

How a Quasi Treats a Quasi

“Ratepayers Need to be Treated Fairly”

The Boston Harbor dredging project has been planned and approved to deepen the Harbor in order to allow larger ships (passenger and cargo ships) to access the City of Boston at the behest of the Mass. Port Authority (Massport), which will significantly increase the revenue that Massport generates from ships coming into Massachusetts.

The MWRA has once again been caught in the crosshairs as the electric cable that powers Deer Island runs under Boston Harbor and will need to be moved and replaced. Because the MWRA was named as a co-permittee on the cable (which is technically owned by Eversource), the MWRA is being forced to pay for the cable project that is being undertaken to allow the Boston Harbor dredging project to move forward.

The total cost to the MWRA to move the cable amounts to \$158.6 million over 30 years.

To add insult to injury, Eversource and Massport negotiated an \$8 million easement charge for the cable to cross a piece of Massport-owned land at Conley Terminal, despite the fact that the cable only needs to be removed and replaced right now to aid Massport in its mission to increase shipping traffic into Massachusetts, which benefits Massport, not the MWRA. This \$8 million charge costs the MWRA \$4 million in cash for capital (i.e. money up front) and then \$4 million paid to Eversource over 30 years with 9% interest.

So who is paying for the costs of dredging, which will undoubtedly lead to a boon in new revenue for Massport?

Federal Government Grants:	\$220 million
Massachusetts Bonds:	\$75 million
<u>Massport Investment:</u>	<u>\$55 million</u>
Total Cost of Dredging Harbor:	\$350 million

To date, the Advisory Board has requested public records of how Massport justifies charging \$8 million for an easement charge at Conley Terminal. Was there an appraisal done for that piece of land? It's unclear. The only response that the Advisory Board received from Massport was a copy of the Memorandum of Understanding between Massport and Eversource.

The Advisory Board recommends: (1) the MWRA officially request that Massport rescind their easement charges; (2) the MWRA request that the Legislature withhold final bond authorized payment for the dredging until resolved, and/or; (3) the MWRA jointly file a bill with the Advisory Board to add a surcharge on all tonnage to be assessed on all cargo and assess a per head charge for cruise ships until such time that the cable costs have been recovered.

The Advisory Board recommends: (1) the MWRA assess Massport for Operations and Maintenance (O&M) of the Wiggins Pump Station dating back to the inception of the MWRA which would be \$280,000 in inflation-adjusted dollars, and to begin charging Massport for O&M costs on a monthly basis moving forward, and (2) the MWRA remove the Wiggins Pump Station capital improvements project from its 5-year CIP until such time that an MOU is in place between the MWRA and Massport in which Massport agrees to pay for the design, construction and project management of the Wiggins Pump Station capital improvements.

Ratepayers are unfairly being impacted on all sides. Ratepayers get to pay higher federal taxes to cover federal grants of \$220 million. Ratepayers get to pay higher state taxes for the Commonwealth's bond costs of the \$75 million contribution. And lastly, ratepayers get to pay higher sewer bills to pay for the MWRA's share. Massport on the other hand, just makes more revenue.