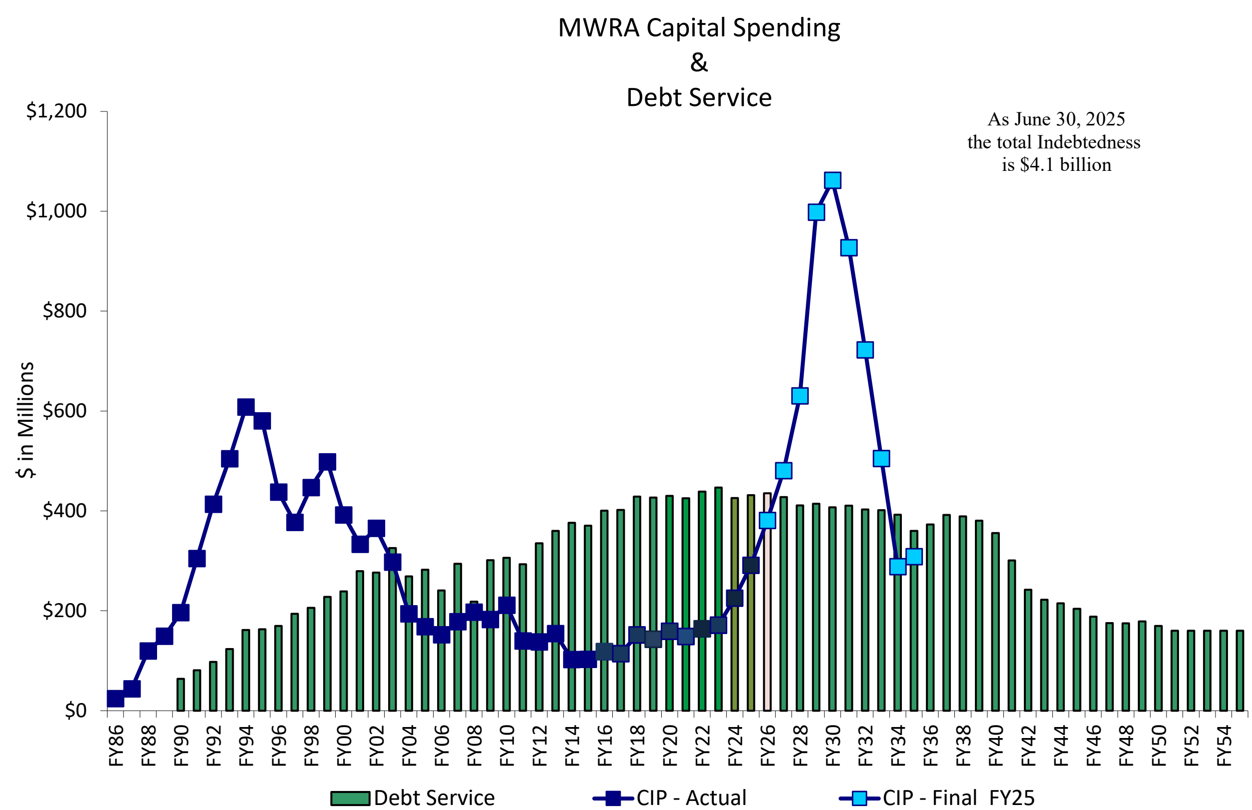
Replacement program was increased from $100 million to $200 million and now includes a 25% grant portion. No additional community loan or grant programs were added in the FY26 budget cycle.

Over the FY24-28 timeframe, $242.1 million in funding is projected to be distributed to MWRA wastewater communities and $128.8 million is projected to be distributed to MWRA water communities for a total of $370.9 million in community support.

$s in Millions	FY24	FY25	FY26	FY27	FY28	FY24-28
I/I Financial Assistance (Net of repayments)	$22.0	$67.4	$51.1	$48.6	$53.0	$242.1
Local Water System Assistance (Net of Repayments)	$26.2	$34.0	$32.8	$18.9	$16.9	$128.8
Total Community Loan Programs	$48.2	$101.4	$83.9	$67.5	$69.9	$370.9

MWRA Capital Improvement Spending and Debt Service

As of June 30, 2025, MWRA's total debt is $4.1 billion, which is $288.3 million less than the MWRA's total debt as of June 30, 2024. While total outstanding debt is decreasing, debt service obligations continue to rise and are projected to increase in coming years.



Project Level Budget Summaries and Detail of Changes

Information on individual project budgets and detail of changes is provided in the supplemental appendices attached to this document.

APPENDIX H

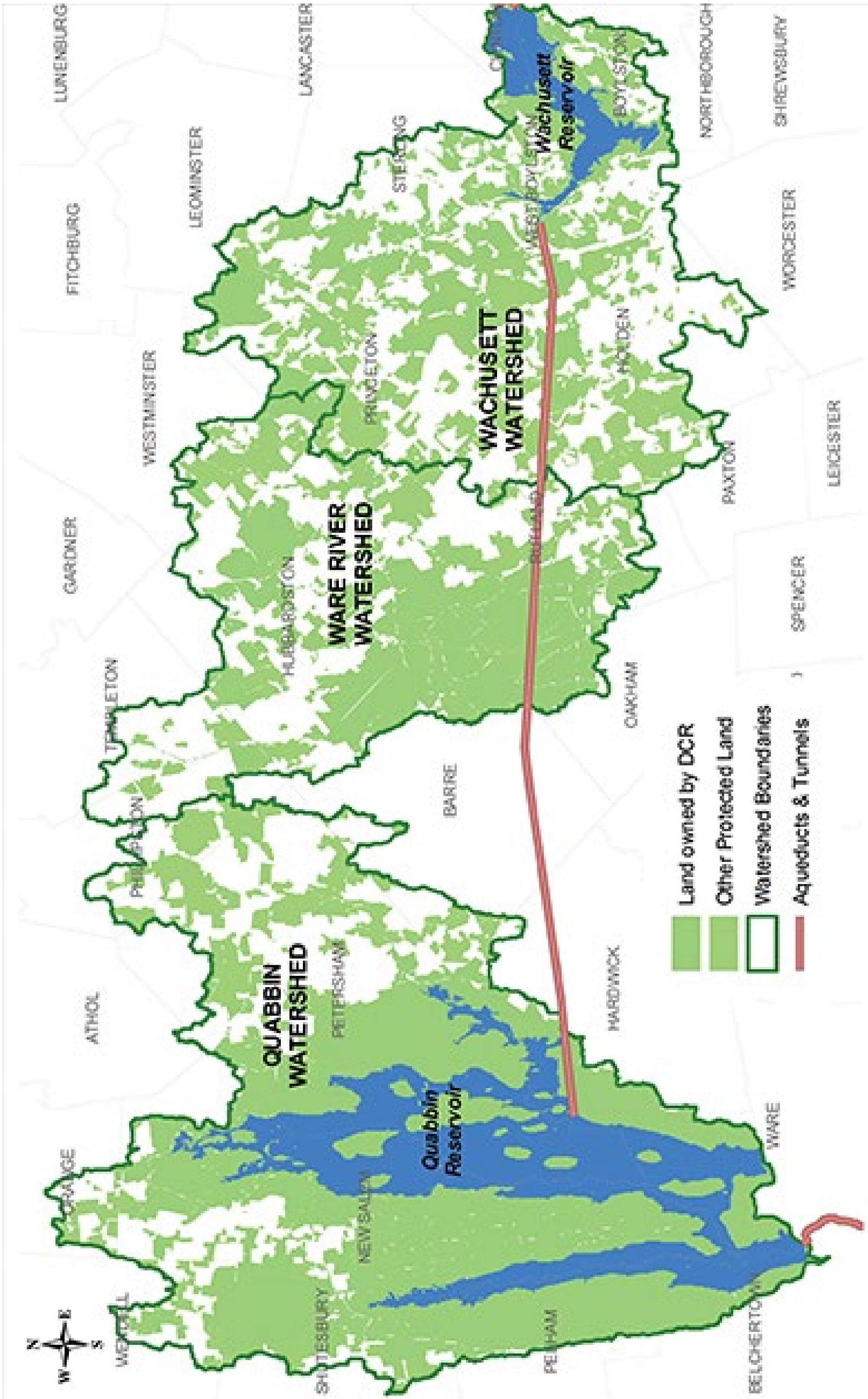
Water Supply Protection Trust

Code	Line Item	FY25 Final	FY26 Final	Change	% Change
AA	Personnel	$ 13,803,586	$ 14,515,596	$ 712,010	5.2%
BB	Employee Expenses	$ 20,000	$ 25,000	$ 5,000	25.0%
CC	Contracted Services	$ 25,000	$ 20,000	$ (5,000)	-20.0%
DD	Pensions/Insurance	$ 6,363,755	$ 6,705,804	$ 342,049	5.4%
EE	Admin Expenses	$ 135,000	$ 180,000	$ 45,000	33.3%
FF	Facility Operational Supplies	$ 270,000	$ 270,000	$ -	0.0%
GG	Energy Costs	$ 440,000	$ 460,000	$ 20,000	4.5%
HH	Consultant Contracts	$ 279,000	$ 314,000	$ 35,000	12.5%
JJ	Operational Services	$ 130,000	$ 130,000	$ -	0.0%
KK	Equipment	$ 956,300	$ 1,471,000	$ 514,700	53.8%
LL	Leases, Rentals	$ 215,000	$ 230,000	$ 15,000	7.0%
NN	Construction Improvements	$ 1,585,000	$ 1,878,500	$ 293,500	18.5%
PP	Grants to Public Entities	$ 100,000	$ 100,000	$ -	0.0%
SS	Payment to Refund Bond Escrow Agent	$ -	$ 1,000	$ 1,000	0.0%
TT	Specials Payments	$ 160,000	$ 188,000	$ 28,000	17.5%
UU	IT Expenses	$ 210,000	$ 240,000	$ 30,000	14.3%
	Total Expenses	**$ 24,692,642**	**$ 26,728,900**	**$ 2,036,259**	**8.2%**

6995	Hydro + Transmission	$ 700,000	$ 600,000	$ (100,000)	-14.3%
4500	Forestry	$ 200,000	$ 200,000	$ -	0.0%
3148	Fishing & Recreation	$ 175,000	$ 200,000	$ 25,000	14.3%
6900	Miscellaneous	$ 10,000	$ 10,000	$ -	0.0%
	Total Revenue	**$ 1,085,000**	**$ 1,010,000**	**$ (75,000)**	**-6.9%**

	Total Net Operating Budget	**$ 23,607,642**	**$ 25,718,900**	**$ 2,111,259**	**8.9%**
	PILOT net of Fay School and Southboro rec use fee	**$ 8,900,000**	**$ 9,400,000**	**$ 500,000**	**5.6%**
	Grand Total to Budget in Indirect Expense Section	**$ 32,507,642**	**$ 35,118,900**	**$ 2,611,259**	**8.0%**

APPENDIX H


QUABBIN WATERSHED
WARE RIVER WATERSHED
WACHUSETT WATERSHED
Quabbin Reservoir
Wachusett Reservoir
Land owned by DCR
Other Protected Land
Watershed Boundaries
Aqueducts & Tunnels
LUNENBURG
FITCHBURG
LEOMINSTER
LANCASTER
WESTMINSTER
GARDNER
ATHOL
PETERSHAM
PRINCETON
HOLDEN
BOYLSTON
NORTHBOROUGH
SHREWSBURY
WORCESTER
PAXTON
LEICESTER
SPENCER
OAKHAM
BARRE
HARDWICK
WARE
PELHAM
BELCHERTOWN
SHUTESBURY
NEW SALEM
HUBBARDSTON

Appendix I

MASSACHUSETTS WATER RESOURCES AUTHORITY

Board of Directors Report

on

Key Indicators of MWRA Performance

Fourth Quarter FY2025

Q1	Q2	Q3	Q4

Frederick A. Laskey, Executive Director
Kathleen Murtagh, Chief Operating Officer
September 17, 2025

Board of Directors Report on Key Indicators of MWRA Performance
4th Quarter – FY25
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This quarterly report is prepared by MWRA staff to track a variety of performance measures for routine review by the Board of Directors. The content and format of this report is expected to develop as time passes. Information is reported on a preliminary basis as appropriate and available for internal management use and is subject to correction and clarification.

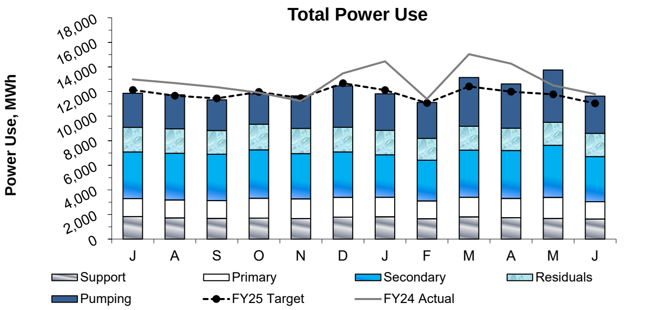
Frederick A. Laskey, Executive Director
Kathleen Murtagh, Chief Operating Officer

September 17, 2025

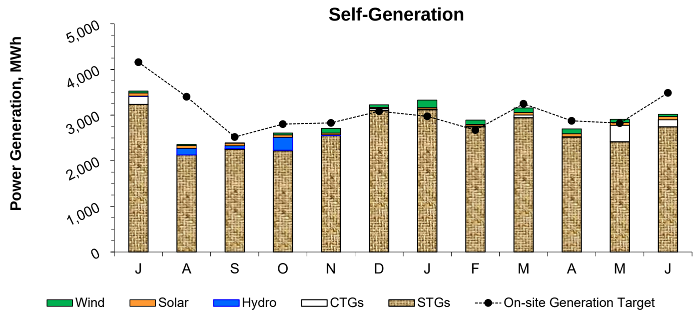
OPERATIONS AND MAINTENANCE

Deer Island Operations

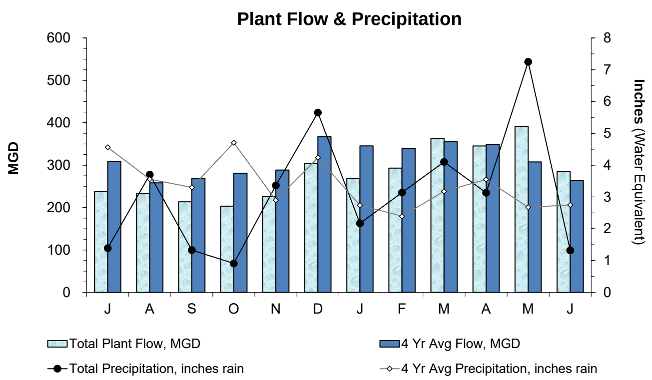
4th Quarter - FY25



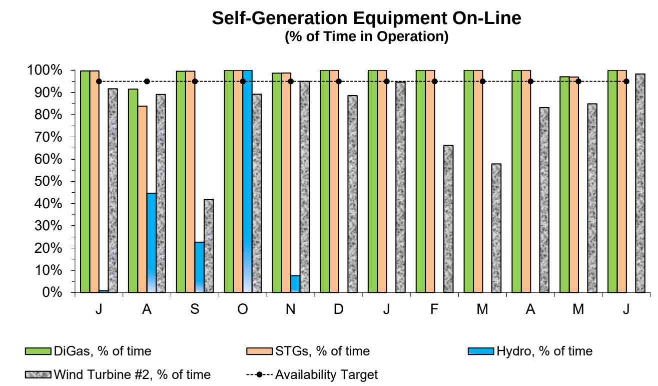
Total power usage in the 4th Quarter was 9.2% above budgetary estimates as plant flow was 11.0% higher than the historical (4 year average) estimate used to generate the electricity model. Power used for raw wastewater pumping was 12.2% above target due to the higher plant flows. Additionally, power used in the primary treatment process was 7.2% above target and for the secondary biological treatment process (with a higher cryogenic oxygen production demand) was 16.5% above target, while power usage for the residuals treatment processes was within 1.0% of target. **Overall, total power usage for FY25 was 2.2% above target, even though total plant flow was 9.8% below the 4 year average plant flow target, driven mostly by higher usage for secondary treatment processes.**



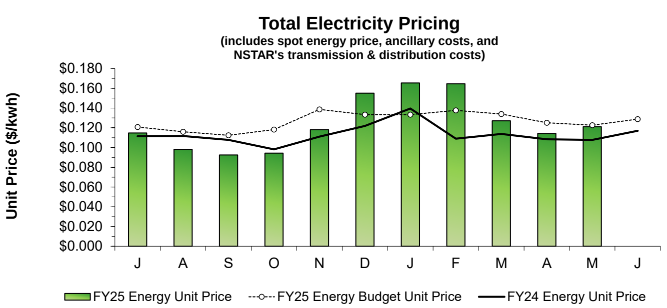
Power generated on-site during the 4th Quarter was 6.1% below target. STGs generation was 8.3% higher than budget due to supplemental fuel oil usage for boiler operation during periods of lower or unstable digester gas production, thus allowing for greater generation by the main STG. CTGs generation was nearly three (3) times the budget estimate as a CTG was operated over 25 continuous hours for backup power during a Nor'easter storm in May. Additionally, the CTGs were operated for an ISO-New England (ISO-NE) Demand Response program summer audit, an ISO-NE Demand Response called event, for peak demand shaving, and for routine maintenance/testing purposes. Both Hydro Turbines remain out of service pending wicket gate rehabilitation and other needed repairs. Solar Panel generation was 26.7% below target due partly to a failed grid inverter on the Residuals Odor Control Facility solar array. Meanwhile, Wind Turbine #2 generation was 43.1% above target due to lengthy periods of generation at maximum capacity as a result of very high winds this quarter. **Overall, power generation was 5.6% below target for FY25 due mostly to the lost generation from the Hydro Turbines, which was 90.4% less than budgeted.**



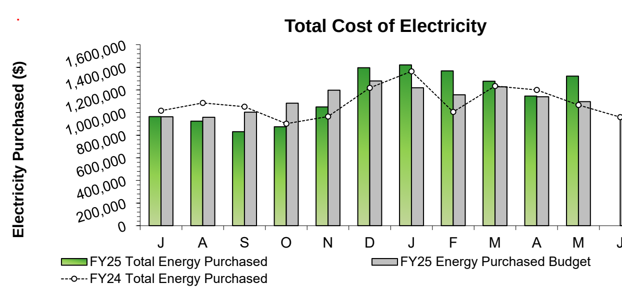
Total Plant Flow for the 4th Quarter was 11.0% above target with the budgeted 4 year average plant flow (340.4 MGD actual vs 306.7 MGD expected) as precipitation was 30.4% higher than target this quarter (11.7 inches actual vs. 8.97 inches expected). Plant flows had been well below target following a lengthy period of severe drought during the first several months of FY25, resulting in below normal plant flows for every period in FY25 until March. **Total Plant Flow for FY25 was 9.8% below target as precipitation was 7.6% below target.**



The DiGas System and STGs availability both exceeded the 95% availability target in the 4th Quarter, while the Hydro Turbines remained unavailable for the entire 4th quarter as both turbines are undergoing wicket gate rehabilitation and other repairs. Wind Turbine availability was 88.8% this quarter as Turbine #2 had issues with the traverse anti-rotation equipment from March 18 through April 4 and turbulent winds blowing through the digesters on several days caused the turbine to trip. Wind Turbine #1 is awaiting re-installation and is not included in the FY25 tracking of turbine availability**. Overall for FY25, Hydro Turbine availability was only 14.6%, while Wind Turbine #2 availability was 81.7% and availability for the other self-generating equipment exceeded the 95% availability target.**



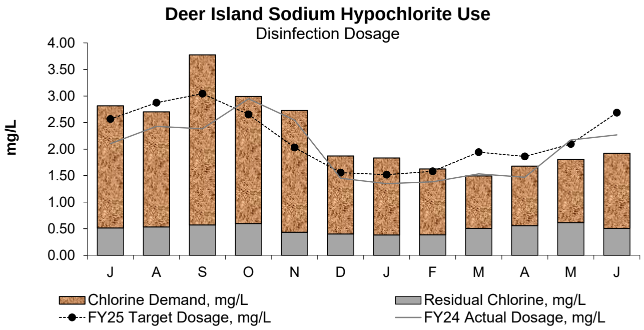
Under the current energy supply contract, a block portion of DI's energy is a fixed rate and the variable load above the block is purchased in real time. The Total Energy Unit Prices for January through May are estimated pending receipt of the Direct Energy invoices, and the Eversource invoice for June has not yet been received. Overall, the average unit prices are estimated to be 2.5% lower than the budgetary estimate through May. The Total Energy Unit Price includes a fixed block price, spot energy price, transmission & distribution charges, and ancillary charges.

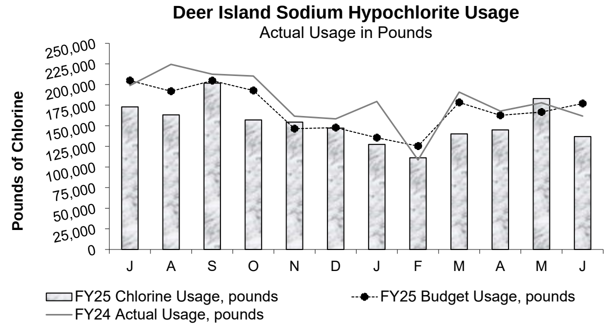


Year-to-date Total Cost of Electricity is estimated to be $249,705 (2.0%) higher than budgeted through May. The Total Cost of Electricity depicted for January through May are estimated pending receipt of the Direct Energy invoices, and the Eversource invoice for June has not yet been received. The Total Cost of Electricity is estimated to be slightly higher than budgeted even though the estimated Total Energy Unit Price is 2.5% lower than target as the Total Volume of Electricity Purchased was 4.7% above target.

Deer Island Operations

4th Quarter - FY25





The disinfection dosing rate in the 4th Quarter was 19% below budgetary estimates and the sodium hypochlorite usage in pounds of chlorine was 8.2% lower than target as plant flow was 11.0% higher-than-expected. Hypochlorite dosing is lower-than-expected due to a more dilute wastewater, a result of higher plant flows, which exerts a lower chlorine demand. DITP maintained an average disinfection chlorine residual of 0.56 with an average dosing rate of 1.80 mg/L as chlorine demand was 1.24 mg/L. In March, the disinfection basin effluent total chlorine residual target for dry weather flows was increased from 0.30 mg/L to greater than or equal to 0.50 mg/L, and to even higher levels during wet weather flow conditions, in preparation for potential new NPDES seasonal permit limits for indicator bacteria. The purpose for the higher chlorine residual target (and higher sodium hypochlorite dosing) is to continue developing operating strategies for the potential seasonal Enterococcus bacteria limit in the proposed permit, an effort that was also undertaken in 2023 and 2024. **Overall for FY25, the disinfection dosing rate of sodium hypochlorite was within 3.0% of the budgetary estimate.**

The overall disinfection dosing rate (target and actual) is dependent on plant flow, target effluent total chlorine residual levels, effluent quality and NPDES permit levels for fecal coliform (or the proposed seasonal Enterococcus bacteria).

Secondary Blending Events

Month	Count of Blending Events	Count of Blending Events Due to Rain	Count of Blending Events Due to Non-Rain-Related Events	Secondary, as a Percent of Total Plant Flow	Total Hours Blended During Month
July	0	0	0	100.0%	0.00
August	0	0	0	100.0%	0.00
September	0	0	0	100.0%	0.00
October	0	0	0	100.0%	0.00
November	0	0	0	100.0%	0.00
December	2	2	0	98.4%	14.00
January	0	0	0	100.0%	0.00
February	2	2	0	99.9%	4.55
March	4	4	0	99.8%	10.82
April	0	0	0	100.0%	0.00
May	2	2	0	97.9%	28.58
June	1	1	0	99.8%	3.10
Total	11	11	0	99.6%	61.05

99.2% of all flows were treated at full secondary during the 4th Quarter as there were three (3) separate secondary blending events in May and June, all due to high plant flows from heavy precipitation. These blending events resulted in 31.69 hours of blending and a total of 264.88 MGal of primary-only treated effluent blended with secondary effluent. The Maximum Secondary Capacity during the entire quarter was 700 MGD.

Overall in FY25, 99.6% of all flows received full secondary treatment, as there were 11 secondary blending events totaling 61.05 hours of blending and a total of 447.04 MGal of primary-only treated effluent blended with secondary effluent. All secondary blending events were due to high plant flows resulting from heavy precipitation, sometimes in combination with snow melt. The Maximum Secondary Capacity during the entire FY25 was 700 MGD and secondary permit limits were met at all times throughout FY25.

Deer Island Operations & Maintenance Report

Environmental/Pumping:
The plant achieved an instantaneous peak flow rate of 1,239.8 MGD during the very early morning of May 23. This peak flow occurred during a storm event that brought 3.55 inches of total precipitation to the metropolitan Boston area. The Total Plant Flow was 11.0% above the 4 year average plant flow target for the quarter as precipitation was 30.4% higher than target this quarter (11.70 inches actual vs. 8.97 inches expected).

Primary and Secondary Treatments:
The contractor completed the first several phases of the Clarifier Rehabilitation Project (Contract #7395) with the rehabilitation of the Primary Batteries A, B, C and D Influent and Effluent Channels, completing all scheduled work in these channels. The rehabilition work under this contract includes putting primary influent gates in place, installing new aeration header systems, completing the installation of lower aeration systems, Linabond repair work in the clarifiers, installing drains between Batteries A and B, replacing effluent gates, completing hatch and grating modifications, and expansion joint repairs, in addition to other work. As of the end of June, the contractor is working in Primary Battery A, clarifiers A1, A2, A3, and A4. The contractor is also replacing the secondary scum influent gates and other equipment in the secondary clarifiers. The plan is to target the rehabilitation of no more than three (3) secondary clarifiers at a time and the contractor is working in the Secondary A2, B1, and B2 clarifiers as of the end of June, having completed work in Secondary A3, B3, and B4 clarifiers. There are 18 secondary clarifiers in each battery, totaling 54 clarifiers. Deer Island plans to maintain a secondary process limit of 700 MGD, which is the capacity of 50 clarifiers in operation.

Secondary Treatment:
Annual turnaround maintenance on Train #2 in the Cryogenic Oxygen Facility took place in May. The two (2) week turnaround maintenance is performed on roughly half of the components and systems in the Cryogenic Oxygen Facility. During this turnaround maintenance, the service contractor calibrated all the instrumentation on Cold Box unit #2, as well as a number of other components within the oxygen plant. Train #1 with Cold Box unit #1 was being brought online starting on May 4 to allow Cold Box #2 to be taken out of operation for periods of time during this cycle to allow for the scheduled maintenance. The same turnaround maintenance will be completed on Train #1 in the fall.

Disinfection/Dechlorination:
MWRA uses sodium hypochlorite to destroy pathogens in plant effluent after primary and secondary treatment. Indicator bacteria such as Fecal Coliforms, E. coli, and Enterococcus are used to measure the presence of potential pathogens. To provide a proper pathogen kill, sodium hypochlorite, a disinfectant, is added to meet a chlorine demand then regulated by maintaining a chlorine residual. In March, the disinfection basin effluent total residual chlorine target for dry weather was increased from 0.30 mg/L to greater than or equal to 0.50 mg/L and to even higher levels during wet weather flow conditions. The purpose for adjusting to the higher chlorine residual targets (by increasing the sodium hypochlorite dosing) is to continue developing operating strategies for the future more stringent seasonal NPDES permit limits for indicator bacteria prior to the limits coming into effect, an effort that was also undertaken in 2023 and 2024. This effort will remain in place through October 31. Higher usage of both sodium hypochlorite and sodium bisulfite, used for removing the residual chlorine before discharging the effluent, is anticipated in order to comply with the more stringent Enterococcus bacteria limits in the proposed new NPDES permit.

Deer Island Operations & Maintenance Report (continued)

Odor Control:
The North Pumping Odor Control (NPOC) Facility, which is responsible for treating the process airflows from the North Main Pump Station and the Winthrop Terminal Headworks Facility, was taken offline on April 28 for a total shutdown of 2 hours and 20 minutes to allow staff to replace airflow Fan #2. The NPOC Facility was taken offline intermittently on May 6 for a total combined shutdown of 1 hour and 8 minutes to allow staff and the fan vendor to perform testing and troubleshooting of the newly installed fan.

The NPOC Facility was again taken offline on May 14 for a shutdown of 6 hours and 48 minutes to allow staff to perform an inspection of the heater for the carbon adsorbers and to perform preventative maintenance cleaning on this heater. Airflow through the heater and through the carbon adsorbers significantly improved as a result of this heater cleaning. Process air was contained within the building during all these shutdowns and there were no resident odor complaints received as a result of these airflow shutdowns.

Carbon adsorber (CAD) units #3 and #5 in the Residuals Odor Control (ROC) Facility, unit #3 in the West Odor Control (WOC) Facility, and units #1 and #2 in the NPOC Facility were emptied and refilled with new regenerated activated carbon media this month as part of routine maintenance to replace spent activated carbon.

Energy and Thermal Power Plant:
Overall, total power generated on-site accounted for 22.7% of Deer Island's total power use in the 4th Quarter. Renewable power generated on-site (by Solar, Wind, STGs, and Hydro Turbines) accounted for 21.3% of Deer Island's total electrical power use for the quarter.

Annual scheduled maintenance on CTG-2B was conducted by staff and the service contractor during the week of May 5. The scope of this work consisted of routine maintenance and calibrations. During the work, CTG-1A was available on standby to act as DITP's emergency backup power. The single CTG is fully capable of providing sufficient power to maintain all of DITP's systems up to a plant flow capacity of 850 MGD. The scheduled maintenance work for CTG-2B was completed on May 7 and the unit was returned to standby status. This CTG was successfully test operated without issue on May 8 to confirm the unit's reliability following completion of this annual maintenance.

Boiler 201 in the Thermal Power Plant (TPP) was taken offline in the late evening of May 19 to allow the steam system to cool sufficiently overnight before the contractor and DITP Maintenance staff could proceed with the annual dump condenser cleaning on May 20, prior to placing the steam system in summer (vacuum) operating mode. Boiler 201 was returned to operation later in the evening, following the dump condenser work, to restore steam production and steam turbine power generation. The TPP began operating the steam system in summer mode starting on June 5 to maximize the energy generation from the steam turbines during the seasonally lower plant heat demand period.

DITP took delivery of 480,000 gallons of #2 fuel oil, a total of 48 oil tanker trucks, without incident from May 5 through May 14. This fuel oil is used for CTG operation, for boiler startup operations, and for supplemental fuel for boiler operation during periods of low or unstable digester gas production.

This summer, DITP is enrolled in an Eversource Connected Solutions Curtailment (Demand Response) program to reduce a portion of DITP's load from the regional electrical grid during peak energy usage periods. In this program only green energy can be used to offset a committed energy demand or the load shed can be achieved by curtailing existing energy demand sources. DITP is enrolled in this program by curtailing the cryogenic oxygen generation process. To be successful, the oxygen generation process would be taken onffline for the few hours of an event to defer 1.5 MW of power demand. From a treatment perspective, staff would use stored liquid oxygen that was previously produced and stored in the Liquid Oxygen (LOX) tank to feed the secondary activated sludge without impact to the process during this short interruption, then reactivate the cryogenic compressors after the event has ended to restore normal operation. DITP participated in this program during the summer of 2023 and 2024 and earned over $46,000 and $69,000, respectively, by participating. The cryogenic oxygen generation process was taken offline for three (3) hours from 5 p.m. to 8 p.m. on June 24 for an Eversource Demand Response called event.

CTG-1A was operated for approximately 1.7 hours on June 9 for an ISO-New England (ISO-NE) Demand Response program summer audit. The performance on this audit determines DITP's demand response program payment for the next six (6) months. On June 24, DITP participated in the first ISO-NE Demand Response called event of the season and operated CTG-1A for approximately 6.2 hours. The CTGs were operated on June 23 and on June 24 (same day as the ISO-NE Demand Response event) for the purpose of peak shaving to reduce the amount of energy purchased during peak electrical demand periods, by removing DITP's demand on the electrical grid, thereby lowering the capacity charges on next year's utility bills.

Clinton Operations & Maintenance Report

Dewatering Building
The M&O and Facilities Specialist pressure washed the belt and replaced wash box seals on the #2 Belt Filter Press. The scum line pipe, which was cracked, was blanked off to the well, to allow Gravity Thickener #2 to remain in operation. Operations staff removed a blockage from the Gravity Thickener #1 beach plate. The Facility Specialist repaired the stairs for the Maintenance shop.

Chemical Building
The M&O and Facility Specialist jet cleaned the A and B soda ash lines and installed a new a coupling on the soda ash mixer. Staff also cleaned the soda ash trough and the mixing tank. The M&O repaired a leaking pipe on the #2 hypochlorite tank and replaced the hypochlorite tank mixer with a straight piece of pipe. Deer Island's plumber completed the re-piping of the sodium bisulfite system. A contractor replaced the faulty oxygen sensor in the chemical gas detection system.

Aeration Basins
The M&O pressure washed the intermediate #1 pump and Deer Island welders repaired the cracks on the same screw pump. The Operations staff cleaned the pH and dissolved oxygen probes.

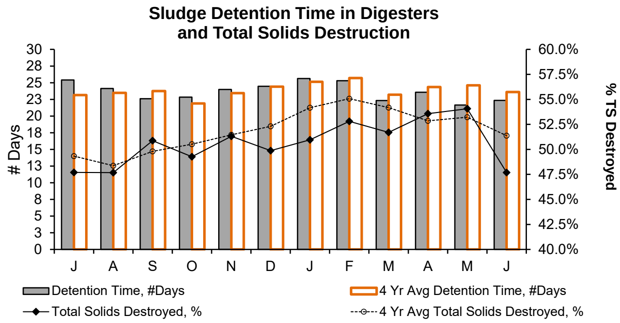
Phosphorus Building
The M&O and the Area Supervisor broom cleaned the entire outfall channel. A contractor calibrated the pH meters and repaired the Model 5500 phosphorus analyzer. Operations and Maintenance staff cleaned the trough and acid washed the #1, #2, and #3 disc filters. Operations staff cleaned and replaced the reagents in both CL17 chlorine analyzers.

Headwork's Building
The M&O and Facilities Specialist cleaned and greased both the upper and lower pin racks. The M&O replaced the squeegee on the grit rake. Operations staff switched to the #2 grit chamber. The electrical contractor checked the #4 submersible Influent pump due to a leakage alarm. A sensor was bypassed to enable the pump to remain in operation. This pump was then replaced shortly afterwards. A contractor installed a spray bar on the #2 grit classifier. They also replaced a hot water tank, a T&P valve, and removed the Head Works Boiler. Deer Island's PICS Technician and the Area Supervisor installed a new hydro ranger transmitter & receiver on the Lancaster influent channel.

Digester Building
Maintenance staff checked the equipment for proper operation and greased the Floating Cover Digester's Ovivo mixer. A contractor replaced a valve on the #1 sludge boiler and also installed a new exhaust fan in the lower digester.

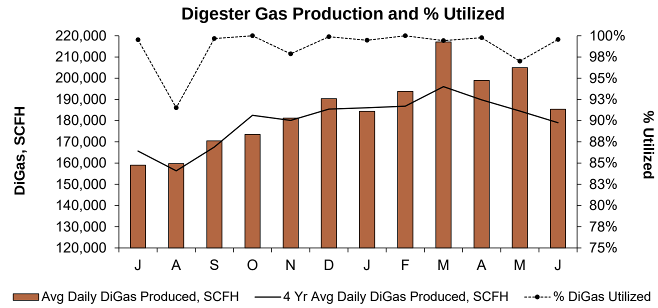
Deer Island Operations and Residuals

4th Quarter - FY25



Total solids (TS) destruction following anaerobic sludge digestion averaged 51.8% during the 4th Quarter, 1.3% below the 4 year average. Sludge detention time in the digesters was 22.5 days, with an average of 7.9 digesters in service, 6.9% below the 4 year average of 24.2 days detention time. **Overall for FY25, TS destruction averaged 50.6%, 2.4% lower than the 51.9% target.**

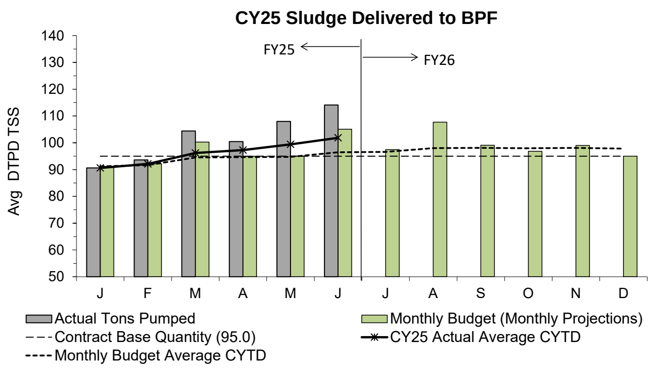
Total solids (TS) destruction is dependent on sludge detention time which is determined by primary and secondary solids production, plant flow, and the number of active digesters in operation. Solids destruction is also significantly impacted by changes in the number of digesters and the resulting shifting around of sludge.



The Avg Daily DiGas Production in the 4th Quarter was 6.5% above target with the 4 Year Avg Daily DiGas Production driven by a 13.5% higher-than-expected primary sludge production this quarter. 98.8% of the Digas produced this quarter was utilized at the Thermal Power Plant. **Overall for FY25, DiGas Production was 2.7% above target and 98.6% of the DiGas produced was utlized at the TPP.**

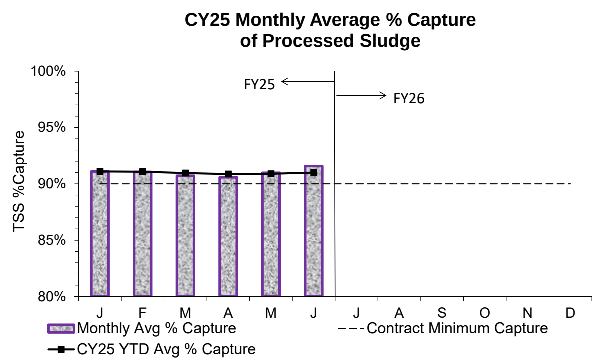
Residuals Pellet Plant

New England Fertilizer Company (NEFCO), a wholly-owned, indirect subsidiary of Synagro Technologies, Inc., operates the MWRA Biosolids Processing Facility (BPF) in Quincy under contract. MWRA pays a fixed monthly amount for the calendar year to process up to 95.0 DTPD/TSS as an annual average (for the new contract period of January 1, 2024 through December 31, 2034). The monthly invoice is based on 95.0 DTPD/TSS (Dry Tons Per Day/Total Suspended Solids) times 365 days divided by 12 months. At the end of the year, the actual totals are calculated and additional payments are made on any quantity above the base amount. On average, MWRA processes more than 95.0 DTPD/TSS each year (FY25's budget is 99.9 DTPD/TSS and the FY26 budget is 101.4 DTPD/TSS).



