



**MWRA Fiscal Year 2026
Proposed
Current Expense Budget**

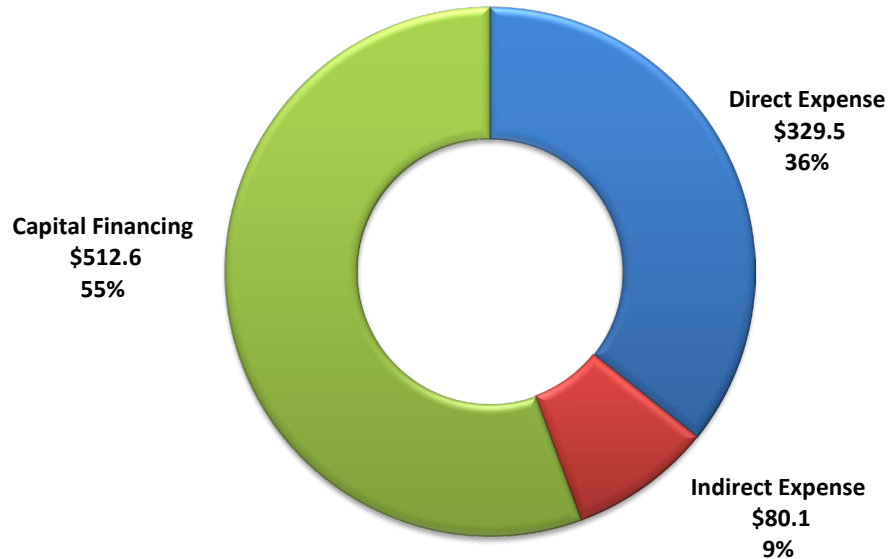
February 13, 2025



FY26 Proposed CEB – Budget Structure

FY26 Proposed Current Expense Budget

(\$s in million)

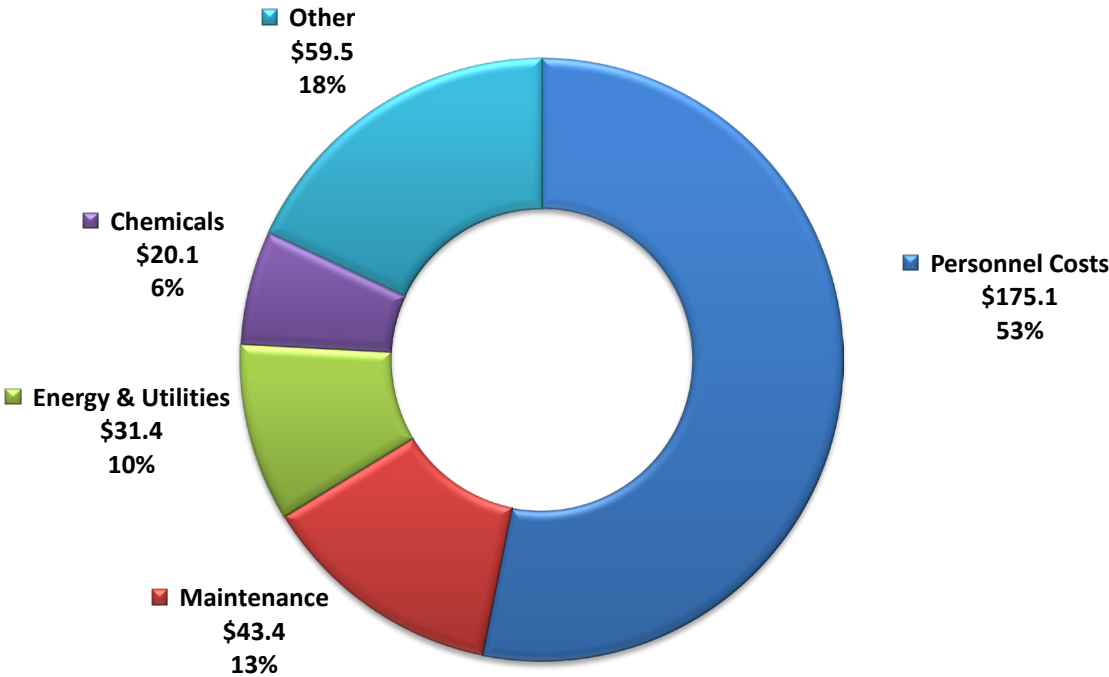


- **FY26 Proposed CEB:** Increase of \$21.6 million or 2.4% over FY25.



