Introduction

By statute, the Advisory Board of MWRA communities is charged with reviewing the Massachusetts Water Resources Authority's proposed Capital Improvement Program (CIP) and proposed Current Expense Budget (CEB). Beginning in 2009, the Advisory Board consolidated this review into one *Integrated Comments and Recommendations* document.

At the time of this writing, the Advisory Board and Authority are celebrating the 30th anniversary of their creation. At "milestone" years it is often important to look at accomplishments and ask questions about the past in order to better shape the actions of the future. The first question is: why was the MWRA created? Quite simply, due to chronic capital underinvestment, the Metropolitan District Commission (MDC) had failed to maintain the regional water and sewer systems. Recognizing how critical these systems were to the environmental and economic life of the Commonwealth, the legislature created the MWRA to begin addressing the significant and immediate challenges it faced. In order to face these challenges, the MWRA was also empowered to independently raise revenues and borrow funds as needed to finance the billions of dollars that would be required. But the cost of fixing these failing systems begged the second question: what about accountability?

Toward that end, the Enabling Act also created the Advisory Board of MWRA communities to ensure a balanced approach to fiscal and policy decisions. It gave voice to and placed the focus on the customer – namely the member communities, and ultimately the ratepayers paying the bills. The statutory role of the Advisory Board, which includes not only the annual budget review but also representation on the MWRA Board of Directors, has allowed the MWRA to meet its core mission while helping to control costs.

Fast-forwarding 30 years, what was once derided as "the dirtiest harbor in America" is now being referred to by EPA as a "great American jewel."[1] The restored Boston Harbor has unlocked untold economic opportunity and allowed for a revitalization of the waterfront area.[2] Last year, the American Water Works Association declared Boston and MWRA water to be the "Best of the Best" in a blind tap water taste test.[3] The results of the MWRA's and the Advisory Board's efforts over the last 30 years speak for themselves.

In addition to the 30th anniversary, the Authority has recently hit a number of major milestones, which this year's *Comments* discusses in detail. From environmental milestones like the pending completion of the court-mandated Combined Sewer Overflow (CSO) Program to achieving full funding of the pension fund and the subsequent strategy on beginning to fund its Other Post-Employment Benefits (OPEB) liability, this year marks a significant turning point for the Authority. With the majority of its mandated capital spending complete, the agency now faces the challenge of determining the appropriate level of capital investment to ensure the adequate maintenance of the infrastructure it has built and restored. Discussion of the need for capital reinvestment forms a major part of our review of the proposed FY16 CIP (see CIP Chapter, page 12).

The proposed FY16 CEB includes a combined rate revenue requirement increase of 4.1%. If untouched, this would be the first year since FY 2010 that the rate increase would be over 4%. That said, it is the Authority's and the Advisory Board's intention to bring the final FY16 increase in line with last year's mantra "Four No More," in which the Advisory Board challenged the Authority to bring increases between FY15 and FY20 below the 4% mark. Though the proposed FY16 CEB includes projections of increases above this level during this timeframe, recent actions by the MWRA Board of Directors

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[1] http://www.bostonglobe.com/magazine/2012/05/11/boston-waterfront-has-arrived/WoPbPzHYEOv66Bna9XaryL/story.html

[2] See the Economic Development Report commissioned by the Advisory Board: http://mwraadvisoryboard.com/wp-content/uploads/2014/01/MWRAAB-Economic-Development-Report-Final-2014-01.pdf

[3] http://www.mwra.com/01news/2014/061014-clean-sweep.html

will bring projected increases below 4% through FY21. This was achieved due to yet another milestone for the Authority and will be discussed in greater detail (see Capital Financing Chapter, page 54) as part of the successful long-term approach to rates management.

In fact, this leads to the final question to ask: how have the Authority and the Advisory Board been so successful over the years? The answer lies in the interaction between the Advisory Board and the Authority. Sometimes the Advisory Board serves as a constructive critic, other times as a close collaborator, and yet others as an outright opponent; however, each entity approaches the decision being made with the same goal of achieving the best possible outcome. The end result of this "push and pull," has been 30 years of successful accomplishments and achievements for both entities.

In truth, this collaboration between the Advisory Board and the Authority is the true success of the Enabling Act. It provided the opportunity for a balanced approach to spending and construction, delivered concrete results, all the while maintaining accountability to the communities, the ratepayers, and the public at large.

The Advisory Board remains proud of the achievements of the last 30 years and looks forward to addressing the challenges of the next 30 years as well.