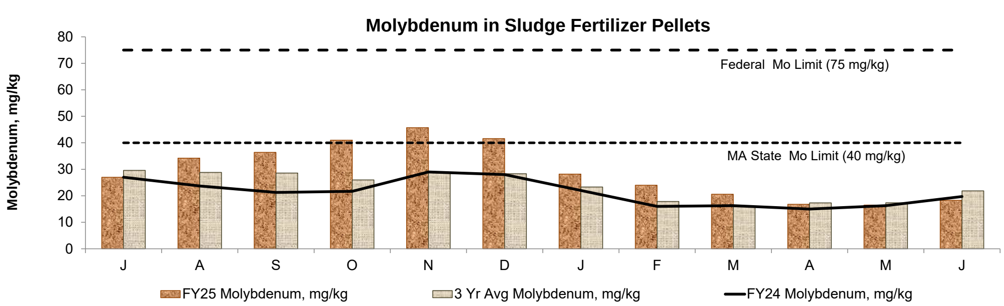
The average quantity of sludge pumped to the Biosolids Processing Facility (BPF) in the 4th Quarter was 107.5 TSS Dry Tons Per Day (DTPD), 9.3% above target with the FY25 budget of 98.4 TSS DTPD for the same period. The higher amount of sludge sent to the BPF this quarter can be partially attributed to 8.3% higher overall sludge production at DITP.

The CY25 average quantity of sludge pumped through June was 101.9 TSS DTPD, 5.6% above target compared to the CY25 average budget of 96.5 TSS DTPD for the same period.



The contract requires NEFCO to capture at least 90.0% of the solids delivered to the Biosolids Processing Facility. The average capture for the 4th Quarter was 91.05%.

The CY25 average capture rate of solids through June was 91.00%.



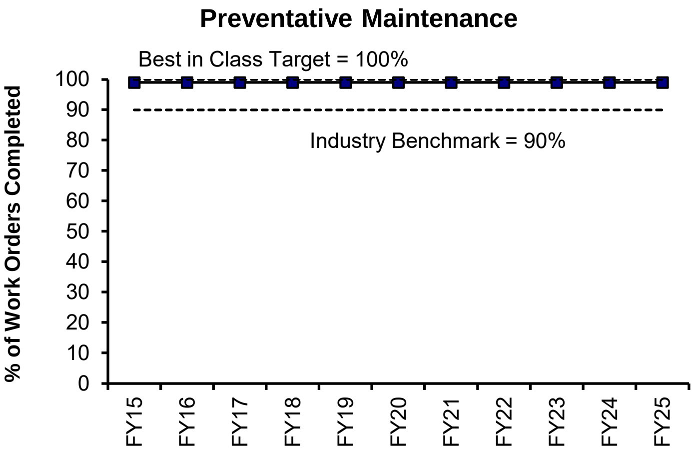
Copper, lead, and molybdenum (Mo) are metals of concern for MWRA as their concentrations in its biosolids have, at times, exceeded regulatory standards for unrestricted use as fertilizer. Molybdenum-based cooling tower water is a significant source of Mo in the sludge fertilizer pellets. The Federal standard for Mo is 75 mg/kg. The Massachusetts Type I biosolids standard for molybdenum was changed from 25 mg/kg to 40 mg/kg in 2016, allowing MWRA to sell its pellets in-state for land application whereas the previous limits forced several months' worth of pellets to be shipped out of state.

The levels were below the DEP Type 1 limit for copper and lead during the 4th Quarter. For Mo, the preliminary level in the MWRA sludge fertilizer pellets for the 4th Quarter averaged 17.2 mg/kg, 9% below the 3 year average, 57% below the MA State Limit, and 77% below the Federal Limit. The 18.3 mg/kg average Mo for June is a preliminary figure pending final approval of reportable Mo results from the laboratory. **Overall for FY25, the Mo level in the pellets averaged 29.2 mg/kg, 23% above the 3 year average, 27% below the MA State Limit, and 61% below the Federal Limit.**

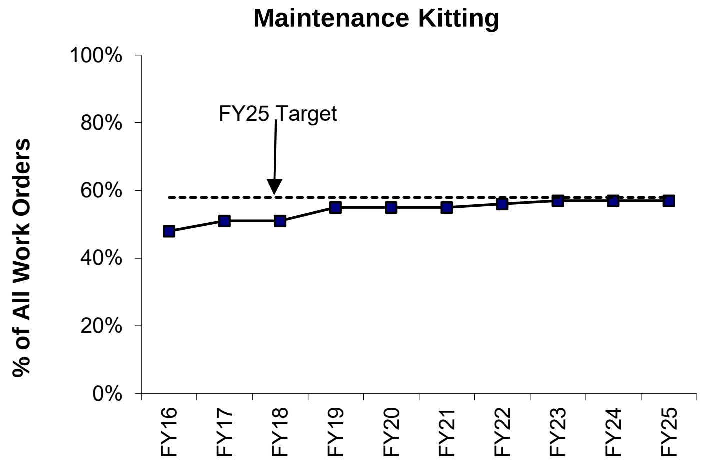
Deer Island Yearly Maintenance Metrics

FY25

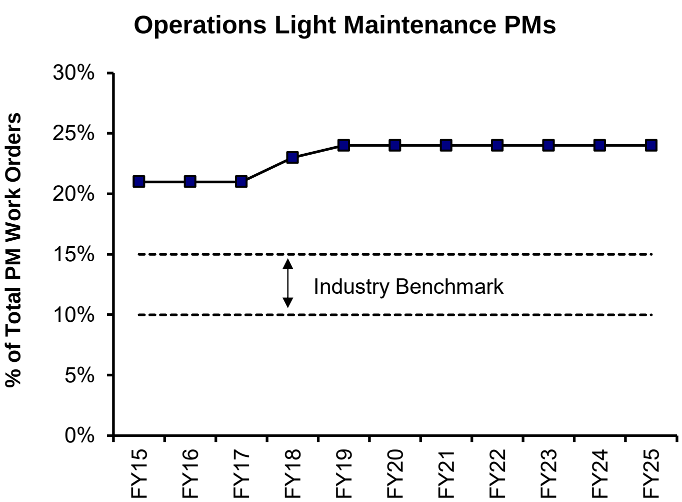
Proactive and Productivity Measures



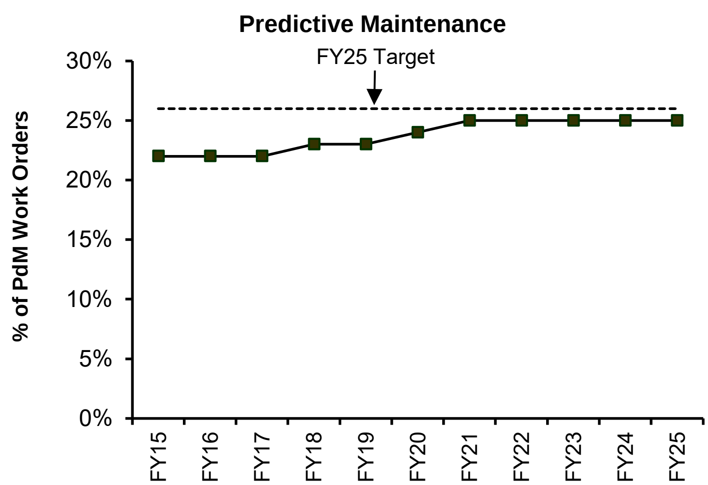
The industry benchmark is 90% for Preventative Maintenance (PM) completion. Upon reaching the 90% goal in FY05, the target goal was increased to the "Best in Class" Target of 100% PM completion. Reliability-Centered Maintenance (RCM) and PM optimization efforts have continued. PM completion rate was 99% in FY25.



Preventive Maintenance (PM) inventory items were loaded into Maximo to assign spare parts for equipment to PM work orders. DITP reached the PM kitting goal of 100%. In FY12 a new graph was developed to track kitting of all maintenance work orders in an effort to increase wrench time. Staff continues to fine-tune the process to "kit" all maintenance work orders. Kitting is considered a best practice by maintenance and reliability professionals. It entails staging parts necessary to complete maintenance work. Kitting allows maintenance staff to spend more time "turning the wrench" and less time waiting for parts at the stockroom window. Kitting for FY25 was 57%, slightly under DITP new goal of 58%.



The percentage of preventive maintenance work orders completed by Operations staff (non maintenance staff) increased from less than 1% in January 2002 to the current level of 24% in FY25. DITP reached the industry benchmark range of 15% and has exceeded the goal through FY25.

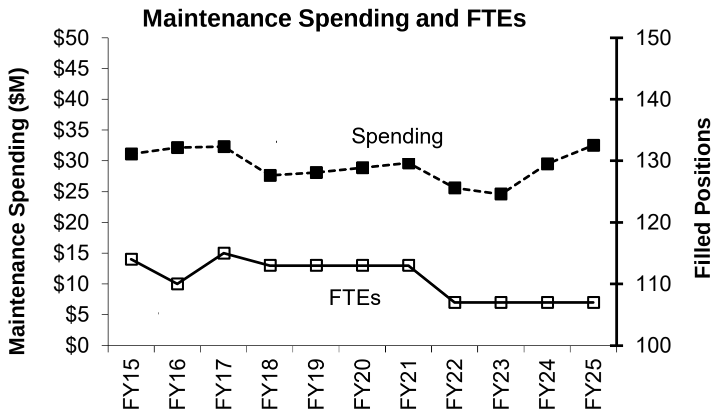


Predictive maintenance has steadily increased from 2% in FY03 to 25% in FY25, DITP was slightly below our new goal of 26%. This percentage in predictive maintenance was achieved through the expanded use of lubrication, vibration, thermography, and acoustic ultrasonic testing techniques. The Condition Monitoring Group continually reviews and investigates new opportunities and initiatives to expand condition monitoring testing and analysis.

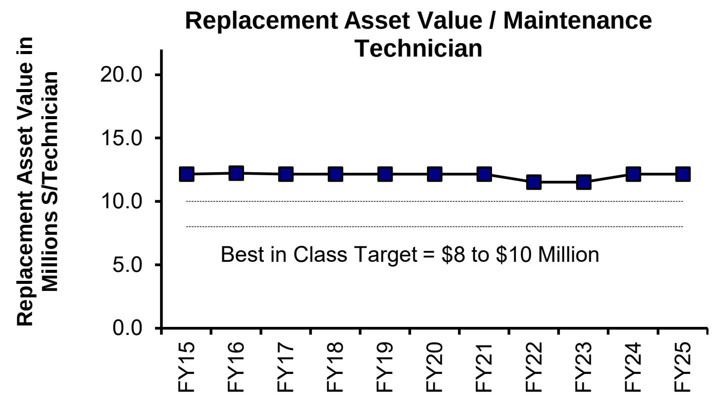
Deer Island Yearly Maintenance Metrics

FY25

Overall Maintenance Program Measures

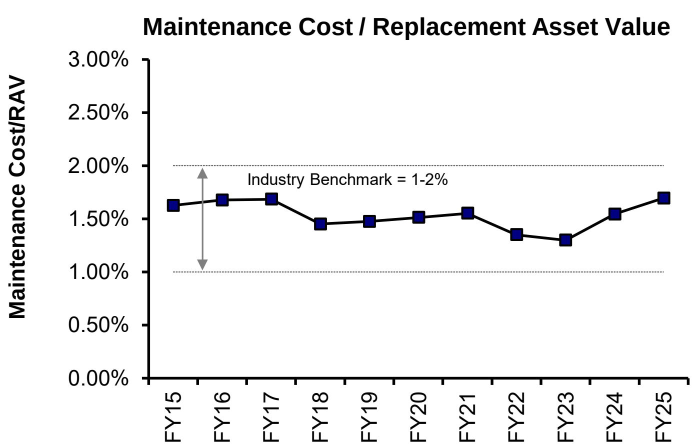


DITP's Maintenance staff is currently at 107 FTE's. Maintenance staff levels ended at 107 due to retirements and hiring challenges for trades personnel. Maintenance has worked to meet our goals though implementation of numerous maintenance efficiencies including: Operations performing light maintenance, cross-functional training and flexibility, and Reliability-Centered Maintenance. This year's overall Maintenance spending has increased.

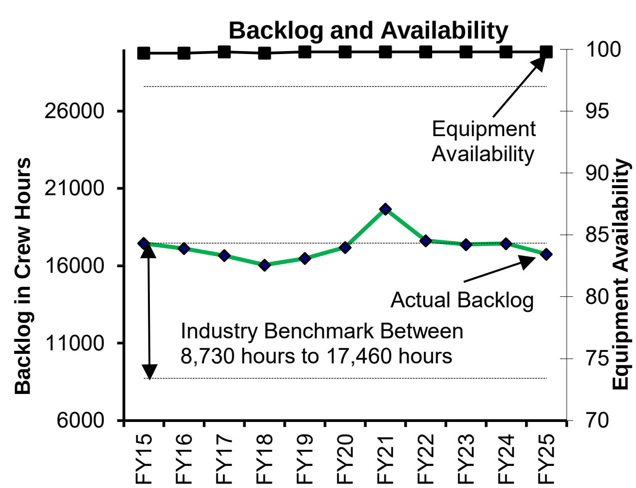


DITP adopted a "best in class" target of $8-$10 Million/Technician for maintenance staffing. DITP remains above this Best in Class. However, as the plant ages and additional equipment replacements are expected, DITP management will reassess staffing as needed.

The Maintenance Spending graph shows actual annual maintenance spending and CIP asset replacements (equipment costs only). Maintenance staff continues to evaluate plant assets and requirements for replacement of obsolete equipment to ensure the plant operates at maximum efficiency. In FY25, overall spending increased from FY24 due to the CIP Clarifier Rehab Project Spending. Maintenance staff replaced electrical conduits in the Primary Clarifier area. Plumbers removed and installed plug valves and piping in association for the Mod-1 start-up. Power and Pump staff replaced one odor control fan in the North Main Pump Station. Instrument staff replaced speed controllers for the Polymer Pump system in Centrifuge Facility. HVAC staff changed out one R-410a 10-ton chiller and for the Primary Operations Control Room and ten valves on the Central Plant Heating System (H1S/H1S).



The industry benchmark for annual maintenance spending is between 1% to 2% of replacement asset value, currently DITP is at 1.70%. The plant's replacement asset value is calculated at approximately $2.6 billion dollars. DITP's current maintenance spending is the industry benchmark. Overall maintenance spending has increased from last year. DITP Maintenance CEB spending is $28.95 million. CIP spending was $3.7 million (equipment costs only). CIP/CEB Spending totaled $32.52 million in FY25.



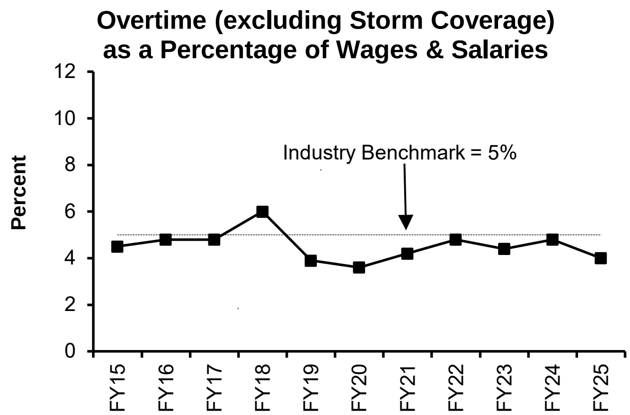
Industry benchmark for Equipment Availability is 97%. Deer Island has exceeded this benchmark over for the last ten years. In FY25 the availability was 99%. The high percentage in Equipment Availability during FY25 is due to redundancy of equipment and effective/efficient maintenance practices.

Industry Benchmark for Backlog is between 8,730 to 17,460 hours for maintenance based on current staffing, the total average backlog for FY25 was 16,754 hours, which is within the industry benchmark. DITP Maintenance has made significant progress to be within the Industry Benchmark.

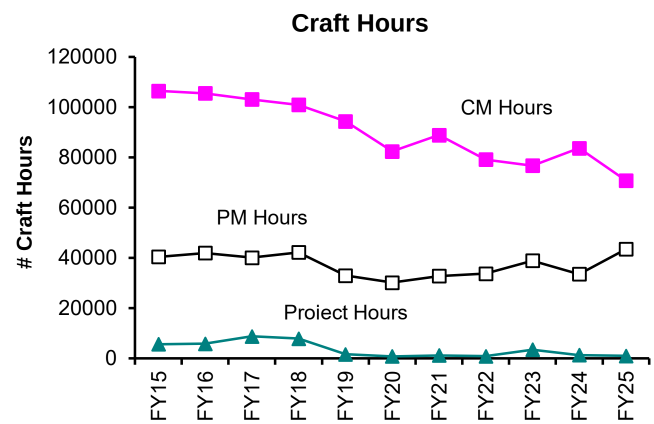
Deer Island Yearly Maintenance Metrics

FY25

Overall Maintenance Program Measures (cont.)



Management continues its effort to keep overtime below the industry benchmark. DITP maintenance overtime was 4.0% for FY25. Management has taken steps to reduce overtime spending by limiting overtime to repair critical equipment and systems only. DITP has been under the Industry Benchmark every year except FY17, due to the increase in overtime for the Eversource Cable Outage.

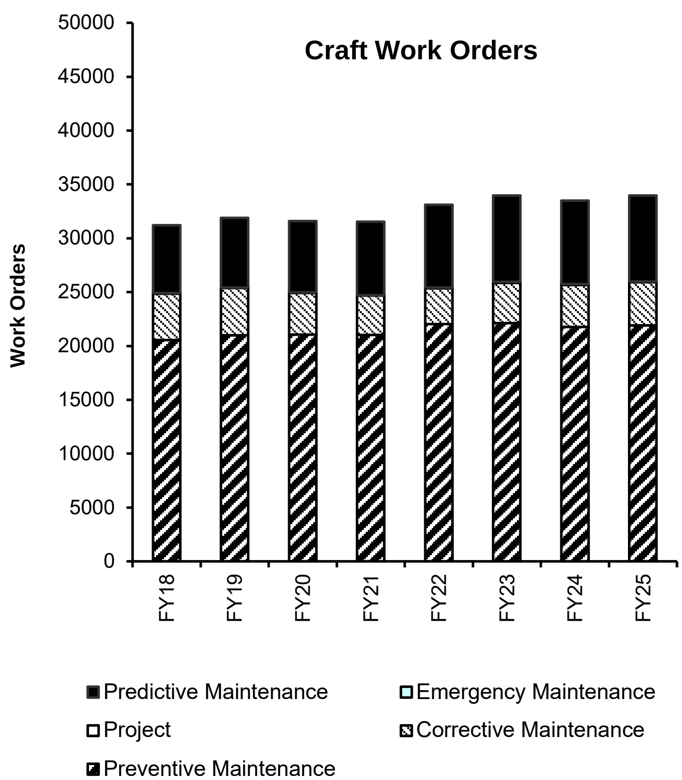


This year's decreased in Corrective Maintenance (CM) hours was due to staff prioritizing and working preventative maintenance.

This year's slight increase in Preventive Maintenance (PM) was due to adjusting PM frequencies to meet plant needs. Staff continued to work on optimization of the Preventive Maintenance (PM) program.

Maintenance did complete some significant maintenance work in FY25: Staff replaced ten valves on the Central Plant Heating System (H1S/H1R). The original valves were installed under the Boston Harbor Project and were failing and no longer provided a leak-free seal. Residuals staff removed and replaced four digester mixers. The mixers were recommended for refurbishment based upon impeller and bearing wear, which was identified by vibration analyses. Mixers are critical to plant performance. It provides the driving force for mixing the digester content and ensuring a uniform temperature within the sludge mass.

Mechanical staff changed out numerous in-line grinders due to the additional clogging due to wipes in the system. Power and Pump staff replaced one Odor Control Fan in North Main Pump Station. The fan was installed under the Boston Harbor Project and was showing trends to failure.

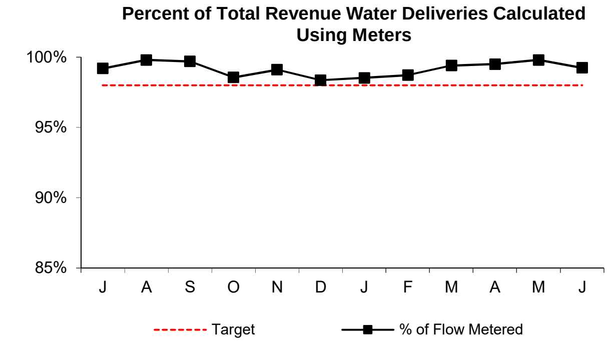


During FY25, the overall number of work orders slightly increased from the previous year. The Work Coordination department is continuously modifying PM, PdM, and CM Job Plans to ensure maintenance is being performed efficiently and effectively, while ensuring reliability and availability of DITP's Assets.

Operations Division Metering & Reliability

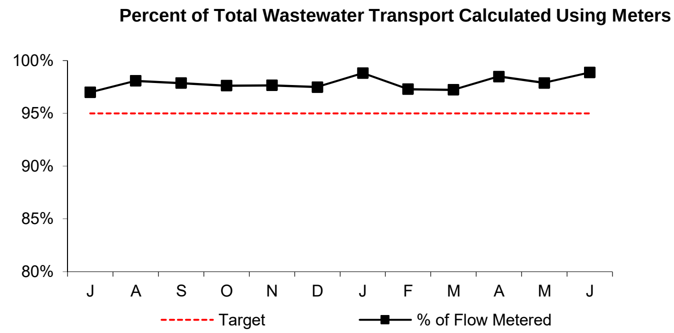
4th Quarter - FY25

WATER METERS



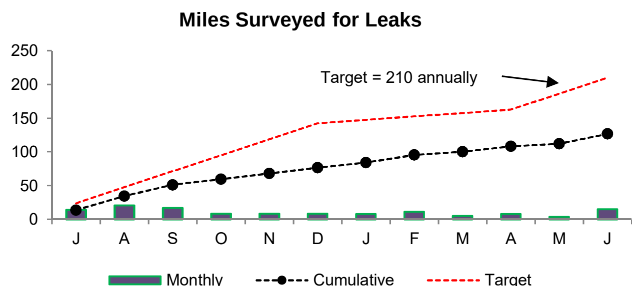
The target for revenue water deliveries calculated using meters is 98%. Estimates are generated for meters that are out of service due to instrumentation problems or in-house and capital construction projects. During Apr-Jun 2025, 99.5% of the water billed was metered flow.

WASTEWATER METERS



The wastewater metering system is now operating in a typical mode following closeout of the replacement project. The target for revenue collection meters is a 95% capture rate which has been achieved consistently since the new meters have been online. During Apr-Jun 2025, 1.6 % of the data required estimates, while 98.4 % was metered.

WATER DISTRIBUTION SYSTEM PIPELINES



During 4th Quarter FY25, 26.26 miles of water mains were inspected. The total inspected for the fiscal year to date is 126.62 miles. We have been unable to meet the Annual Target due to staffing issues.

Leak Backlog Summary

Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Totals
Leaks Detected	1	2	2	2	2	2	1	1	3	0	0	1	17
Leaks Repaired	0	2	3	2	2	1	1	2	3	0	0	1	17
Backlog	1	1	0	0	0	1	0	0	0	0	0	0	n/a

During 4th Quarter 2025 - FY25 1 leak was detected, and 1 was repaired. Refer to FY25 Leak Report below for details. Also, community service ranging from individual leak location to surveys were conducted for Medford, Somerville and Boston.

4th Quarter - FY25

Date Detected	Location of Leaks	Repaired
08/20/24	Morton St @ Wellington Hill Rd Mattapan	08/21/24
08/29/24	Felton St @ Water St Waltham	08/30/24
09/18/24	Second St @ Carter St Chelsea	09/18/24
07/31/24	Broadway @ Richardson Lynn	09/30/24
09/26/24	Bryant St @ Shute St Everett	09/30/24
10/21/24	40 Lynn Fells Pkwy Saugus	10/23/24
10/17/24	Mt Vernon Ave @ Shaft 9 Somerville	11/05/24
11/07/24	Common St @ Washington St Belmont	12/03/24
11/08/24	Benninton St @ Walley St East Boston	11/08/24
12/12/24	Felton @ Water St Waltham	12/14/24
01/13/25	Washington St @ Ingleside Ave Chelsea	02/04/25
02/12/25	Congress Ave near Highland Ave Chelsea MA	02/22/25
12/18/25	Leo Birmingham Pkwy @ Market St Allston	02/21/25
03/03/25	Washington St @ Brookline Ave Brookline	03/05/25
03/03/25	Bennington St @ Revere City Line Boston	03/14/25
03/12/25	South St Court Medford	03/31/25
06/09/25	Park Circle Tank	06/25/25

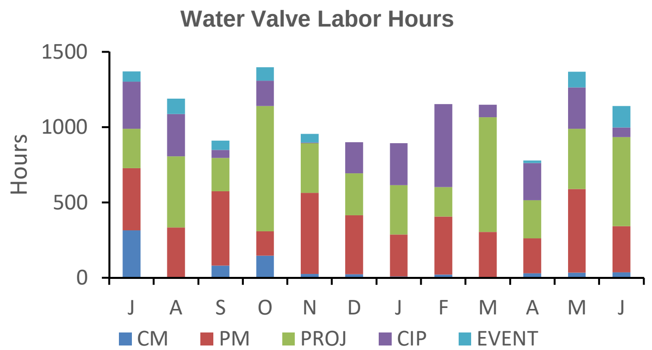
Date Detected	Location of Leaks/Unrepaired
12/04/16	710 Ashland St Lynn

Water Distribution System Valves

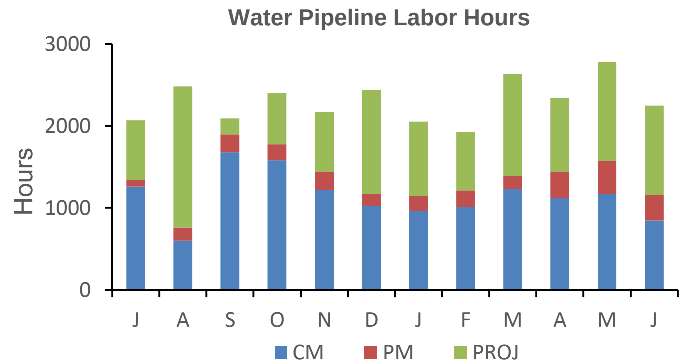
4th Quarter - FY25

Background

Valves are exercised, rehabilitated, or replaced in order to improve their operating condition. This work occurs year round. Valve replacements occur in roadway locations during the normal construction season, and in off-road locations during the winter season. Valve exercising can occur year round but is often displaced during the construction season. This is due to the fact that a large number of construction contracts involving rehabilitation, replacement, or new installation of water lines, requires valve staff to operate valves and assist with disinfection, dechlorination, pressure-testing, and final acceptance. Valve exercising can also be impacted due to limited redundancy in the water system; valve exercising cannot be performed in areas where there is only one source of water to the community meters or flow disruptions will occur.



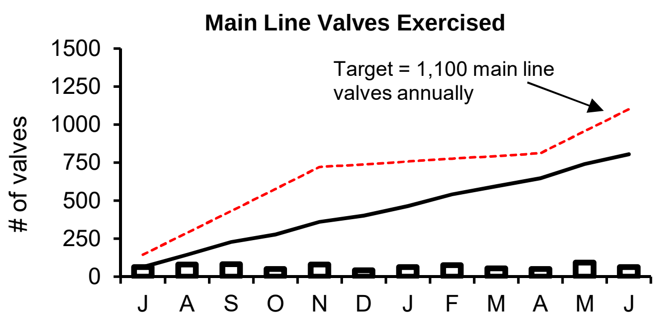
During 4th Quarter of FY25 there was a total of 3,285 hours worked. Percentage breakdown; Corrective Maintenance 3%, Preventative Maintenance 33%, Project 38%, Capital Improvement Project 18%, Event - Wtr Fountain 8%



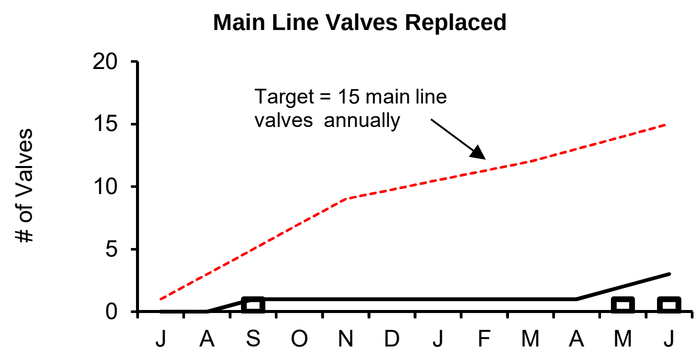
During 4th Quarter of FY25 there was a total of 7,366 hours worked. Percentage breakdown; Corrective Maintenance 43%, Preventative Maintenance 14%, Project 43%

Type of Valve	Inventory #	Operable Percentage	
		FY25 to Date	FY25 Targets
Main Line Valves	2,260	97.5%	95%
Blow-Off Valves	1,778	98.8%	95%
Air Release Valves	1,547	96.7%	95%
Control Valves	49	100.0%	95%

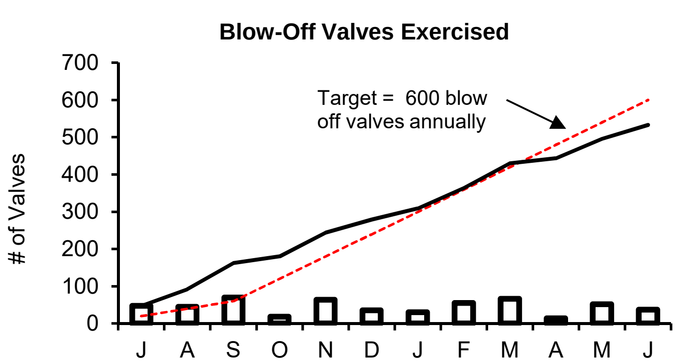
Key to Symbols:
- FY25 Monthly Total
- FY25 Cumulative Total
- FY25 Target



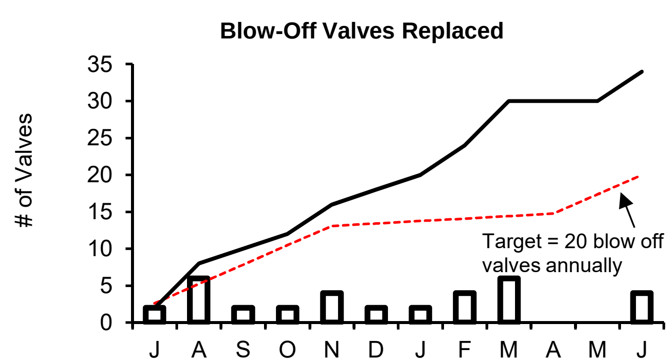
During 4th Quarter of FY25, 209 main line valves were exercised. The total exercised for the fiscal year to date is 805.



During 4th Quarter of FY25, there was 2 main line valves replaced. The total replaced for the fiscal year to date is 1.



During 4th Quarter of FY25, 103 blow off valves were exercised. The total exercised for the fiscal year to date is 533.

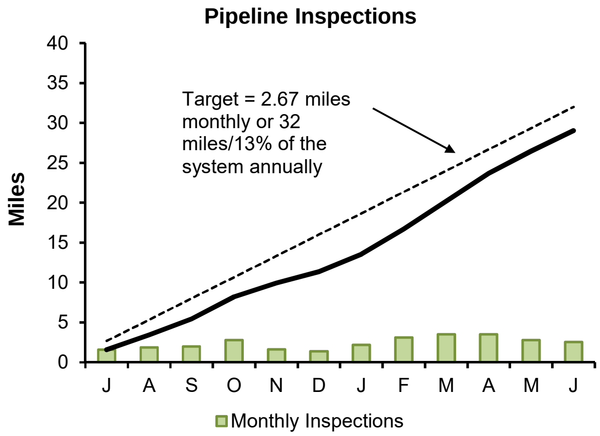


During 4th Quarter of FY25, there were 4 blow off valves replaced. The total replaced for the fiscal year to date is 34.

Wastewater Pipeline and Structure Inspections and Maintenance

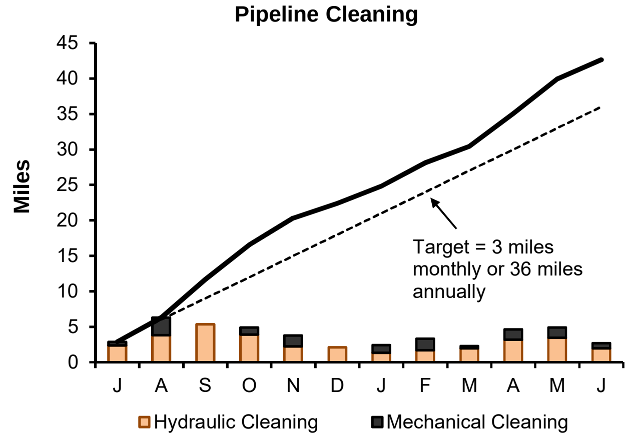
June 2025 - FY25

Inspections

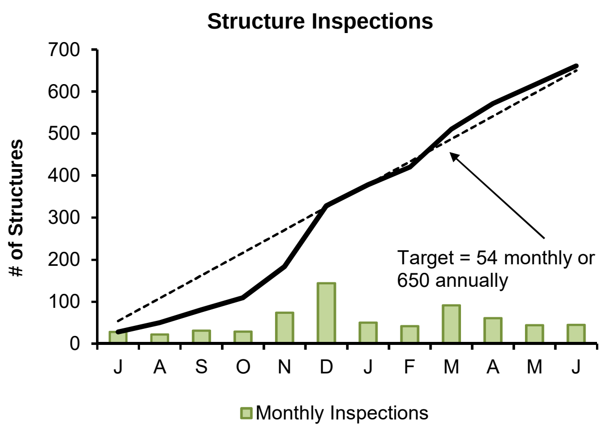


Staff internally inspected 2.56 miles of MWRA sewer pipe during this month.The year to date total is 29.03 miles. No Community Assistance was provided.

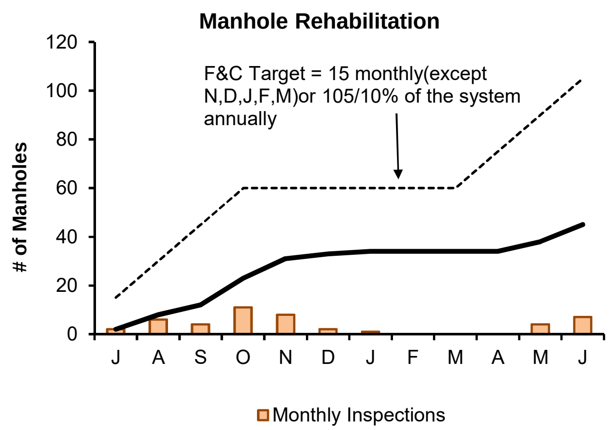
Maintenance



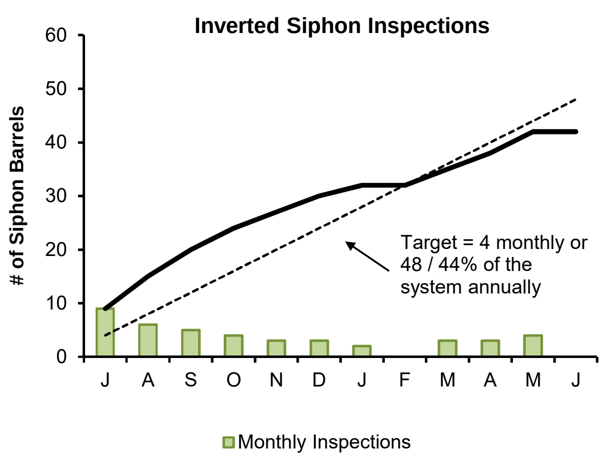
Staff cleaned 2.67 miles of MWRA sewer pipe, and removed 4.50 yards of grit. The year to date total is 42.63 miles of pipe cleaned. No Community Assistance was provided this month.



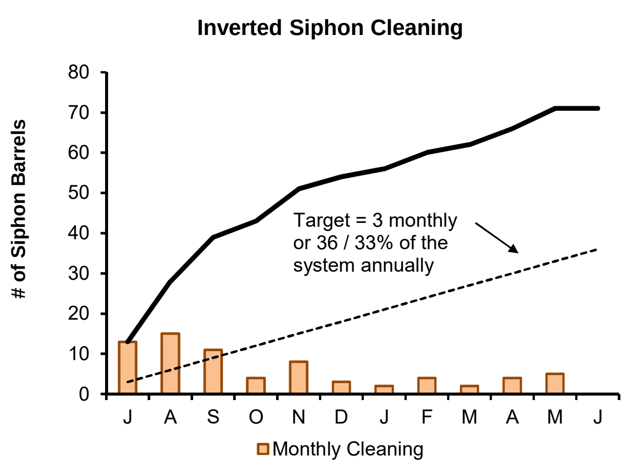
Staff inspected the 12 CSO structures and performed other additional 45 manhole/structure inspections during this month. The year to date total is 661 inspections.



Staff replaced 7 frames and covers this month.The year to date total is 45.



Staff inspected 0 siphon barrels this month. The year total is 42 siphon barrels inspected.

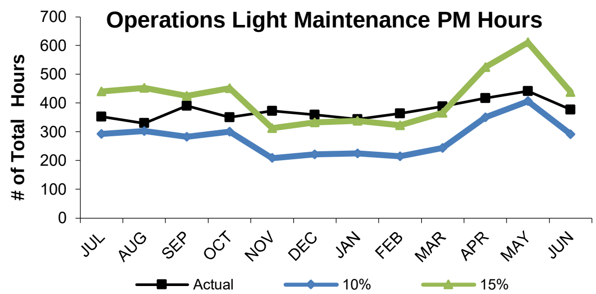


Staff cleaned 0 siphon barrels this month. The year total is 71 barrels cleaned.

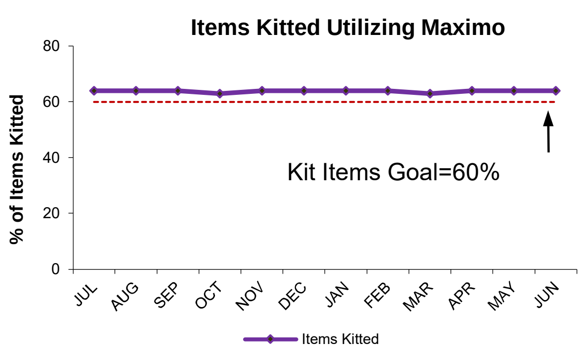
Field Operations' Metropolitan Equipment & Facility Maintenance

4th Quarter - FY25

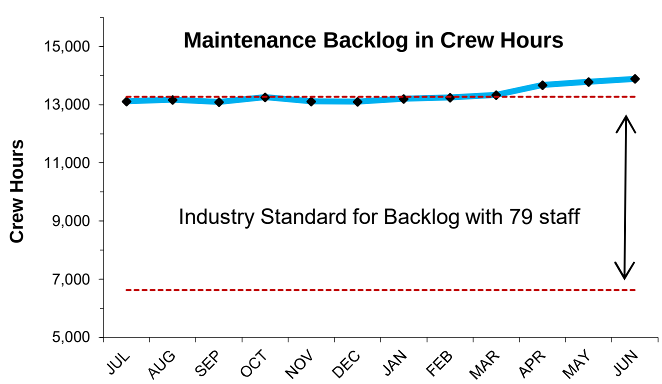
Several maintenance and productivity initiatives are in progress. The goal for the Overall PM completion and the Operator PM completion is 100%. The Operator PM and kitting initiatives frees up maintenance staff to perform corrective maintenance and project work, thus reducing maintenance spending. Backlog and overtime metrics monitor the success of these maintenance initiatives.



