

| FY16 (#5.4) | MASSACHUSETTS WATER RESOURCES AUTHORITY RATES AND BUDGET PROJECTIONS (\$000) | | | | | | | | | | | |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|
| | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | ASSUMPTIONS |
| COMBINED UTILITIES | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | Run Date 24-Jun-15 Run Time 12:44 PM |
| Direct Expenses | \$217,149 | \$222,834 | \$228,739 | \$235,557 | \$242,031 | \$248,476 | \$254,990 | \$261,901 | \$269,463 | \$276,359 | \$283,886 | Future CEB Inflation |
| Indirect Expenses | 47,512 | 46,953 | 41,673 | 45,734 | 46,625 | 47,739 | 48,928 | 51,429 | 47,201 | 48,416 | 49,896 | Salaries FY2016-2050 2.5% |
| Capital Financing (before offsets) | 417,424 | 432,689 | 451,512 | 469,313 | 491,771 | 551,679 | 564,219 | 596,187 | 551,211 | 528,572 | 511,078 | Other Directs FY2016-2050 3.0% |
| Sub-Total Expenses | \$682,085 | \$702,477 | \$721,923 | \$750,604 | \$780,426 | \$847,895 | \$868,136 | \$909,518 | \$867,875 | \$853,347 | \$844,860 | |
| Debt Service Assistance | (854) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Bond Redemption Savings | (6,746) | 0 | 0 | 0 | 0 | (24,598) | (1,510) | 0 | 0 | 0 | 0 | |
| Variable Rate Savings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Expenses | \$674,485 | \$702,477 | \$721,923 | \$750,604 | \$780,426 | \$823,297 | \$866,626 | \$909,518 | \$867,875 | \$853,347 | \$844,860 | |
| REVENUE & INCOME | | | | | | | | | | | | |
| Non-Member and Other Revenue | \$14,440 | \$20,684 | \$15,314 | \$15,719 | \$16,025 | \$16,219 | \$16,799 | \$17,134 | \$16,926 | \$17,063 | \$17,149 | |
| Interest Income | 9,729 | 9,353 | 8,003 | 9,095 | 10,483 | 13,298 | 13,221 | 13,423 | 13,634 | 13,917 | 14,279 | |
| Rate Stabilization | 0 | 0 | 0 | 0 | 0 | 10,084 | 12,136 | 13,136 | 1,156 | 0 | 0 | |
| Total Other Revenue | \$24,170 | \$30,037 | \$23,317 | \$24,814 | \$26,509 | \$39,601 | \$42,156 | \$43,692 | \$31,716 | \$30,980 | \$31,428 | |
| Total Rate Revenue | \$650,316 | \$672,440 | \$698,606 | \$725,790 | \$753,918 | \$783,697 | \$824,471 | \$865,825 | \$836,159 | \$822,366 | \$813,431 | |
| Rate Revenue Change | 3.4% | 3.4% | 3.9% | 3.9% | 3.9% | 3.9% | 5.2% | 5.0% | -3.4% | -1.6% | -1.1% | |
| Estimated Annual Household Charge ** | | | | | | | | | | | | |
| Based on water use of 61k gpy (weighted) | \$1,007 | \$1,055 | \$1,100 | \$1,154 | \$1,204 | \$1,253 | \$1,326 | \$1,393 | \$1,425 | \$1,460 | \$1,497 | |
| Based on water use of 90k gpy (weighted) | \$1,486 | \$1,556 | \$1,622 | \$1,703 | \$1,777 | \$1,848 | \$1,956 | \$2,055 | \$2,102 | \$2,154 | \$2,208 | |
| WASTEWATER UTILITY | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | |
| Direct Expenses | \$148,145 | \$150,055 | \$153,958 | \$158,698 | \$163,048 | \$167,342 | \$171,637 | \$176,264 | \$181,511 | \$186,047 | \$191,141 | Type Fiscal Year Term Rate |
| Indirect Expenses | 14,552 | 12,997.5 | 9,126 | 11,177 | 11,292 | 11,610 | 11,972 | 12,420 | 12,899 | 13,180 | 13,695 | Fixed Debt FY16 30 5.00% |
| Capital Financing (before offsets) | 285,404 | 293,405 | 316,677 | 317,386 | 337,149 | 379,865 | 370,988 | 390,496 | 337,532 | 317,587 | 310,897 | Fixed Debt FY17 30 5.50% |
| Sub-Total Wastewater Expenses | \$448,100 | \$456,457 | \$479,761 | \$487,261 | \$511,489 | \$558,816 | \$554,596 | \$579,180 | \$531,942 | \$516,814 | \$515,733 | Fixed Debt FY18 30 5.75% |
| Debt Service Assistance | (785) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Fixed Debt FY19-FY50 30 6.00% |
| Bond Redemption Savings | 0 | 0 | 0 | 0 | 0 | (5,783) | 0 | 0 | 0 | 0 | 0 | SRF - Sewer FY16 See Below See Below |
| Variable Rate Savings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | SRF - Sewer FY17-FY50 30 2.50% |
| Total Wastewater Expenses | \$447,315 | \$456,457 | \$479,761 | \$487,261 | \$511,489 | \$553,033 | \$554,596 | \$579,180 | \$531,942 | \$516,814 | \$515,733 | SRF - Water FY17-FY50 20 2.00% |
| REVENUE & INCOME | | | | | | | | | | | | |
| Non-Member and Other Revenue | \$5,256 | \$5,455 | \$5,568 | \$5,671 | \$5,792 | \$5,929 | \$6,044 | \$6,180 | \$6,260 | \$6,373 | \$6,504 | Variable Rate FY16 Existing Issues 3.25% |