FY26 Proposed CEB – Direct Expenses

Direct Expenses by Category
(\$s in millions)

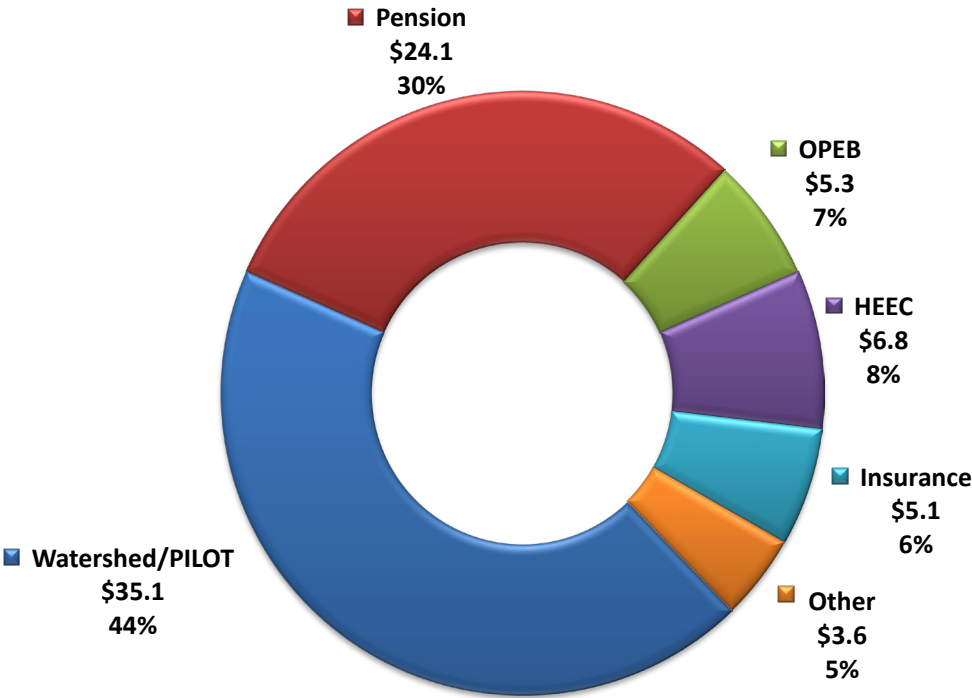


- **Direct Expenses:** Increase of \$8.5 million or 2.6% over FY25 driven by higher Other Services and Wages & Salaries, partially offset by lower Maintenance.
- **Other Services:** Increase of \$6.7 million or 19.8% over FY25 driven by Sludge Pelletization which increased by \$6.1 million or 26.9% primarily due to the addition of potential landfill disposal costs due to PFAS issues.
- **Wages & Salaries:** Increase of \$3.5 million or 2.6% over FY25. Funds 1,166.2 FTEs (1,168.0 FTEs in FY25). Includes a Vacancy Adjustment (reduction) of \$5.6 million.
- **Maintenance:** Decrease of \$3.3 million or 7.1% from FY25 driven by the completion of several large projects.



Indirect Expenses by Category

(\$s in millions)



Indirect Expenses: Increase of \$4.6 million or 6.2% over FY25 driven by higher Pension and Watershed Reimbursement, partially offset by lower HEEC.

Pension: Increase of \$2.8 million or 13.3% over FY25. Includes Actuarially Determined Contribution (ADC) of \$18.3 million plus an additional \$5.8 million to assist with reaching full funding by 2030.

Watershed Reimbursement: Increase of \$2.6 million or 8.0% over FY25 driven by higher Wages & Salaries, Fringe Benefits, Equipment, and PILOT. Funds 151 FTEs, with no vacancy adjustment included.