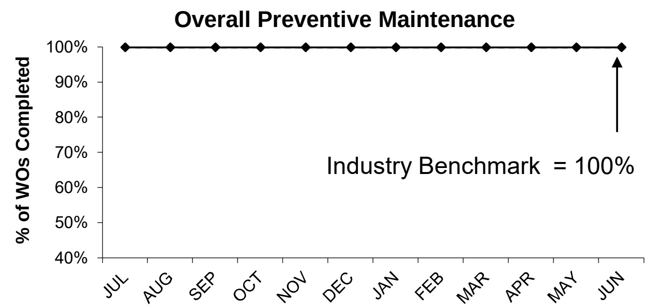
Operations staff averaged 412 hours per month of preventive maintenance during the 4th Quarter of FY25, an average of 12% of the total PM hours for the 4th Quarter, which is within the industry benchmark of 10% to 15%.



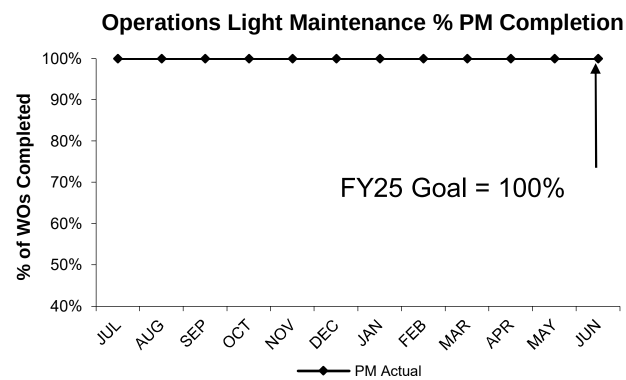
Operations' FY25 maintenance kitting goal has been set at 60% of all work orders to be kitted. Kitting is the staging of parts or material neccesary to complete maintenance work. In the 4th Quarter of FY25, 64% of all applicable work orders were kitted. This resulted in more wrench time and increased productivity.



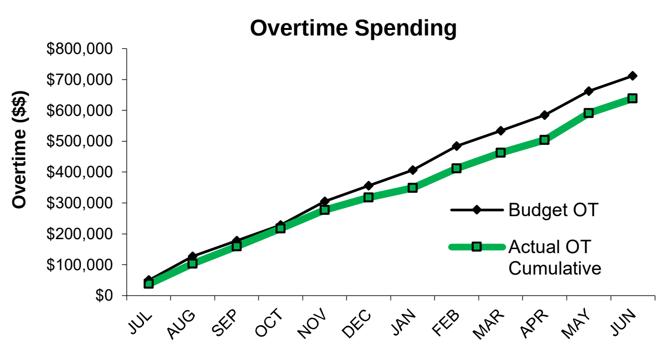
The 4th Quarter of FY25 backlog average is 13,790 hours. Which is above the industry benchmark of 6,636 to 13,275 hours.The current backlog is due to vacancies and several large maintenance projects.



The Field Operations Department (FOD) preventive maintenance goal for FY25 is 100% of all PM work orders. Staff completed 100% of all PM work orders in the 4th Quarter of FY25.



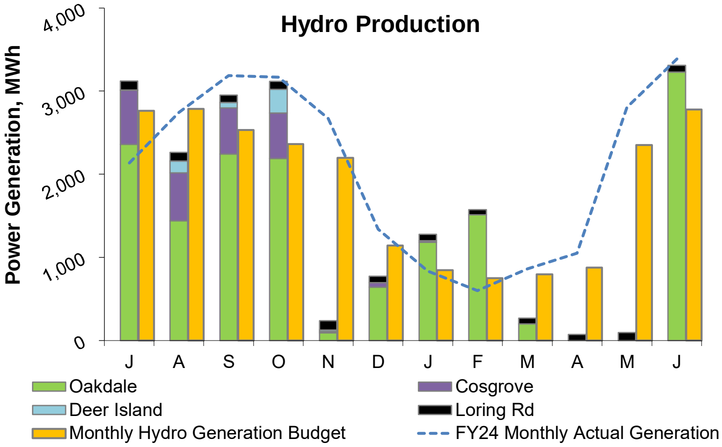
Wastewater Operations complete light maintenance PM's which frees up maintenance staff to perform corrective maintenance. Operations' FY25 PM goal is completion of 100% of all PM work orders assigned. Operations completed 100% of PM work orders in the 4th Quarter of FY25.



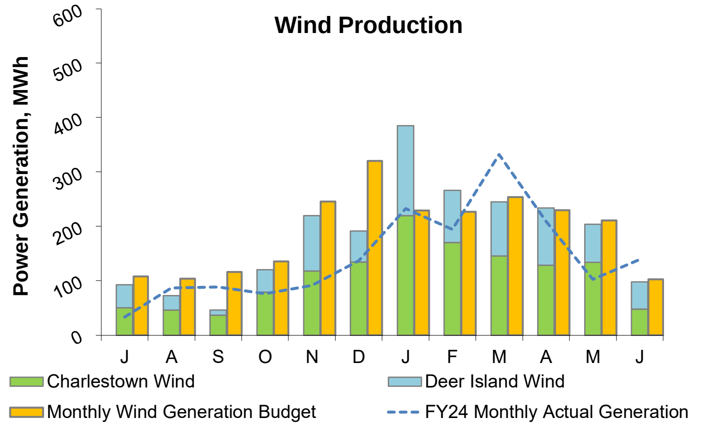
Maintenance overtime was $580 under budget on average, per month, for the 4th Quarter of FY25. Overtime is used for critical maintenance repairs and wet weather events. The overtime budget through the 4th Quarter of FY25 is $712,460 Overtime spending was $638,815 which is $73,645 under budget for the fiscal year.

Renewable Electricity Generation: Savings and Revenue

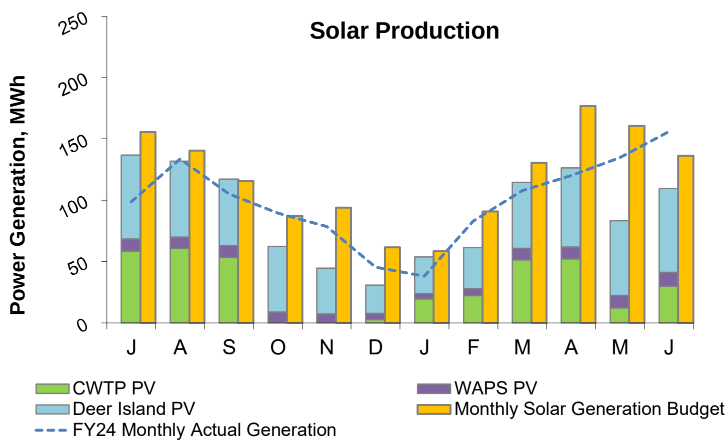
4th Quarter - FY25



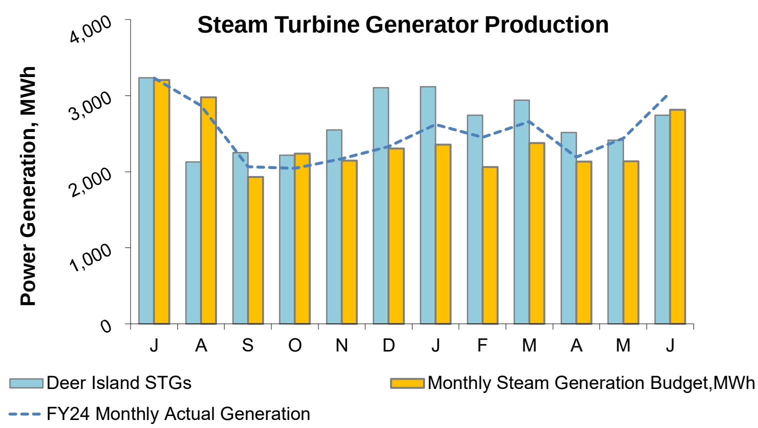
In Quarter 4, renewable energy produced from hydroelectric turbines totaled 3,575 MWh, 40% below budget. Deer Island hydroturbines were unavailable for the entire 4th quarter as both undergo wicket gate rehabilitation and other repairs. Cosgrove was offline due to rehab work at the Wachusett Dam Lower Gatehouse.



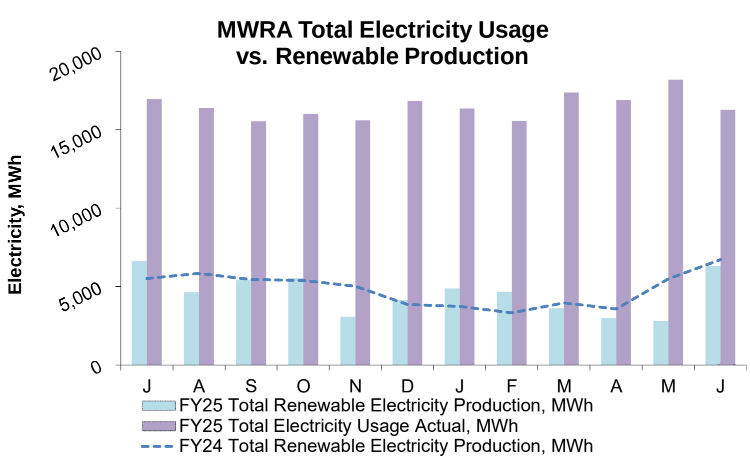
In Quarter 4, wind turbine production totaled 535 MWh, 1% below budget. Deer Island Turbine #1 has been out of service since April 2022 and is scheduled for replacement by 2027.

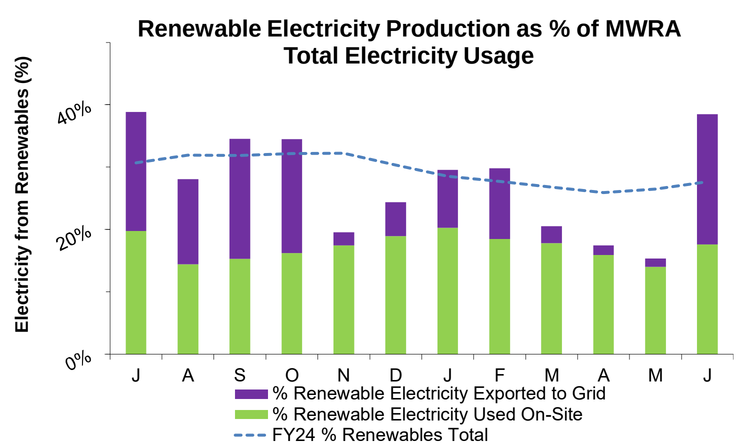


In Quarter 4, energy production from all solar PV systems totaled 319 MWh; 43% below budget[1]. The Deer Island Residuals Odor Control roof mounted array has been offline since September 2022 due to a failed inverter. The system will remain offline pending full replacement. Ongoing inverter issues at the CWTP have limited production.



In Quarter 4, the renewable energy produced from Deer Island's steam turbine generators totaled 7,672 MWh; 8% above budget[1].





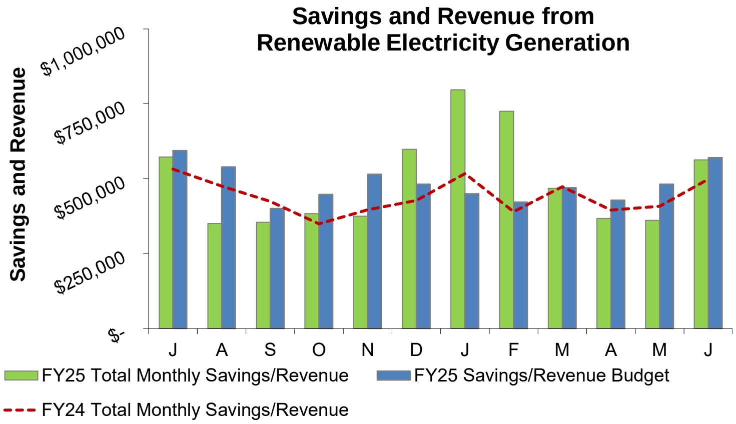
In Quarter 4, total renewable electricity production was 12,102 MWh, 14% below budget. The MWRA total electricity usage is the sum of all electricity purchased for Deer Island and FOD plus electricity produced and used on-site at these facilities. Approximately 99% of FOD electrical accounts are accounted for by actual billing statements; minor accounts that are not tracked on a monthly basis such as meters and cathodic protection systems are estimated based on this year's budget.

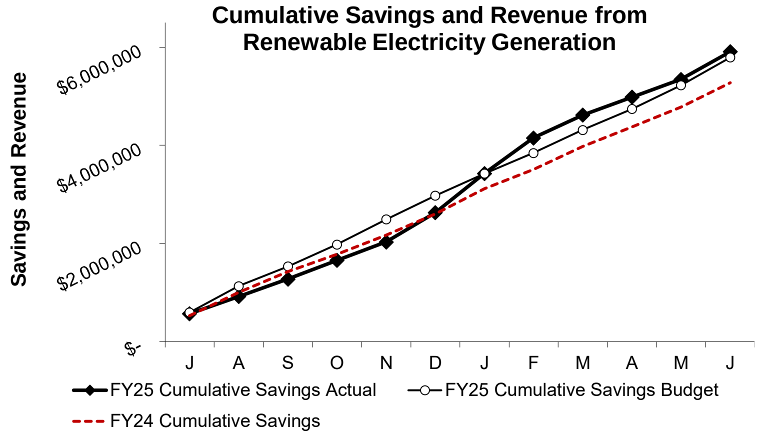
All renewable electricity generated on DI is used on-site (this accounts for more than 50% of MWRA renewable generation). Almost all renewable electricity generated off-DI is exported to the grid.

Notes: 1. Budget values are based on historical averages for each facility and include operational impacts due to maintenance work.

Renewable Electricity Generation: Savings and Revenue

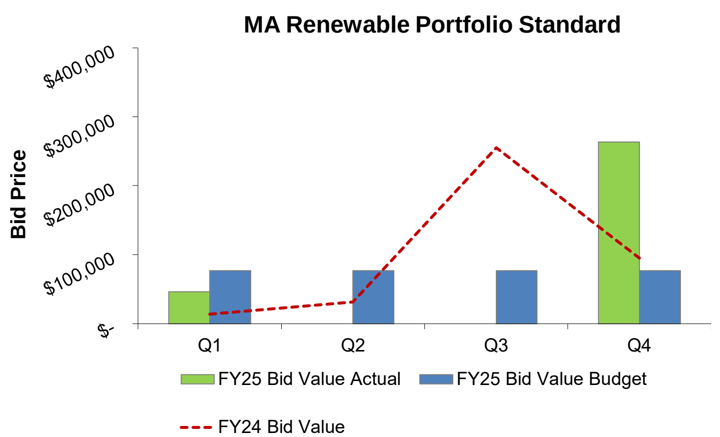
4th Quarter - FY25

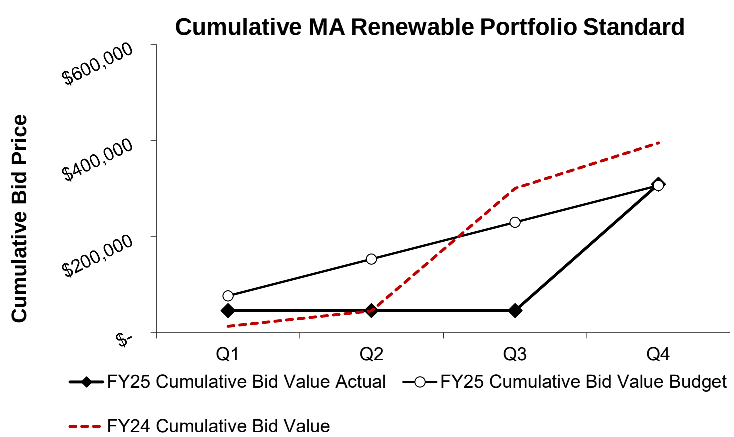




Savings and revenue from renewable sources is estimated at $1,289,323 in Quarter 4, 13% below budget. Cumulative savings and revenue for the FY has climbed to 2% above budget. However, total savings and revenue depends heavily on electricity pricing at Deer Island, which is estimated from December through June. Savings are over estimated for January and February due to supplementary fuel oil use in the Deer Island boilers increasing STG output to above normal levels.

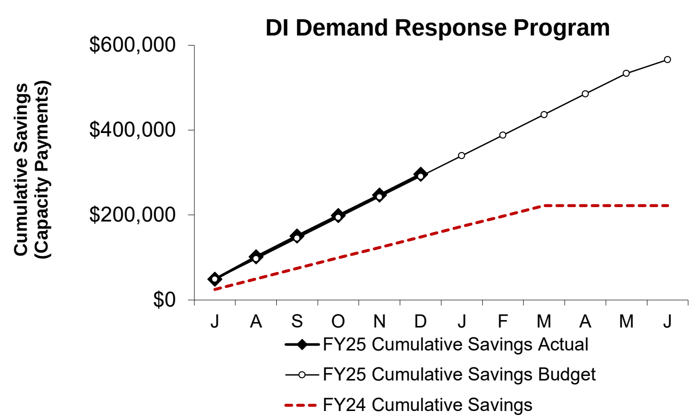
Savings and revenue[1] from all renewable energy sources include wind turbines, hydroelectric generators, solar panels, and steam turbines (DI). This includes savings and revenue due to electricity generation (does not include avoided fuel costs and RPS RECs). The use of DITP digester gas as a fuel source provides the benefit of both electricity generation from the steam turbine generators, and provides thermal value for heating the plant, equivalent to approximately 5 million gallons of fuel oil per year (not included in charts above).

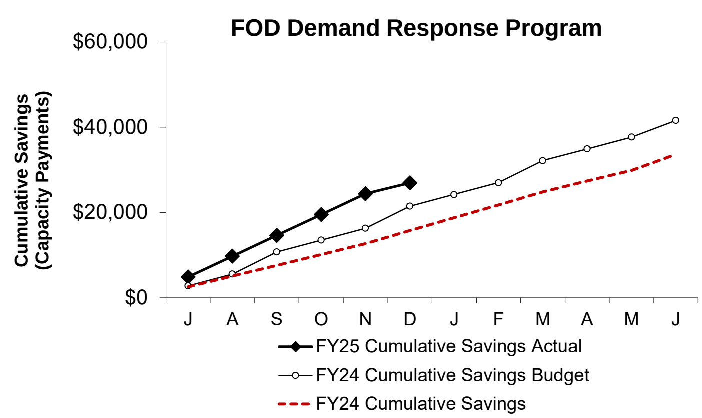




Bids were awarded during the 4th Quarter[2] of FY25 from MWRA's renewable energy assets; No Class I Renewable Energy Certificates (RECs) were sold. 13,488 Class II RECs were sold from previous quarters and sold for a value of $269,387, which was 244% above budget for the Quarter.[3] REC values reflect the bid value on the date that bids are accepted. Cumulative bid values reflects the total value of bids received to date.

*MWRA's SRECs have transitioned to the Class 1 REC category starting in FY23.



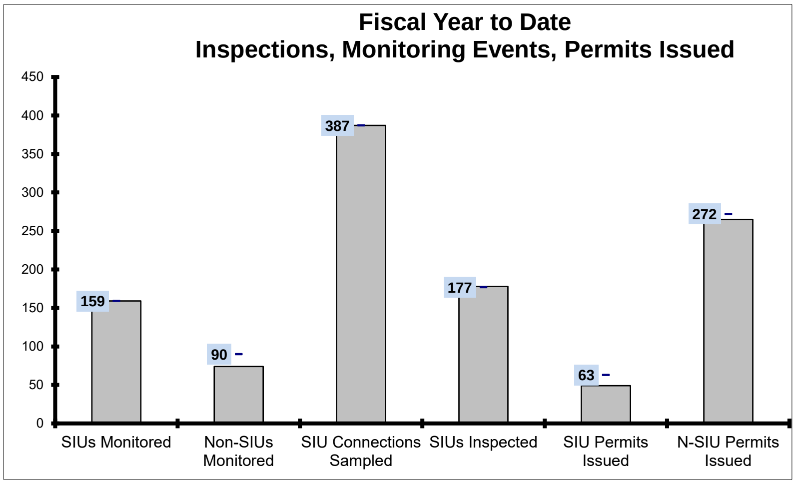


Currently Deer Island, Loring Rd, Brutsch Hydro, and JCWTP participate in the ISO-New England Demand Response Programs. By agreeing to reduce demand and operate the facility generators to help reduce the ISO New England grid demand during periods of high energy demand, MWRA receives monthly Capacity Payments from ISO-NE. When MWRA operates the generators during an ISO-NE called event, MWRA also receives energy payments from ISO-NE. Payments total $295,710 through December at Deer Island, and $26,978 through December 2024 for Loring Rd, Brutsch Hydro, and JCWTP.

Notes:
1. Savings and Revenue: Savings refers to any/all renewable energy produced that is used on-site therefore saving the cost of purchasing that electricity, and revenue refers to any value of renewable energy produced that is sold to the grid.
2. Only the actual energy prices are being reported. Therefore, some of the data lags up to 3 months due to timing of invoice receipt.
3. Budget values are based on historical averages for each facility and include operational impacts due to maintenance work.

Toxic Reduction and Control

4th Quarter - FY25



EPA Required SIU Monitoring Events
for FY25: 159
YTD : **159**

Required Non-SIU Monitoring Events
for FY25: 90
YTD : **74**

SIU Connections to be Sampled
For FY25: 387
YTD: **387**

EPA Required SIU Inspections
for FY25: 177
YTD: **178**

SIU Permits due to Expire
In FY25: 63
YTD: **49**

Non-SIU Permits due to Expire
in FY25: 272
YTD: **265**

Significant Industrial Users (SIUs) are MWRA's highest priority industries due to their flow, type of industry, and/or their potential to violate limits. SIUs are defined by EPA and require a greater amount of oversight. EPA requires that all SIUs *with flow* be monitored at least once during the fiscal year.

The “SIU Monitored” data above, reflects the number of industries monitored; however, many of these industries have more than one sampling point and the “SIU Connections Sampled” data reflect samples taken from multiple sampling locations at these industries.

EPA requires MWRA to issue or renew 90 percent of SIU permits within 120 days of receipt of the application or the permit expiration date - whichever is later. EPA also requires the remaining 10 percent of SIU permits to be issued within 180 days.

Number of Days to Issue a Permit

	0 to 120		121 to 180		181 or more		Permits Issued	
	SIU	Non-SIU	SIU	Non-SIU	SIU	Non-SIU	SIU	Non-SIU
Jul	4	20	0	0	0	11	4	31
Aug	2	14	0	0	0	3	2	17
Sep	1	14	0	1	0	4	1	19
Oct	3	16	0	1	0	0	3	17
Nov	3	15	0	1	0	5	3	21
Dec	2	19	0	0	0	9	2	28
Jan	6	11	0	0	0	1	6	12
Feb	5	15	1	2	0	5	6	22
Mar	4	22	0	0	0	1	4	23
Apr	3	23	0	2	0	2	3	27
May	5	20	0	3	1	11	6	34
Jun	6	11	2	1	1	5	9	17
% YTD	90%	75%	6%	4%	4%	21%	49	268

TRAC's annual monitoring and inspection goals are set at the beginning of each fiscal year but they can fluctuate due to the actual number of SIUs.

In addition to the Annual SIU inspections required under TRAC’s EPA approved Industrial Pretreatment Program, other inspections are usually undertaken, including for enforcement, permit renewal, follow up, temporary construction dewatering sites, group/combined permit audits, spot, sampling locations, visit only and out of business facility.

Monitoring of SIUs and Non-SIUs is dynamic for several reasons, including: newly permitted facilities; sample site changes requiring a permit change; changes in operations necessitating a change in SIU designation; non-discharging industries; a partial sample event is counted as an event even though not enough sample was taken due to the discharge rate at the time; and sometimes increased/decreased inspections lead to permit category changes requiring additional monitoring events

This is the fourth quarter of the MWRA fiscal year, FY25.

In this quarter, 96 permits issued.
There were 18 SIUs, of which 14 were issued on time.
There were 78 non-SIUs of which 54 were issued on time, with 18 late beyond 180 days.

All but 4 of the SIU permits were issued within the 120-day timeframe. The 4 SIUs issued after 120 days were due to outstanding permit fees holding up the issuance of the permits.

In FY25, there have been 34 completely new permits issued: 3-LFLP,10-02 N-SIUs, 15-Dental, 4-DEW, 1 One-Time, 1-G2

For the Clinton Sewer Service area, there was 0 SIU permits issued during the 4th Q FY25.

TRAC completed 5 first time SIU monitoring events and 35 first time NSIU monitoring events.

Permit Categories, as defined in CMR 10.101(2):

SIU- Significant Industrial User

DEW - Category 12 Temporary Construction Site Dewatering Permit

LFLP - Category 10 Non-Significant Industrial User with Low Flow and Low Pollutant

02 N-SIU - Category 2 Non-Significant Industrial User

Dental - Category D1 Dental Group Permit

G2 - Category G2 Group Permit for Food Processing

One- Time - One Time Discharge Permit

Metro Water Operations and Maintenance

- Valve Program: Supported in-house work including isolations on: Section 97A (4 Blow Off Replacements), Shaft 9 B Line (Blow off Replacement), Shaft 7C (Main Line Valve Replacement), Shaft 9 A Line (Leak Repair), Section 45 (Leak Repair), CIP Contractors were supported by isolation and dewatering of portions of Section 29 and 89 (Contract 7117), Section 101 (7457), Section 23, 24 & 47 (6392), Section 25 (6956) and W14 & W16 (7563).
- Water Pipeline Program: Staff completed Blow-Off replacements in East Boston (Section 97A – 4 valves), Somerville (Shaft 9 B Line) and Main Line Valve Replacements in Mattapan (Shaft 7C). Leak repairs on Section 45 (16-inch main) in Arlington, and Shaft 9 A Line (48-inch main) in Medford.

SCADA

Water System Work

- Continued technical support for JCWTP PLC replacement project; Continued support for the Wachusett Lower Gate House Project and Steel Tank Project; Installed new Verizon circuits at Bifurcation and Section 57; configured new firewalls for western and metro remote sites.

Wastewater System Work

- Continued work on Braintree/Weymouth Pump Station Improvements Project; continued testing the network monitoring system; continued configuration of SCADA historian; supported Ward/Columbus design development; supported scope development of BOSO19 and Framingham PS SCADA upgrades.

Environmental Quality-Water

- Algae: In April, DCR continued sampling of Quabbin and Wachusett reservoirs, while MWRA algae sampling resumed in May. On June 13, elevated levels of Chrysosphaerella algae were observed by DCR in Quabbin reservoir and profiling buoy data showed increases in chlorophyll-a levels at both Wachusett and Quabbin reservoirs. Staff commenced weekly cyanobacteria inspections at active and standby reservoirs.
- Regulatory Sampling: On April 7-10, sampling staff collected Q2 samples for EPA's Unregulated Contaminant Monitoring Rule 5. On June 9-17, sampling for optimal water quality parameters was performed for pH and alkalinity measurements in community distribution system sites. Weekly samples for the Wachusett Aqueduct Pump Station Geothermal NPDES permit were collected in April, May and June.
- Non-Regulatory: MWRA is collecting water quality samples at locations near residences that have results over the lead action level. Staff collected samples from one location in Malden in April and the sample met both pH and alkalinity targets. On June 23, MWRA and DCR staff performed sampling for the UMass Amherst project, investigating impacts of organic matter in MWRA's water supply. Samples collected from Wachusett tributaries, Carroll treatment plant taps and Oakdale.
- Community Support: On April 10, staff provided assistance with collecting a water quality-complaint sample in Southborough. On May 23, staff conducted coliform and chlorine residual training for three communities (Malden, Bedford, and Peabody).
- Internal Support: On April 10, sampling staff performed a comparison study on various lots of chlorine residual Chemkeys. One lot used by Carroll treatment plant staff was found to be low and was returned to Hach for reimbursement. On May 1, staff assisted Operations with sampling at a newly constructed well at Shaft 8 Lonergan Intake. Resampling is required for some parameters. On June 27 staff conducted pipeline clearance sampling at several sites in Waltham. CWTP lead pipe-rig study sample collection events occurred on April 17, May 29 and June 26 and samples were transferred to the Dept. of Laboratory Services lab for testing.
- Contaminant Monitoring System (CMS): On April 24 and 30, staff responded to a CMS alarm on the Bellevue and Delauri CMS caused by faulty spectro::lysers that were subsequently replaced at each site. In April, staff met with the

CMS equipment vendor to discuss resolution of spectro::lyser issues occurring at some CMS sites. On May 5, the first dive inspection of the Route 12 intake structure was performed. On May 4, staff responded to a CMS alarm at CWTP Finished water tap caused by air in the feed panel. On May 9 through 15, staff responded to several CMS alarms at the Route 12 shed caused by elevated UV254 and DOC in the raw water from rain events. On June 24, staff responded to a CMS alarm at Bellevue tank caused by biofilm clogging the panel screen during tank cycling operations.

- Wachusett & Quabbin Buoys: On May 27, staff met with MIS to discuss the transfer of fixed depth buoy data from the cloud platform to MWRA's buoy server. On April 23, three Wachusett water quality-profiling buoys were deployed on the Wachusett reservoir and on May 1, the Quabbin buoy was deployed at Quabbin. In May, bid specifications for the repair of the Quabbin buoy mooring line and anchor were posted. On May 12, staff launched the new QA boat into the Wachusett reservoir. Staff received training from Deer Island's Boat Captain on navigating the boat in Wachusett reservoir on May 29.
- Data Management Group (http://wqdmgdev.mwra.net/): Total coliform Rule (TCR) data for Chicopee were updated in dmg databases. Staff also fulfilled three data requests for April and two large data requests in May. Staff updated and reconfigured DMG homepage with new tools –CMS daily tracker, to assist water quality managers with reviewing daily field grab data from CMS sites. Reporting and programming staff worked together to get DEP reports issued on time due to issues with Aquarius software. Programming staff wrote UV-IT calculation algorithms for compliance reporting as backup for Aquarius.
- Environmental / Chemical Contract Management: Staff completed annual purity sampling for drinking water bulk chemicals. Staff submitted the city of Marlborough permit renewal for fuel oil storage at CWTP. In May, staff posted the city of Marlborough permit renewal for fuel oil storage at CWTP. Annual underground storage tank Stage 1 testing occurred at the Lonergan Lower Garage facility with no issues. Staff performed a 3-year preventative maintenance on the Oakdale oil waster separator with vendor.

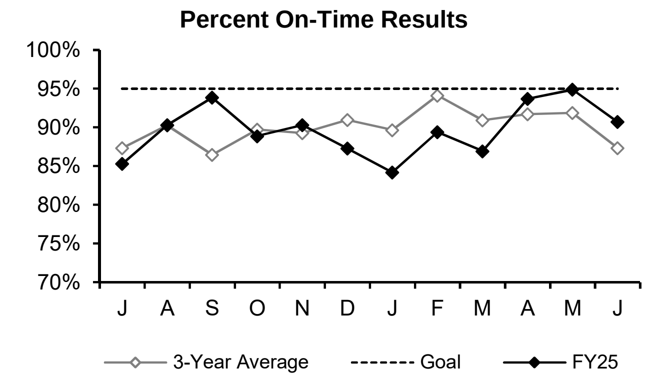
Environmental Quality-Wastewater

- Ambient Monitoring: Mass Bay surveys occurred in April, May, and June. Following elevated paralytic shellfish poisoning (PSP) observations reported by Division of Marine Fisheries on May 28, initiated Alexandrium rapid response surveys on June 3. Results showed Alexandrium counts exceeding 100 cells per liter, resulting in a Contingency Plan exceedance. The exceedance was reported to the regulatory agencies as required by the NPDES permit. MWRA will continue enhanced weekly monitoring until concentrations fall below the threshold.
- Permitting and Compliance Reporting: In the 4th Quarter, there were 16 notification/web postings about CSOs and blending. Posted 18 compliance documents to MWRA's website. Staff met with Deer Island to discuss adding sampling for Enterococcus to optimize disinfection strategies during high flow.
- Coordination with other MWRA Departments: Assisted Engineering & Construction by participating in community CSO coordination meetings and review of reports. Worked with Deer Island Process Control to analyze Deer Island effluent nitrogen data in response to the 2024 total nitrogen Contingency Plan exceedance. Continued to coordinate with Law on comments on draft permits and regulations.
- Cooperation with other agencies: ENQUAL staff participated with other stakeholders on CSO engagement and public notification efforts. Staff assisted the MassBays National Estuary Program in planning and executing a symposium on Mass Bay/Gulf of Maine environmental monitoring. Staff, in conjunction with Law, presented to the Wastewater Advisory Committee on both the 2023 draft Deer Island NPDES permit and the San Francisco vs. EPA Supreme Court decision. Staff also attended a meeting with EPA and DEP on the siting of the potential new Combined Heat and Power plant at Deer Island.

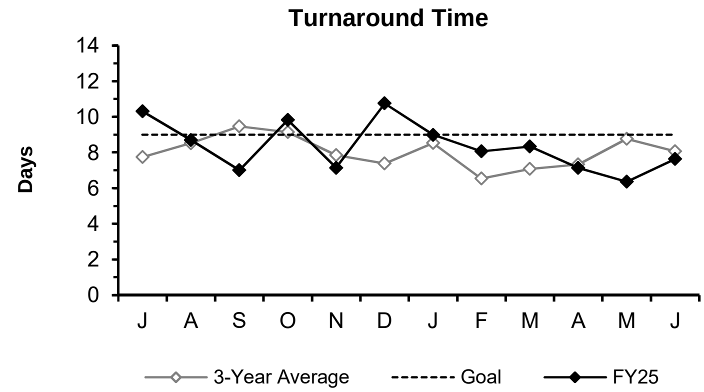
Laboratory Services

4th Quarter - FY25

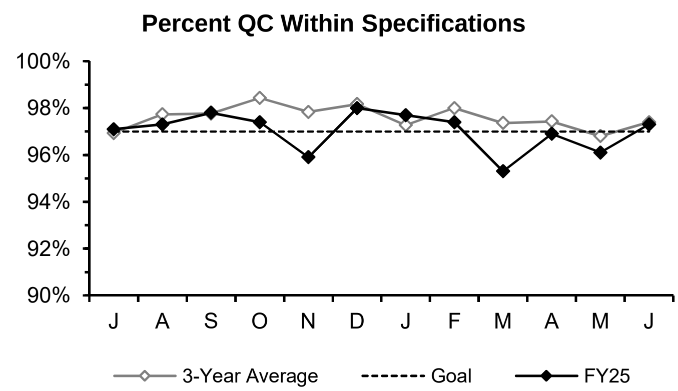
Laboratory Services supports the laboratory sampling, testing, and consulting needs of various client groups primarily in the Operations Division. This includes drinking water transmission and treatment, wastewater collection and treatment, wastewater residuals management, industrial-pretreatment monitoring, and environmental quality.



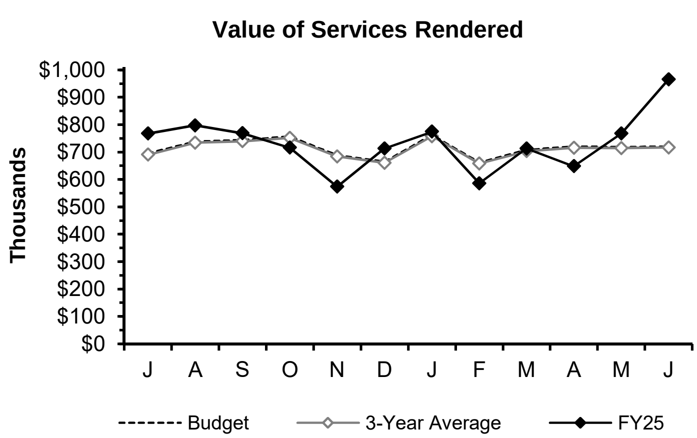
The Percent On-Time measurement assesses performance against internal client due dates. These due dates are shorter than the compliance reporting requirements to allow for internal review of the data.



Turnaround Time measures the average time from sample receipt to sample completion.



Percent QC Within Specifications measures the fraction of Quality Control tests that met required limits during the month.



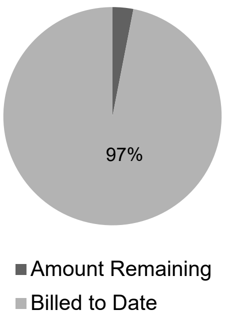
Value of Services Rendered models the true cost of the lab work performed, including fringe benefits that are not a part of the Laboratory Services budget.

School Lead Program: During the 3rd quarter of FY25, MWRA's lab completed 995 tests from 38 schools and childcare facilities in 16 communities. Since 2016, MWRA's Laboratory has conducted over 46,700 tests from 701 schools and daycares in 49 communities. We have also completed 1106 home lead tests under the DPH sampling program and 2357 lead tests in response to resident requests since 2017.

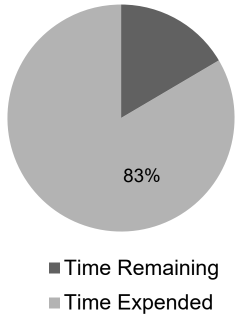
CONSTRUCTION PROGRAMS

Engineering & Construction
Projects In Construction
4th Quarter – FY25

Cost



Time



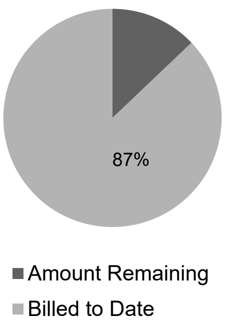
Carroll Water Treatment Plant SCADA Improvements

Project Summary: The current SCADA control equipment has reached the end of its useful life, and future vendor support for the installed PLC base is no longer guaranteed. This contract includes the supply and installation of replacement instrumentation panels, PLC's, UPS backup power, fiber-optic communication network, wiring between the existing panels, and new equipment and refurbishment of the operator control room. In addition, a new server room equipped with HVAC and fire suppression is being constructed to house redundant computer hardware supporting active and backup SCADA systems.

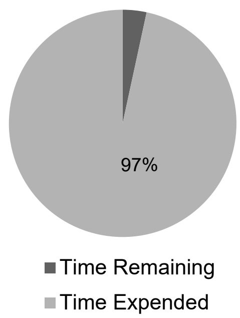
Contract Amount: $13,808,614.75 *Contract Duration:* 1,675 Days

Notice to Proceed: 1-Sep-21 *Contract Completion:* 3-Apr-26

Cost



Time



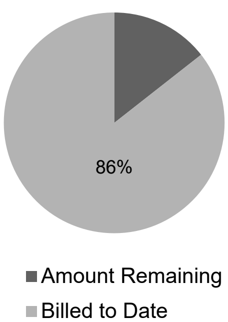
Section 89 Replacement Pipeline

Project Summary: This project will include replacement of a 10,500-foot portion of PCCP with class IV reinforcing wire, line valves and appurtenances, and abandonment of the 118-year old, 24-inch diameter cast iron Section 29 pipeline.

