



# NEWS & NOTES

A PUBLICATION OF THE MWRA ADVISORY BOARD  
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## Advisory Board raises concerns over Water Infrastructure Finance Commission proposed “Blue Communities Act”

When first created, the Advisory Board (AB) applauded the Water Infrastructure Finance Commission’s (WIFC) charge to develop a comprehensive long-range water infrastructure finance plan for the Commonwealth and its municipalities; however, a proposed recommendation by Working Group 4 within the commission will raise serious objections by communities and frankly is unsupportable according to Executive Director of the MWRA Advisory Board Joseph Favaloro.

The proposal, which would be called the “[Blue Communities Act](#)”, specifically recommends charging 1/10<sup>th</sup> of one cent for every gallon of water used to create a fund that would redistribute money to cities and towns for water infrastructure projects. The Commission claims the surcharge would bring in approximately \$230 million a year; these funds would be sent to the state to have DEP decide which communities would receive these funds, based on “Blue Criteria.”

In essence, the recommended surcharge raises retail water rates by 10% according to Mr. Favaloro. Mr. Favaloro states that after 18 months of discussion, the best recommendation from the Commission is to raise rates? Further, he explains that the MWRA service area already has some of the highest rates in the state and in the country. He believes that a solution that requires the communities to raise rates, is not the answer, there needs to be a dedicated outside revenue stream. The MWRA and AB have already proposed many alternatives to tackle this including:

- Fully Funding the Commonwealth Sewer Rate Relief Fund which is also known as “Debt Service Assistance” (DSA). DSA was created in the early 90’s to offset massive infrastructure debt that would otherwise have come directly from MWRA ratepayers. At its peak in FY02, the appropriation had grown to \$60 million but in FY11 it was \$500,000 for DSA.

- Expanding the Bottle Bill to include a 5-cent deposit on bottled water containers. The legislation would have the unreturned deposit receipts placed in a dedicated fund which would be available to municipalities, water districts, and the MWRA to be used for water and sewer infrastructure repairs and projects. The projected revenues could exceed \$20 million annually.
- Inserting a 5-cent tax on bottled water containers sold in the Massachusetts and creates a dedicated fund available to municipalities, water districts and the MWRA to also be used for water and sewer infrastructure repairs and projects. Based on bottled water sales, the tax could generate up to 60 million per year. This idea was modeled after the City of Chicago, which was one of the first cities in the country to enact legislation back in 2008.

The MWRA and Advisory Board continue to engage the Legislature in order to fully fund DSA and make progress on the legislation mentioned, which would help mitigate costs for ratepayers.

The Advisory Board hopes that WIFC takes a step back and considers these recommendations more thoroughly along with a full menu of alternative dedicated funding mechanisms before proceeding with the final report.

If our readers have any feedback or opinions on this topic, please do not hesitate to reach out to the Advisory Board on this matter at: [joseph.favaloro@mwra.state.ma.us](mailto:joseph.favaloro@mwra.state.ma.us).

### UPCOMING MEETINGS

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| <b>November 4</b>  | WAC Meeting in Boston  |
| <b>November 10</b> | MWRA Advisory Board Executive Committee Meeting in Charlestown |
| <b>November 16</b> | MWRA Board of Directors Mtg. in Charlestown                    |
| <b>November 17</b> | Full Advisory Board Mtg. at the Wellesley Free Library         |

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

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