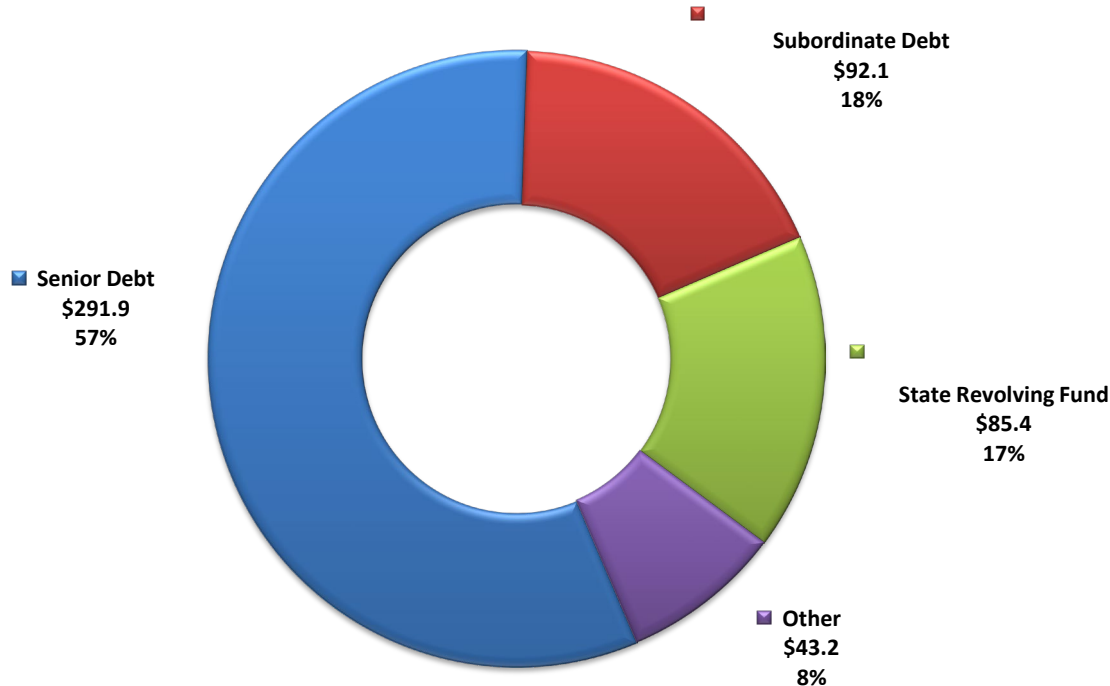
HEEC Payment: Reduction of \$1.4 or 16.8% from FY25 based on the latest cost estimates.



FY26 Proposed CEB – Capital Finance

Capital Finance by Category

(\$s in millions)

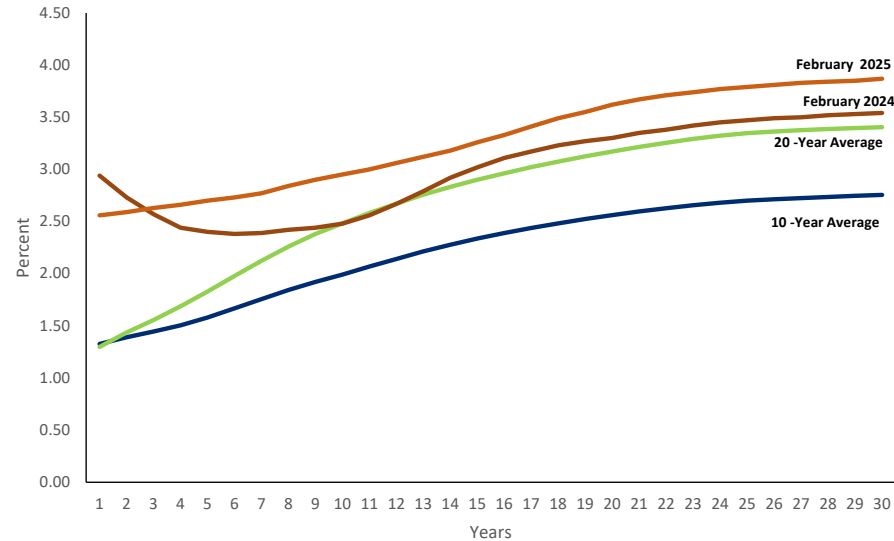


- **Capital Finance:** Increase of \$8.4 million or 1.7% over FY25 driven by the structure of new and existing debt.
- **Variable Interest:** Assumes a rate of 4.5% (4.75% in FY25).
- **Defeasance:** Includes a \$15.0 million defeasance benefitting FY26-32.