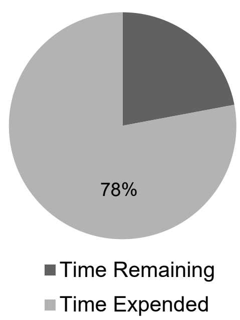
Contract Amount: $36,573,441.60 *Contract Duration:* 1,475 Days

Notice to Proceed: 5-Aug-21 *Contract Completion:* 19-Aug-25

Cost



Time



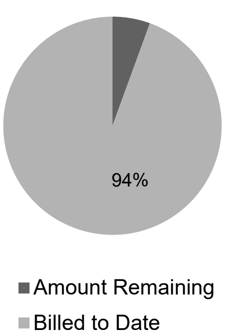
Intermediate High Pipeline Improvements CP2

Project Summary: This contract includes replacement and hydraulic pipe size increase from 16 to 20 inches of 5,900 linear feet for Section 25 and the cleaning and lining rehabilitation of 3,300 linear feet of Section 24 along with replacement of revenue Meters 2 and 40 (both serving Watertown). The majority of this work is located in Watertown with minor work in Newton at the crossing of the Charles River. This project also reroutes Section 25 from Common Street in Watertown, to Bellevue Road, Russell Avenue and extending along Mount Auburn Street per the request of the City of Watertown following road reconstruction work in Common Street.

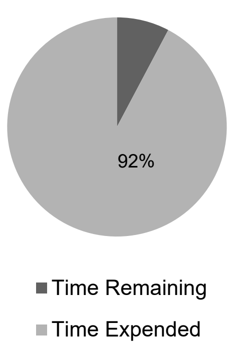
Contract Amount: $21,946,845.02 *Contract Duration:* 912 Days

Notice to Proceed: 20-Jul-23 *Contract Completion: 17*-Jan-26

Cost



Time



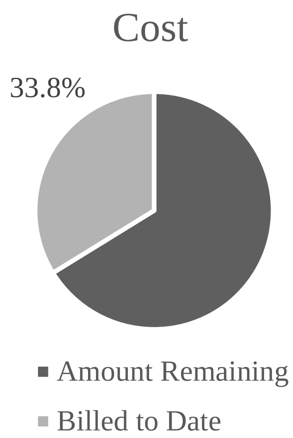
Construction of Water Mains – Section 101

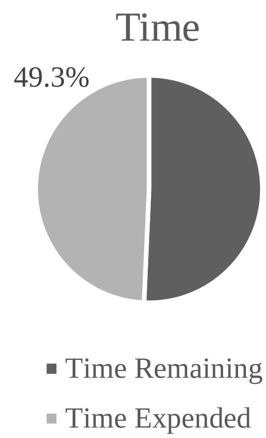
Project Summary: This construction contract consists of a new 36-inch diameter water main and appurtenances extending from MWRA's Meter 182 at the Waltham/Lexington town line down Lexington Street to Totten Pond Road, where it will connect to Waltham's water system. This new water main will provide sufficient capacity to maintain water service to Waltham during the anticipated shutdown of MWRA's WASM 3 pipeline and the Lexington Street Pumping Station for future rehabilitation.

Contract Amount: $36,717,495.15 *Contract* Duration: 1175 Days

Notice to Proceed: 12-Jul-22 *Contract Completion: 29*-Sep-25

Deer Island Wastewater Treatment Plant
Projects In Construction
4th Quarter – FY25



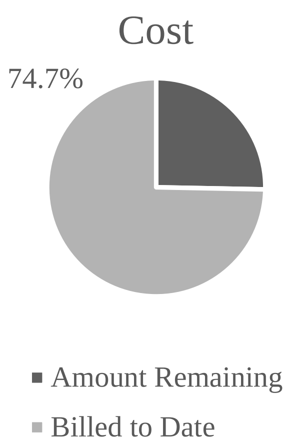


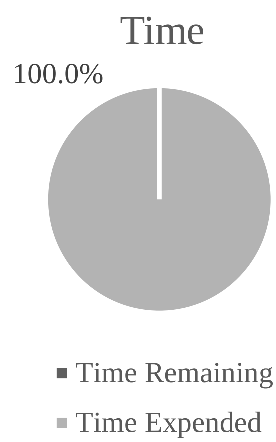
7395 - Clarifier Rehabilitation Phase 2

Project Summary: This project involves the replacement of the original remaining scum and sludge equipment, as follows: over 400 Primary Clarifier influent, effluent, and dewatering gates; 384 primary effluent cross channel gate actuators; approximately 450 secondary scum influent gates and actuators; wear strip rails,768 head shaft and idler sprockets; over 3000 linear feet of influent channel aerations piping systems; 360 head shafts collector drives and chains; return sludge line vent piping; approximately 400 concrete and aluminum hatches and associated electrical and control systems.

Contract Amount: $289,595,007.00 *Contract Duration:* 1710 Days

Notice to Proceed: 10-Mar-23 *Contract Completion:* 14-Nov-27





7734 - Deer Island Treatment Plant Roofing Replacement at Various Buildings

Project Summary: This project includes the removal and replacement of 86,500 square feet of roofing on the following buildings: Cryogenic Compressor; Gravity Thickener Complex; Thermal/Power Plant; Main Switchgear; and Digester Complex Modules 1, 2 and 3. Buildings to be reroofed in the Digester Complex include: Module 1- Digester Equipment Complex Roof, Elevator/Stair Lobby Roof and Elevator Penthouse Roof; Module 2 - Digester Equipment Complex Roof; and Module 3- Digester Equipment Complex Roof and Elevator Penthouse Roof.

Contract Amount: $8,919,746.15 *Contract Duration:* 540 Days

Notice to Proceed: 28-Dec-2023 *Contract Completion:* 20-Jun-2025

CSO Control Program
4th Quarter – FY25

Overview

In compliance with milestones in the Federal District Court Order, all 35 projects in the CSO Long-Term Control Plan (LTCP) were complete as of December 2015. Subsequently, MWRA completed a multi-year CSO post-construction monitoring program and performance assessment, filing the Final CSO Post Construction Monitoring Program and Performance Assessment Report with the Court and submitted copies to EPA and DEP in December 2021. April 2024 Annual report shows an 88% reduction in CSO in a typical year, from 3.3 billion gallons to 397 million gallons, with 78 of 86 outfalls meet or materially meet the LTCP goals for CSO activation frequency and volume. MWRA and its member CSO communities are moving forward with plans to bring 6 CSOs in line with the LTCP goals. With respect to the remaining CSO outfalls, MWRA and its CSO Consultant (AECOM) continue to investigate alternative to move closer to LTCP goals.

MWRA CSO Performance Assessment

- In November 2017, MWRA signed a contract for CSO Post-Construction Monitoring and Performance Assessment with AECOM Technical Services, Inc. The contract includes CSO inspections, overflow metering, hydraulic modeling, system performance assessments and water quality impact assessments, culminating in the submission of a report to EPA and MassDEP in December 2021 verifying whether the LTCP goals are attained.
- AECOM continues to support efforts to advance projects identified not to meet performance goals the CSOs and evaluate alternatives for these challenging sites.
- MWRA submitted a Supplement to the Post-Construction Monitoring and Performance Assessment report in December 2024, completing its court ordered obligation.

Court Ordered Levels of CSO Control

In this quarter MWRA held its last scheduled meetings with CLF and the DEP/EPA . The last meeting completing our obligation was jointly held with CLF and DEP/EPA on 12/13/2024.

Ongoing Projects as of July 1, 2025

- *East Boston CSO Control*: BWSC completed Phase 3 of East Boston CSO Control in spring 2024. Phase 4 includes five sewer separation contracts, finishing by 2030. The first contract will be advertised in spring 2025, with work starting in July.
- *South Boston: Contract 1 completed September 2023, Contract 2 projected to be completed by 4/6/2026, Contract 3 is ongoing and Contract 4 still in design.*
- *Somerville Marginal New Pipe Connection* - the Somerville Marginal New Pipe Connection, stemming from a variance optimization study, will add a controlled pipe from the CSO influent conduit to the interceptor. The $4.4M project, under Contract 7985 with RJV, aims to reduce CSO activation and volume. NTP was issued on 10/26/24, with mobilization set for April 2025 and completion by December 2025.
- *Roxbury Sewer Separation- Phase 3 work complete paving remains to be completed spring 2024.*
- *Fort Point Channel and Mystic Confluence* – The FAA/MOU was amended on 12/13/23 to add BOS013, then revised on 1/29/24 to increase funding to $11.9M due to higher-than-expected construction costs. All work has been completed working with BWSC to close out the contract before December 31, 2025.
- *CAM005 weir will be raised and lengthened to reduce CSO activation and frequency. A Draft Preliminary Design workshop was held on 12/19/24 with Cambridge DPW and Mount Auburn Hospital. The task order to modify the RE-051 weir wall is at the 100% design*. Advertise 8/7/2025; NTP 10/6/2025

CSO variances

MassDEP has issued multi-year CSO variances allowing MWRA, Cambridge, and Somerville to continue limited CSO discharges to Alewife Brook, the Upper Mystic River, and the Charles River lower basin. The 2024 variances require Updated LTCPs, addressing CSO control levels, cost evaluations, performance improvements, public participation, and affordability.

- Plan Timeline: Draft Updated LTCP due December 2025, Final Plan due December 2027.
- Approval & Schedule: MassDEP and EPA conditionally approved MWRA's Scope of Work on 5/11/2022. A schedule extension was submitted on 9/22/22, and in May 2023, EPA/MassDEP confirmed adherence to the revised schedule.
- Meetings & Public Engagement: Monthly meetings track progress, with the last held on 4/9/2025 and the next on 5/14/2025. A public meeting on Alternatives Development and Financial Capability Analysis was held on 1/22/2025. Next public meeting scheduled for September 2025.
- Completed & Upcoming Studies:
  - Alewife PS Optimization (submitted 4/27/2021)
  - Somerville Marginal CSO Reduction Study (submitted 12/27/2021)
  - Alewife Brook & Charles River System Optimization (submitted 12/28/2022)
  - MWRA CSO Variances Optimization Measures Report (submitted 1/31/2023)
  - Odor control feasibility study complete and submitted 6/2/2025
  - Real-time notification study (due 8/31/2025)
  - Floatables control study (due 10/1/2025)

CIP Expenditures

4th Quarter – FY25

FY25 Capital Improvement Program Expenditure Variances through June by Program - ($ in thousands)				
Program	FY25 Budget Through June	FY25 Actual Through June	Variance Amount	Variance Percent
Wastewater	$176,722	$102,115	($74,608)	-42%
Waterworks	$145,813	$96,620	($49,192)	-33%
Business and Operations Support	$24,813	$8,388	($16,425)	-66%
Total	$347,348	$207,123	($140,225)	-40%

Wastewater:

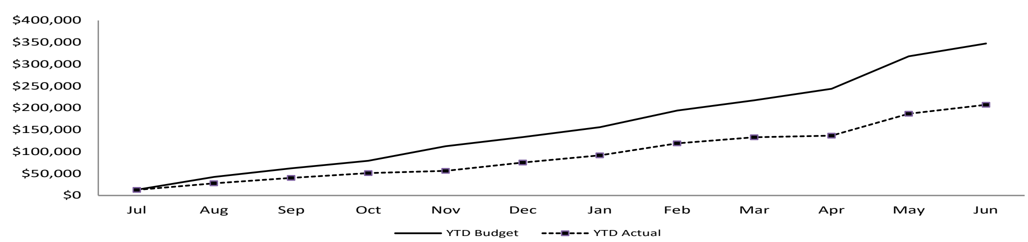
- Spending was less than planned in Wastewater primarily due to less than anticipated distributions for the I/I Local Financial Assistance program, schedule changes for the Siphon Structure Rehab, Caruso, DeLauri & Framingham Fuel Tank Replacements, Ward St. & Columbus Park Headworks Design/CA, Interceptor Renewal 7 REI, DITP Fire Alarm System Replacement, and Screw Pump Replacement Phase 2 Construction, later than anticipated awards for the Clinton Digester Cover Replacement and Hayes Pump Station Rehab contracts, lower than projected task order work for DITP As-Needed Design contracts, competing project priorities for South System Pump Station VFD Replacement Design/ESDC/REI, Notice-to-Proceed issued later than anticipated for Somerville Marginal New Pipe Connections, and contractor was delayed in submitting dive and safety plan for West Roxbury Tunnel Inspection.
- This less than planned spending was partially offset by greater than planned contractor progress and additional equipment delivery sooner than anticipated for Deer Island Treatment Plant Clarifier Rehabilitation Phase 2 Construction, work planned in FY24 that was completed in FY25 for Braintree-Weymouth Improvements Design/CS and Construction, and greater than planned consultant progress for Digester & Storage Tank Rehabilitation Design/ESDC.

Water:

- Spending was less than planned in Waterworks primarily due to less than anticipated requests for community loans for the Local Water Pipeline Financial Assistance Program, contract awards later than anticipated for the Walnut Hill Steel Water Tank Painting and Improvements, Section 75A and 47 Extension CP-1, Section 56 Replacement/Saugus River, and Metropolitan Water Tunnel Program Final Design/ESDC, less than anticipated contractor progress for Section 89/29 Replacement, lower than projected spending for Metropolitan Water Tunnel Program Support Services, updated schedules for the Quabbin Maintenance Garage/Wash Bay/Storage Building – Construction, Northern Intermediate High Storage Design CA/RI, and Beacon St. Line - Design/ESDC, less than anticipated contractor progress for Section 89/29 Replacement, lower than projected spending for Metropolitan Water Tunnel Program Support Services, lower than projected task order work for CWTP Technical Assistance, less than planned consultant work for the WASM 3 MEPA/Design/CA/RI contract, longer lead-time on some larger items and a change in design for the multi-orifice valve for the Wachusett Lower Gatehouse Pipe Replacement project, and less than planned land purchases for Watershed Land Acquisition.
- This less than planned spending was partially offset by contractor progress for Waltham Section 101 Pipeline Construction and CP-2 Shaft 5, payment to Eversource for the infrastructure to supply electricity to a shaft site under the Metropolitan Water Tunnel Program Administration, Legal & Public Outreach contract, FY24 planned work performed in FY25 for Northern Extra High CP-1 Improvements, and easements paid for Section 56.

Budget vs. Actual CIP Expenditures ($ in thousands)

Total FY25 CIP Budget of $347,348



Construction Fund Management

All payments to support the capital program are made from the Construction Fund. Sources of fund in-flows include bond proceeds, commercial paper, SRF reimbursements, loan repayments by municipalities, and current revenue. Accurate estimates of cash withdrawals and grant payments (both of which are derived from CIP spending projections) facilitate planning for future borrowings and maintaining an appropriate construction fund balance.

Cash Balance as of 5/31/25	$151 million
Unused capacity under the debt cap:	$2.5 billion
Estimated date for exhausting construction fund without new borrowing:	August 2025
Estimated date for debt cap increase to support new borrowing:	Not anticipated at this time
Commercial paper/Revolving loan outstanding: Commercial paper capacity / Revolving Loan	$ 139.5 million $ 58 million
Budgeted FY25 Cash Flow Expectancy*:	$245 million

DRINKING WATER QUALITY AND SUPPLY

Source Water – Microbial Results and UV Absorbance

4th Quarter – FY25

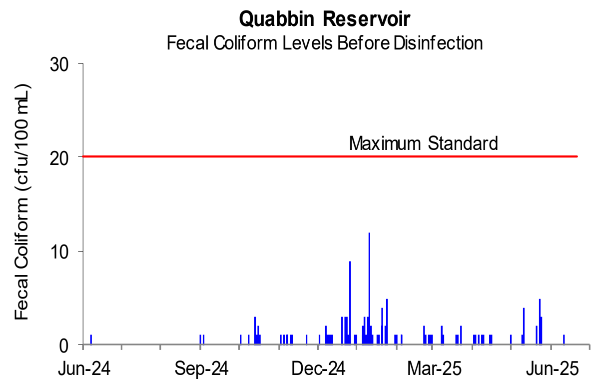
Source Water – Microbial Results

Total coliform bacteria are monitored in both source and treated water to provide an indication of overall bacteriological activity. Most coliforms are harmless. However, fecal coliforms, a subclass of the coliform group, are identified by their growth at temperatures comparable to those in the intestinal tract of mammals. They act as indicators of possible fecal contamination. The Surface Water Treatment Rule for unfiltered water supplies allows for no more than 10% of source water samples prior to disinfection over any six-month period to have more than 20 fecal coliforms per 100mL.

Sample Site: Quabbin Reservoir

Quabbin Reservoir water is sampled at the William A. Brutsch Water Treatment Facility raw water tap before being treated and entering the CVA system.

All samples collected during the quarter were below 20 cfu/100mL. **For the current six-month period, 0.0% of the samples have exceeded a count of 20 cfu/100mL.**

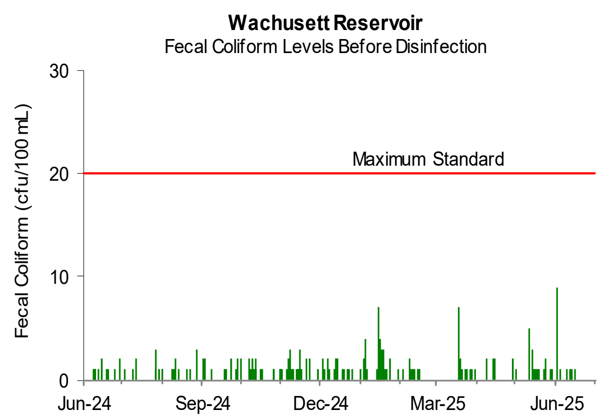


Sample Site: Wachusett Reservoir

Wachusett Reservoir water is sampled at the CWTP raw water tap in Marlborough before being treated and entering the MetroWest/Metropolitan Boston systems.

In the wintertime when smaller water bodies near Wachusett Reservoir freeze up, many waterfowl will roost in the main body of the reservoir - which freezes later. This increased bird activity tends to increase fecal coliform counts. DCR has an active bird harassment program to move the birds away from the intake area.

All samples collected during the quarter were below 20 cfu/100mL. **For the current six-month period, 0.0% of the samples exceeded a count of 20 cfu/100mL.**

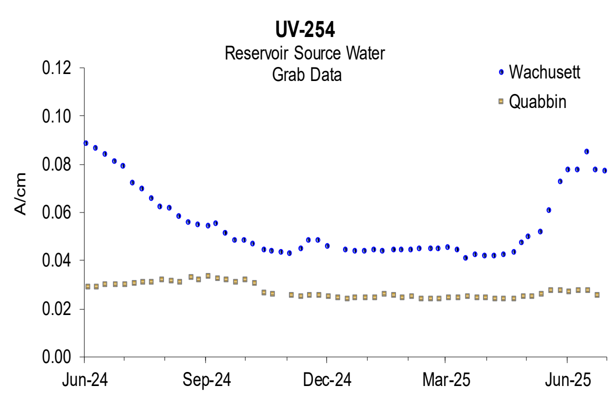


Source Water – UV Absorbance

UV Absorbance at 254nm wavelength (UV-254), is a measure of the amount and reactivity of natural organic material in source water. Higher UV-254 levels cause increased ozone and chlorine demand resulting in the need for higher ozone and chlorine doses, and can increase the level of disinfection by-products. UV-254 is impacted by tributary flows, water age, sunlight and other factors.

Quabbin Reservoir UV-254 levels averaged 0.026 A/cm for the quarter.

Wachusett Reservoir UV-254 levels averaged 0.062 A/cm for the quarter.



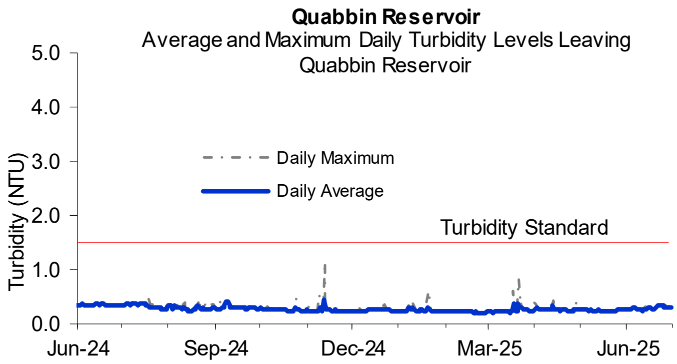
Source Water – Turbidity

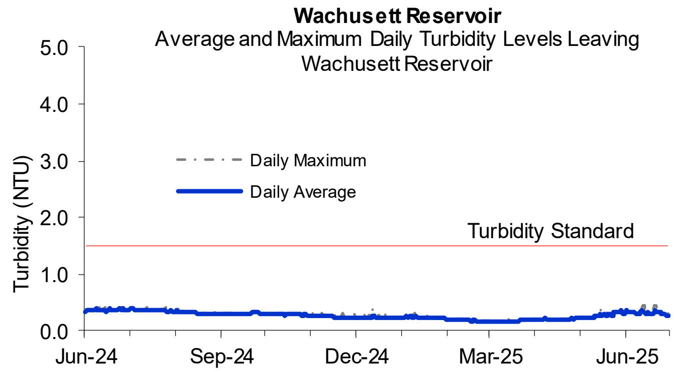
4th Quarter – FY25

Turbidity is a measure of suspended and colloidal particles including clay, silt, organic and inorganic matter, algae and microorganisms. The effects of turbidity depend on the nature of the matter that causes the turbidity. High levels of particulate matter may have a higher disinfectant demand or may protect bacteria from disinfection effects, thereby interfering with the disinfectant residual throughout the distribution system.

There are two standards for turbidity: all water must be below five NTU (Nephelometric Turbidity Units), and water only can be above one NTU if it does not interfere with effective disinfection.

Turbidity of Quabbin Reservoir water is monitored continuously at the Brutsch Water Treatment Facility (BWTF) before UV and chlorine disinfection. Turbidity of Wachusett Reservoir is monitored continuously at the Carroll Water Treatment Plant (CWTP) before ozonation and UV disinfection. Maximum turbidity results at Quabbin and Wachusett were within DEP standards for the quarter.



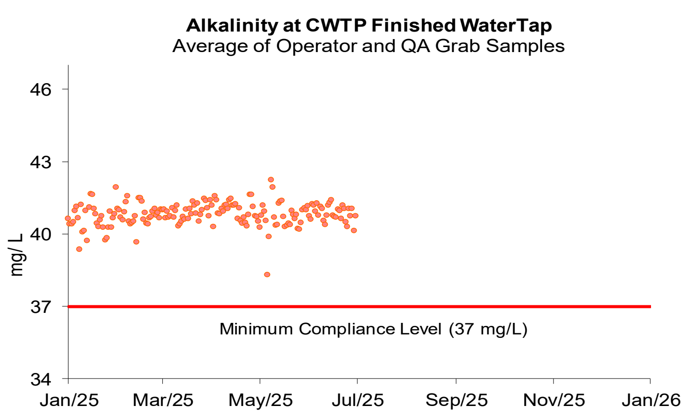


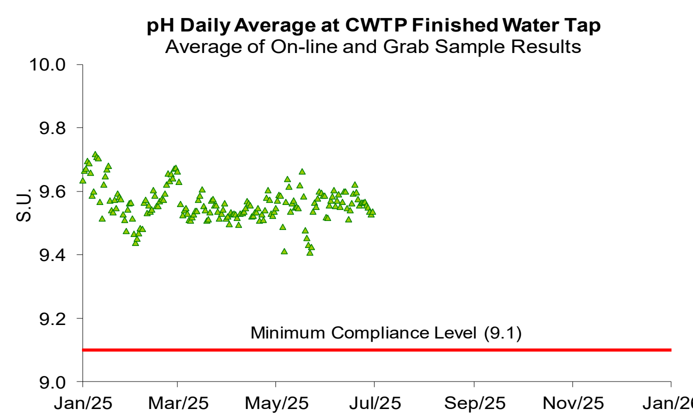
Treated Water – pH and Alkalinity Compliance

MWRA adjusts the alkalinity and pH of Wachusett water at CWTP to reduce its corrosivity, which minimizes the leaching of lead and copper from service lines and home plumbing systems into the water. MWRA tests finished water pH and alkalinity daily at the CWTP's Fin B sampling tap. MWRA's target for distribution system pH is 9.3; the target for alkalinity is 40 mg/l. Per DEP requirements, CWTP finished water samples have a minimum compliance level of 9.1 for pH and 37 mg/L for alkalinity. Samples from 27 distribution system locations have a minimum compliance level of 9.0 for pH and 37 mg/L for alkalinity. Results must not be below these levels for more than nine days in a six month period. Distribution system samples are collected in March, June, September, and December.

Each CVA community provides its own corrosion control treatment. See the CVA report: https://www.mwra.com/node/6548.

Quarterly distribution system samples were collected over a course of two weeks in June. Distribution system sample pH ranged from 9.4 to 9.6 and alkalinity ranged from 41 to 44 mg/L. No sample results were below DEP limits for this quarter.





Treated Water – Disinfection Effectiveness

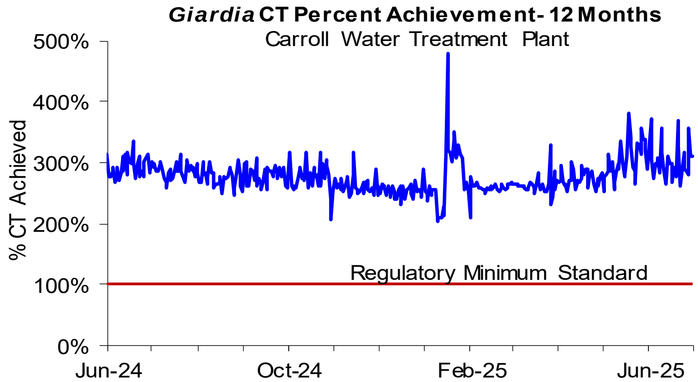
4th Quarter – FY25

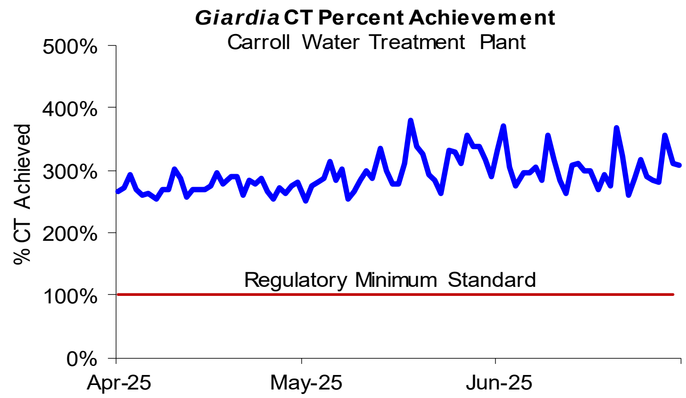
At the Carroll Water Treatment Plant (CWTP), MWRA meets the required 99.9% (3-log) inactivation of *Giardia* using ozone (reported as CT: concentration of disinfectant x contact time) and the required 99% (2-log) inactivation of *Cryptosporidium* using UV (reported as IT: intensity of UV x time). MWRA calculates inactivation rates hourly and reports *Giardia* inactivation at maximum flow and *Cryptosporidium* inactivation at minimum UV dose. MWRA must meet 100% of required CT and IT.

CT achievement for *Giardia* assures CT achievement for viruses, which have a lower CT requirement. For *Cryptosporidium*, there is also an "off-spec" requirement. Off-spec water is water that has not reached the full required UV dose or if the UV reactor is operated outside its validated ranges. No more than 5% off-spec water is allowed in a month.

Wachusett Reservoir – MetroWest/Metro Boston Supply:

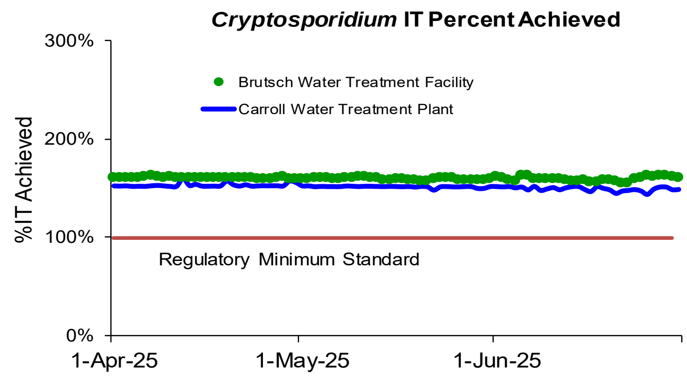
- The chlorine dose at the CWTP varied between 2.80 and 4.35 mg/L for the quarter.
- Ozone dose at the CWTP varied between 1.1 to 3.2 mg/L for the quarter.
- *Giardia* CT was maintained above 100% at all times the plant was providing water into the distribution system this quarter, as well as every day for the last fiscal year.
- *Cryptosporidium* IT was maintained above 100% for the quarter. Off-spec water was less than 5%.
- The CWTP SCADA Improvements project is progressing with the cutover of process equipment and data collection for the Train B ozone contactors. This can be seen in January 2025. The project is expected to continue into the spring of 2026.

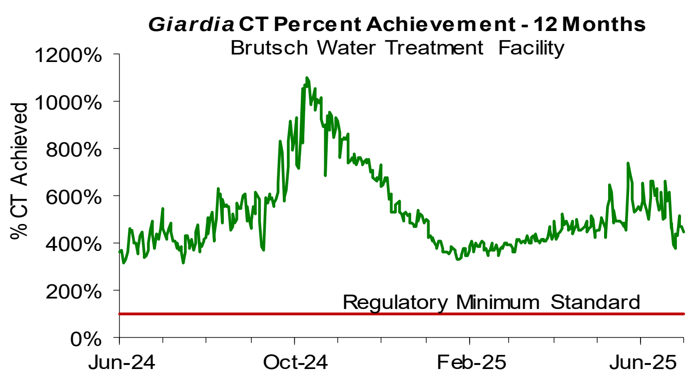


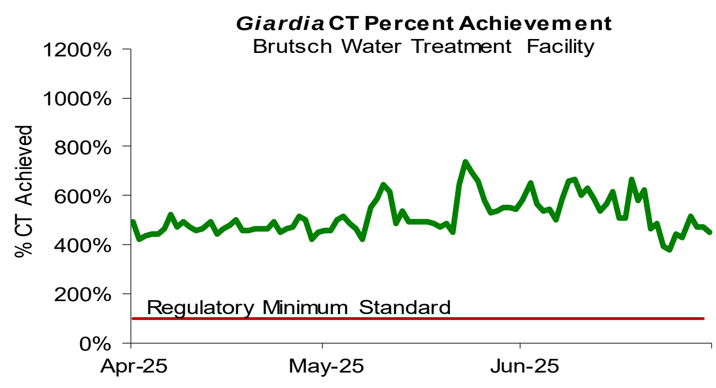


Quabbin Reservoir (CVA Supply) at:
Brutsch Water Treatment Facility

- The chlorine dose at BWTF is adjusted in order to achieve MWRA's seasonal target of 0.75 - 0.85 mg/L (November 1 – May 31) and 0.85 - 1.05 mg/L (June 1 – October 31) at Ludlow Monitoring Station.
- The chlorine dose at BWTF varied between 1.35 to 1.72 mg/L for the quarter.
- *Giardia* CT was maintained above 100% at all times the plant was providing water into the distribution system for the quarter.
- *Cryptosporidium* IT was maintained above 100% for the quarter. Off-spec water was less than 5%.







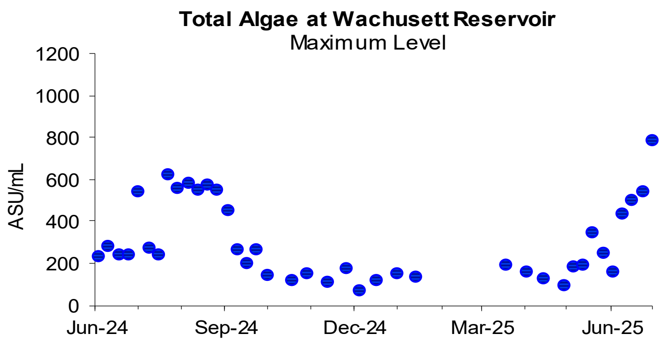
Source Water - Algae

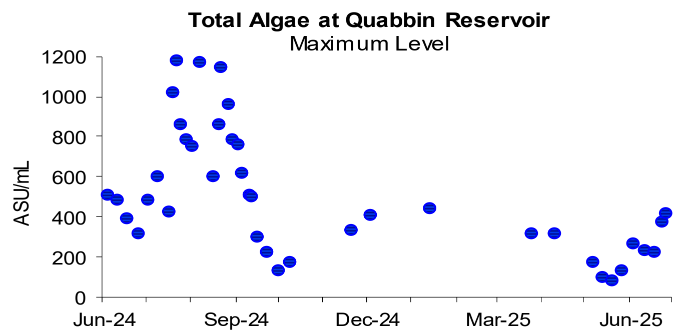
4th Quarter – FY25

Algae levels in the Wachusett and Quabbin Reservoir are monitored by DCR and MWRA. These results, along with taste and odor complaints, are used to make decisions on source water treatment for algae control.

Taste and odor complaints at the tap may be due to algae, which originate in source reservoirs, typically in trace amounts. Occasionally, a particular species grows rapidly, increasing its concentration in water. When *Synura*, *Anabaena*, or other nuisance algae bloom, MWRA may treat the reservoirs with copper sulfate, an algaecide. During the winter and spring, diatom numbers may increase. While not a taste and odor concern, consumers that use filters may notice a more frequent need to change their filters.

In the 4th quarter, there were no complaints which may be related to algae reported from the local water departments.





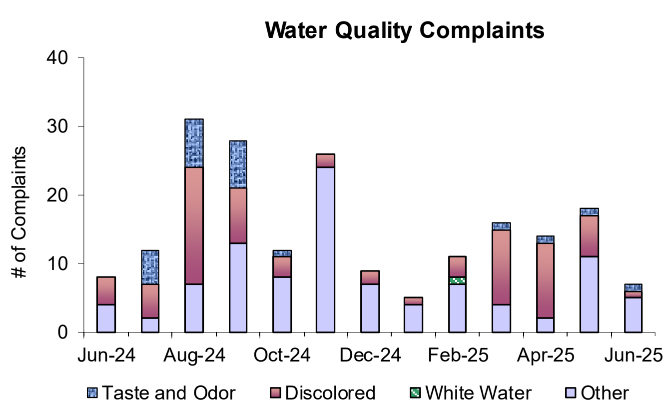
Drinking Water Quality Customer Complaints: Taste, Odor, or Appearance

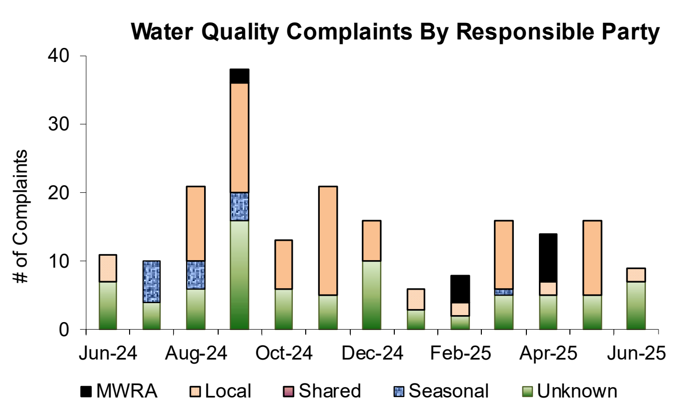
MWRA collects information on water quality complaints that typically fall into four categories: 1) discoloration due to MWRA or local pipeline work; 2) taste and odor due to algae blooms in reservoirs or chlorine in the water; 3) white water caused by changes in pressure or temperature that traps air bubbles in the water; or 4) “other” complaints is a broad category and can include conditions such as low pressure, no water, water main or service line disruptions without discoloration, clogged filters, or other issues.

MWRA routinely contacts communities to classify and tabulate water complaints from customers. This count, reflecting only telephone calls to towns, probably captures only a fraction of the total number of customer complaints. Field Operations staff have improved data collection and reporting by keeping track of more kinds of complaints, tracking complaints to street addresses and circulating results internally on a daily basis.

Communities reported 39 complaints during the quarter compared to 48 complaints from 4th Quarter of FY24. Of these complaints, 18 were for “discolored water”, 3 was for “taste and odor”, and 18 were for “other”. Of these complaints, 15 were local community issues, 7 were an MWRA issue, and 17 were unknown in origin.

- April: 6 discolored water complaints in Stoneham were reported when to a water main break occurred due to a MWRA main reactivation. Local DPW and MWRA staff repaired the water main. Another discolored water complaint was reported when MWRA reconfigured the system for the NIH zones. Somerville reported a low-pressure complaint due to valve exercising in the area.
- May: Lynnfield WD and Somerville reported discolored water complaints due to local water main breaks. Marlborough reported a discolored water complaint which was due to hydrant flushing. Somerville and Marblehead reported low pressure and no water complaints which were found to be internal to the buildings. Arlington and Somerville reported no water complaints due to local water main breaks.
- June: Five communities reported odor, clogged filter, particles or low-pressure complaints which are being followed up by the local DPW and MWRA staff.





Bacteria & Chlorine Residual Results for Communities in MWRA Testing Program

4th Quarter – FY25

While all communities collect bacteria samples and chlorine residual data for the Total Coliform Rule (TCR), data from the 44 systems that use MWRA's Laboratory are reported below.
The MWRA TCR program has 144 sampling locations. These locations include sites along MWRA's transmission system, water storage tanks and pumping stations, as well as a subset of the community TCR locations.
Samples are tested for total coliform and *Escherichia coli (E.coli*). *E.coli* is a specific coliform species whose presence likely indicates potential contamination of fecal origin.
If *E.coli* are detected in a drinking water sample, this is considered evidence of a potential public health concern. Public notification is required if repeat tests confirm the presence of *E.coli* or total coliform.
Total coliform provide a general indication of the sanitary condition of a water supply. If total coliform are detected in more than 5% of samples in a month (or if more than one sample is positive when less than 40 samples are collected), the water system is required to investigate the possible source/cause with a Level 1 or 2 Assessment, and fix any identified problems.
A disinfectant residual is intended to maintain the sanitary integrity of the water; MWRA considers a residual of 0.2 mg/L a minimum target level at all points in the distribution system.

Highlights

In the fourth quarter, four of the 6,443 fully and partially served samples (0.06%) tested positive for total coliform. Two of the 1854 Shared Community/MWRA samples (0.11%) tested positive for total coliform. None of the 404 CVA/MWRA community samples tested positive for total coliform. Bedford was required to perform a Level 2 Assessment in June. No samples confirmed for *E.coli*. 0.1% of the Fully Served community quarterly samples had chlorine residuals lower than 0.2 mg/L.