| Interest Income | 6,152 | 4,935 | 4,147 | 4,786 | 5,600 | 7,364 | 7,586 | 7,732 | 7,788 | 7,748 | 7,871 | Variable Rate FY17 Existing Issues 3.50% |
| Rate Stabilization | 0 | 0 | 0 | 0 | 0 | 3,923 | 0 | 0 | 0 | 0 | 0 | Variable Rate FY18 Existing Issues 3.75% |
| Prior Year Utility Surplus/Deficit Transfer | (4,175) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Variable Rate FY19-FY50 Existing Issues 4.00% |
| Total Revenue/Income/Utility Transfers | \$7,232 | \$10,390 | \$9,716 | \$10,457 | \$11,392 | \$17,216 | \$13,630 | \$13,912 | \$14,049 | \$14,121 | \$14,375 | TECP FY16-FY50 3.75% |
| Wastewater Rate Revenue | \$440,082 | \$446,067 | \$470,045 | \$476,804 | \$500,096 | \$535,817 | \$540,967 | \$565,268 | \$517,893 | \$502,693 | \$501,358 | Water Pipeline FY16-FY50 20 3.25% |
| Rate Revenue Change | 3.4% | 1.4% | 5.4% | 1.4% | 4.9% | 7.1% | 1.0% | 4.5% | -8.4% | -2.9% | -0.3% | |
| Estimated Annual Household Charge ** | | | | | | | | | | | | |
| Based on water use of 61k gpy (weighted) | \$598 | \$620 | \$652 | \$675 | \$709 | \$750 | \$776 | \$813 | \$813 | \$831 | \$859 | Type Amount Term Rate |
| Based on water use of 90k gpy (weighted) | \$883 | \$914 | \$961 | \$996 | \$1,046 | \$1,106 | \$1,144 | \$1,199 | \$1,199 | \$1,227 | \$1,267 | Fixed Debt 200,000 30 5.00% |
| WATER UTILITY | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | |
| Direct Expenses | \$69,004 | \$72,780 | \$74,781 | \$76,859 | \$78,983 | \$81,135 | \$83,353 | \$85,637 | \$87,952 | \$90,312 | \$92,745 | SRF-Sewer 16,000 20 2.00% |
| Indirect Expenses | 32,960 | 33,955 | 32,547 | 34,557 | 35,333 | 36,129 | 36,956 | 39,009 | 34,303 | 35,235 | 36,201 | TOTAL 242,000 |
| Capital Financing (before offsets) | 132,021 | 139,285 | 134,834 | 151,927 | 154,623 | 171,815 | 193,231 | 205,691 | 213,679 | 210,985 | 200,180 | |
| Sub-Total Water Expenses | \$233,985 | \$246,020 | \$242,162 | \$263,343 | \$268,938 | \$289,079 | \$313,540 | \$330,338 | \$335,933 | \$336,532 | \$329,127 | |
| Debt Service Assistance | (68) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Bond Redemption Savings | (6,746) | 0 | 0 | 0 | 0 | (18,815) | (1,510) | 0 | 0 | 0 | 0 | |
| Variable Rate Savings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Water Expenses | \$227,171 | \$246,020 | \$242,162 | \$263,343 | \$268,938 | \$270,264 | \$312,030 | \$330,338 | \$335,933 | \$336,532 | \$329,127 | |
| REVENUE & INCOME | | | | | | | | | | | | |
| Non-Member and Other Revenue | \$9,184 | \$15,229 | \$9,746 | \$10,048 | \$10,233 | \$10,290 | \$10,755 | \$10,953 | \$10,865 | \$10,690 | \$10,645 | |
| Interest Income | 3,578 | 4,418 | 3,856 | 4,309 | 4,883 | 5,934 | 5,635 | 5,691 | 5,846 | 6,169 | 6,408 | |
| Rate Stabilization | 0 | 0 | 0 | 0 | 0 | 6,161 | 12,136 | 13,136 | 1,156 | 0 | 0 | |
| Prior Year Utility Surplus/Deficit Transfer | 4,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue/Income/Utility Transfers | \$16,937 | \$19,647 | \$13,602 | \$14,357 | \$15,116 | \$22,385 | \$28,526 | \$29,780 | \$17,667 | \$16,859 | \$17,053 | |
| Water Rate Revenue | \$210,234 | \$226,373 | \$228,561 | \$248,986 | \$253,822 | \$247,879 | \$283,504 | \$300,557 | \$318,266 | \$319,674 | \$312,073 | |
| Rate Revenue Change | 3.5% | 7.7% | 1.0% | 8.9% | 1.9% | -2.3% | 14.4% | 6.0% | 5.9% | 0.4% | -2.4% | |
| Estimated Annual Household Charge ** | | | | | | | | | | | | |
| Based on water use of 61k gpy (weighted) | \$409 | \$435 | \$448 | \$479 | \$496 | \$503 | \$550 | \$580 | \$612 | \$629 | \$638 | |
| Based on water use of 90k gpy (weighted) | \$604 | \$642 | \$661 | \$707 | \$731 | \$742 | \$811 | \$856 | \$902 | \$927 | \$941 | |
| | | | | | | | | | | | | Other Comments |
| | | | | | | | | | | | | 1) CEB Model #5.0 |
| | | | | | | | | | | | | 2) FY16 R&B Projection run #5.3 plus: |
| | | | | | | | | | | | | 3) Updated debt service schedules |

** Annual household charges are estimated for communities that receive full water and wastewater services from MWRA weighted by the number of households in each of these core communities. Based on community responses to the 2014 MWRA Advisory Board's Annual Water and Sewer Retail Rate Survey.