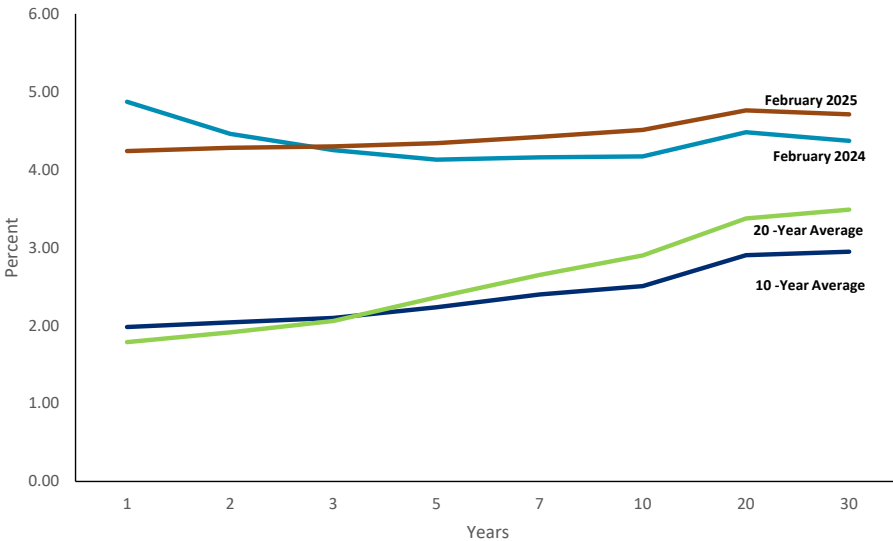


FY26 Proposed CEB - Long-Term Interest Rates

Tax-Exempt Rates

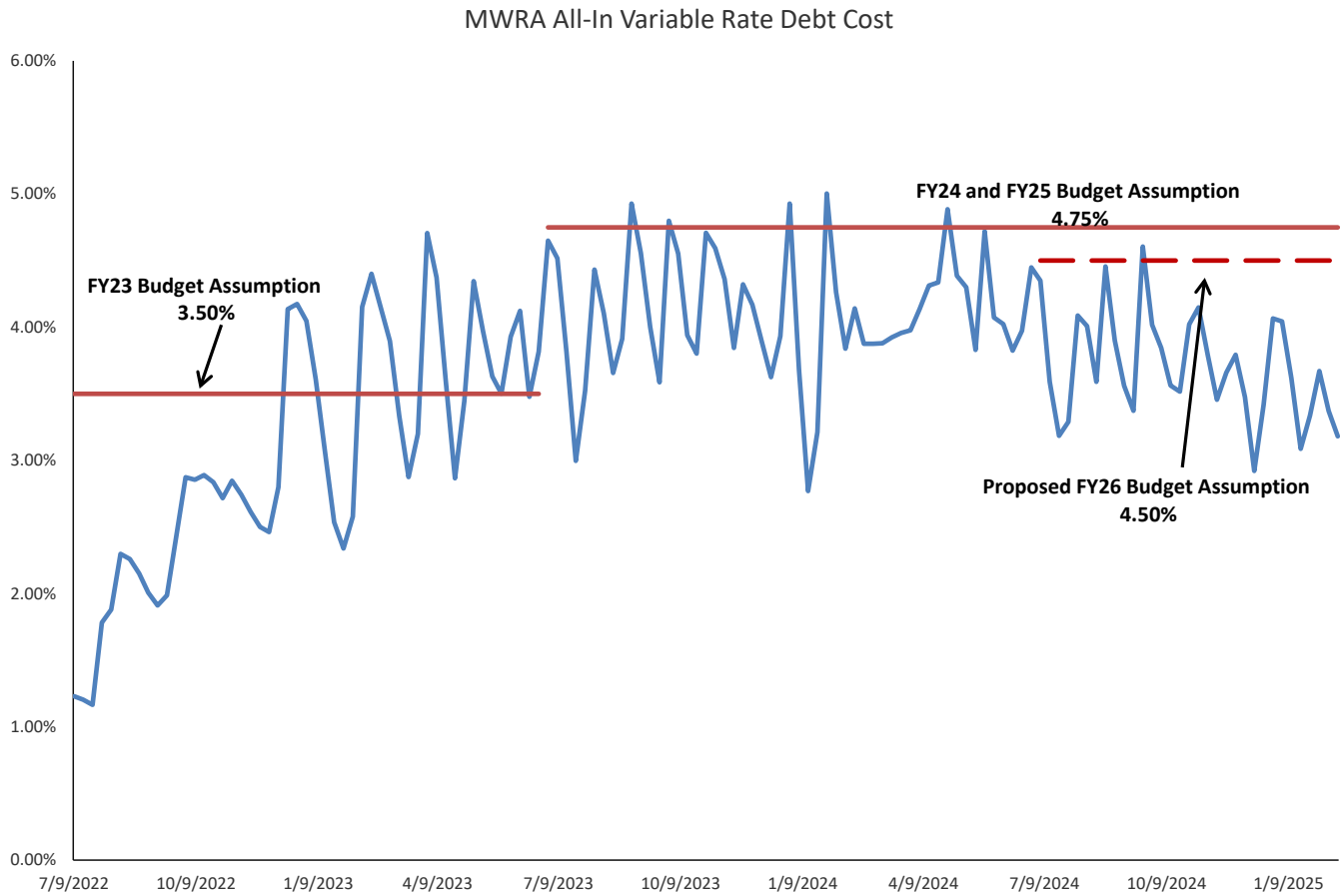


Taxable Interest Rates