			Total Coliform			
			# Samples (b)	# (%) Positive	*E.coli* # Positive	Assessment Required
MWRA		MWRA Locations	396	1 (0.3%)	0	
	a	Shared Community/MWRA sites	1458	1 (0.1%)	0	
		Total: MWRA	1854	2 (0.11%)	0	No
Fully Served		ARLINGTON	169	0 (0%)	0	
		BELMONT	104	0 (0%)	0	
		BOSTON	779	0 (0%)	0	
		BROOKLINE	237	0 (0%)	0	
		CHELSEA	169	0 (0%)	0	
		DEER ISLAND	52	0 (0%)	0	
		EVERETT	169	0 (0%)	0	
		FRAMINGHAM	276	1 (0.4%)	0	No
		LEXINGTON	146	0 (0%)	0	
		LYNNFIELD	18	0 (0%)	0	
		MALDEN	234	0 (0%)	0	
		MARBLEHEAD	72	0 (0%)	0	
		MARLBOROUGH	153	0 (0%)	0	
		MEDFORD	216	0 (0%)	0	
		MELROSE	117	0 (0%)	0	
		MILTON	102	0 (0%)	0	
		NAHANT	30	0 (0%)	0	
		NEWTON	279	0 (0%)	0	
		NORTHBOROUGH	48	0 (0%)	0	
		NORWOOD	99	0 (0%)	0	
		QUINCY	306	0 (0%)	0	
		READING	143	0 (0%)	0	
		REVERE	234	0 (0%)	0	
		SAUGUS	104	0 (0%)	0	
		SOMERVILLE	252	0 (0%)	0	
		SOUTHBOROUGH	30	0 (0%)	0	
		STONEHAM	91	0 (0%)	0	
		SWAMPSCOTT	57	0 (0%)	0	
		WALTHAM	218	0 (0%)	0	
		WATERTOWN	143	0 (0%)	0	
		WESTON	45	0 (0%)	0	
		WINTHROP	69	1 (1.4%)	0	No
		Total: Fully Served	*5161*	*2 (0.04%)*		
Partially Served	c	BEDFORD	60	2 (3.3%)	0	Yes
		BURLINGTON	139	0 (0%)	0	
		CANTON	90	0 (0%)	0	
		HANSCOM AFB	32	0 (0%)	0	
		NEEDHAM	123	0 (0%)	0	
		PEABODY	219	0 (0%)	0	
		WAKEFIELD	138	0 (0%)	0	
		WELLESLEY	105	0 (0%)	0	
		WILMINGTON	87	0 (0%)	0	
		WINCHESTER	94	0 (0%)	0	
		WOBURN	195	0 (0%)	0	
		Total: Partially Served	*1282*	*2 (0.16%)*		
		Total: Fully and Partially Served	*6443*	*4 (0.06%)*		
CVA	d	MWRA CVA Locations	104	0 (0%)	0	
		CHICOPEE	195	0 (0%)	0	
		SOUTH HADLEY FD1	60	0 (0%)	0	
		WILBRAHAM	45	0 (0%)	0	
		Total: CVA	*404*	*0 (0%)*		

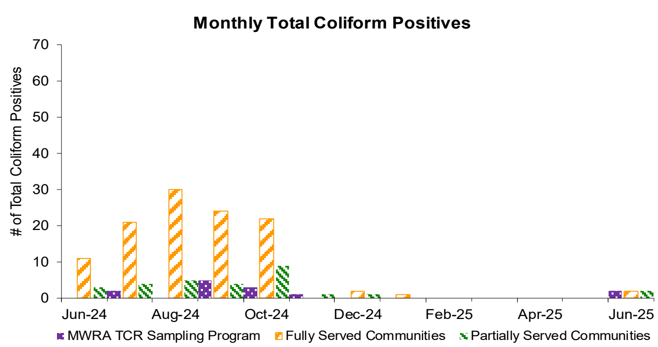
NOTES:

a) MWRA total coliform and chlorine residual results include data from community locations. In most cases these community results are indicative of MWRA water as it enters the community system; however, some are strongly influenced by local pipe conditions. Residuals in the MWRA system are typically between 1.0 and 2.8 mg/L.

b) The number of samples collected depends on the population served and the number of repeat samples required.

c) These communities are partially supplied, and may mix their chlorinated supply with MWRA chloraminated supply.

d) Part of the Chicopee Valley Aqueduct System. Free chlorine system.



Chlorine Residuals in Fully Served Communities

	2024							2025					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
% <0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% <0.2	0.2	0.4	0.2	0.2	0.4	0.7	0.4	0.2	0.0	0.0	0.1	0.2	0.0
% <0.5	1.2	1.8	2.0	1.5	2.0	2.5	2.2	1.5	0.8	0.7	0.6	0.5	0.4
% <1.0	5.2	5.8	7.3	5.6	7.6	7.3	5.2	2.7	1.8	1.5	1.3	1.7	3.0
% ≥1.0	94.5	93.5	91.8	93.9	92.0	92.7	94.8	97.3	98.2	98.5	98.7	98.3	97.0

Treated Water Quality: Disinfection By-Product (DBP) Levels in Communities

4th Quarter – FY25

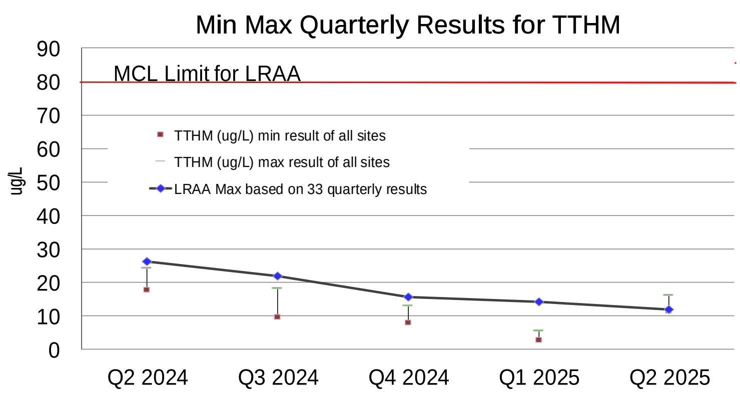
Total Trihalomethanes (TTHMs) and Haloacetic Acids (HAA5s) are by-products of disinfection treatment with chlorine. They are of concern due to their potential adverse health effects at high levels. EPA's locational running annual average (LRAA) standard, using the most recent four quarterly results, is 80 µg/L for TTHMs and 60 µg/L for HAA5s. The locational running annual average at each individual sampling location must be below the standard.

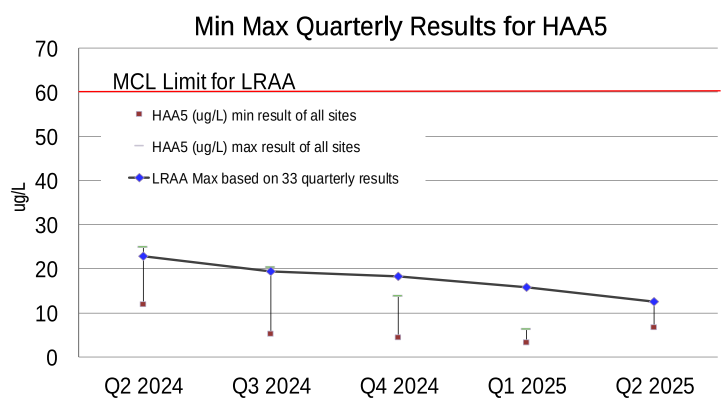
Bromate is tested monthly as required for water systems, like CWTP, that treat with ozone. EPA's RAA Maximum Contaminant Level (MCL) standard for bromate is 10 µg/L. The current RAA for Bromate at the CWTP finished water tap is 0.0 µg/L.

MWRA's TTHM and HAA5 sampling program includes sampling at 33 MetroWest and Metro Boston communities sites. Partially served and CVA communities are responsible for their own compliance monitoring and are regulated individually.

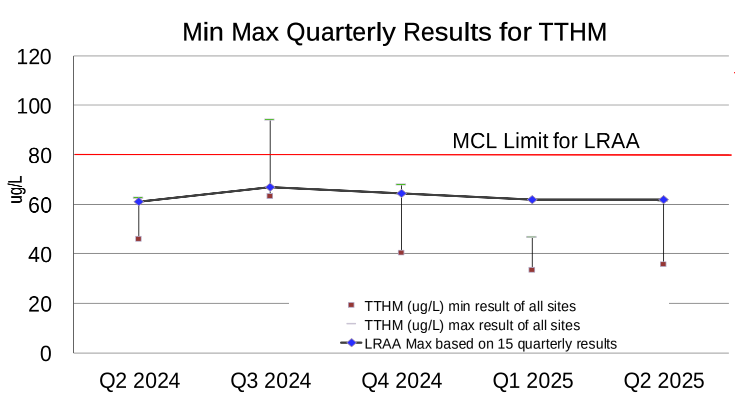
The LRAA for TTHMs and HAA5s for MWRA's Compliance Program (represented as the line in the top two graphs below) remains below current standards. The Max LRAA in the quarter for TTHMs = 11.9 µg/L; HAA5s = 12.5 µg/L. No LRAA exceedances or violations occurred this quarter for MetroBoston and for any of the CVA communities.

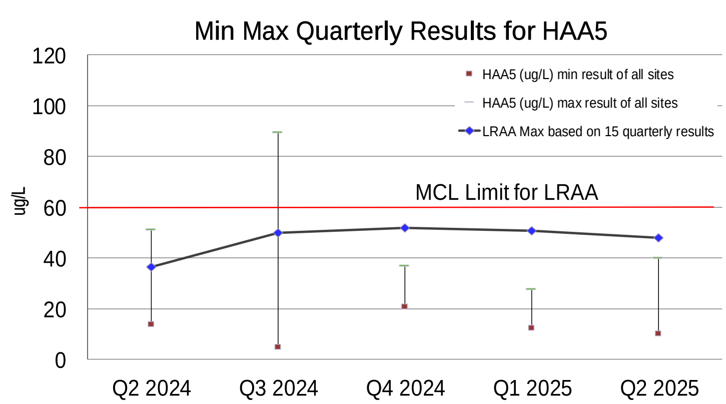
MetroBoston Disinfection By-Products





CVA Disinfection By-Products (Combined Results Chicopee, Wilbraham, & South Hadley FD1)





Water Supply and Source Water Management

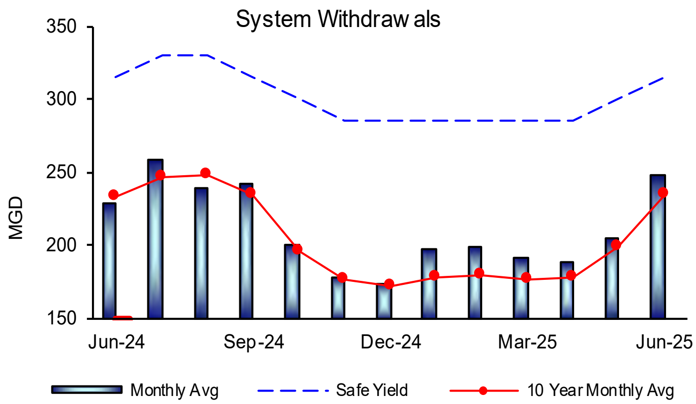
4th Quarter – FY25

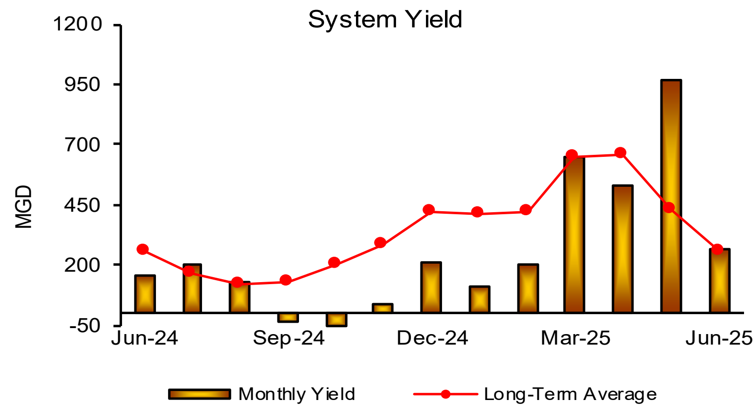
Background

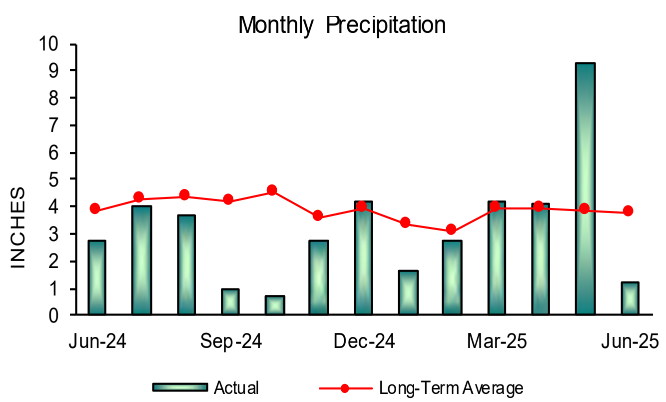
A reliable supply of water in MWRA's reservoirs depends on adequate precipitation during the year and seasonal hydrologic inputs from watersheds that surround the reservoirs. Demand for water typically increases with higher summer temperatures and then decreases as temperatures decline. Quabbin Reservoir was designed to effectively supply water to the service areas under a range of climatic conditions and has the ability to endure a range of fluctuations. Wachusett Reservoir serves as a terminal reservoir to meet the daily demands of the Greater Boston area. A key component to this reservoir's operation is the seasonal transfer of Quabbin Reservoir water to enhance water quality during high demand periods. On an annual basis, Quabbin Reservoir accounts for nearly 50% of the water supplied to Greater Boston. The water quality of both reservoirs (as well as the Ware River, which is also part of the System Safe Yield) depend upon implementation of DCR's DEP-approved Watershed Protection Plans. System Yield is defined as the water produced by its sources, and is reported as the net change in water available for water supply and operating requirements.

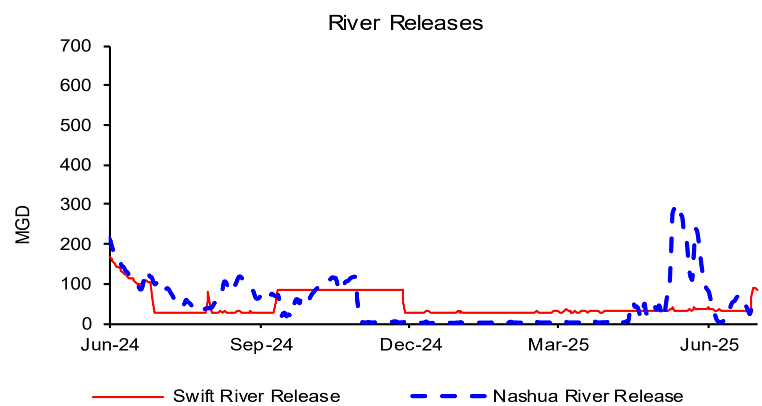
Outcome

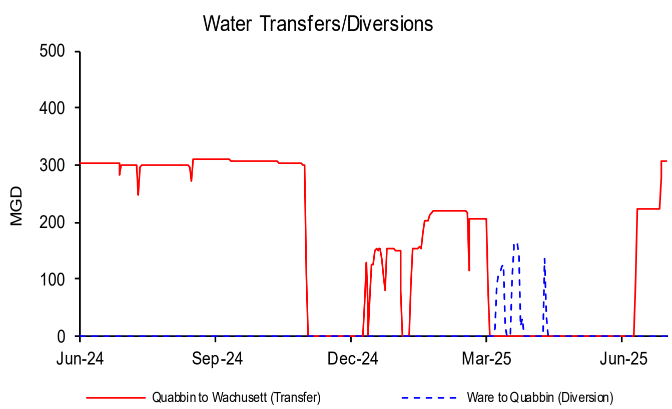
The volume of the Quabbin Reservoir was at 93.0% as of June 30, 2025; a 9.3 % increase for the quarter, which represents a gain of more than 38.4 billion gallons of storage and an increase in elevation of 5.12'. System withdrawal was below its long term quarterly average. Precipitation and Yield were above their long term quarterly averages. Quabbin is in normal operating range for this time of year.

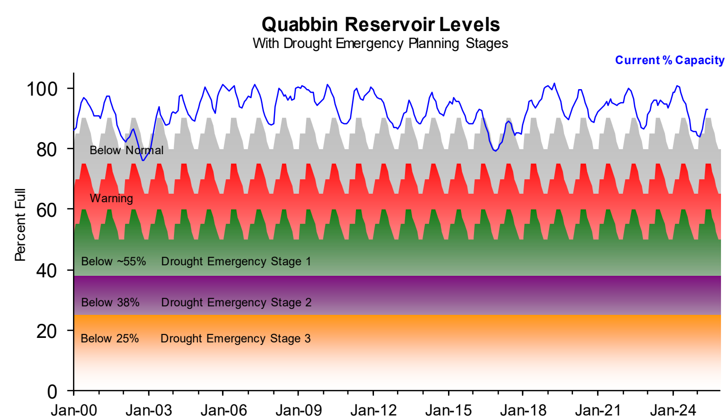












WASTEWATER QUALITY

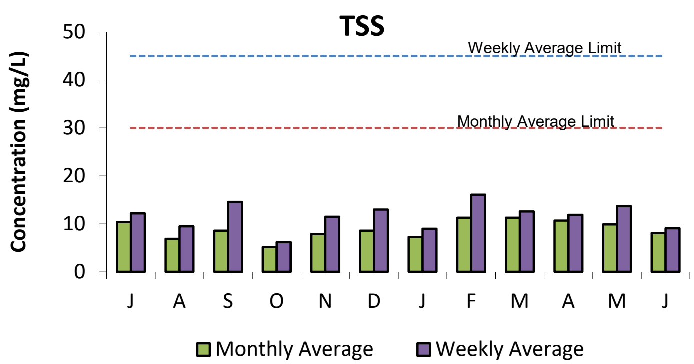
NPDES Permit Compliance: Deer Island Treatment Plant

4th Quarter - FY25

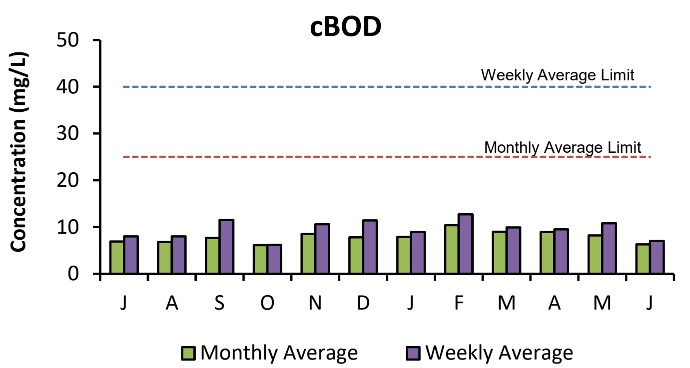
NPDES Permit Limits

Effluent Characteristics		*Units*	*Limits*	*April*	*May*	*June*	*4th Quarter Violations*	*FY25 YTD Violations*
Dry Day Flow (365 Day Average):		MGD	436	246.0	249.9	250.9	0	0
cBOD:	Monthly Average	mg/L	25	8.9	8.2	6.3	0	0
	Weekly Average	mg/L	40	9.5	10.8	7.0	0	0
TSS:	Monthly Average	mg/L	30	10.7	9.9	8.1	0	0
	Weekly Average	mg/L	45	11.9	13.7	9.1	0	0
TCR:	Monthly Average	ug/L	456	0.0	20.0	0.0	0	0
	Daily Maximum	ug/L	631	0.0	0.7	0.0	0	0
Fecal Coliform:	Daily Geometric Mean	col/100mL	14000	13	22	13	0	0
	Weekly Geometric Mean	col/100mL	14000	7	8	6	0	0
	% of Samples >14000	%	10	0	0	0	0	0
	Consecutive Samples >14000	#	3	0	0	0	0	0
pH:		SU	6.0-9.0	6.5-6.8	6.4-6.8	6.45-6.9	0	0
PCB, Aroclors:	Monthly Average	ug/L	0.000045	UNDETECTED			0	0
Acute Toxicity:	Inland Silverside	%	≥50	96.1	76.9	42.6	1	1
	Mysid Shrimp	%	≥50	>100	>100	>100	0	0
Chronic Toxicity:	Inland Silverside	%	≥1.5	-	100	50	0	0
	Sea Urchin	%	≥1.5	>100	66	52	0	0

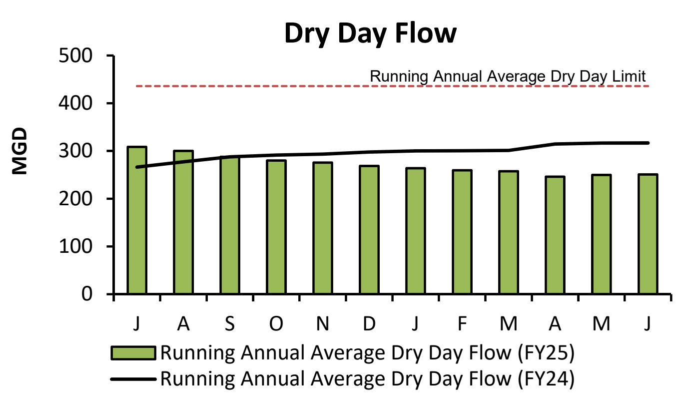
Due to a control failure at the contract lab, the April 2025 chronic inland silverside (*Menidia beryllina*) test was determined to be invalid and therefore was terminated. The June 2025, acute toxicity test for inland silverside resulted in an LC50 of 42.6% and was below the effluent limit of ≥50%. A review of operational conditions and wastewater chemistry did not reveal a direct cause. The chronic test of the same species did not result in toxicity. Massachusetts Bay appears to be unimpacted.



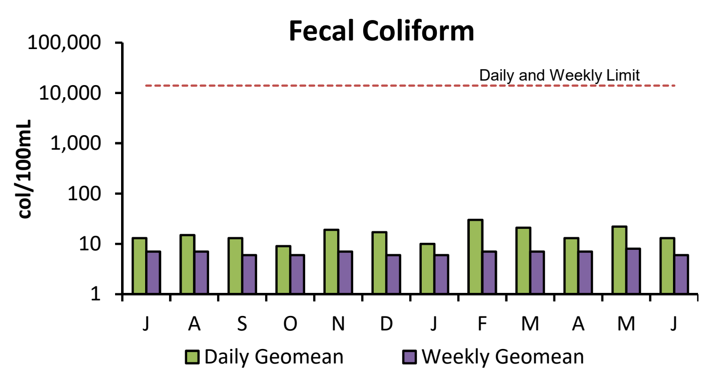
Total Suspended Solids (TSS) in the effluent is a measure of the amount of solids that remain suspended after treatment. All TSS measurements for the 4th Quarter were within permit limits.



Carbonaceous Biochemical Oxygen Demand (cBOD) is a measure of the amount of dissolved oxygen required for the decomposition of organic materials in the environment. All cBOD measurements for the 4th Quarter were within permit limits.



Running Annual Average Dry Day Flow is the average of all dry weather influent flows over the previous 365 days. The Dry Day Flow for the 4th Quarter was well below the permit limit of 436 MGD.



Fecal Coliform is an indicator for the possible presence of pathogens. The levels of these bacteria after disinfection show how effectively the plant is inactivating many forms of disease-causing microorganisms. In the 4th Quarter, all permit conditions for fecal coliform were met.

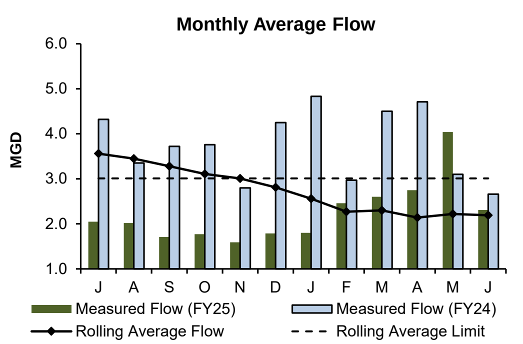
NPDES Permit Compliance: Clinton Wastewater Treatment Plant

4th Quarter - FY25

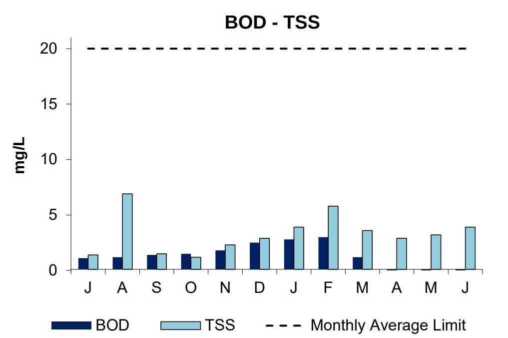
Effluent Characteristics		*Units*	*Permit Limits*	*April*	*May*	*June*	*4th Quarter Violations*	*FY25 YTD Violations*
Dissolved Oxygen	Daily Minimum	mg/L	6	9.1	8.6	8.1	0	0
BOD	Monthly Average Load	lb/d	500	<39	<59	<31	0	0
	Weekly Average Load	lb/d	500	<49	<73	<35	0	0
	Monthly Average	mg/L	20	<1.7	<1.8	<1.6	0	0
	Weekly Average	mg/L	20	<1.9	<2.1	<1.8	0	0
BOD % removal	Monthly Average Minimum	%	85	98.9	98.5	99.1	0	0
pH	Monthly Minimum	S.U.	6.5	6.75	7.15	7.18	0	0
	Monthly Maximum	S.U.	8.3	7.80	7.55	7.68	0	1
TSS	Monthly Average Load	lb/d	500	64.0	103.0	76.0	0	0
	Weekly Average Load	lb/d	500	77.0	130.0	97.0	0	0
	Monthly Average	mg/L	20	2.9	3.2	3.9	0	0
	Weekly Average	mg/L	20	3.2	3.7	4.6	0	0
TSS % removal	Monthly Average Minimum	%	85	98.4	98.2	98.6	0	0
Total Ammonia Nitrogen June 1st - October 31st	Monthly Average	mg/L	2	0.03	0.02	0.02	0	0
	Daily Maximum	mg/L	3	0.06	0.04	0.04	0	0
Total Phosphorus April 1st - October 31st	Monthly Average	lb/d	3.8	1.0	1.1	1.1	0	0
	Monthly Average	mg/L	0.15	0.04	0.04	0.06	0	0
Copper	Monthly Average	ug/L	11.6	8.15	7.61	9.86	0	1
	Daily Maximum	ug/L	14	8.70	9.10	11.30	0	1
Flow	12 -month Rolling Average	MGD	3.01	2.14	2.22	2.19	0	4
TCR	Monthly Average	ug/L	20	0.13	<20	0.13	0	0
	Daily Maximum	ug/L	30.4	4.0	<20	4.0	0	0
E. Coli	Monthly Geometric Mean	cfu/100mL	126	5.0	5.0	5.0	0	0
	Daily Maximum	cfu/100mL	409	21.0	7.0	7.0	0	0
Acute Toxicity[1]	Monthly Average Minimum	%	100	>100	N/A	>100	0	0
Chronic Toxicity[1]	Monthly Average Minimum	%	62.5	100	N/A	100	0	0

There have been seven permit violations in FY25 at the Clinton Treatment Plant.
1st Quarter: There were four permit violations in the first quarter, three for 12 month rolling-average flow and one for pH.
2nd Quarter: There were three permit violations in the second quarter, one for 12 month rolling-average flow; one each for copper monthly average and daily maximum.
3rd Quarter: There were no permit violations in the third quarter.
4th Quarter: There were no permit violations in the fourth quarter.

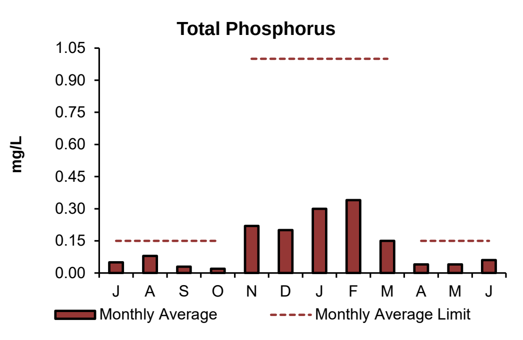
[1] Toxicity testing at the Clinton Treatment Plant is conducted on a quarterly basis.



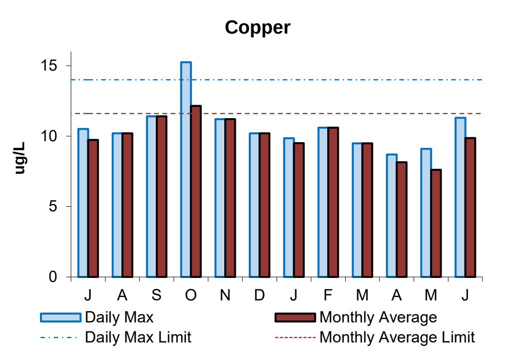
The graph depicts the rolling annual average monthly flow, measured in million gallons per day, exiting the plant.
The 12-month rolling average flows during the 4th Quarter were above the permit limit.



Monthly average concentrations of BOD and TSS were below permit limits in the 4th Quarter. The permit monthly limit for both parameters is 20 mg/L.



Total phosphorus limits are most stringent during the growing season from April to October.
The 4th Quarter's monthly average concentrations for total phosphorus were below permit limits.

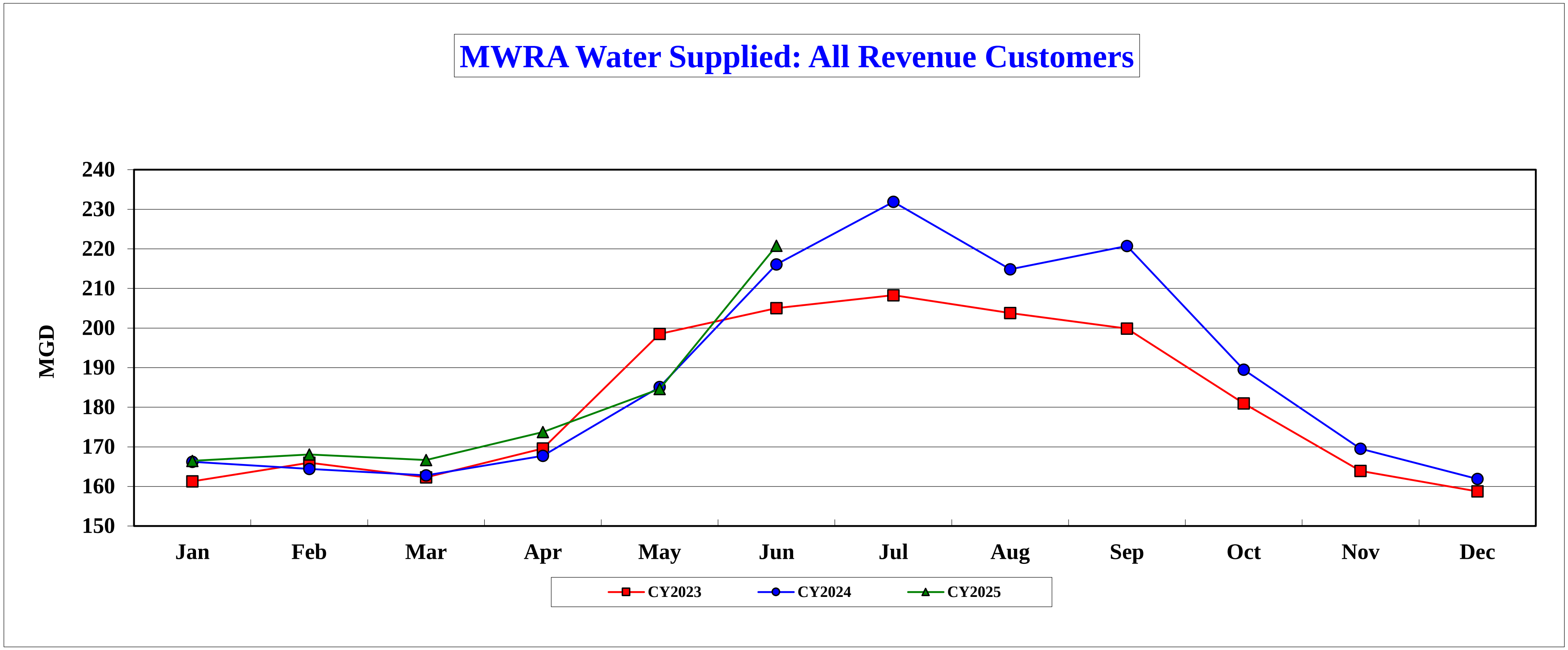


Daily maximum and monthly average concentrations of copper were below permit limits in the 4th Quarter. Permit daily and monthly limits are 14.0 ug/L and 11.6 ug/L respectively.

COMMUNITY FLOWS AND PROGRAMS

Customer Water Use

4th Quarter - FY25



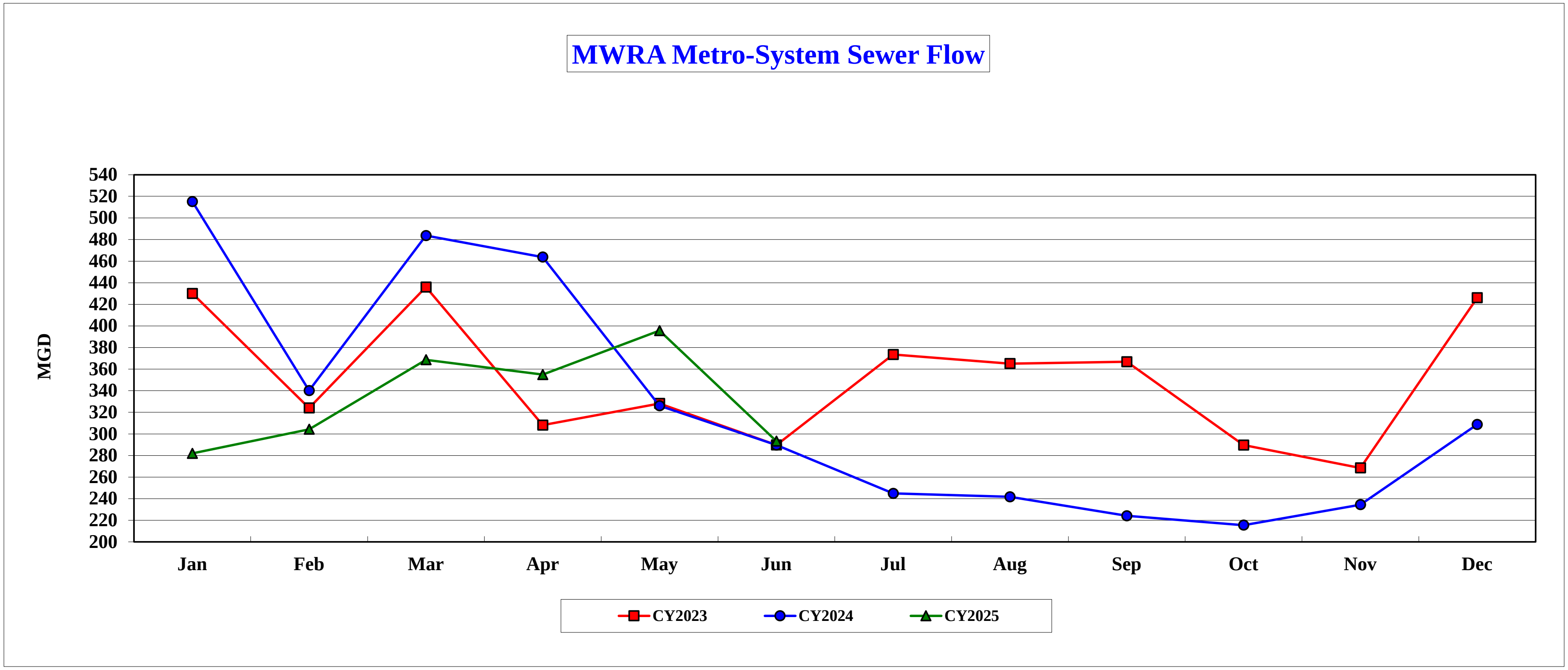
	Water Use (million gallons per day)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Average	Annual Average
CY2023	161.272	165.989	162.292	169.594	198.499	205.042	208.304	203.762	199.844	180.948	163.937	158.736	177.186	181.612
CY2024	166.216	164.428	162.771	167.755	185.117	216.090	231.863	214.851	220.742	189.490	169.526	161.886	177.038	187.622
CY2025	166.464	168.077	166.664	173.719	184.616	220.793							180.064	1,051.340

The June 2025 Community Water Use Report was recently distributed to communities and customers served by the MWRA's Metropolitan and Chicopee Valley waterworks systems. Each community's annual water use relative to the system as a whole is the primary factor in allocating the annual water rate revenue requirement to MWRA water communities. Calendar year 2025 water use will be used to allocate the FY2027 water utility rate revenue requirement.

MWRA customers used an average of 192.9 mgd in the 4th quarter (Apr-Jun 2025) of FY2025. This is an increase of 3.3 mgd or 1.8% compared to the 4th quarter of FY2024.

Community Sewer Flow

YTD - FY25



	Sewer Flow (million gallons per day)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Average	Annual Average
CY2023	430.060	323.980	435.990	308.110	328.160	289.710	373.540	365.130	366.840	289.680	268.470	426.070	353.738	351.159
CY2024	515.140	340.120	483.590	463.770	326.090	289.640	244.870	241.730	224.160	215.540	234.450	308.770	404.040	324.130
CY2025	281.960	304.280	368.660	354.940	395.670	293.320							333.716	308.491

The 2025 6-Month Community Sewer Flow Report was recently distributed to the 43 communities served by the MWRA's Metropolitan sewer system. Each community's share of sewer flow relative to the system as a whole is used to allocate the annual sewer rate revenue requirement to MWRA sewer communities. The average of calendar year 2023-2025 sewer flow will be used to allocate the FY2027 sewer utility rate revenue requirement.

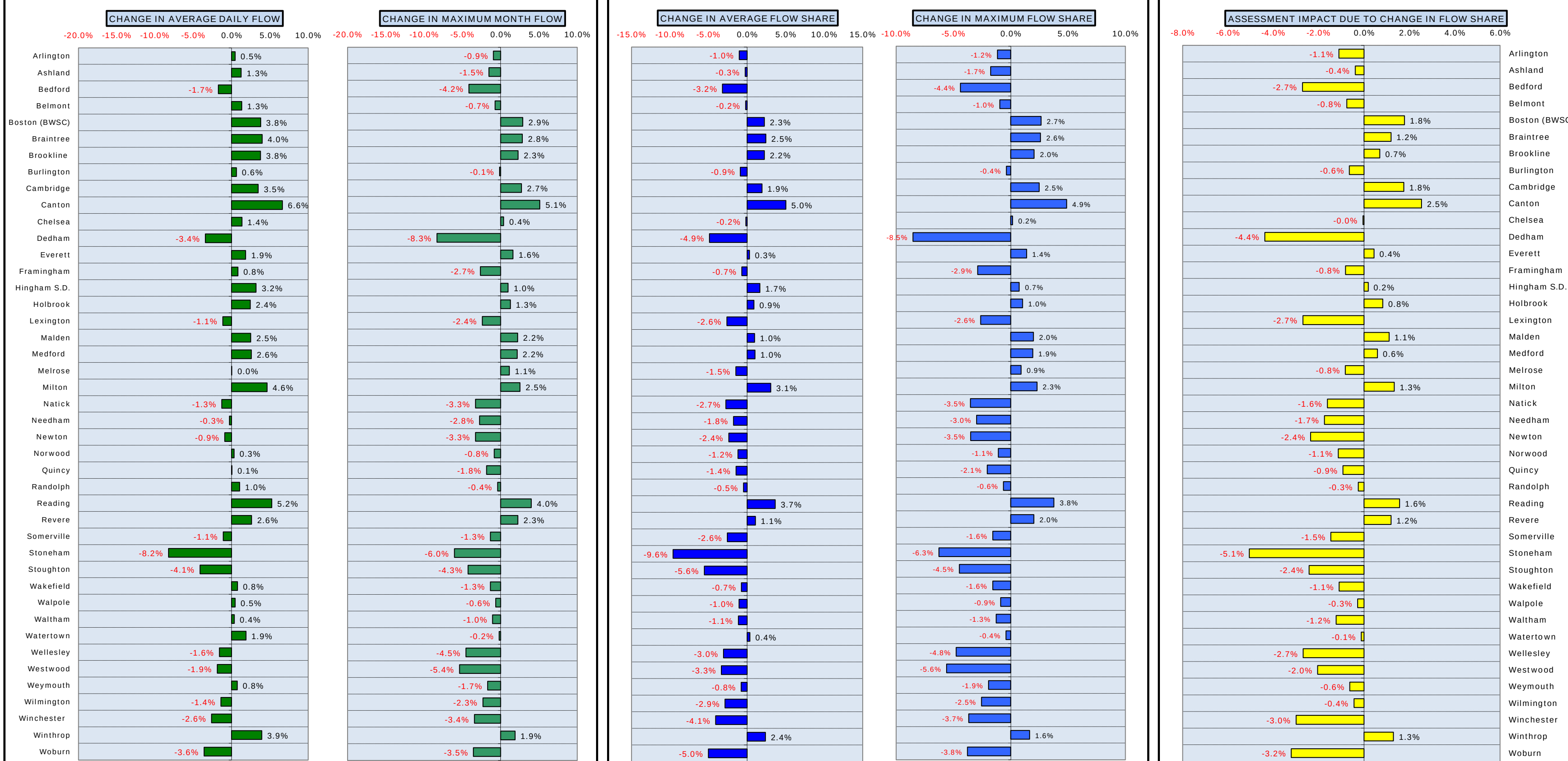
MWRA customer sewer flow averaged 333.7 mgd in the first six months of CY2025. This is a decrease of 70.3 mgd or 17.4% compared to the first six months of CY2024.

