



# Advocacy & Accountability

Representing Over 3 Million People in Massachusetts Communities Since 1985

April 13, 2020

RE: Community Loan Programs

Dear Members of the Board of Directors,

Due to the current economic turmoil caused by the COVID19 virus, the Advisory Board's Executive Committee would like you to review and approve the below proposal for the express purpose of providing financial flexibility to MWRA member communities during this difficult time.

We believe that this proposal offers a "win-win" scenario to communities and the Authority by balancing the (hopefully) short-term financial impacts of COVID19 with the long-term rates management strategy for the Authority.

The following proposal by the Advisory Board's Executive Committee, as voted on April 10, 2020, would be specific to the **Inflow & Infiltration (I/I) Local Financial Assistance Program** and **Local Water System Assistance Program**, both of which call for communities to re-pay the MWRA annually for interest-free loans received for previously approved community projects:

The MWRA, with approval of the Board of Directors and Bond Counsel, will allow for any member community with loan repayments remaining for the current fiscal year (FY20, ending 6/30/20) or due next fiscal year (FY21, from 7/1/20 to 6/30/21) to restructure these loans in a way that adds at least one (1) full year to the end of the loan, while deferring any repayments due between now and 6/30/21 for at least one (1) full year;

This option would be offered by the MWRA to communities, but it would be a decision of each community whether to take advantage of this offer;

If a community were to wish to defer some or all of their loan repayments scheduled between now and 6/30/21, the community would need approval from their local legislative body (Select Board, Council, etc.) and that community would then need to work with the MWRA's Treasurer's Department to modify the terms of their existing loans;

If a community were to choose this deferral option for FY20 or FY21 they would need to indicate their intention to the MWRA's Treasurer's Department by June 1, 2020, but please note that the last remaining loan due date for FY20 has already been administratively delayed from May 15, 2020, to June 30, 2020.

The Advisory Board's Executive Committee believes, after discussions with the MWRA's finance staff, that this proposal is an ideal way for the MWRA to offer the short-term financial flexibility that communities badly need at this time, without compromising the long-term rates management strategy that we have all worked so hard to put in place.

We thank you for your attention to this matter and for continuing to work with the Advisory Board to find creative solutions to difficult problems.

Sincerely,

A handwritten signature in black ink that reads "Louis M. Taverna".

Louis M. Taverna, P.E.  
Chair, MWRA Advisory Board