FY26 Proposed CEB - Short-Term Tax-Exempt Interest Rates

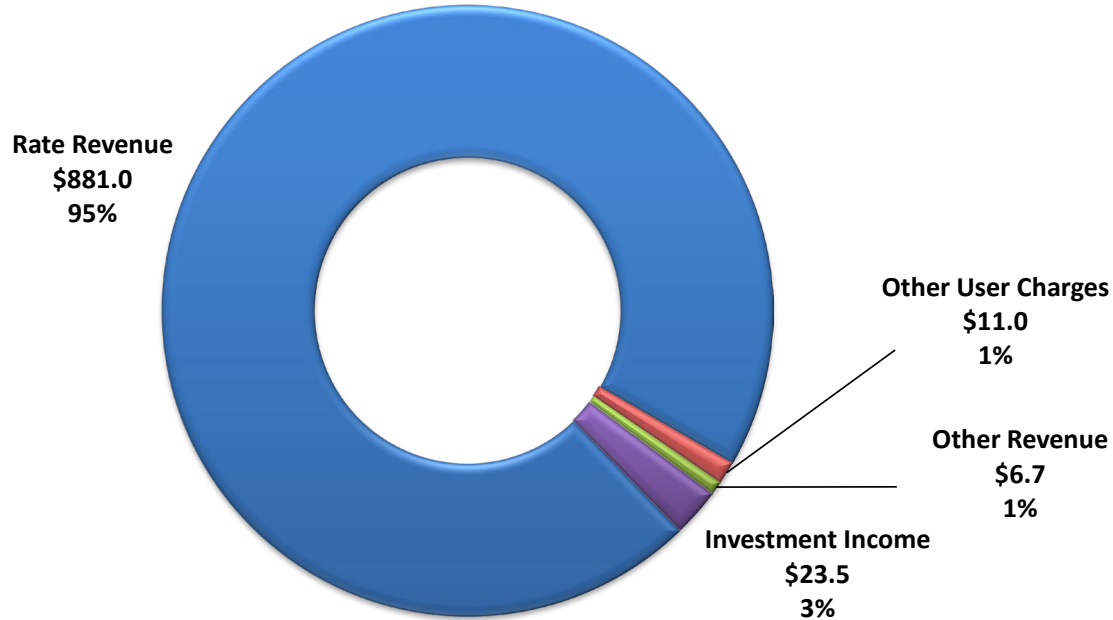




FY26 Proposed CEB – Revenue by Category

Revenue

(\$s in millions)