How CY2023-25 Community Wastewater Flows Could Effect FY2027 Sewer Assessments [1,2,3]

The flow components of FY2027 sewer assessments will be calculated using a 3-year average of CY2023 to CY2025 wastewater flows compared to FY2026 assessments that will use a 3-year average of CY2022 to CY2024 wastewater flows.

But as MWRA's sewer assessments are a ZERO-SUM calculation, a community's assessment is strongly influenced by the RELATIVE change in CY2023 to CY2025 flow share compared to CY2022 to CY2024 flow share, compared to all other communities in the system.

The chart below illustrates the change in the TOTAL BASE assessment due to FLOW SHARE CHANGES. [4]



[1] MWRA uses a 3-year flow average to calculate sewer assessments. Three-year averaging smoothes the impact of year-to-year changes in community flow share, but does not eliminate the long-term impact of changes in each community's relative contribution to the total flow.

[2] Based on actual flows through June 2025.

[3] Flow data is preliminary and subject to change pending additional MWRA and community review.

[4] Represents ONLY the impact on the total BASE assessment resulting from the changes in average and maximum wastewater FLOW SHARES.

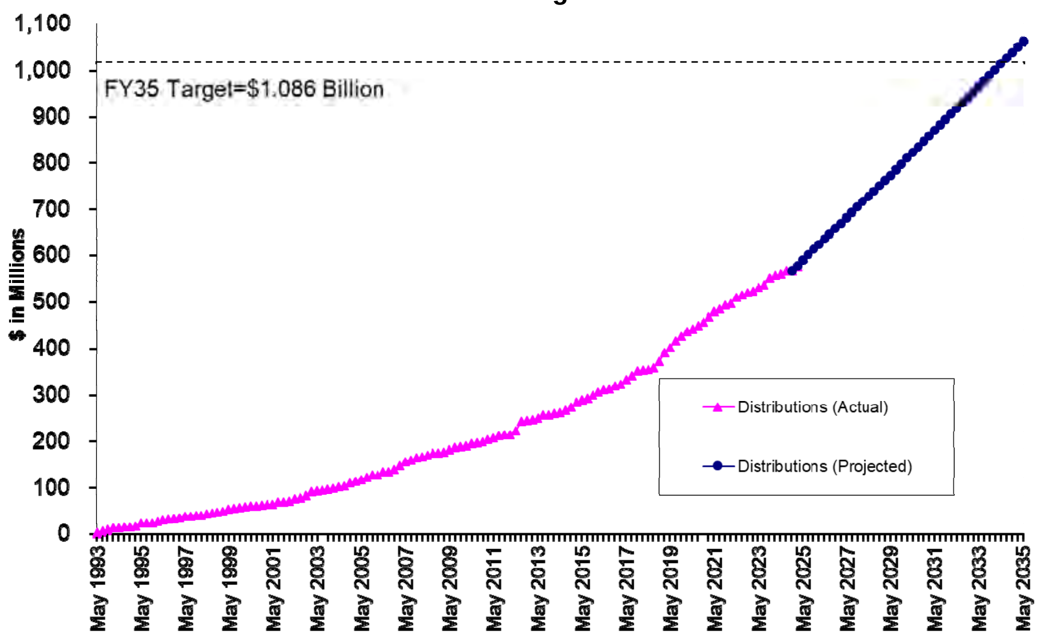
Community Support Programs

4th Quarter – FY25

Infiltration/Inflow Local Financial Assistance Program

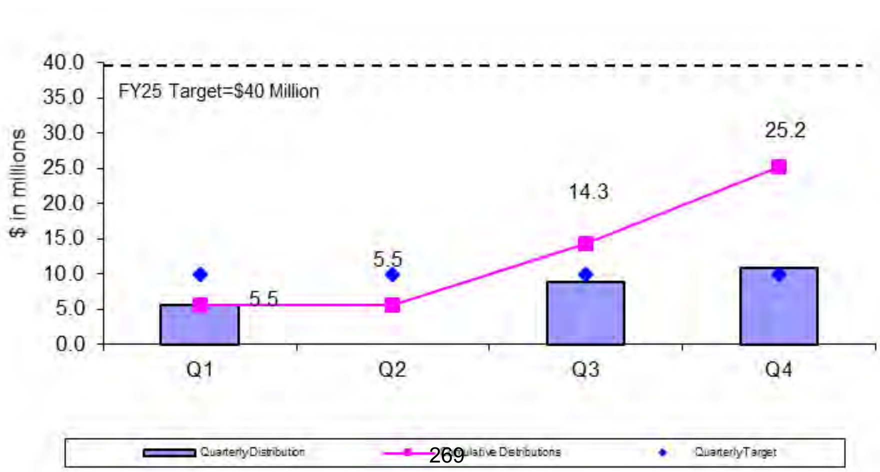
MWRA's Infiltration/Inflow (I/I) Local Financial Assistance Program provides $1085.75 million in grants and interest-free loans (average of about $22 million per year from FY93 through FY35) to member sewer communities to perform I/I reduction and sewer system rehabilitation projects within their locally-owned collection systems. Eligible project costs include: sewer rehabilitation construction, pipeline replacement, removal of public and private inflow sources, I/I reduction planning, engineering design, engineering services during construction, etc. I/I Local Financial Assistance Program funds are allocated to member sewer communities based on their percent share of MWRA's wholesale sewer charge. Phase 1-8 funds (total $300.75 million) were distributed as 45% grants and 55% loans with interest-free loans repaid to MWRA over a five-year period. Phase 9 through 12 funds (total $360 million) are distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period. Phase 13 funds of $100 million are distribution as ten-year interest-free loan-only funds. Phase 14 funds (total $100 million) are distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period. Phase 15 provides an additional $100 million in ten-year interest-free loan-only funds. Phase 16 funds (total $125 million) are programmed in the budget beginning in FY26 and will be distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period.

I/I Local Financial Assistance Program Distribution FY93-FY35



During the 4th Quarter of FY25, $10.9 million in I/I Local Financial Assistance Program distributions were made to fund projects in Boston, Malden, Norwood, Revere, and Woburn. Total grant/loan distribution to date for FY25 is $25.2 million. From FY93 through the 4th Quarter of FY25, all 43 member sewer communities have participated in the program and $585 million has been distributed to fund 702 local I/I reduction and sewer system rehabilitation projects. Distribution of the remaining funds has been approved through FY35 and community loan repayments will be made through FY45. All scheduled community loan repayments have been made.

FY25 Quarterly Distributions of Sewer Grant/Loans



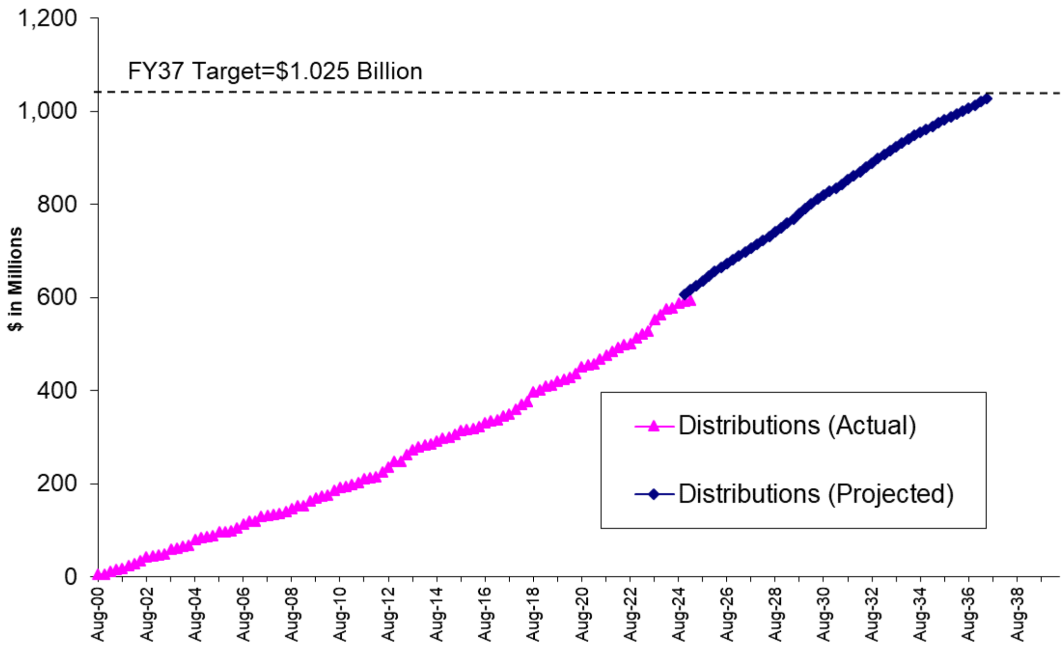
Community Support Programs

4th Quarter – FY25

Local Water System Assistance Program

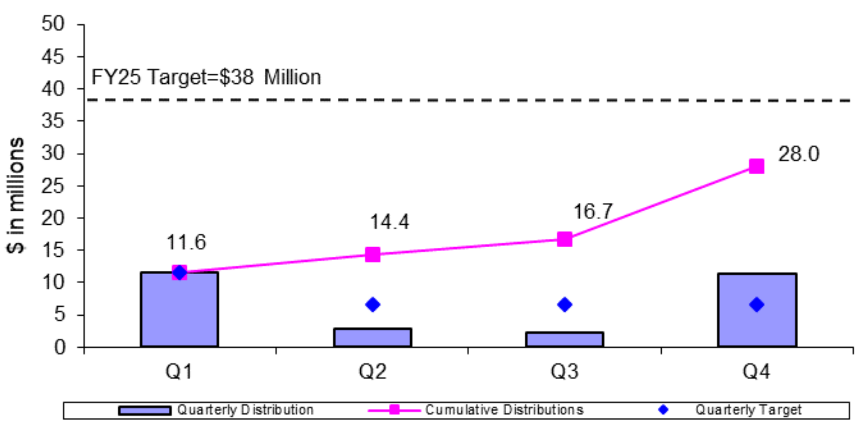
MWRA's Local Water System Assistance Programs (LWSAP) provides $1.025 billion in interest-free loans (an average of about $24 million per year from FY01 through FY35) to member water communities to perform water main rehabilitation projects within their locally-owned water distribution systems. There have been four (3) funding phases: Phase 1 at $222 Million, Phase 2 at $210 Million, and Phase 3 at $293 Million. Eligible project costs include: water main cleaning/lining, replacement of unlined water mains, lead service replacements, valve, hydrant, water meter, tank work, engineering design, engineering services during construction, etc. MWRA partially-supplied communities receive pro-rated funding allocations based on their percentage use of MWRA water. Interest-free loans are repaid to MWRA over a ten-year period beginning one year after distribution of the funds. The Phase 1 water loan program concluded in FY13 with $222 million in loan distributions. The Phase 2 - LWSAP continues distributions through FY25. The Phase 3 LWSAP is authorized for distributions from FY18 through FY30. And the Phase 4 – LWSAP is authorized for distributions from FY25 through FY35.

Local Water System Assistance Program Distribution FY01-FY35



During the 4th Quarter of FY25, $11.3 million in interest-free loans was distributed to fund local water projects Malden, Melrose, Somerville, Southborough, Wellesley, Weston, Wilbraham and Winchester. Total loan distribution to date for FY25 is $28.0 million. From FY01 through the 4th Quarter of FY25, $604 million has been distributed to fund 540 local water system rehabilitation projects in 45 MWRA member water communities. Distribution of the remaining funds has been approved through FY35 and community loan repayments will be made through FY45. All scheduled community loan repayments have been made.

FY25 Quarterly Distributions of Water Loans



Community Support Programs

4th Quarter – FY25

Lead Service Line Replacement Loan Program

By its vote on March 16, 2016, the Board approved an enhancement to the Local Water System Assistance Program to provide up to $100 million in 10-year zero-interest loans to communities solely for efforts to fully replace lead service lines. On June 26, 2024, the Board approved an additional $100 million, and authorized the inclusion a 25% grant for communities who commit to fully fund the replacement of the portion of lead service lines located on private property.

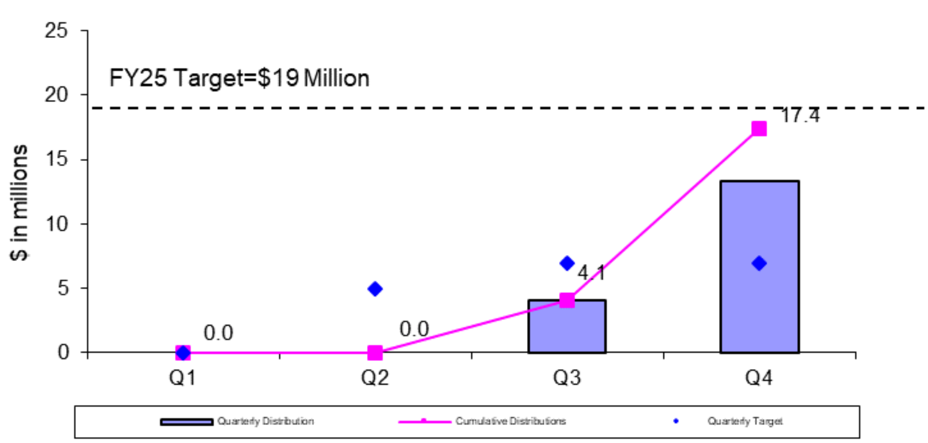
The Lead Service Line Replacement Loan Program is also referenced as the Lead Replacement Program or LRP. Each community can develop its own program, tailored to their local circumstances. MWRA's goal in providing financial assistance to member communities is to help communities remove lead from their water systems. MWRA's goal is for all lead service lines to be removed by 2032, meeting the requirements of the Lead and Copper Rule Improvements.

Distributed Lead Funds

Boston	$3.5M
Brookline	$2.0M
Chelsea	$2.6M
Everett	$7.0M
Lexington	$3.9M
Malden	$0.8M
Marblehead	$0.3M
Marlborough	$5.8M
Medford	$8.0M
Melrose	$1.0M
Needham	$1.0M
Newton	$4.0M
Quincy	$3.0M
Reading	$1.5M
Revere	$3.3M
Somerville	$2.5M
Watertown	$1.8M
Weston	$0.2M
Winchester	$3.4M
Winthrop	$5.6M
Total	**$61.2M**

During the 4th Quarter of FY25, $13.3 million in Lead Replacement Program grants and loans were distributed to fund local water projects in Everett, Malden, Marblehead, Marlborough, Medford, Revere and Winchester. Total loan distribution to date for FY25 is $17.4 million. From FY17 through the 4th Quarter of FY25, $61.2 million has been distributed to fund 60 lead replacement projects in 20 MWRA member water communities. Distribution of the remaining funds has been approved through FY33 and community loan repayments will be made through FY43. All scheduled community loan repayments have been made.

FY25 Quarterly Distributions of Lead Service Line Replacement Loans

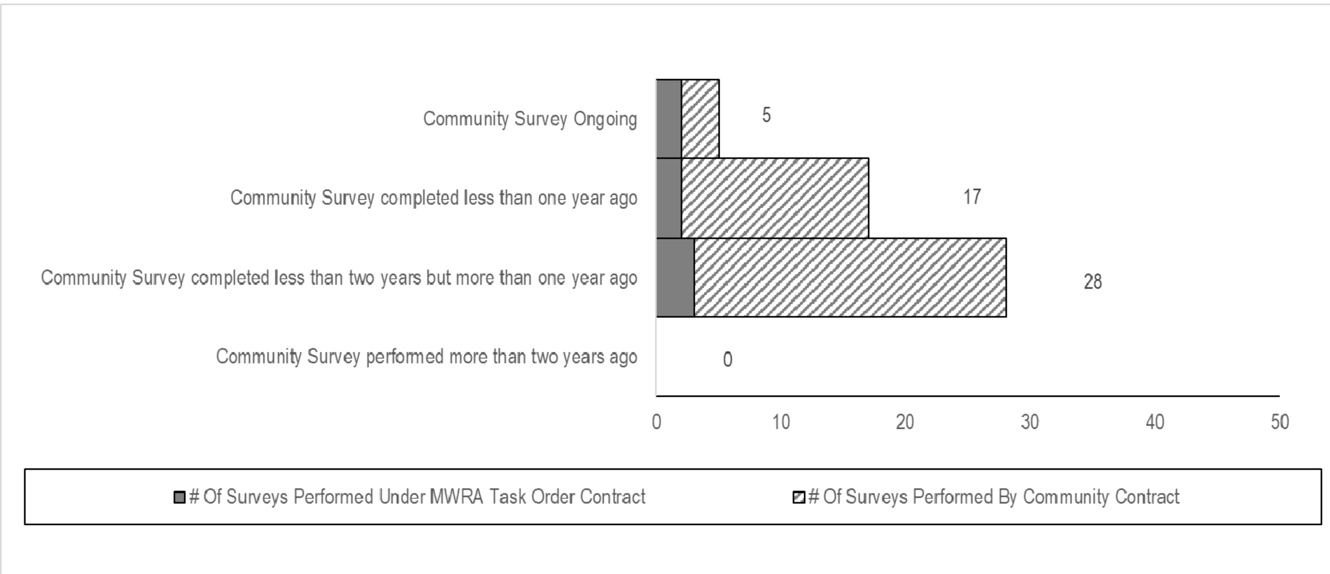


Community Support Programs

4th Quarter – FY25

Community Water System Leak Detection

To ensure member water communities identify and repair leaks in locally-owned distribution systems, MWRA developed leak detection regulations that went into effect in July 1991. Communities purchasing water from MWRA are required to complete a leak detection survey of their entire distribution system at least once every two years. Communities can accomplish the survey using their own contractors or municipal crews, or alternatively, using MWRA's task order leak detection contract. MWRA's task order contract provides leak detection services at a reasonable cost that has been competitively procured (3-year, low-bid contract) taking advantage of the large volume of work anticipated throughout the regional system. Leak detection services performed under the task order contract are paid for by MWRA and the costs are billed to the community the following year. During the 4th Quarter of FY25, all member water communities were in compliance with MWRA's Leak Detection Regulation.



Community Water Conservation Outreach

MWRA's Community Water Conservation Program helps to maintain average water demand below the regional water system's safe yield of 300 mgd. Current 5-year average water demand is less than 200 mgd. The local Water Conservation Program includes distribution of water conservation education brochures (indoor - outdoor bill-stuffers) and low-flow water fixtures and related materials (shower heads, faucet aerators, and toilet leak detection dye tabs), all at no cost to member communities or individual customers. The Program's annual budget is $25,000 for printing and purchase of materials. Annual distribution targets and totals are provided in the table below. Distributions of water conservation materials are made based on requests from member communities and individual customers.

	Annual Target	Q1	Q2	Q3	Q4	Annual Total
Educational Brochures	100,000	16,504	6,456	267	424	**23,651**
Low-Flow Fixtures (showerheads and faucet aerators)	10,000	1,352	700	616	1,958	**4,626**
Toilet Leak Detection Dye Tablets	------	2,517	524	665	7,107	**10,813**

BUSINESS SERVICES

Procurement: Purchasing and Contracts

4th Quarter - FY25

Background: Goal is to process 85% of Purchase Orders and 80% of Contracts within Target timeframes.

Highlights: Processed 95% of purchase orders within target; Average Processing Time was 4.88 days vs. 4.61 days in Qtr 4 of FY24. Processed 50% (5 of 10) of contracts within target timeframes; Average Processing Time was 165 days vs. 100 days in Qtr 4 of FY24.

Purchasing

	No.	TARGET	PERCENT IN TARGET
$0 - $500	429	3 DAYS	85.0%
$500 - $2K	640	7 DAYS	97.8%
$2K - $5K	309	10 DAYS	99.3%
$5K - $10K	211	25 DAYS	99.5%
$10K - $25K	84	30 DAYS	97,6%
$25K - $50K	24	60 DAYS	95.8%
Over $50K	50	90 DAYS	94.0%

The Purchasing Unit processed 1,747 purchase orders, 66 less than the 1,813 processed in Qtr 4 of FY24 for a total value of $21,401,487 versus a dollar value of $15,432,700 in Qtr 4 of FY24 .

The purchase order processing target was met for all categories.

Contracts, Change Orders and Amendments

Procurement executed ten contracts with a value of $59,915,935 and nine amendments with a value of $1,780,298. Five contracts were not executed within the target timeframes. One contract was not executed within the target timeframe due to delays associated with the Proprietary Request Form approval in addition to delays receiving bonds and insurance from the contractor. Another contract was delayed as the FRR Board does not meet on a regular basis, resulting in delays in processing and awarding the contract to the recommended proposer. A third contract was delayed due to significant time needed to review the recommended proposer to ensure that proposed costs would be acceptable to move forward with awarding the contract. A fourth contract was delayed due to the procurement process including an undefined period to monitor the electricity market over time. During the initial qualifying stage, MWRA negotiated certain terms at the request of the respondents resulting in a 3-month delay. Additionally, pricing from qualified suppliers was monitored for three weeks until the market was favorable, then we received formal bids. The final contract was delayed as the MWRA wanted the new contract awarded well in advance of the expiration of the existing contract.

Staff reviewed 15 proposed change orders and 9 draft change orders.
Twenty three change orders were executed during the period. The dollar value of all non-credit change orders during Q4 FY25 was $2,081,531 and the value of credit change orders was ($474,362).

Note: A credit change order is a change order that results in a decrease in contract value.

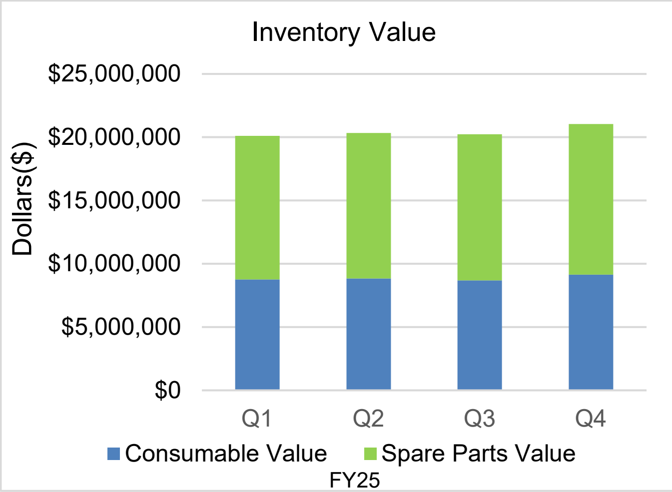
Materials Management

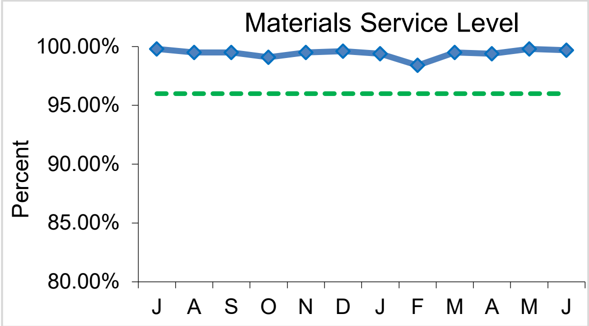
4th Quarter - FY25

The Materials Management department manages the three regional warehouses (Chelsea, Deer Island and Southboro). This includes the replenishment and receipt of both consumable and spare parts items to meet the needs of the MWRA. Additionally, MWRA tools and equipment are safeguarded through the Property Pass unit within the Materials Management department.

Inventory goals focus on:

- Maintaining optimum levels of consumables inventory (office supplies, electrical, safety, etc.) and spare parts inventory (critical items such as actuators, motors, muffin monsters, etc.) necessary to support MWRA Operations and Maintenance. Typically spare parts carry longer lead times.
- Adding new items to inventory to meet changing business needs.
- Reviewing consumables and spare parts for obsolescence.
- Managing and controlling valuable equipment and tools via the Property Pass Program.

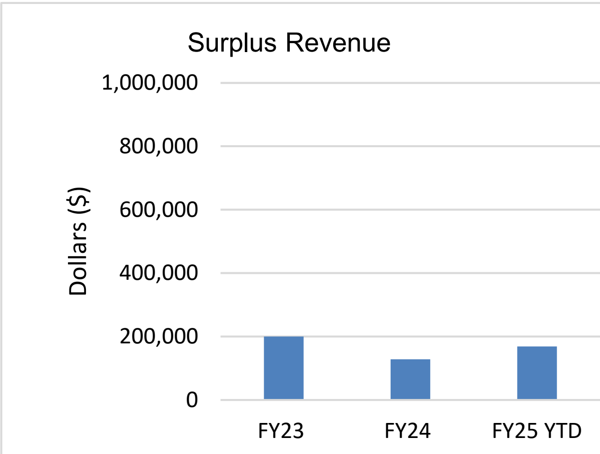


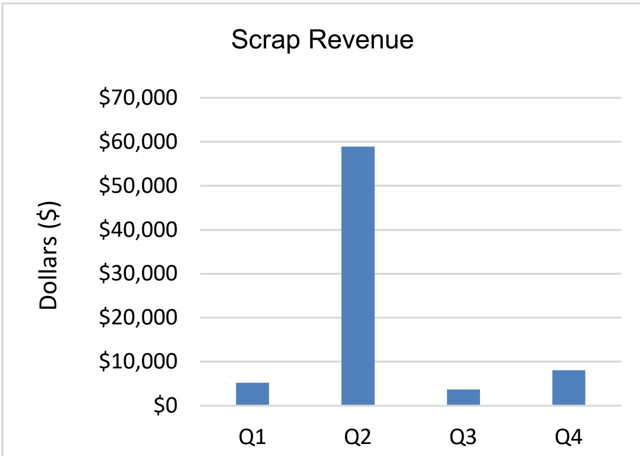


The service level is the percentage of stock requests filled. The goal is to maintain a service level of 96%. Staff issued 8,209 (99.7%) of the 8,179 items requested in Q4 from the inventory locations for a total dollar value of $1,731,148.

Property Pass Program:

- Conducts audits of tools and equipment to ensure the safeguarding of MWRA assets.
- Manages the disposition and sale of surplus tools and equipment through GovDeals, an online auction site.
- Manages the surplusing of scrap metals and materials generating revenue to the MWRA staff.





MIS Program

4th Quarter – FY25

Project Updates

Infrastructure & Security

SD-WAN: Additional subnet added to secondary circuit to complete implementation. Anticipated completion in July.

CUCM VOIP Upgrade: Application upgrade to version 15 completed successfully in April. Host upgrade was postponed due to changes in licensing. The system will be migrated to new hardware infrastructure as a part of the Virtual Host Hardware Refresh project.

Server/Database Version Upgrades: Staff continue to meet monthly to review and identify migration paths of infrastructure to maintain support.

Live Stream Webcam: New cameras installed in Cosgrove, Deer Island and Quabbin and implemented on mwra.com.

O365 Migration: M365 Pilot successfully launched with no major issues. Operating system upgrades being deployed by location. Chelsea and Deer Island PCs significantly complete. Starting upgrades for laptop users and PCs at remote sites. Office upgrades being pushed after Windows11 upgrade. Mailbox migrations are planned for August.

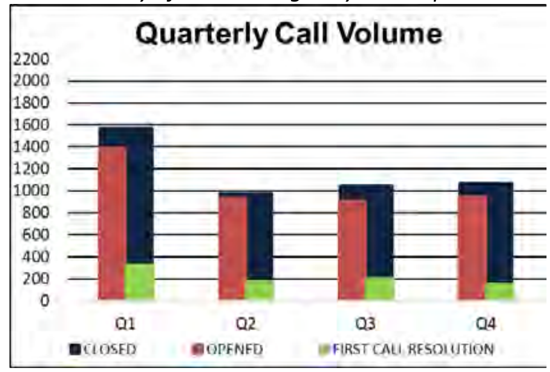
AutoCAD Desktop Virtualization: All users have been transitioned to the virtual environment and physical desktops reclaimed.

Deer Island Phone System Migration to VOIP: Ethernet cabling upgrades for Admin/Lab 3&4, Residuals, Cryogenics, Centrifuge, Guard House, and Vehicle Maintenance have been completed and phones have been migrated to VOIP. The ethernet cabling upgrade for the remaining auxiliary buildings is underway. Staff anticipate phones in these areas will be migrated to VOIP in August

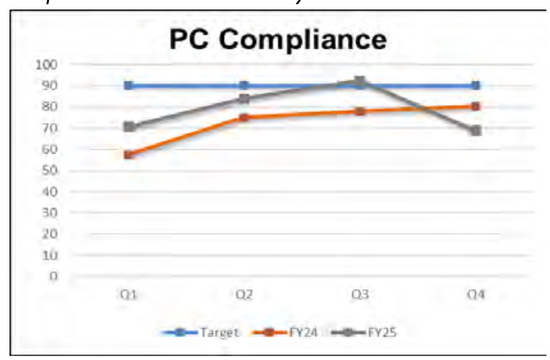
Deer Island Edge Switch Hardware Refresh: Edge switches located in the Vehicle Maintenance, Cryogenics, Centrifuge, Guard House, Thermal Power Plant, North Main Pump Station, Primary Operations, Secondary Operations and Residuals are end of life. MIS staff are working with DITP Engineering on the scope of work to replace the fiber cabling between these building and the Admin/Lab building.

Numbers & Statistics

Summary of calls managed by the Helpline.



Percentage of user endpoints in compliance with system updates. These numbers reflect accessibility to these systems. The inclusion of Windows11 for compliance was added in May.



Cybersecurity: Completed pen test of wireless network in May. A pilot implementation of network access controls was completed June and staff are preparing for implementation at all locations. The scope for monitoring east/west network traffic is being developed.

VMHosts Hardware Refresh: All the physical servers supporting the virtualized environments need a hardware refresh. The hardware and software have been received and build and configuration to begin in July.

Library, Record Center, & Training

MIS Training: In Q4, 23 online IT lessons were taken (63 YTD), by 30 employees (83 YTD).

Library: Completed 147 research requests and provided access to 9 articles, 11 new books/reports, and 4 new standards (outside subscriptions). The MWRA Library Portal supported 305 user searches (a return to FY2024 numbers) on topics including the Alewife Brook, Jamaica Pond waterworks, PFAS, and Framingham Reservoir No. 1 statutory release requirements.

Record Center (RC): Added 34 new boxes and handled 179 total boxes. The RC disposed of 100 boxes from Walpole RC with permission from the RCB. The RC scrubbed in the ECM database 710 items related to boxes and drawings to help maintain accurate data. The RC performed database / physical box searches for various departments. Research included: Engineering documents, staff summaries, personnel files, Law requests, Invoices, various construction contracts and permitting.

Applications

ECM/Electronic Document Management: Staff Summary, Contract Requisition, and Policy workflows are live in the production environment. Staff Summary and Contract Requestion processes within ECM are being rolled out strategically, agency wide. Internal Audit is uploading existing Policies into the system with an anticipated audit review of select policies scheduled for July 1 and all policies by the end of FY 26.

Infor Upgrade/Migration: MIS staff continue development on assigned ERP tasks, with RICE components nearly complete. APIs for Maximo Asset Management integration have been developed and entered testing. Security access now tailored to departmental needs. Cloud data replication for on-premise custom apps finalized. Interfaces for MHC, TRAC, and banking successfully tested. Birst reporting training completed; Oracle EPM Budgeting cloud integration planning underway. Warehouse labeling configured and tested. Systems Integration Testing (SIT) Completed. User Acceptance Testing (UAT) Scheduled for July–October.

Maximo/Lawson Interface: MIS staff completed the design and development of APIs for CloudSuite–Maximo integration. 19 Maximo APIs released and available for testing. CloudSuite APIs and workflows underway to interface with Maximo. System Integration Testing (SIT) scheduled for July–August.

PI ProcessBook Upgrade (dataParc): dataParc selected to replace ProcessBook; implementation ongoing through June. Display groupings for DITP, Chelsea, and Transport being designed. Display migration status: Transport complete, DITP in progress, FOD up next. Secondary/tertiary links being fixed; manual review of converted displays underway. PARCmodel installed; PARCview client rollout to end users planned. Nexus web server configured—pending external access to internal shares. Next steps: Testing, training, and full implementation.

Legal Matters

4th Quarter – FY25

PROJECT ASSISTANCE

Real Estate, Contract, Energy, Environmental, and Other Support:

- **8(m) Permits and License Agreements**: Reviewed seventy-one (71) 8(m) permits, including any related MEPA Section 61 Findings. Reviewed five (5) direct connect permits (one new connection and four abandonments/disconnections) related to a development in Melrose**.** Revised Direct Connect Permit terms and conditions.

- **Real Property**: Finalized license for two temporary property interests needed for Contract 7454 - Section 56 Water Pipeline Replacement Project. Finalized real property and law draft schedule for the acquisition of temporary easements needed for Contract 7216, Interceptor Renewal No. 7 Malden-Melrose (Sections 41/42/49/54/65), drafted related notices of offer (including acceptances of offer and grants of easements), and drafted and mailed project update letters to the 16 private property owners. Reviewed property interests for 1625 VFW Parkway site for MWRA Contract 6224/6225 - Siphon and Junction Structure Rehabilitation Project, drafted related notices of offer (including acceptances of offer and grants of easements), and reviewed 8(m) permit and site plan for construction of carwash at 1625 VFW Parkway in preparation for site visit. Reviewed various property interests for Metropolitan Water Tunnel Program (MWTP), updated acreage, revised property maps and summaries and reviewed various properties to support MWTP boring work and proposed shaft sites and pipeline construction. Reviewed plan and drafted offer letter, grant of easement, and acceptance of offer for easement needed at 396-400 Lexington Street in Waltham, MA for MWRA Contract No. 7457 – Section 101 Pipeline Extension Waltham. Reviewed Rutland Holden Sewer property interests and background. Reviewed Wachusett Watershed WPR Acquisition W-001262 (Bigelow) and reviewed and finalized Wachusett Watershed Fee Acquisition W-001261(Borelli).

- **Environmental**: Assisted with presentation to Wastewater Advisory Committee regarding U.S. Supreme Court decision *City & Cnty. of San Francisco, California v. EPA,* 2025. Assisted ENQUAL with preparation of comments regarding draft NPDES permits for South Essex and Fall River facilities, EPA's PFAS Sludge Risk Assessment, and EPA's draft National Recommended Ambient Water Quality Criteria for PFAS. Assisted with the preparation of the 2024 CSO Annual Report. Assisted TRAC with ongoing review of special conditions template for abandonment of existing connections to the MWRA sewerage system. Finalized a Third Amendment to the Financial Assistance Agreement between MWRA and BWSC regarding the implementation of certain CSO control projects.

- **Energy**: Assisted Tunnel Redundancy Program regarding final payment to Eversource Electric Company for power line extension(s) electric distribution service at tunnel boring machine locations/projects. Assisted Internal Audit with review of *Petition of Harbor Electric Energy Company for approval by the Department of Public Utilities of its Capacity and Support Charge True-Up Adjustment for 2024,* Docket No. 25-67. Reviewed filing regarding Harbor Electric Energy Company Capacity and Support Charge True-up Adjustment for 2024 (D.P.U. 25-67).

- **Miscellaneous**: Reviewed open meeting law requirements for hybrid meetings and the practices of various agencies. Drafted case brief for *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023) and summarized cases following the decision. Reviewed presentation materials for acquisition of property interests in furtherance of MWTP, and coordinated communications. Outlined disposition and acquisition processes for anticipated MWTP property interests. Begin preparation for title exam services procurement to support E&C and MWTP in the acquisition of property interests for future construction projects. Reviewed documents for submission to Records Conservation Board for disposition.

- **Public Records Requests:** During the 4th Quarter FY 2025, MWRA received and responded to one hundred seventy seven (177) public records requests.

LITIGATION/CLAIMS

New Lawsuits:

- There are no new lawsuits in 4th Quarter FY 2025.

New Claims:

- There is one new claim.

  Robinson, Angel and Jones, Dana; MVA Property damage claim
  On April 4, 2025, MAPFRE issued a letter denying liability for a motor vehicle accident that occurred on October 7, 2024, involving its insureds, Angel Robinson and Dana Jones, and an MWRA vehicle, near Forest Hill Station. MWRA seeks recovery for property damage in the total amount of $10,430.90.

Significant Developments:

- In the Matters of Massachusetts Water Resources Authority Challenge to Certain Conditions in Alewife Brook/Upper Mystic River Basin and Lower Charles River/Charles River Basin Variances, OADR Nos. 2024-029 and 2024-030: The Authority filed its Memorandum of Law and its Response to MassDEP's Reply on the Order to Show Cause.

- Walsh Construction Company II, LLC (f/k/a Perry Fiberglass Products, Inc.). v. MWRA, Suffolk Superior Court C. A. No. 2484CV2841-E. On May 21, 2025, the Court allowed MWRA's Motion to Dismiss subcontractor Perry Fiberglass Products, Inc.'s complaint against MWRA for breach of contract, holding that as a subcontractor, Perry could not bring a breach of contract claim directly against MWRA. On June 18, 2025 the complaint was amended naming Walsh Construction Company II, LLC as the plaintiff and alleging that Walsh has authorized Perry to bring the suit in Walsh's name pursuant to the subcontract between Walsh and Perry.

Closed Cases:

- Four cases closed in 4th Quarter FY 2025.

  Eldridge, Jon, et al. v City of Framingham, et al.; Middlesex Superior Court C.A. No. 2281CV03049. On May 5, 2023, the Court allowed MWRA's Motion to Dismiss. Claims remained pending against the City of Framingham. On March 13, 2025, the Court allowed the Defendant City of Framingham's Motion for Summary Judgment, dismissing the Plaintiff's remaining claims.

IPC Lydon, LLC v. MWRA; Suffolk Superior Court C.A. No. 2484CV0294. This action involved claims for extra time and compensation for work performed by the Plaintiff, IPC Lydon, LLC at the Massachusetts Water Resources Authority's Clinton Wastewater Treatment Plant. The parties have settled this matter and on May 22, 2025, IPC Lydon filed a Notice of Voluntary Dismissal with the court.

