

Arlington • Ashland • Bedford • Belmont • Boston • Braintree • Brookline
Dedham • Everett • Framingham • Hingham • Holbrook • Leominster
Medford • Melrose • Milton • Nahant • Natick • Needham • Newton
Revere • Saugus • Somerville • South Hadley • Southborough • Stoneham
Watertown • Wellesley • Weston • Westwood • Weymouth • Wilbraham



Burlington • Cambridge • Canton • Chelsea • Chicopee • Clinton
Lexington • Lynn • Lynnfield • Malden • Marblehead • Marlborough
Northborough • Norwood • Peabody • Quincy • Randolph • Reading
Stoughton • Swampscott • Wakefield • Walpole • Waltham
Wilmington • Winchester • Winthrop • Woburn • Worcester

September 24, 2013

**The Honorable Marc R. Pacheco, Senate Chair
Joint Committee on Environment, Natural Resources and Agriculture
State House, Room 312B
Boston, MA 02133**

**The Honorable Anne M. Gobi, House Chair
Joint Committee on Environment, Natural Resources and Agriculture
State House, Room 473F
Boston, MA 02133**

Dear Chairmen Pacheco and Gobi:

On behalf of the communities of the Massachusetts Water Resources Authority (MWRA) and their ratepayers, I offer the following comments regarding water and wastewater infrastructure and the bills before you today for consideration.

First, I would like to applaud the efforts of the sponsors of the bills before you today. Many of these bills recognize the need to fund our infrastructure needs.

Water and wastewater infrastructure have long been the forgotten infrastructures. Over the past decade, both the state and federal governments have reduced and/or eliminated water/wastewater infrastructure funding programs while they have increased regulations and mandated spending.

Today, based on the findings of the Water Infrastructure Finance Commission, communities/authorities have a nearly \$40 billion funding gap to upgrade aging water and wastewater infrastructures, as well as to cover additional regulatory compliance to meet the Clean Water and Safe Drinking Water Acts. One of the largest emerging compliance issues for communities lies in stormwater management, the latest of the unfunded mandates with a price tag of over \$18 billion.

In the MWRA service area, it is also critical to emphasize to members that since the creation of the MWRA, these 60 communities and their ratepayers have been paying the debt service on what is now over \$7.8 billion of capital spending.

As I write these comments, MWRA's debt service payment is nearly \$400 million annually and will grow each and every year, reaching a peak of nearly \$600 million by FY22.

The MWRA has also identified nearly a billion dollars of additional capital improvement investment over the next five years that is necessary to maintain and upgrade their water and wastewater infrastructures.

With this in mind, my approach is not to support a specific bill, but to share with members components that are critical to any infrastructure bill:

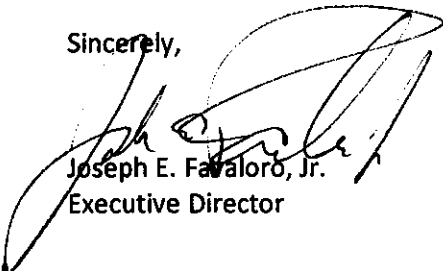
1. There must be a **dedicated** fund set aside for Massachusetts communities, water and sewer districts, and authorities such as the MWRA to draw from.
2. The pool of funds needs to be **large enough** to make a dent in the funding gap.
3. As the bill looks to address future funding needs, it must also **look back** at the **commitment and sacrifice** that **ratepayers have made** and continue to make in areas such as the MWRA service area. The bill must include Debt Service Assistance, which was/is the main tenet of the Commonwealth Sewer Rate Relief Fund, which in its peak funding year was greater than \$50 million and today (FY14 State Budget) is set at \$1 million statewide.
4. The bill must **set aside a portion of the dedicated funding** to assist communities to replace and/or extend water/wastewater infrastructures **to allow for immediate economic development**, which would benefit not only the local community, but also the entire Commonwealth.

The MWRA Advisory Board recently commissioned the Edward J. Collins, Jr. Center in the John W. McCormack Graduate School of Policy and Global Studies at the University of Massachusetts Boston to identify the relationship between investment in water and wastewater infrastructure and economic growth. Amongst many findings, this report notes that investment in water/wastewater infrastructure has a bigger benefit to the economy than investment in transportation infrastructure. Our full report will be released within the next three weeks.

I look forward to working with your committee in once again providing critical funding for our water and wastewater infrastructures.

If you would like to discuss and/or have questions of me, please do not hesitate to contact me at 617-788-2051 or via email at Joseph.Favaloro@mwra.com.

Sincerely,



Joseph E. Favaloro, Jr.
Executive Director