



## Memo

### VIA Electronic Mail

**To:** Fred Laskey, MWRA Executive Director

**From:** Matthew A. Romero, MWRA Advisory Board Executive Director

**CC:** Sean Navin, Director of Public Affairs

**Date:** March 21, 2025

**Subject:** Correspondence for MWRA Board of Directors

Dear Mr. Laskey,

Attached please find a letter to the MWRA Board of Directors requesting that they join the MWRA Advisory Board in opposing SD828 – "An Act relative to the Quabbin watershed and regional equity."

This letter was approved at the Advisory Board's March 20, 2025, meeting. The vote on this matter was conducted as a weighted vote of the Advisory Board, with voting members representing 58.612% of the total vote share present. Of the quorum present, 87.776% voted in favor (18 members), 0.714% opposed (1 member), and 0.518% abstained (1 member).

We respectfully request that this letter be placed on the agenda for the MWRA Board of Directors' next meeting.





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March 21, 2025

VIA ELECTRONIC MAIL

The Honorable Rebecca Tepper, Secretary of the Executive Office of Energy and Environmental Affairs  
Chair, MWRA Board of Directors

Re: Opposition to SD828 – “An Act relative to the Quabbin watershed and regional equity” – Unbalanced, Unsustainable, and Unfair

Dear Secretary Tepper and Members of the MWRA Board of Directors,

## WHAT IS FAIRNESS?

At its core, fairness is about three things: **balance, responsibility, and sustainability.**

**Balance** — ensuring that appropriate commitments are honored, obligations are shared, and no one bears a disproportionate burden.

**Responsibility** — upholding agreements and making sure that financial commitments reflect shared duty rather than indefinite obligation.

**Sustainability** — establishing a system that is stable, predictable, and does not place ever-expanding demands on one party alone.

These three characteristics happen to match perfectly with the three main stakeholders in the MWRA's water system. This helps us evaluate the proposed legislation within both the three-fold concept of fairness as well as the way in which it impacts the three primary stakeholders.

- **Balance** applies to the **Quabbin host communities**, ensuring their historical losses are recognized through continued financial support, while also maintaining a fair and sustainable relationship with MWRA and its ratepayers.
- **Responsibility** belongs to the **Division of Water Supply Protection (DWSP)**, which serves as the true steward of the watershed, actively managing, protecting, and preserving the resource for the benefit of millions.
- **Sustainability** is upheld by **MWRA and its ratepayers**, who provide the necessary financial support to ensure long-term stability and good governance of the system.

The host communities surrounding the Quabbin Reservoir argue that fairness entitles them to ongoing compensation for land taken nearly a century ago. They see fairness as recognition of past losses and a



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continued commitment to supporting those most impacted by the reservoir's creation. On this point we emphatically agree; this was an immense sacrifice, one that should not be – and has not been – ignored or dismissed. That is why MWRA ratepayers have long upheld their commitment to acknowledging and honoring this history—not just in words, but in action—through decades of substantial and ongoing financial commitments, ensuring that these communities receive sustained support.

But fairness cannot mean an obligation with no limits. Fairness must not only reflect what was lost, but also acknowledge what has been given, and perhaps most importantly identify and agree on what is necessary to maintain a stable and equitable future. Since 1985, MWRA ratepayers have contributed over \$850 million to maintain, preserve, and protect the watersheds, including over \$200 million in direct payments to host communities. That financial support has been significant, continuous, and structured to provide ongoing benefits.

Yet, instead of recognizing this as part of a balanced and responsible approach, this proposed legislation demands even more – an additional \$35 million in annual ratepayer funds that would result in the first double-digit rate increase in decades. Worse, this legislation continues to demand more with no defined limits or end in sight.

Fairness isn't an ever-expanding obligation. It isn't a system where one side always pays while the other continues to receive. And it isn't simply rewriting the rules whenever more is desired by one stakeholder in a longstanding, ongoing, and mutually beneficial system.

This legislation places a disproportionate financial burden on MWRA ratepayers under the false flag of fairness. But fairness – to live up to its namesake – must apply **equitably**. This letter outlines why the MWRA Board should oppose this legislation—examining the issue through the lens of three key principles to ensure fairness for all stakeholders: balance, responsibility, and sustainability.

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## I. BALANCE – Recognizing What Has Been Given and What Is Being Asked

MWRA ratepayers have not just acknowledged the Quabbin host communities' sacrifice—they have provided an unprecedented and uniquely generous financial commitment far exceeding what other communities across the Commonwealth receive in PILOT payments. Yet, rather than recognizing this ongoing, substantial investment, this legislation attempts to extract even more, with no clear justification beyond a seemingly insatiable demand for additional revenue and a vague but unprovable assertion that they have “lost out” on potential economic benefits from growth displayed in other communities in the Commonwealth despite a longstanding self-assertion they do not wish to become overly developed like the very communities they are pointing to as examples of what they have lost.