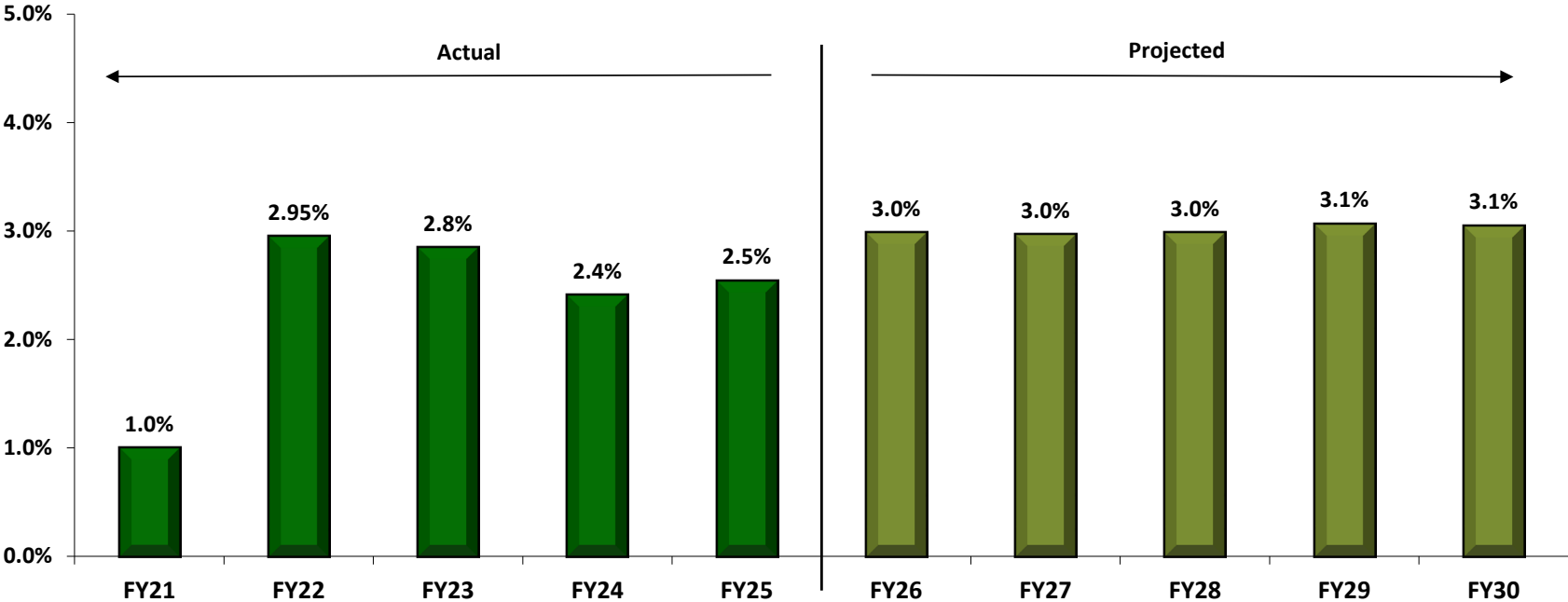


- **Total Revenues:** Increase of \$21.6 million or 2.4%.
- **Rate Revenue:** Increase of \$25.5 million or 3.0% over FY25 (previously projected at 3.3%).
- **Investment Income:** Short-term interest projected at 3.75% (5.0% in FY25).
- **Rate Stabilization:** No planned usage in FY26.



FY26 Proposed CEB – Rate Projections (Combined)

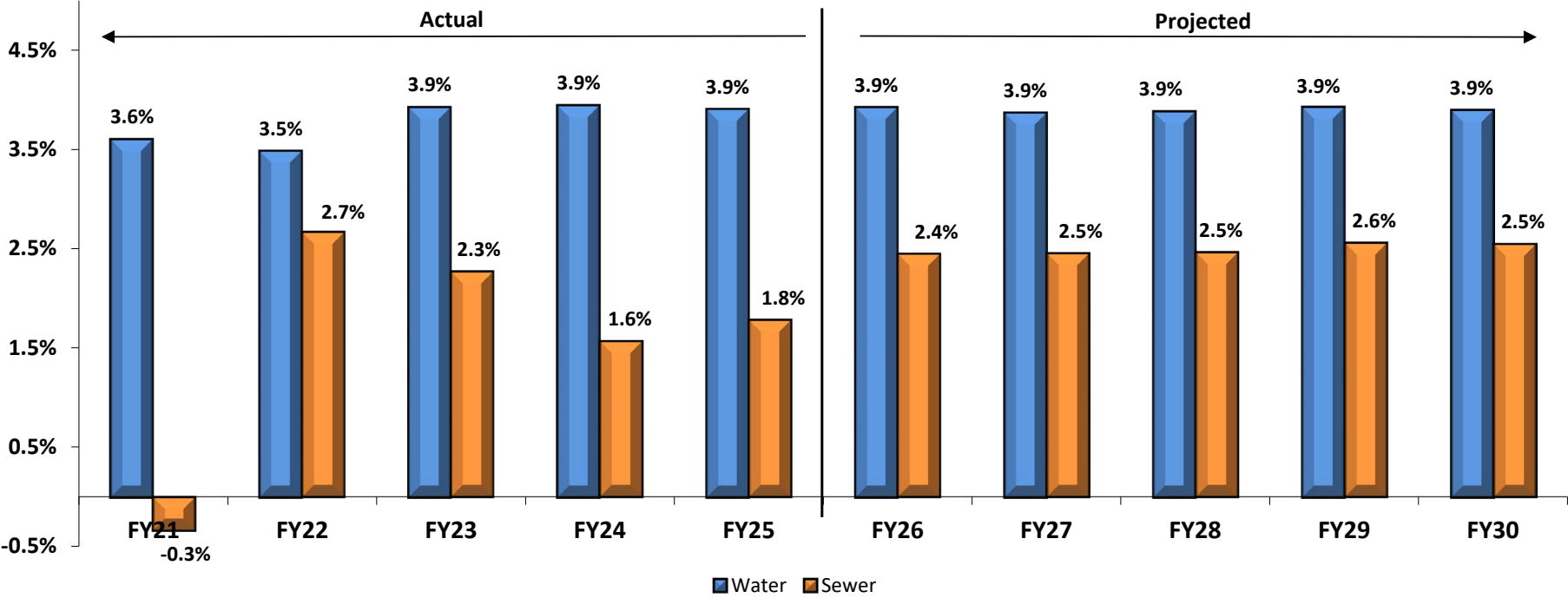
MWRA Combined Utilities
Historical and Projected Rate Revenue Changes