In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, USDC (E.D. N.Y.), MDL 1720 (MKB). MWRA received notice of a class action settlement with Visa, Mastercard and their issuing banks. Plaintiffs alleged that defendants wrongfully inflated Interchange Fees from January 1, 2004 through January 25, 2019. Finance submitted a claim for approximately $3,000.This matter is complete and administratively closed in Law Division.

Charleston Water System v. Costco Wholesale Corp., et al. USDC (S.Carolina) Case No. 2:21-cv-00042. Law Division received Notice of Class Action Settlement on January 2, 2024. On November 21, 2023, the federal district court in Charleston, South Carolina, issued an Order granting preliminary approval to proposed Class Action Settlements between Plaintiff Charleston Water System and Defendants, Costco Wholesale Corporation, CVS Health Corporation, The Procter & Gamble Company, Target Corporation, Walgreen Co. and Walmart Inc. (“the Wipes Defendants”) addressing flushable and non-flushable wipe products sold and/or manufactured by the Wipes Defendants. The settlements commit the defendants to meet an international flushability standard supported by the wastewater industry, with two years of confirmatory testing and non-flushable wipes labeling enhancements. This matter is complete and administratively closed in Law Division.

Closed Claims:

- There are no closed claims in 4th Quarter FY 2025.

Subpoenas:

- During the 4th Quarter FY 2025, one subpoena was re-opened from the previous month. Two subpoenas are pending.

SUMMARY OF PENDING LITIGATION MATTERS

TYPE OF CASE/MATTER	As of June 2025
Construction/Contract/Bid Protest	3
Tort/Labor/Employment	0
Environmental/Regulatory/Other	4
Eminent Domain/Real Estate	0
TOTAL	**7**
Other Litigation matters (restraining orders, etc.) - Class Action suits	2
TOTAL – all pending lawsuits	**9**
Claims not in suit	1

Bankruptcy	4
Wage Garnishment	1
TRAC/Adjudicatory Appeals	1
Subpoenas	2
TOTAL – ALL LITIGATION MATTERS	**18**

TRAC/MISC. ADMIN. APPEALS

Appeals Pending:

- There is one pending TRAC appeal in 4th Quarter FY 2025:

  Tri-Town Regional Water District; MWRA Docket No. 23-03

- One TRAC appeal settled in 4th Quarter FY 2025:

  1058 Beacon Street, Newton, MA; MWRA Docket No. 22-01

LABOR AND EMPLOYMENT

New Matters

- A union filed a request for arbitration, appealing the denial of a grievance alleging that the MWRA suspended an employee in violation of the collective bargaining agreement.

- An employee filed a charge of discrimination at the MCAD on the basis of age, gender, race and color.

Significant Developments

- None to report.

Matters Concluded

- An arbitrator issued an award in favor of the MWRA, denying a Union's grievance contending that an employee worked out of title without appropriate compensation.

- The MCAD affirmed its prior finding of lack of probable cause and dismissal of an employee's charge of discrimination based upon sex, gender identity and retaliation, in favor of the MWRA.

INTERNAL AUDIT AND CONTRACT AUDIT ACTIVITIES

4th Quarter - FY25

Purpose

Internal Audit evaluates the effectiveness of internal controls and procedures and monitors the quality, efficiency and integrity of the Authority's operating and capital programs. Through our audits and reviews, we assess whether internal controls are functioning as intended and that only reasonable, allowable and allocable costs are paid to consultants, contractors and vendors.

Cost Savings	FY25 YTD
Consultants	$170,113
Contractors and Vendors	$1,318,143
Internal Audits	$249,550
Total	$1,737,806

Highlights

During the 4th quarter FY25, IA prepared an analysis of NEFCo's Claim Statement for Product Marketing Cost Impact of High Molybdenum. As a result of the increased Molybdenum, NEFCo claimed that it incurred additional distribution costs and provided supporting documentation. IA examined the supporting documentation and concluded that the claimed costs were accurate, complete and sufficiently supported. IA did not review whether NEFCo is entitled to payment of the claimed costs under the contract, but rather whether the costs were in fact incurred. Whether the costs are compensable under the contract is under review by Law & Procurement. A review of MIS Software Management controls and procedures is progressing.

In addition, IA completed a true-up of 2024 operating expenses for the HEEC cable and completed 3 labor burden reviews. There are 6 incurred cost audits, 4 labor burden reviews and 3 consultant preliminary reviews in process. IA also issued 62 cost rate letters to consultants following a review of their consultant disclosure statements.

A review of Needham Core Shed lease for 2024 is in process and being finalized.

Internal Audit also supported updates related to 1 existing policy.

Status of Recommendations

During FY25**,** 10 recommendations were closed.

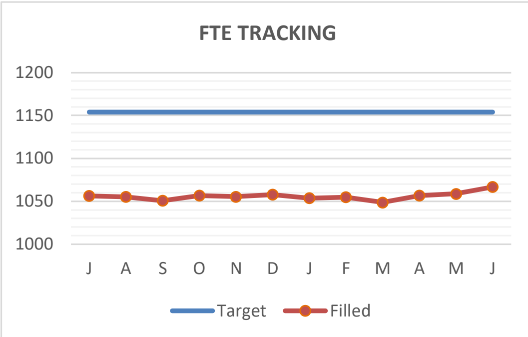
IA follows-up on open recommendations on a continuous basis. All open recommendations have target dates for implementation and are generally targeted to be closed within 12 months of the audit report issue date.

Report Title (issue date)	Audit Recommendations		
	Open	Closed	Total
Accounts Payable Process (3/14/2024)	1	5	6
MWRA Payroll (3/19/2024)	0	3	3
MIS Asset Management (6/28/2024)	1	6	7
Infiltration/Inflow Program Review (3/13/2025)	0	1	1
Total Recommendations	**2**	**15**	**17**

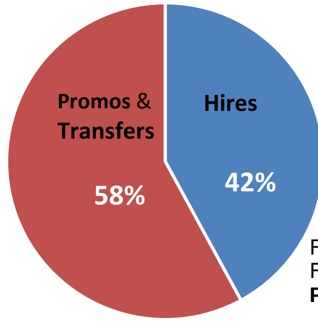
OTHER MANAGEMENT

Workforce Management

4th Quarter - FY25



Position Filled by Hires/Promos & Transfer for YTD

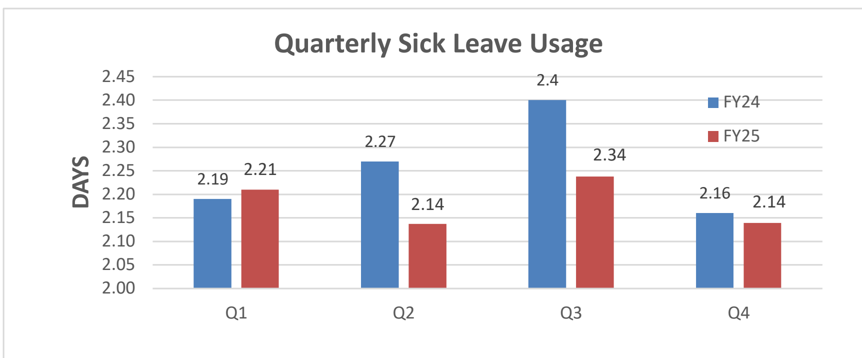


	Pr/Trns	Hires	Total
FY23	133 (59%)	91(41%)	224
FY24	117 (56%)	93 (44%)	210
FY25	124 (58%)	90(42%)	214

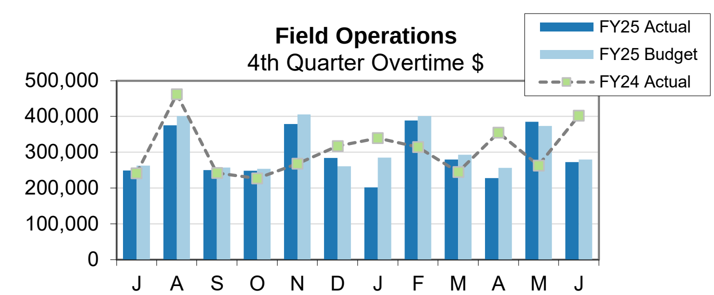
FY25 Budget for FTE's = 1154
FTE's as of June = 1066.7
Tunnel Redundancy as of June 2025 = 8

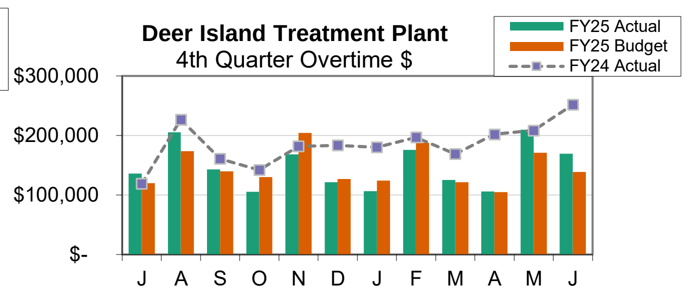
POSITION CHANGE by FY

FY	HIRES	PROMOS	TRANSFER	RETIRE	RESIGN	DISMISS	DECEASED
FY21	64	66	15	58	15	2	2
FY22	65	108	30	82	45	2	3
FY23	91	118	15	46	31	5	5
FY24	93	97	20	48	30	5	4
FY25*	90	107	17	54	25	5	3



Average quarterly sick leave for the 4th Quarter of FY25 has decreased compared to the 4th Quarter of FY24 (2.14 from 2.16)



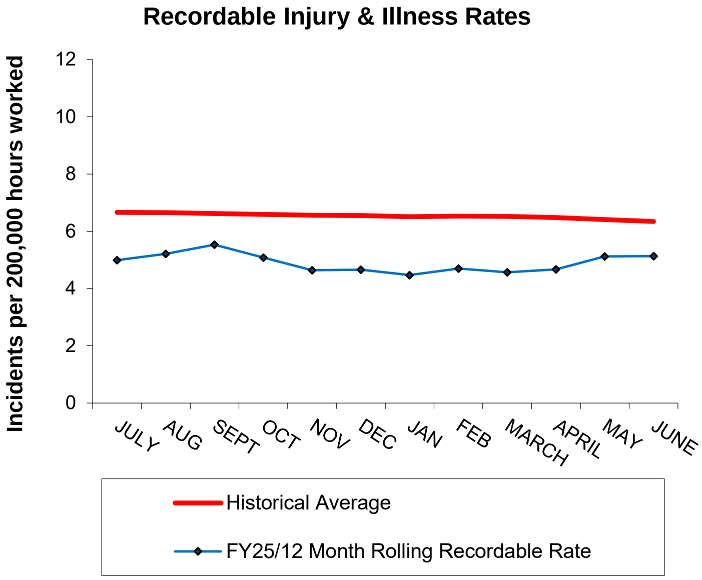


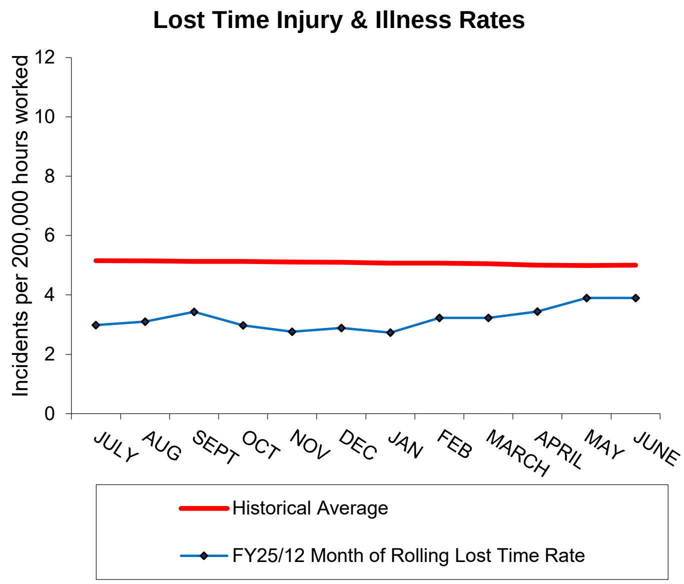
Total Overtime for Field Operations for Fourth Quarter (Q4) (FY25) was $885k, which is $24k or 3% under budget. Fewer than anticipated emergency events contributed to lower spending in Q4. Rain events totaled $43k, or 33% of Emergency for FOD in Q4.Total Planned Scheduled Maintenance was $97k, which was comprised of Regular Training of $16k; Planned Off-Hours OT of $152k. Operator Coverage OT for Q4 was $219k, due to vacancies; Maintenance Work Completion OT was $27k for (Q4) for FY25.

Total overtime for Deer Island for the fourth quarter (Q4) (FY25) was $486k, which is $71k or 17.1% over budget - due to $51k Planned/Unplanned, $27k Storm Coverage. offset a little by ($7.2k) Shift Coverage - driven by ($21k) Thermal & $13k Wastewater Ops.

Workplace Safety

4th Quarter - FY25





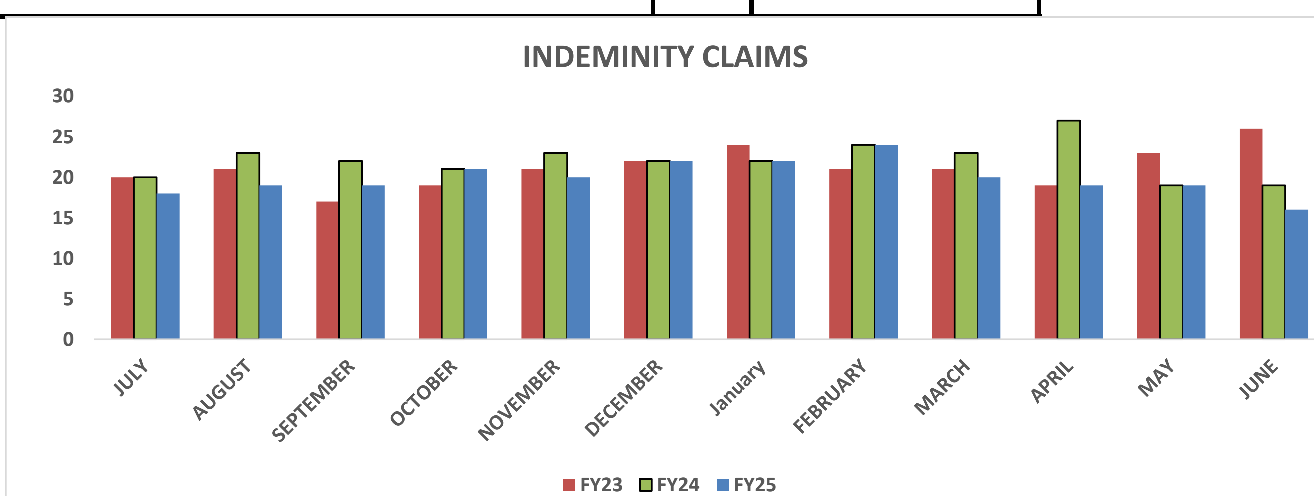
1 "Recordable" incidents are all work-related injuries and illnesses which result in death, loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid. Each month this rate is calculated using the previous 12 months of injury data.

2 "Lost-time" incidents, a subset of the recordable incidents, are only those incidents resulting in any days away from work, days of restricted work activity or both - beyond the first day of injury or onset of illness. Each month this rate is calculated using the previous 12 months of injury data.

3 The "Historical Average" is computed using the actual MWRA monthly incident rates for FY04 through FY24

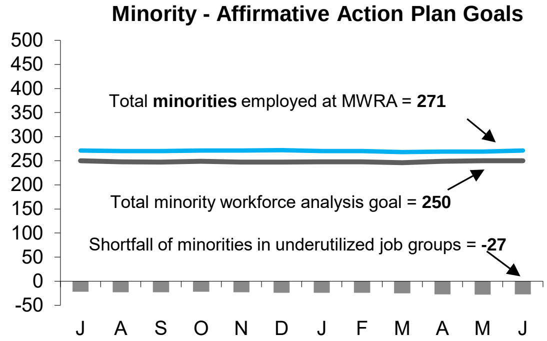
WORKERS COMPENSATION HIGHLIGHTS

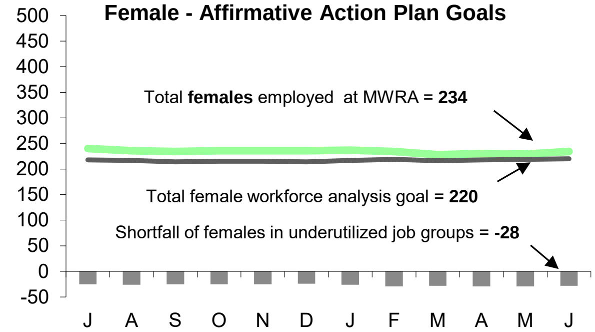
	4th Quarter Info as of 6.30.25		
	New	Closed	Open Claims
Lost Time	1	6	14
Medical Only	4	7	116
Report Only	6	6	
	QYTD		FYTD
Regular Duty Returns	6		15
Light Duty Returns	0		1
Indeminity payments as of June 2025included in open claims listed			16



MWRA Job Group Representation

4th Quarter - FY25





Highlights:
At the end of Q4 FY25, 5 job groups or a total of 27 positions are underutilized by minorities as compared to 5 job groups for a total of 23 positions at the end of Q4 FY24; for females 7 job groups or a total of 28 positions are underutilized by females as compared to 7 job groups or a total of 23 positions at the end of Q4 FY24. During Q4, 8 minorities and 9 females were hired. During this same period

Underutilized Job Groups - Workforce Representation

Job Group	Employees as of 6/30/2025	Minorities as of 6/30/2025	Achievement Level	Minority Over or Underutilized	Females As of 6/30/2025	Achievement Level	Female Over or Underutilized
Administrator A	24	4	1	3	10	1	9
Administrator B	27	5	5	0	8	7	1
Clerical A	20	10	4	6	15	15	0
Clerical B	20	4	4	0	3	5	-2
Engineer A	80	17	21	-4	18	21	-3
Engineer B	52	16	14	2	16	10	6
Craft A	128	15	26	-11	0	7	-7
Craft B	113	24	23	1	0	6	-6
Laborer	59	14	15	-1	3	2	1
Management A	86	18	20	-2	32	22	10
Management B	39	12	6	6	6	7	-1
Operator A	53	3	12	-9	2	5	-3
Operator B	73	25	13	12	5	5	0
Professional A	29	8	8	0	14	13	1
Professional B	175	56	55	1	76	67	9
Para Professional	44	18	9	9	19	14	5
Technical A	52	20	13	7	6	12	-6
Technical B	5	2	1	1	1	1	0
Total	**1079**	**271**	**250**	**48/-27**	**234**	**220**	**42/-28**

AACU Candidate Referrals for Underutilized Positions

Job Group	Job Title	# of Vacancies	Requisition Internal/ External	Promotions/ Transfers	AACU Referral External	Position Status = New Hire/Promotion
Engineer A	Project Engineer	2	Int./Ext.	1	0	NH= BM PROMO = AM
Engineer A	Program Manager	2	Ext.	0	0	NH = AM, WF
Engineer A	Project Manager	1	Int./Ext.	0	0	NH = WF
Engineer A	Sr Geotech Engineer	1	Ext.	0	0	NH = WM
Craft A	Instrumentation Specialist	2	Int./Ext.	2	0	PROMO= 2WM
Craft A	Unit Supervisor	2	Int.	2	0	PROMO= 2WM
Craft A	HVAC Specialist	1	Int./Ext.	1	0	PROMO = WM
Craft A	Trades Foreman	1	Int.	1	0	PROMO = WM
Craft A	M & O Specialist - Wastewater	1	Int./Ext.	1	0	PROMO = WM
Craft A	Automotive Fleet Technician	1	Int.	1	0	PROMO = WM
Craft B	Second Class Engineer	1	Ext.	0	0	NH = WM
Craft B	Third Class Engineer	1	Ext.	0	0	NH = WM
Craft B	Electrician	2	Ext.	0	0	NH = 2WM
Craft B	Metal Fabricator/Welder	1	Int./Ext.	1	0	PROMO = WM
Craft B	Automotive Repairman Assist	1	Int.	1	0	PROMO = WM
Laborers	OMC Laborer	4	Ext.	0	0	NH = 3WM, BM
Laborers	Building/Grounds Worker	1	Ext.	0	0	NH= WM
Management A	Manager, Training and Development	1	Ext.	0	0	NH= WM
Management A	Mgr, Workplace Investigations	1	Ext.	0	0	NH= WF
Management A	Manager, Talent Acquisition	1	Int./Ext.	0	0	NH= WM
Management A	Program Manager	1	Int./Ext.	1	0	PROMO = AF
Operator A	Area Superv I (WW Transport)	3	Int.	3	0	PROMO = 3WM
Operator A	Supervisor, Inspection	1	Int./Ext.	1	0	PROMO = WM
Technical A	WSS General Foreman	1	Int.	1	0	PROMO = WM
Technical A	CADD Manager	1	Int./Ext.	1	0	PROMO= WM

Minority/Women-Owned Business Enterprise (MBE/WBE) Expenditures

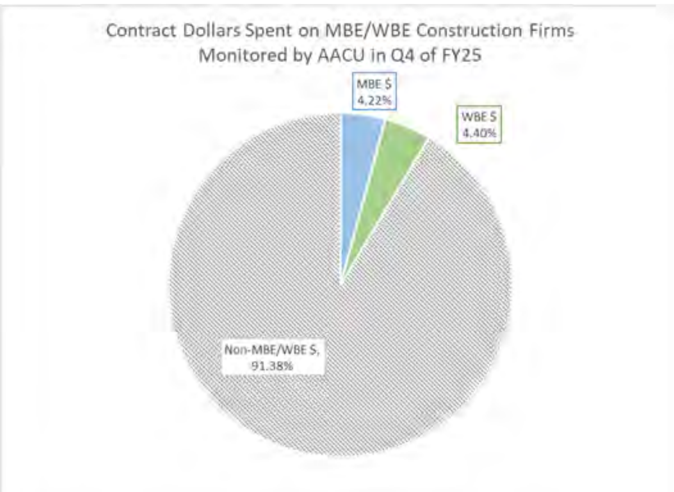
4th Quarter – FY25

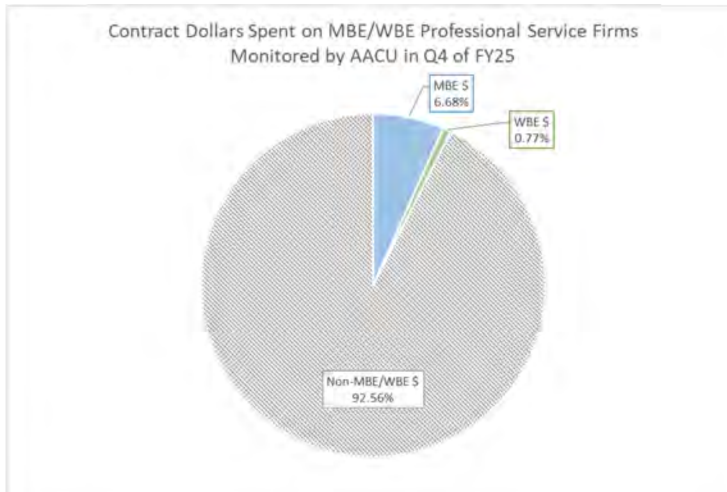
MWRA's goals for construction and professional services expenditures for Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) is based upon an Availability Study completed in 2002.* The goals are as follows:

Construction: 7.24% MBE / 3.6% WBE **Professional Services:** 7.18% MBE / 5.77% WBE

Participation goals are only placed on contracts when there is a reasonable expectation of participation from available MBE and WBE firms, whether as prime contractors or as subcontractors, to perform the contracted work.

**MWRA is in the process of competitively procuring an expert firm to perform a new availability analysis during Calendar Year 2025.*





In accordance with the Affirmative Action Plan (AAP) for calendar year 2025, MWRA is reporting expenditures for Qtr 4 of FY25 in the format consistent with the approved AAP. MWRA is monitoring 14 construction contracts and 28 professional services contracts. In this quarter, MWRA has spent approximately 4.22% (approximately $1.5 million) of all construction payments to MBE firms, and 4.40% (approximately $1.6 million) on WBE firms. In Qtr 4 of FY25, the MWRA has spent approximately 6.68% (approximately $720K) of all professional services payments to MBE firms, and 0.77% (approximately $82K) on WBE firms. In Qtr 4 of FY25, MWRA has spent approximately $34,314 dollars with MBE or WBE vendors for goods and services.

Calendar Year (2025) to Date					
	Total Payments	MBE Payments ($)	MBE % of Payments	WBE Payments ($)	WBE % of Payments
Construction	$70,103,416	$3,708,576	5.29%	$2,641,385	3.77%
Professional Services	$21,728,277	$2,359,852	10.86%	$293,406	1.35%
Grand Totals	**$91,831,693**	**$6,068,428**	**6.61%**	**$2,934,791**	**3.20%**

MWRA FY25 CEB Expenses

4th Quarter – FY25

As of June 2025, total expenses are $880.1 million, $20.5 million or 2.3% lower than budget, and total revenue is $903.3 million, $2.7 million or 0.3% over the estimate, for a net variance of $23.2 million.

Expenses –

Direct Expenses are $300.5 million, $20.5 million or 6.5% under budget.

- **Wages & Salaries** were $15.0 million under budget or 11.2%. Regular pay is $16.1 million under budget, largely due to lower head count. YTD through June, the average Full Time Equivalent (FTE) positions was 1,065 or 103 below the 1,168 FTE's budgeted.
- **Professional Services** expense was $2.8 million under budget or 25.1% primarily due to later than anticipated services for Other Professional Services of $1.2 million and less than anticipated spending for Computer System Consultant and Engineering of $572k and $479k, respectively.
- **Other Services** expense was $1.8 million under budget or 5.3% primarily due to lower Sludge Pelletization and lower Grit and Screenings expense of $1.2 million and $419k, respectively, both primarily due to lower quantities.
- **Fringe Benefits** expenses are $1.2 million under budget or 4.3%, primarily due to lower spending for Health Insurance of $1.1 million, reflecting the lower than budgeted head count. As of June FTEs were 103 below budget.
- **Chemicals** expenses were lower than budget by $921k or 4.7% due primarily to lower Sodium Hypochlorite of $859k was driven by DITP of $759k due to below average plant flows. Lower Liquid Oxygen of $302k due to lower dosing at Carroll Water Treatment Plant. This is partially offset by higher Hydrogen Peroxide of $796k to reduce elevated H_2S levels for odor pretreatment and corrosion control. DITP flows were 8.0% less than planned and the CWTP flows are 0.4% greater than planned through June.
- **Ongoing Maintenance** expense was $506k over budget or 1.1% due to higher than anticipated project spending as Plant & Machinery Services was $2.1 million over budget primarily due to greater than anticipated work for Deer Island Treatment Plant annual boiler maintenance and earlier than anticipated hydro wicket gate replacement work for the Deer Island Treatment Plant (DITP) Thermal Plant, Hydro Power and Wind Turbine maintenance contract, and also Deer Island Treatment Plant centrifuge maintenance. This overspending was partially offset by underspending of $1.4 million for Special Equipment Services.

Indirect Expenses were $72.3 million, $3.2 million or 4.2% below budget driven by lower than budgeted Watershed Reimbursement of $3.5 million.

Capital Finance Expenses totaled $507.3 million, $3.2 million over budget or 0.6%. Higher Senior Debt of $14.6 million, as a result of defeasance expenditures of $25.7 million. This was partially offset by lower Local Water Pipeline CP of $3.7 million due to lower anticipated interest rates, lower than anticipated variable interest expense of $4.3 million due to favorable rates, and lower SRF of $3.4 million due to ARPA grants replacing borrowing and timing of repayments.

Revenue and Income –

Total Revenue and Income is $903.3 million, $2.7 million or 0.3% over the estimate. The favorable variance was driven by Investment Income of $30.0 million, $1.6 million over the estimate due to higher than assumed average balances in addition Other Revenue of $828k that were over estimates.

	Jun 2025 Year-to-Date			
	Period 12 YTD Budget	Period 12 YTD Actual	Period 12 YTD Variance	%
EXPENSES				
WAGES AND SALARIES	$ 133,658,955	$ 118,626,118	$ (15,032,837)	-11.2%
OVERTIME	6,133,078	5,739,519	(393,559)	-6.4%
FRINGE BENEFITS	27,834,124	26,631,794	(1,202,330)	-4.3%
WORKERS' COMPENSATION	2,073,434	2,364,511	291,077	14.0%
CHEMICALS	19,706,033	18,785,059	(920,974)	-4.7%
ENERGY AND UTILITIES	32,048,176	32,403,493	355,317	1.1%
MAINTENANCE	46,653,201	47,159,548	506,347	1.1%
TRAINING AND MEETINGS	568,346	351,912	(216,434)	-38.1%
PROFESSIONAL SERVICES	11,121,730	8,331,169	(2,790,561)	-25.1%
OTHER MATERIALS	7,270,879	7,986,802	715,923	9.8%
OTHER SERVICES	33,945,804	32,158,913	(1,786,891)	-5.3%
TOTAL DIRECT EXPENSES	**$ 321,013,760**	**$ 300,538,838**	**$ (20,474,922)**	**-6.4%**
INSURANCE	$ 4,471,045	$ 4,763,831	$ 292,786	6.5%
WATERSHED/PILOT	32,507,642	28,964,186	(3,543,456)	-10.9%
HEEC PAYMENT	8,185,722	8,259,571	73,849	0.9%
MITIGATION	1,823,564	1,823,564	-	0.0%
ADDITIONS TO RESERVES	1,906,278	1,906,278	-	0.0%
RETIREMENT FUND	21,264,519	21,264,519	-	0.0%
POST EMPLOYEE BENEFITS	5,280,806	5,280,806	-	0.0%
TOTAL INDIRECT EXPENSES	**$ 75,439,576**	**$ 72,262,753**	**$ (3,176,823)**	**-4.2%**
STATE REVOLVING FUND	$ 85,449,151	$ 82,017,582	$ (3,431,569)	-4.0%
SENIOR DEBT	315,206,721	329,820,727	14,614,006	4.6%
DEBT SERVICE ASSISTANCE	-	-	-	---
CURRENT REVENUE/CAPITAL	20,200,000	20,200,000	-	0.0%
SUBORDINATE MWRA DEBT	64,768,074	64,768,074	-	0.0%
LOCAL WATER PIPELINE CP	9,827,661	6,096,116	(3,731,545)	-38.0%
CAPITAL LEASE	3,217,060	3,217,060	-	0.0%
VARIABLE DEBT	-	(4,300,604)	(4,300,604)	---
DEFEASANCE ACCOUNT	-	-	-	---
DEBT PREPAYMENT	5,500,000	5,500,000	-	0.0%
TOTAL CAPITAL FINANCE EXPENSE	**$ 504,168,667**	**$ 507,318,956**	**$ 3,150,289**	**0.6%**
TOTAL EXPENSES	**$ 900,622,003**	**$ 880,120,547**	**$ (20,501,456)**	**-2.3%**
REVENUE & INCOME				
RATE REVENUE	$ 855,488,000	$ 855,488,000	$ -	0.0%
OTHER USER CHARGES	10,668,572	10,910,076	241,504	2.3%
OTHER REVENUE	6,066,670	6,894,502	827,832	13.6%
RATE STABILIZATION	-	-	-	---
INVESTMENT INCOME	28,398,761	30,025,555	1,626,794	5.7%
TOTAL REVENUE & INCOME	**$ 900,622,003**	**$ 903,318,133**	**$ 2,696,130**	**0.3%**

Cost of Debt
4th Quarter – FY25

MWRA borrowing costs are a function of the fixed and variable tax exempt interest rate environment, the level of MWRA's variable interest rate exposure and the perceived creditworthiness of MWRA. Each of these factors has contributed to decreased MWRA borrowing costs since 1990.

Average Cost of MWRA Debt FYTD

Fixed Debt ($2.73 billion)	3.25%
Variable Debt ($334.8 million)	3.41%
SRF Debt ($749.36 million)	1.82%
Weighted Average Debt Cost ($3.82 billion)	2.98%

Most Recent Senior Fixed Debt Issue
April 2024

2024 Series B and C ($445.5 million)	3.68%

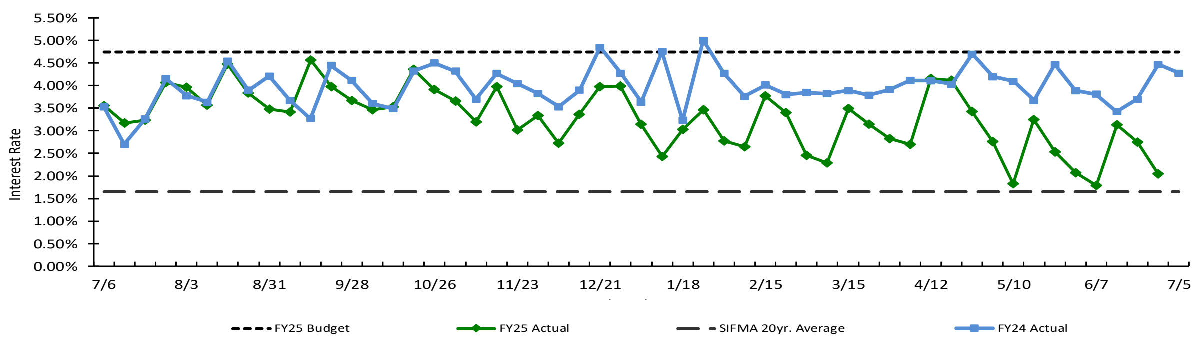
MWRA Fixed Rate Debt vs. 10 and 20 Year MMD Rates

Bond Deal	1998AB	2000A	2000D	2002B	2002J	2003D	2004A	2004B	2005A	2006AB	2007AB	2009AB	2010AB	2011B
Rate	5.04%	6.11%	5.03%	5.23%	4.71%	4.64%	5.05%	4.17%	4.22%	4.61%	4.34%	4.32%	4.14%	4.45%
Avg Life	24.4 yrs	26.3 yrs	9.8 yrs	19.9 yrs	19.6 yrs	18.4 yrs	19.6 yrs	13.5 yrs	18.4 yrs	25.9 yrs	24.4 yrs	15.4 yrs	16.4 yrs	18.8 yrs

Bond Deal	2011C	2012AB	2013A	2014D-F	2016BC	2016D	2017BC	2018BC	2019BC	2019EFG	2020B	2021BC	2023BC	2024BC
Rate	3.95%	3.93%	2.45%	3.41%	3.12%	2.99%	2.98%	3.56%	2.82%	2.66%	2.33%	2.56%	3.35%	3.68%
Avg Life	16.5 yrs	17.9 yrs	9.9 yrs	15.1 yrs	17.4 yrs	18.8yrs	11.2 yrs	11.7yrs	11.9yrs	9.73 yrs.	15.6 yrs	12.2 yrs	10.45 yrs	11.77 yrs

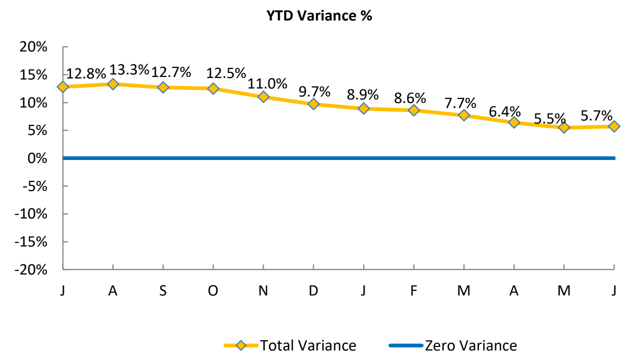
Weekly Average Variable Interest Rates vs. Budget

MWRA currently has eight variable rate debt issues with $334.8 million outstanding, excluding commercial paper. Variable rate debt has been less expensive than fixed rate debt in recent years as short-term rates have remained lower than long-term rates on MWRA debt issues. In June, the Securities Industry and Financial Markets Association rate ranged from a high of 3.28% to a low of 1.68% for the month. MWRA's issuance of variable rate debt, although consistently less expensive in recent years, results in exposure to additional interest rate rise as compared to fixed rate debt.

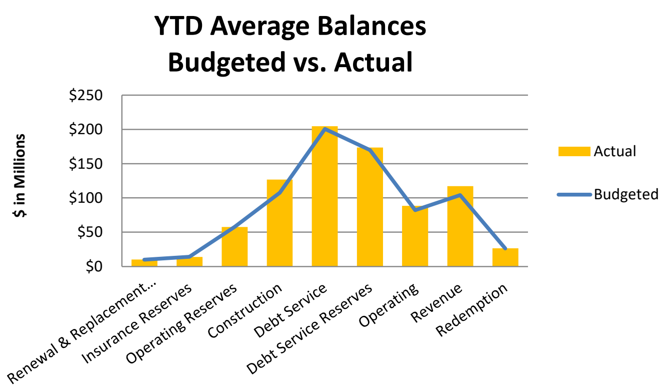


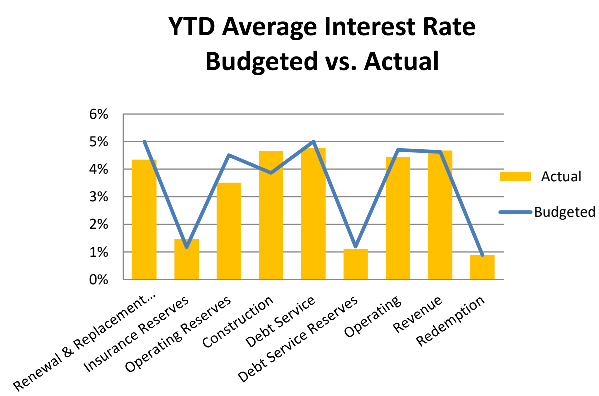
Investment Income
4th Quarter – FY25

➢ YTD variance is 5.7%, $1.6 million, over budget due to higher than budgeted average balances.

