



OFFICE OF THE STATE AUDITOR

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Auditor Bump Calls for Holistic Approach to Meeting Municipal Water Infrastructure Needs

Report shows Municipalities Face \$17.8B in Water System Spending Needs

BOSTON, MA — Auditor Suzanne M. Bump today called on state and local leaders to collaborate on a holistic approach to meeting the Commonwealth's water infrastructure needs. Bump made the announcement as her office's Division of Local Mandates (DLM) released a study on the status of municipal water systems in the Commonwealth, which found that communities report total unmet water system spending needs of at least \$17.8 billion over the next twenty years.

"This study shows that local governments are struggling to meet their critical water infrastructure needs. It's a challenge that's likely to increase as the impacts of climate change, and economic growth place additional strains on existing infrastructure," Bump said. "This is a problem that will not be solved with state dollars alone. To successfully address this challenge, we need action from state and federal leaders to promote a holistic approach to municipal water infrastructure needs, which includes both regulatory and funding changes."

The study was based on the responses to a survey conducted by Bump's office of cities and towns in Massachusetts on their local water system investments and funding sources. A total of 146 cities and towns responded to the survey, representing 42 percent of the state's municipalities. Respondents include 88 percent of all cities and towns with populations greater than 50,000.

To bolster state-municipal collaboration, the study recommends Governor Baker convene a statewide summit to educate localities about the infrastructure challenges presented by climate change, and steps needed to protect their water systems. The report reveals that only six percent of municipalities report having water infrastructure climate change plans or policies in place. It also highlights the need for greater regional collaboration among municipalities sharing a common watershed; only 36 percent of survey respondents report being members of a regional collaborative on water infrastructure planning and management. The study also calls for an annual \$50 million in additional state water infrastructure grants for the next decade. In addition, Bump is calling for the Department of Environmental Protection (DEP) to assume responsibility from the federal government for the issuance of MS4 storm water permits in order to better align expectations and oversight for municipalities as DEP already issues permits for drinking- and wastewater systems. Massachusetts is only one of four states where the federal government issues these permits directly.

“Massachusetts has an opportunity to lead the nation in tackling this problem head on,” Bump said. “It is my hope that this report will spur increased collaboration at all levels of governments to develop innovative solutions to this challenge.”

The report was produced by the Division of Local Mandates (DLM) in Bump’s office. In addition to responding to requests from local governments about potential unfunded mandates, DLM also produces Municipal Impact Studies, such as this one, that examine aspects of state law that have significant fiscal impacts on municipalities.

The report is attached.

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About the Office of the State Auditor

The Office of the State Auditor conducts performance audits of state government’s programs, departments, agencies, authorities, contracts, and vendors. With its reports, the OSA issues recommendations to improve accountability, efficiency, and transparency. The OSA has identified more than \$1 billion in unallowable, questionable, or potentially fraudulent spending and saving opportunities for the Commonwealth since 2011. Last year, auditees report implementation of 91 percent of the OSA’s audit recommendations. Last year, the office [received the Einhorn-Gary Award](#) for its success furthering government accountability.

About the Division of Local Mandates

DLM was established in 1980 as part of Proposition 2 ½, an initiative petition that limited the ability of cities and towns to increase property taxes more than 2 ½ percent each year. The proposition tasked DLM with responding to municipal petitions requesting a determination of whether any post-1980 state law or regulation imposed new spending requirements on local governments. If DLM determines that a new law or regulation constitutes an “unfunded mandate” – and if the state fails to appropriate the necessary funding, cities and towns have the right to seek exemption from that new spending requirement. The state’s Local Mandate Law prohibits the Legislature and state agencies from passing costs to municipalities to implement new state programs. The Local Mandate Law applies to regional school districts as well as to cities and towns; requests for mandate determination may be made by local officials or by the Legislature and its committees.

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