FY26 Proposed CEB – Rate Projections (By Utility)

MWRA Water & Sewer Utilities
Historical and Projected Rate Revenue Changes





**MWRA Fiscal Year 2026
Proposed
Capital Improvement Program**



FY26 Proposed CIP – Baseline Cap vs. FY26 Proposed Cap

FY24-28 Baseline CAP		FY24	FY25	FY26	FY27	FY28	FY24-28
	Projected Expenditures excl. Metro Tunnel	\$288.2	\$357.9	\$313.5	\$349.8	\$349.1	\$1,658.5
	Metropolitan Tunnel	\$14.4	\$25.2	\$23.9	\$23.9	\$78.6	\$166.2
	I/I Program	(42.9)	(41.5)	(27.5)	(28.4)	(34.2)	(174.5)
	Water Loan Program	(14.1)	(10.9)	(5.0)	(2.6)	8.6	(24.0)
	MWRA Spending	\$245.6	\$330.8	\$304.9	\$342.8	\$402.2	\$1,626.3
	Contingency	15.2	21.8	20.7	23.6	31.7	113.0
	Inflation on Unawarded Construction	1.9	8.1	12.2	22.1	36.1	80.4
	Chicopee Valley Aqueduct Projects	(0.3)	(0.5)	0.0	0.0	0.0	(0.8)
	Projected Spending before Adjustment	\$262.4	\$360.2	\$337.8	\$388.5	\$469.9	\$1,818.9
FY26 Proposed CAP	Spend Rate Adjustment (25%)*	(65.6)	(90.1)	(84.5)	(97.1)	(117.5)	(454.7)
	FY24 Final FY24-28 Spending	\$196.8	\$270.2	\$253.4	\$291.4	\$352.5	\$1,364.2
		FY24	FY25	FY26	FY27	FY28	FY24-28
	Projected Expenditures excl. Metro Tunnel	\$199.2	\$295.6	\$358.2	\$437.4	\$496.9	\$1,787.3
	Metropolitan Tunnel	\$9.0	\$28.1	\$43.2	\$39.7	\$73.9	\$194.0
	I/I Program	(22.0)	(62.5)	(51.3)	(48.6)	(53.4)	(237.9)
	Water Loan Program	(26.2)	(27.7)	(30.4)	(18.9)	(16.9)	(120.1)
	MWRA Spending	\$160.1	\$233.5	\$319.7	\$409.5	\$500.5	\$1,623.3
	Contingency	0.0	14.7	21.3	28.1	36.5	100.5
	Inflation on Unawarded Construction	0.0	0.0	3.1	12.1	25.5	40.6
	Chicopee Valley Aqueduct Projects	0.0	0.0	(0.0)	(0.3)	0.0	(0.3)
	Projected Spending before Adjustment	\$160.1	\$248.2	\$344.0	\$449.4	\$562.4	\$1,764.2
	Spend Rate Adjustment (25%)*	0.0	(62.0)	(86.0)	(112.4)	(140.6)	(401.0)
	FY26 Proposed FY24-28 Spending	\$160.1	\$186.1	\$258.0	\$337.1	\$421.8	\$1,363.1