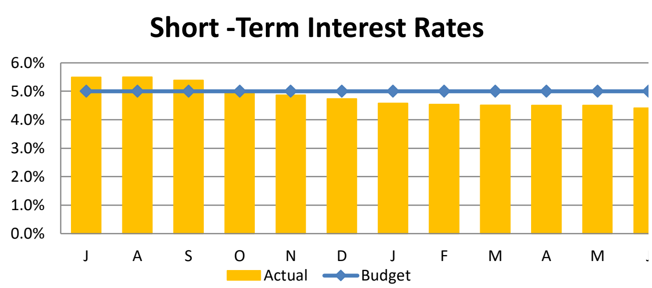


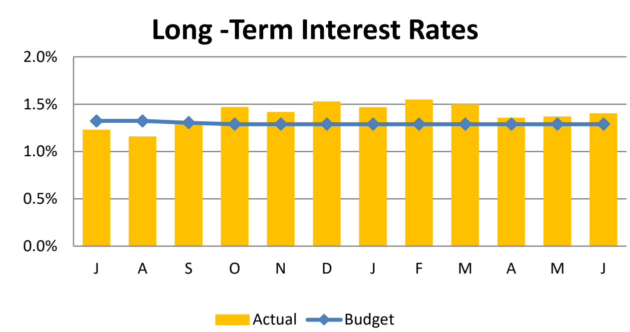
	YTD BUDGET VARIANCE			
	($000)			
	BALANCES IMPACT	RATES IMPACT	TOTAL	%
Renewal & Replacement Reserves	$7	-$66	-$59	-11.8%
Insurance Reserves	$0	$41	$41	24.9%
Operating Reserves	-$7	-$575	-$582	-22.3%
Construction	$869	$806	$1,675	40.3%
Debt Service	$192	-$494	-$302	-3.0%
Debt Service Reserves	$44	-$159	-$115	-5.7%
Operating	$287	$10	$297	7.7%
Revenue	$605	$66	$672	14.0%
Redemption	$0	$0	$0	0.1%
Total Variance	$1,997	-$370	$1,627	5.7%

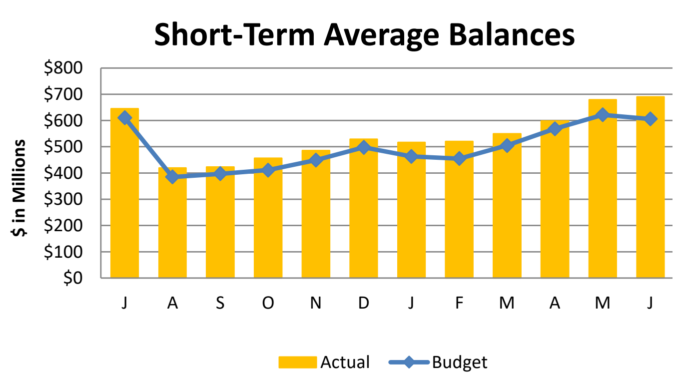


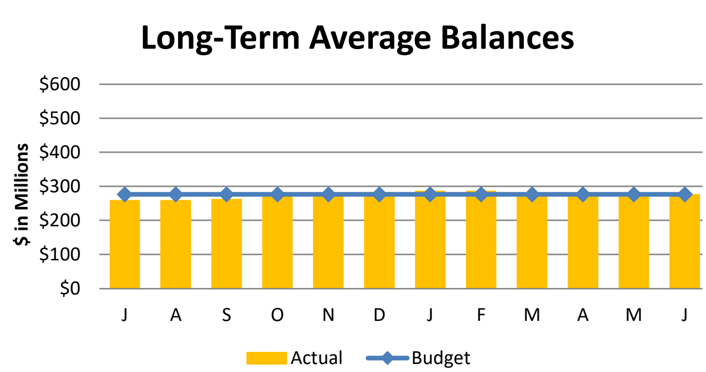


Monthly









APPENDIX J

GLOSSARY OF FINANCIAL AND OPERATING TERMS

8M permit: Permission granted by MWRA to persons who wish to construct property improvements on land either adjoining or overlapping MWRA property interests. Permission may be conditioned on various operational and/or engineering concerns.

Accrued Costs: Adjustments to paid expenditures to account for materials or services received but for which payment has not yet been made.

Activated Sludge: The sludge that results when primary effluent is mixed with bacteria-laden sludge and then agitated and aerated to promote biological treatment.

Advanced Waste Treatment: Wastewater treatment beyond the secondary or biological stage that includes the removal of nutrients such as phosphorus and nitrogen and the removal of a higher percentage of suspended solids and organic matter than primary treatment.

Advisory Board: The agency that represents the interests of MWRA's 61 user communities to the Board of Directors in an advisory capacity in accordance with the provisions of MWRA's Enabling Act. The Advisory Board elects three members of the Board of Directors, reviews and comments on MWRA's CIP and CEB, and approves the addition of new communities to the wastewater and water systems.

Aerobic: In the presence of free oxygen.

Anaerobic: Life or processes such as bacteria that digest sludge that require, or are not destroyed by, the absence of free oxygen.

AOC: Assimilable Organic Carbon - One measure of the "food" available to bacteria within a water system. More complex carbon compounds can become assimilable when oxidized by strong disinfectants.

ARRA: American Recovery and Reinvestment Act of 2009 – principal forgiveness loans distributed based on the Department of Environmental Protection's Intended Use Plan.

Ash: The inert material remaining after the combustion of wastewater sludge. Ash is either wet or dry depending on combustion system design.

Audit: An independent examination of the financial books and records of the organization. Typically, audit refers to the year-end examination and preparation of audited financial statements performed by an outside accounting firm hired under contract.

Bacteria: One-celled microscopic organisms commonly found in the environment. Bacteria can be harmful, such as pathogens, or helpful and perform a variety of biological treatment processes.

BDOC: Biologically Degradable Organic Carbon - Another, more precise, measure of the "food" available to bacteria within a water system.

BGD: Billion gallons per day.

Biofilm: Growth of various bacteria within a water distribution system on the pipe walls. Biofilm growth can contribute to iron corrosion, colored water, poor taste, excessive chlorine demand, and complications with coliform testing.

Blow-off valves: Valves operated during pipeline repair to de-water (drain) a portion of a pipeline.

BOD: Biochemical Oxygen Demand - An indicator of the amount of biodegradable contaminants in wastewater.

Board of Directors: The 11-member governing board of MWRA.

Bond: A general debt obligation. Typically, bonds are issued as a series of bonds of different amounts and interest rates maturing in different years.

Bond Resolution: A document adopted by the Board of Directors that governs MWRA's issuance of revenue bonds and sets forth its obligations to bondholders.

Boston Harbor Project: An extensive plan of activities which MWRA developed and implemented to construct new wastewater treatment facilities in response to a federal court order to comply with the provisions of the U.S. Clean Water Act.

Business Systems Plan (BSP): The strategic planning framework for MWRA's management information systems. The BSP is updated annually to reflect ongoing business requirements, new opportunities identified by ongoing MWRA strategic planning efforts, technology changes, and user requests.

BWSC: Boston Water and Sewer Commission **-** The agency responsible for providing water and sewer services to the City of Boston, MWRA's largest customer.

BWTF: William A. Brutsch Water Treatment Facility – Water treatment plant for the Chicopee Valley Aqueduct communities of Chicopee, South Hadley Fire District #1, and Wilbraham. The facility has a capacity of 24 mgd, and disinfects the water using a combination of UV light and chlorine.

CADD: Computer aided drafting and design.

Capital Improvement Program (CIP): A plan which identifies and estimates the nature, schedule, cost, and financing of long-term assets that MWRA intends to build or acquire during a specific period.

Capital Investment: Development of a facility or other asset that adds to the long-term value of an organization.

Carroll Water Treatment Plant (CWTP): Water treatment facility for waters from Quabbin and Wachusett Reservoirs with capacity of 405 mgd using ozonation as a primary disinfectant and UV as a secondary disinfectant beginning in February 2014.

CCR: Consumer Confidence Report – The 1996 Amendments to the Safe Drinking Water Act required public water suppliers to provide all consumers with an annual Consumer Confidence Report by July 1, 2005. The report includes water quality information and education for the consumer about their publicly supplied drinking water.

CDF: Cosgrove Disinfection Facility

Cathodic Protection: A form of corrosion protection that is particularly effective against galvanic corrosion. Galvanic corrosion occurs when pipe metal is in the presence of other metals while immersed in water. The interaction of these elements causes an electric current to flow away from the pipe, taking electrons with it and pitting the pipe as a result. Cathodic protection reverses the current, thereby stopping the corrosion.

Centrifuge: A machine that uses centrifugal force to separate substances of different densities and remove moisture. MWRA uses centrifuges at the Deer Island Wastewater Treatment Plant to de-water sludge.

CFM: Cubic Feet per Minute - A measure of the quantity of a material flowing through a pipe.

Chloramination: The process of adding chloramine to drinking water. Chloramine, a form of chlorine and ammonia, is used as a residual disinfectant because it lasts longer in the water distribution system than primary disinfectants.

Chloramine: A long lasting residual disinfectant created by combining measured amounts of chlorine and ammonia. Chloramine forms fewer disinfection by-products than chlorine.

Chlorination: The process of adding chlorine to drinking water to inactivate pathogens.

Chlorine: A relatively strong primary disinfectant, effective against bacteria, *giardia,* and viruses, but not *cryptosporidium*. Concerns exist about the health effects of its by-products, some of which are or will be regulated.

Clarifiers: Settling tanks or basins in which wastewater is held for a period of time, during which heavier solids settle to the bottom and lighter materials float to the surface.

Clean Water Act: A law passed by Congress in 1972, and subsequently amended, which sets national standards for pollution reduction, permits discharges from wastewater treatment plants, and promotes achievement of the national goal that all surface waters be "fishable and swimmable."

Cleaning and Lining: Cleaning and cement lining of unlined cast iron water mains to improve hydraulic capacity and extend useful life.

CMMS (Computerized Maintenance Management System): *Maximo* is the computerized maintenance management system which is an essential component of successful asset management. This system is an important tool used in refining the long-term maintenance strategy to ensure proper maintenance and replacement of plant assets.

Co-Digestion Process: Introduction of non-wastewater derived organic waste material into the wastewater anaerobic digestion process. Co-digestion could potentially increase digester gas production which would be utilized for heating and electricity generation at Deer Island.

Coliform bacteria: A group of lactose fermenting bacteria, which while not of direct health concern, are used as a first line indicator of potential problems. See fecal coliform and *E.coli.*

Combined Sewer and Combined Sewer Overflow: While modern systems transport rainwater and sewage from homes and businesses through separate pipes, some older systems like Boston's have "combined" sewers that carry both flows together. During normal conditions flows are delivered to treatment plants. During very heavy rains, these systems become overloaded. Built-in overflows (called combined sewer overflows or "CSOs") must then act as relief points by releasing excess flows into the nearest body of water. This prevents sewage backups into homes and onto area streets, but the discharges can impact water quality.

Comminutor - A machine or process that pulverizes and reduces solids to minute particles.

Commonwealth Debt Service Assistance (DSA): Funds appropriated by the Commonwealth to offset MWRA capital financing expenses.

Community Obligation and Revenue Enhancement (CORE) Fund: A fund established by MWRA's bond resolution that is used to provide insurance against delays by communities in paying charges due to MWRA.

Composting: The process of converting wastewater treatment residuals to a soil-like humus material often used in the horticultural industry. The process involves the aerobic breakdown of the residuals and the addition of sawdust or wood chips.

Corrosion Control: Adjustments to the chemistry of treated water to reduce its ability to dissolve lead, copper, other metals, or form hydrogen sulfide. Corrosion control can include adjustments to pH and alkalinity, as well as the addition of corrosion inhibitors such as phosphates or oxidizers.

Coverage Requirement: Requirement of MWRA's bond resolution which provides that each year, revenue less operating expenses (net revenue) must be more than the amount required for debt service payments on outstanding bonds.

CP (Construction Package): Major construction projects such as the Carroll Water Treatment Plant or the North Dorchester Bay CSO project will group areas of work into individual construction contracts.

Cross-Connection: A point at which potable water piping is connected to a non-potable water source creating an opportunity for the introduction of pollutants into the potable water.

Cryogenic oxygen plant: MWRA operates a cryogenic oxygen-based facility as part of its secondary wastewater treatment program at Deer Island.
Cryptosporidium: A protozoan parasite that can cause severe gastrointestinal disease in healthy individuals, and may be fatal to people with compromised immune systems. Cryptosporidia exist in the environment as hard walled oocysts that are very resistant to chlorination, but can be inactivated by disinfection with ozone or ultraviolet light.

CSO: Combined Sewer Overflow – An overflow point and the discharged flow from a combined sewer system intended to provide hydraulic relief to avoid system flooding and backups during large wet weather events. During large rainstorms, systems can become overloaded, with the excess discharged directly into surface waters. The discharged flow and the discharge location are called CSOs. In the metropolitan Boston area there are approximately 46 active, permitted CSOs that currently discharge into rivers or Boston Harbor.

CSO Facilities: MWRA has six facilities that intercept the flow from CSO pipes. Four of these facilities provide treatment and two provide storage prior to discharge. The CSO facilities have some capacity to store flow and pump it to the Deer Island plant after rainstorms end.

CT: Concentration x Contact Time - A measure of disinfection effectiveness established under the Surface Water Treatment Rule. CT is the product of the concentration of disinfectant [C] and the time it has been in contact with the water [T]. Required CT varies by type of disinfectant, organism, temperature, and pH.

CTG (Combustion Turbine Generator): CTGs are used to generate electricity during planned cable outages, wet weather operations and for participation in price response events.

Current Expense Budget: A financial plan that estimates the revenues and expenses associated with MWRA's operations for a fiscal year.

C-Value: The carrying capacity of a water main for a specified length and pressure drop that is determined by its diameter and resistance to flow. The friction coefficient "C" of the main is often used as a measure of flow resistance. C-values for new pipe are about 120 for water mains that are 6 to 16-inches in diameter, and 130 and 140 for larger diameter mains.

DAF: Dissolved Air Flotation - A process of adding super saturated air into water to cause coagulated solids to rise to the top to be skimmed off. DAF replaces conventional gravity sedimentation (clarification) and is particularly cost-effective for low turbidity waters subject to periodic algae blooms.

DBP: Disinfection By-products - Complex compounds formed by the use of oxidizing agents such as chlorine or ozone in waters containing organic matter.

D/DBP Stage 1: Disinfectants/Disinfection By-products, Stage 1 Rule - Promulgated 11/1998, and effective 1/2002, this rule set DBP limits at 80 parts per billion for Trihalomethanes and 60 parts per billion for Haloacetic Acids, averaging all samples over four quarters.

D/DBP Stage 2: Disinfectants/Disinfection By-products Stage 2 Rule - The rule further regulates the amount of DBPs allowed in water. The 80/60 values set in Stage 1 will now apply to each individual sample location in a "Locational Running Annual Average".

Debt Service: In a given fiscal year, the amount of money necessary to pay interest and principal on outstanding notes and revenue bonds.

Defeasance: The setting aside of cash or securities sufficient to make debt service payments allowing the reduction of the debt amount to the liabilities of a balance sheet and the reduction of the debt service amount to the Current Expense Budget.

DEP: Department of Environmental Protection - The Massachusetts agency that regulates water pollution control, water supplies, and waterways and dispenses federal and state grant funds to support these activities.

Department: A sub-unit of an MWRA division.

Department of Conservation and Recreation (DCR): Created in 2003 through the merger of the Metropolitan District Commission and the Department of Environmental Management, DCR manages the Commonwealth's diverse parks system and protects and enhances natural resources and outdoor recreational opportunities throughout Massachusetts.

De-watering: The process of removing water from wastewater treatment residuals. De-watered sludge has the appearance of mud or wet soil material.

Diffusers: A system of shafts, rising from the end of MWRA's effluent outfall tunnel to the seabed, which disperses treated wastewater over a large area. Technically, the diffusers are the "sprinkler heads" mounted on top of the riser shafts that lead from the outfall tunnel and disperse wastewater into Massachusetts Bay.

Digesters: Tanks for the storage and anaerobic or aerobic decomposition of organic matter present in sludge.

Direct Program Expenses: Costs directly associated with providing services or performing activities.

Disinfection, Primary: The inactivation (killing) of pathogenic organisms in a water system by the use of chemical or other disinfection agents.

Disinfection, Residual: The presence of a measurable residual of disinfectant within a water distribution system to help control bacterial re-growth and guard against contamination.

Dissolved Oxygen (DO): A measure of the amount of oxygen in a given amount of water. Adequate levels of DO are needed to support aquatic life. Low dissolved oxygen concentrations can result from inadequate wastewater treatment.

Division: A major organizational unit within MWRA, encompassing the activities and resources for providing a major service or function.

DLS (Department of Laboratory Services): Laboratory Services is a full service analytical testing and consulting group within the MWRA that primarily serves client groups primarily within the Operations Division. The analytical services that Laboratory Services provides include wet chemistry, metals, organics, and microbiology testing. Related services include field sampling, technical consultation, and contract laboratory management.

DMR (Discharge Monitoring Report): Monthly reports that are submitted to federal and state regulators. MWRA monitors the effluent (treated sewage) that is discharged into Massachusetts Bay, to ensure that it meets the standards set out in the NPDES permit. Analytical support to the effluent monitoring program is provided by the Department of Laboratory Services.

E.coli: A normal inhabitant of the digestive tract of mammals. The presence of *E.coli* indicates probable contamination by fecal matter.

Effluent: Treated wastewater discharged from a treatment plant.

EIR: Environmental Impact Report – A document prepared in adherence with the Massachusetts Environmental Policy Act (MEPA) to review the environmental impact of projects and ensure opportunities for public review and comment.

EIS: Environmental Impact Statement – A document prepared in adherence with the National Environmental Policy Act to review the environmental impact of projects and ensure opportunities for public review and comment.

Enabling Act: Legislation (Chapter 372 of the Acts of 1984) that established MWRA and define its purpose and authority as of January 1, 1985.

ENF: Environmental Notification Form - The first step in the MEPA process.

EOEEA: Executive Office of Energy and Environmental Affairs - The Massachusetts cabinet office that oversees state environmental agencies.

EOC: Emergency Operations Center

EOEA: Executive Office of Environmental Affairs - The Massachusetts cabinet office that oversees state environmental agencies.

EPA: Environmental Protection Agency **-** The federal government agency responsible for environmental enforcement and investigation.

ESWTR: Enhanced Surface Water Treatment Rule - A federal rule that is promulgated in three stages:

1) Interim Enhanced Surface Water Treatment Rule (IESWTR): The IESWTR was promulgated in 1998 and tightened the requirements for the operation of water filtration plants in large systems to take a first step toward controlling *cryptosporidium* in source waters. IESWTR also added *cryptosporidium* to the list of issues considered within watershed protection plans for unfiltered systems.

2) LT1ESWTR primarily extends the IESWTR to smaller systems

3) LT2ESWTR: further tightens the standards for the operation of filtration plants and adds requirements for 99% inactivation of *cryptosporidium* and the use of two primary disinfectants for unfiltered systems. The concept of proportional treatment, with less treatment required for cleaner sources, was implemented as part of the rule.

Enterococcus: A pathogen indicator, similar to fecal coliform, that is used in the Massachusetts Water Quality Standards for marine waters, consistent with the Federal Clean Water Act requirements, which indicates potential contamination from human or animal waste.

Enterprise Fund: A governmental accounting and budgeting Fund that is designed to be self-supporting with revenues equal to expenditures.

Eutrophication: Nutrient enrichment of a lake or other water body typically characterized by increased growth of planktonic algae and rooted plants. Eutrophication can be accelerated by wastewater discharges and polluted runoff.

Eversource: Formerly NStar, formerly Boston Edison Company, is a publicly traded, Fortune 500 energy company headquartered in Hartford, Connecticut and Boston, Massachusetts, with several regulated subsidiaries offering retail electricity and natural gas service to more than 3.6 million customers in Connecticut, Massachusetts and New Hampshire.

Expenditures: Payments for goods and services received.

Expenses: Costs associated with the operating activities of a period, including expenditures and accrued costs.

Facility Information System (FIS): The management information system at the Deer Island Treatment Plant.

Fecal coliform bacteria: A group of bacteria used as a primary indicator organism for potential contamination from human or animal waste. Also called thermo-tolerant bacteria. Specific organisms in the group may or may not be of health concern (see *E.coli*).

Filtration: A water treatment process involving the removal of suspended particulate matter by passing the water through a porous medium such as sand or carbon.

Fiscal Year: The 12-month financial period used by MWRA that begins July 1 and ends June 30 of the following calendar year. MWRA's fiscal year is numbered according to the calendar year in which it ends.

Flash coat: A light coat of shotcrete used to cover minor blemishes on a concrete surface.

FOD (Field Operations Department): Department within the Operations Division created to provide high quality, uninterrupted water delivery and wastewater collection services to MWRA communities. The department is responsible for the treatment, transmission, and distribution of water from the Quabbin and Wachusett reservoirs to community water systems. It also manages the collection, transport, and screening of wastewater flow from MWRA communities to the Deer Island Treatment Plant.

Force Main: A pressure pipe joining the pump discharge at a water or wastewater pumping station with a point of gravity flow.

FRSA (Fore River Staging Area): The site of the Sludge Pelletization Plant.

FTE (Full Time Equivalent): An FTE is the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

Fund: A separate accounting entity for a particular purpose facilitating the accounting of assets, liabilities, and net assets.

Giardia: A protozoan parasite that can cause severe gastrointestinal disease, although there is medical treatment available. *Giardia* exist in the environment as hard-walled cysts, and are moderately resistant to chlorine disinfection.

Geographic Information System (GIS) -- A geographic information system is a system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.

Green Energy: Energy that comes from natural sources such as sunlight, wind, rain, tides, plants, algae and geothermal heat. These energy resources are renewable, meaning they're naturally replenished.

Goal: A statement in general terms of a desired condition, state of affairs, or situation. Goals, which are long-term in nature and not usually directly measurable, provide general direction for the activities of operating units.

Global Positioning System (GPS): Also known as an Automatic Vehicle Location system (GPS/AVL), this tool provides real-time transmission alerts utilizing a cell phone/satellite communication system and a web-based mapping system to track vehicles and operator-driven mobile equipment in MWRA's service area. The system allows MWRA to respond more quickly to emergencies, enhance driver and vehicle safety, reduce fuel costs, track mileage electronically, monitor unauthorized vehicle usage, and improve efficiency.

Graphitization: A corrosion mechanism that alters the molecular structure of the carbon/iron matrix of cast iron pipe. During the process, iron atoms are forced away from the metal leaving behind an unstable carbon matrix. The result is a weakened pipe, easily susceptible to ruptures. High frequency in the number of breaks causes leakage to be a major problem of graphitized pipe.

Grit: Sand-like materials that quickly settle out of wastewater.

Groundwater: A body of water beneath the surface of the ground. Groundwater is made up primarily of water that has seeped down from the surface.

HAA: Haloacetic Acids - A class of disinfection by-products related to chlorine disinfection. HAAs are regulated under D/DBP Stage 1 and 2 Rules at 60 ppb.

Harbor Electric Energy Company (HEEC): A subsidiary of Eversource which installed a cross harbor power cable and built a sub-station to provide power for construction and operation of the Deer Island Wastewater Treatment Plant.

Head House: A structure containing the control gates to a conduit such as a sewer pipeline.

Headworks: A preliminary treatment structure or device, usually including a screening and de-gritting operation, that removes large or heavy materials such as logs and sand from wastewater prior to primary treatment.

Heavy Metals: Metals such as lead, silver, gold, mercury, bismuth, and copper that can be precipitated by hydrogen sulfide in an acid solution.

HOM (Harbor and Outfall Monitoring): A comprehensive program to provide environmental data that helps to predict and measure the effect of Deer Island outfall discharge on the marine ecosystem.

Incentives and Other Charges: A fee system designed to help recover permitting, inspecting, and monitoring costs incurred by MWRA's TRAC Program and provide incentives to permitted users to reduce discharges.

Indirect Expenses: Costs not directly associated with providing services or performing activities.

Infiltration/Inflow (I/I): The problem of clean water flows entering sewers resulting in diminished pipe capacity for sanitary flows and in costly pumping and treatment of unnecessarily large wastewater volumes. Infiltration is groundwater that leaks into the sewerage system through pipe joints and defects. Inflow, primarily a wet-weather phenomenon, refers to water that enters sewers from improperly connected catch basins, sump pumps, land and basement drains, and defective manholes. Inflow also enters through improperly closed or defective tidegates during high tides.

Influent: The flow of water that enters the wastewater treatment process.

Insurance Reserve: A fund established to adequately reserve against risks for which MWRA does not currently maintain insurance.

Interceptors: The large pipes that convey wastewater from collection systems to treatment plants.

Investment Income: Income derived by investing certain operating and reserve fund balances in interest-yielding securities in accordance with the provisions of MWRA's bond resolution.

ISO - NE (Independent System Operator of New England): Non-profit wholesale operator of the regional grid system. The MWRA receives payment from ISO-NE when Deer Island, Carroll Water Treatment Plant, and the four Remote Headworks remove themselves from the grid. All six facilities participate in load response programs offered by ISO-NE which pays larger commercial and industrial electricity consumers to "shed load" during grid peaks. There are several programs available such as price, demand response and load response. MWRA constantly evaluates the options and participates in the most advantageous program.

Labor Costs: Direct costs of employing permanent and temporary personnel, including wages, salaries, overtime pay, fringe benefits, and workers' compensation.

Land Application: The use of wastewater treatment residuals on land for agricultural benefits.

Landfilling: The disposal of residuals by burial. Modern landfills have double liners, leachate collection systems, and other design features to protect against groundwater contamination.

LCR: Lead and Copper Rule – A federal rule that set an action level for lead and copper at "worst case" consumer taps. Optimized corrosion control, notification, education, and lead service replacements are all components of compliance plans.

Leachate: Water that drains from a landfill after having been in contact with, and potentially contaminated by, buried residuals. Modern landfills are designed to collect leachate for subsequent treatment.

Limnology: The scientific study of physical, chemical, meteorological, and biological conditions in fresh waters.

LIMS: Laboratory Information and Management System – An automated database system used to transfer information between MWRA's Central Laboratory to its client groups and to process information obtained by the Central Laboratory to monitor substances that enter and leave the MWRA wastewater system. Use of LIMS removes the potential for human error in the sampling process by bar coding samples, eliminating the need to transcribe sample data, producing pre-printed project-specific sample check-off forms for field crews, and automating testing through pre-set test codes and project-specific parameters.

LOX (Liquid Oxygen): Liquid oxygen is used together with electrical energy to generate ozone at the Carroll Water Treatment Plant.

Mapping Protocols: Sets of specifications defining the content and format of data to be collected.

MCL: Maximum Contaminant Level - The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to MCLGs as feasible using the best available control technology.

MCLG: Maximum Contaminant Level Goal - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Massachusetts Environmental Policy Act (MEPA) Unit: A unit of the Commonwealth's Executive Office of Environmental Affairs responsible for implementation of the state environmental review process.

Methane: A colorless, nonpoisonous, flammable gas produced as a by-product of anaerobic sludge processing. At Deer Island, MWRA uses methane as fuel to provide heat and hot water and to generate electricity.

MGD: Million gallons per day.

MIS: Management Information Systems

Mission: A description of the fundamental purposes and major activities of an operating unit or program.

Mitigation: Financial remuneration or non-financial considerations that MWRA provides to communities to alleviate the negative effects of major construction projects.

Molybdenum (Mo): A metallic element that resembles chromium and tungsten in many properties, and is used in strengthening and hardening steel. Mo is a trace element in plant and animal metabolism. The concentration of molybdenum in sludge products is strictly regulated.

NACWA (Nation Association of Clean Water Agencies): NACWA represents the interests of publicly owned wastewater treatment plants. NACWA is involved in all areas of water quality protection including the development of environmental legislation and assisting federal regulatory agencies in the implementation of environmental programs.

NEFCo: New England Fertilizer Company **-** The contractor responsible for the operation of processing sludge into fertilizer pellets at MWRA's residuals processing plant located in Quincy. NEFCo is also responsible for marketing and distributing the pellets and disposing of any product that is not marketable.

National Pollutant Discharge Elimination System (NPDES) Permit: A permit issued by EPA in conjunction with DEP that governs wastewater discharges into surface waters.

NHS (Northern High Service): Project that involves a series of water system pipeline improvements in the MWRA's Northern High Service Area.

Nitrification: An aerobic process in which bacteria changes the ammonia and organic nitrogen in wastewater into oxidized nitrogen (usually nitrate). Second-stage BOD is sometimes referred to as the nitrification stage (first-stage BOD is called the carbonaceous stage). Also, a similar process in the water distribution system, where ammonia from chloramine can be used by nitrifying bacteria, resulting in a reduced chlorine residual, and the potential for additional bacteria growth.

OCC: Metropolitan Operations Control Center, located at MWRA's Chelsea Facility.

OEP (Office of Emergency Preparedness): The Office of Emergency Preparedness has oversight over security, exercises, emergency operations, planning, the Emergency Services Unit and critical infrastructure protection.

OMS (Operations Management Systems): OMS correlates PICS data with laboratory analysis to track and analyze DITP's process performance with regard to the plant's discharge permit from EPA and DEP and with respect to cost effective operation.

Operating Reserve: A fund established to adequately reserve for operating contingencies, required by MWRA's bond resolution to be not less than one-sixth of its annual operating expenses.

Organic Matter: Material containing carbon, the cornerstone of plant and animal life. It originates from domestic and industrial sources.

Other User Charges: Revenue received per agreements MWRA has for provision of water, sewer, and other services to entities other than communities which are charged assessments.

Outfall: The pipe or structure where effluent is discharged into receiving waters.

Ozonation: The application of ozone to water, wastewater, or air, generally for the purposes of disinfection or odor control. The Carroll Water Treatment Plant (CWTP) employs the ozonation process to inactivate pathogens, including *cryptosporidium*, with lower levels of DBPs.

Ozone: A strong disinfectant made from oxygen and electrical energy. Ozone is effective against *cryptosporidium***.**

Pathogens: Harmful organisms, often called germs that can cause disease. Waterborne pathogens (or the diseases they cause) include *giardia, cryptosporidium,* cholera, typhoid, *E.coli,* Hepatitis A, *legionella,* and MAC.

Payments in Lieu of Taxes (PILOT): Amounts which MWRA pays each fiscal year to cities and towns for land owned by the Commonwealth in the Quabbin, Ware River, Wachusett, and Sudbury watersheds. Consistent with the provisions of MWRA's Enabling Act, these payments are based on the past commitments of the Commonwealth of Massachusetts.

Penalty Revenue: Revenue derived from penalties assessed by MWRA to violators of its sewer use regulations.

Performance Measure: An indicator of the work and/or service provided, defined by output, work or service quality, efficiency, effectiveness, or productivity.

Performance Objective: A statement of proposed accomplishments or attainments that is short-term in nature and measurable.

PICS (Process Instrumentation and Control System): PICS provides real-time operations data from systems throughout Deer Island (including system status, flow, etc.).

PILOT (Payment in Lieu of Taxes): The Watershed PILOT program is the method that DCR compensates communities which contain the state owned land bought to protect one of the nation's largest unfiltered water supply systems. The law that defines this PILOT program, MGL c. 59 s.5G, guarantees regular and stable payment to 29 Massachusetts communities.

Plume: The rising discharge of treated wastewater effluent from a treatment plant outfall pipe.

Preliminary Treatment: The process of removing large solid objects, sticks, gravel, and grit from wastewater.

Pretreatment: The reduction or elimination of pollutant properties in wastewater prior to discharge into a sewer system.

Primacy: Primary enforcement authority for Federal Safe Drinking Water Act regulations delegated to a state by the Environmental Protection Agency (EPA).

Primary Treatment: A wastewater treatment process that takes place in a rectangular or circular tank and allows substances in wastewater that readily settle or float to be separated from the water being treated. Primary treatment results in 50-60% removal of suspended solids and 30-34% removal of BOD.

Program: An organized group of activities and the resources to carry them out aimed at achieving one or more related objectives.

Rate Revenue: Revenue received from annual assessments of communities within MWRA's service area for water and sewer services.

Rate Stabilization Reserve: A fund established by the Board of Directors that is used to reduce rate revenue requirements. MWRA finances this reserve with unexpended or surplus funds available from the Current Expense Budget at the end of each fiscal year.

RCM (Reliability Centered Maintenance): A maintenance strategy adopted at Deer Island in FY00 for critical systems. RCM is a failure modes and effects process that involves maintenance, operations and engineering staff in the development of preventative maintenance and operation plans for plant systems.

Relief Sewer: A sewer built to carry flows in excess of the capacity of an existing sewer.

Renewable Energy: Energy from a source that is not depleted when used, such as wind or solar power

RGGI: The Regional Greenhouse Gas Initiative is a mandatory, market-based program in the United States to reduce greenhouse gas emissions. The program involves selling emission allowances through auctions and investing the proceeds in demand-side management and clean energy technology projects.

Remote Headworks: The initial structures and devices of a treatment plant set apart by some distance from the plant site.

Renewal and Replacement Reserve: A fund established to adequately reserve for the cost of capital improvements not provided for by funds available through the Capital Improvement Program or the Current Expense Budget.

Residuals: The by-products of the wastewater treatment process, including scum (floatables), grit and screenings, primary sludge, and secondary sludge.

Revenue Bonds: Bonds payable from a specific source of revenue and which do not pledge the full faith and credit of the issuer.

RPS (Renewable Portfolio Standards): State policies which mandate a state to generate a percent of its electricity from renewable resources. Qualified renewable generation facilities for the MWRA include: the Steam Turbine Generator (STG) and a variety of Hydroelectric, Wind and Solar units. The MWRA is issued electronic certificates for each megawatt hour of electricity produced from the digester gas, which is considered renewable energy. RPS credits are a source of revenue for the MWRA.

Safe Yield Model: The equation used to determine the maximum dependable draft that can be made continuously on a water supply source during a period of years during which the probable driest period or period of greatest deficiency in water supply is likely to occur.

SAMS: Sewerage Analysis and Management System – A database which contains specifications of the location, size, and condition of MWRA wastewater interceptors and appurtenances and which produces maps for use by MWRA and outside parties. Now referred to as Wastewater GIS.

Sanitary Sewers: In a separate system, pipes that carry only domestic wastewater.

SCADA: Supervisory Control and Data Acquisition **-** Equipment for monitoring and controlling water or wastewater facilities remotely.

SCBA: Self-contained breathing apparatus.

Screenings: Large items such as wood and rags that are collected from wastewater in coarse screens prior to primary treatment.

Scum: Floatable materials such as grease, oil, and plastics that are skimmed from the surface of wastewater as it flows through large settling tanks.

SDWA: Safe Drinking Water Act - A Federal law enacted in 1986 and amended in 1996 that requires EPA to establish national primary drinking water regulations for water suppliers which consist of MCLs or treatment techniques.

Secondary Treatment: Usually following primary treatment, secondary treatment employs microorganisms to reduce the level of BOD and suspended solids in wastewater.

Sedimentation Tanks: Settling tanks where solids are removed from sewage. Wastewater is pumped to the tanks where the solids settle to the bottom or float on the top as scum. The scum is skimmed off the top, and solids on the bottom are pumped out for further treatment and/or final disposal.

Seeding: The initial filling of sludge into digesters.

Sensitive user: A member of a group within the general population likely to be at greater risk than the general population of adverse health effects due to exposure to contaminants in drinking water. Sensitive users include infants, children, pregnant women, the elderly, and individuals with histories of serious illness.

Septic Tanks: Tanks used for domestic wastes when a sewer line is not available to carry them to a treatment plant. Periodically, the septage is pumped out of the tanks, usually by commercial firms, and released into a wastewater treatment system.

Shotcrete: Mortar or concrete conveyed through a hose and projected at high velocity onto a surface; also known as air-blown mortar, pneumatically applied sprayed mortar, or gunned concrete.

Siphon: A closed conduit, a portion of which lies above the hydraulic grade line, resulting in a pressure less than atmospheric and requiring a vacuum within the conduit to start flow. A siphon utilizes atmospheric pressure to effect or increase the flow of water through the conduit.

Slip Lining: Insertion by pushing or pulling of lines fabricated of plastic, concrete cylinder pipe, reinforced concrete, or steel through existing conduits from access pits.

Sludge: Material removed by sedimentation during primary and secondary treatment. Sludge includes both settled particulate matter and microorganisms and is the single largest component of wastewater residuals. At the time sludge is removed during the treatment process, it contains only 0.5% to 5% solid content by weight. It has the appearance of muddy water.

Sodium Hypochlorite (NaOCl): A liquid form of chlorine that MWRA uses in the disinfection and/or odor processes at the Deer Island Treatment Plant, various other Wastewater facilities, and the Carroll Water Treatment Plant (CWTP).

Storm Sewers: Separate systems of pipes that carry only water runoffs from roofs, streets, and parking lots during storms.

Surcharging: Loads on a system beyond those normally anticipated; also, the height of wastewater in a sewer manhole above the crown of the sewer when the sewer is flowing completely full.

Suspended Solids: The particulate matter contained in wastewater.

SWTR: Surface Water Treatment Rule – A Federal rule promulgated in 1989 that affects all utilities using surface waters or waters under the influence of surface waters. SWTR requires filtration unless certain criteria on source water quality, watershed control, and disinfection effectiveness can be met (see also ESWTR).

Telemetry: Remote measuring or monitoring devices connected to a central monitoring station via telephone lines.

TCR: Total Coliform Rule – A federal rule that requires monitoring of water distribution systems for coliform bacteria and chlorine residual. No more than 5% of the coliform samples in a month can be positive.

TOC: Total Organic Carbon - A measure of the amount of organic material in water. Often used as a surrogate for disinfectant demand or DBP precursors.

Transition: A short section of conduit used as a conversion section to unite two conduits having different hydraulic elements.

TTHM: Total Trihalomethanes - A class of disinfection by-products, related to primarily chlorine disinfection (see D/DBP Rule).

TRAC: Toxic Reduction and Control – The department responsible for MWRA's industrial pretreatment program.

TSS (Total Suspended Solids): A measure of the settleable solids and non-settleable solids in wastewater. During the primary treatment process, flows are routed to primary treatment clarifiers that remove about half of the pollutants brought to the plant in typical wastewater (50-60% of total suspended solids and up to 50% of pathogens and toxic contaminants are removed).

Ultraviolet (UV) Treatment: Ultraviolet light is an effective method of disinfection in drinking and wastewater applications. UV light damages the DNA of microbes, and is particularly effective against cryptosporidium. Federal regulations require two primary disinfectants for unfiltered water systems. The Carroll Water Treatment Plant added UV as a second disinfectant (in addition to ozonation) in February 2014 and the Quabbin Disinfection Facility (now named the William A. Brutsch Water Treatment Facility) in Ware added UV (as a second disinfection in addition to chlorine) in October 2014.

United States Geological Survey (USGS): The federal agency that collects Geographic Information System (GIS) data for developing mapping protocols.

Vactor Jet Truck: A vehicle used to clean and/or remove blockages from sewer lines by pushing and/or pulling fluids in the sewer.

VMM: Vehicle Management and Maintenance – The program responsible for management and maintenance of MWRA's vehicles and heavy equipment.

WASM (Weston Aqueduct Supply Mains): Project involving the rehabilitation of the four Weston Aqueduct Supply Mains that carry potable water to MWRA's service area. When complete, they will transmit about one-third of the water to MWRA's service area and the City tunnel will carry the remaining two-thirds.

Wastewater: The water carried by sewers serving residences and businesses that enters wastewater facilities for treatment. Wastewater is any water that has been adversely affected in quality by anthropogenic influence. It comprises liquid waste discharged by domestic residences, commercial properties, and/or agricultural and can encompass a wide range of potential contaminants and concentrations.

Wastewater Treatment Plant (WTP): A facility containing a series of tanks, screens, filters, and other equipment and processes for removing pollutants from wastewater.

Water Supply Trust: The legislature further enhanced the ability of the Department of Conservation and Recreation (DCR) Office of Watershed Management to protect the source waters of the MWRA drinking water supply by establishing a Water Supply Protection Trust in 2004. The trust provides a more efficient mechanism for MWRA's direct funding of the Office of Watershed Management. The Water Supply Protection Trust has a five person board of trustees responsible for approving the Annual Work Plan and Budget each spring for the following fiscal year.

Watershed Reimbursement: An amount that MWRA pays to the Department of Conservation and Recreation (DCR) each fiscal year for maintaining and managing the primary sources of MWRA's water supply (watersheds) in accordance with the laws of the Commonwealth of Massachusetts. The amount of the reimbursement is determined by prevailing legislation.

Wholesale Water and Sewer Services: Potable water and wastewater collection, transport, delivery, and treatment services that MWRA provides to communities. Communities provide the same services directly to retail customers or end users.

WOCC: Western Operations Control Center, located at the Carroll Water Treatment Plant.