FY26 Proposed CIP – Top Spending Subphases Excl. Community Loans in FY26

Project	Subphase	FY26 \$s in Millions
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	\$50.0
Metro Water Tunnel Program	Final Design/ESDC	\$23.0
New Connect Mains-Shaft 7 to WASM3	Section 75 Extension - Construction CP-1	\$12.0
Metro Water Tunnel Program	Admin Legal & Public Outreach	\$12.0
NHS - Revere & Malden Pipelines	Section 56 Replacement- Construction	\$10.2
Facility Asset Protection	Hayes Pump Station Rehab Construction	\$8.8
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	\$8.5
NHS - Revere & Malden Pipelines	CP-1 Section 68 Construction	\$8.0
Residuals Asset Protection	Various Equipment Replacement	\$6.8
DI Treatment Plant Asset Protection	DI Digester Storage Membrane Replacements	\$6.0
Alternative Energy Initiatives	DITP Solary Canopy	\$6.0
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	\$5.4
DI Treatment Plant Asset Protection	MCC & Switchgear Replace Construction	\$5.3
Total Contracts ≥ \$5 million (excluding Loan Programs)		\$161.8
% of FY26 Spending		40.3%
Other Project Spending		\$239.5
Total FY26 Spending		\$401.4

- 13 subphases with anticipated spending of > \$5M are driving 40.3% of total projected spending in FY26.
- 6 of the top spending subphases listed are awarded/active.



FY26 Proposed CIP – Top Spending Subphases Excl. Community Loans in FY24-28

Project	Subphase	FY24-FY28 \$s in Millions
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	\$227.7
Metro Water Tunnel Program	Final Design/ESDC	\$82.5
NHS - Revere & Malden Pipelines	CP-2 Section 116	\$62.0
Facility Asset Protection	Prison Point Rehab Repackaged	\$38.7
DI Treatment Plant Asset Protection	SSPS VFD Replace Construcion	\$38.0
Metro Water Tunnel Program	Admin Legal & Public Outreach	\$37.8
DI Treatment Plant Asset Protection	Combined Heat & Power - Construction	\$33.5
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	\$28.6
DI Treatment Plant Asset Protection	Digester/Storage Tank Rehab Construction	\$27.9
Facility Asset Protection	Hayes Pump Station Rehab Construction	\$25.6
Metro Water Tunnel Program	Tunnel Construction South CP2	\$24.6
Northern Extra High Service New Pipelines	CP-2 NEH Improvements	\$22.8
DI Treatment Plant Asset Protection	Fire Alarm System Replacement - Construction	\$22.0
New Connect Mains-Shaft 7 to WASM3	Sect 25 & 24 - Const CP-2	\$21.2
Facility Asset Protection	Ward St Headworks Construction	\$21.0
DI Treatment Plant Asset Protection	MCC & Switchgr Replace Construction	\$21.0
Quabbin Transmission System	Wach LGH Pipe & Boiler Rpl Construction	\$20.5
NIH Redundancy & Storage	Section 89 & 29 Repl - Construction	\$19.2
DI Treatment Plant Asset Protection	Eastern Seawall Construction - 1	\$18.1
New Connect Mains-Shaft 7 to WASM3	Section 75 Extension - Construction CP-1	\$17.3
Total Top 20 Spending Subphases (excluding Loan Programs)		\$810.0
% of FY24-28 Spending		40.9%
Other Project Spending		\$1,171.3
Total FY24-FY28 Spending		\$1,981.3

- The top 20 spending subphases are driving 40.9% of total projected spending in the FY24-28 Cap Period.
- 9 of the top spending subphases listed are awarded/active.



2 New Energy Projects

- Chelsea Admin Building Heat Pumps: \$2.5M
- Deer Island Wind Turbine Replacement: \$4.5M





3 Other New Projects

- Ward Street Air Handling Replacement: \$2.0M
- Lonergan Intake Improvements: \$2.0M
- Pipe Bridge Inspection: \$0.9M





FY26 Proposed CEB – Next Steps

- Spring Revisit Process
- Provide briefings to Advisory Board Staff
- MWRA Public Hearing
- MWRA Board Hearing in May
- Staff anticipate FY26 Budget adoption in June