The Quabbin host communities undeniably have a unique history with the reservoir. Their towns were directly



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affected by the reservoir's creation, and they have long sought recognition and financial support to address those impacts. The PILOT (Payment in Lieu of Taxes) system was created in 1985 to provide ongoing, stable financial compensation to these communities.

- In 1985, the Legislature created the MWRA to make up for the then-MDC's oft-documented shortcomings.
- One of the key new provisions was including PILOT payments for reservoir host communities. These were specifically designed to provide long-term financial support in recognition of this special relationship between the host communities and the MWRA and its ratepayers.
- These PILOT payments, unlike others in the Commonwealth, are separate from the statewide formula that would significantly reduce PILOT payments to the host communities.
- Moreover, they have always been paid at the highest tax rate available within a host community and include a "hold harmless" clause that ensures no year's payment can be lower than the previous year's payment. Yet again, one more example of the MWRA and its ratepayers' recognition of the special relationship between the MWRA and its host communities.
- Now, this bill seeks additional payments without clear justification for why previous commitments are no longer sufficient considering they do not offer any additional services or responsibilities.

Balance means ensuring that past agreements are honored while also maintaining a sustainable approach to future financial obligations. The host communities have received decades of financial support, but fairness must recognize when an obligation has been met and when continued expansion of payments is no longer justified.

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## II. RESPONSIBILITY – Defining True Stewardship

The Quabbin host communities often claim they are the "stewards" of the watershed, using this specious justification for expanded financial support. However, true stewardship requires both direct responsibility for management and active preservation efforts, not simply proximity and relative location. Examining stewardship through the lens of the three real stakeholder roles in this system reveals a more accurate picture:

### 1. The Quabbin Host Communities – Recognizing Their Role as **Hosts**

- These communities have a unique and special relationship with the Quabbin Reservoir, as MWRA ratepayers have long recognized and honored through PILOT payments and other financial commitments.





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- Their role is not one of direct environmental management, but rather as host communities that have been fairly and continuously compensated for the impact of the reservoir's creation, particularly since the PILOT payments were reinstated in 1985 along with dedicated commitments to increased payments over time by MWRA and its ratepayers.
- Additionally, the MWRA system ensures unprecedented public access to lands surrounding a protected drinking water supply, supporting recreation and tourism that benefits both local residents and local economies.

## 2. The Division of Water Supply Protection (DWSP) – **The True Stewards**

- DWSP is the entity responsible for direct management, conservation, protection, and preservation of the watershed.
- DWSP's focus is primarily on preserving water quality for over 3 million people.
- Stewardship should be measured by who actively maintains and safeguards the resource, not by who resides nearby.
- Given the financial and environmental benefit to avoid building a costly and energy intensive filtration plant, the DWSP has committed to its mission over the years by supporting and implementing initiatives including:
  1. Enhanced enforcement against trail cutting by recreational watershed patrons, which it successfully implemented
  2. A renewed focus on the hiring process to reduce critical vacancies, which it has also successfully implemented
  3. Its most recent mandate from MassDEP to pursue the option and authority for park rangers and other enforcement officials to regain their authority to issue citations and tickets against visitors to the watershed violating the duly approved watershed rules and regulations

## 3. The MWRA and its ratepayers – **The Financial Backbone of the System**

- MWRA through its ratepayers provide the resources to DWSP to conduct its mission
- MWRA's ratepayers also bear the responsibility and the financial burden of compensating the host communities for the impacts of the watersheds





### III. SUSTAINABILITY – Preventing Open-Ended Financial Obligations and Preserving Good Governance

MWRA ratepayers have fulfilled their financial commitments for nearly 40 years, recognizing the sacrifice made by the disincorporated communities and the current host communities.

- The 1938 settlement and 1985 PILOT system were designed to provide resolution and long-term stability, including the many generous provisions previously outlined—the 'hold harmless' clause and the continued precedent of assessing PILOT payments at the highest rate in each host community provided it is reasonably calculated.
- Expanding payments beyond what was previously agreed upon undermines the purpose of long-standing financial commitments.

The new version of this bill replaces the per-gallon water tax with a water tax by another name—a mandatory \$35 million annual transfer to the Quabbin Host Community Trust Fund, with no expiration date. This is just one of several unjustified financial burdens placed on MWRA ratepayers by this proposed legislation. In addition to the \$35 million in new financial obligations, the legislation also seeks to overturn a long-standing Supreme Judicial Court decision that limits PILOT payments to lands above the waterline. If enacted, this change could result in millions of dollars in additional costs to MWRA ratepayers by requiring payment on thousands of acres of submerged land—an expense without precedent in Massachusetts. Worse still, this shift could set a dangerous precedent that may compel other water suppliers and public utilities across the Commonwealth to shoulder similar expanded PILOT obligations, possibly driving up costs statewide. Realistically, however, since the Commonwealth budget line item for PILOT payments has not been increased in years, and the formula simply divides the static appropriated amount by the proportion of property compared to the total across the Commonwealth, this would seem more likely to simply diminish PILOT payments received by many communities due to this unexpected and unprecedented reapportionment.

As previously noted, the MWRA's PILOT payments to host communities would remain separate from this disruption to the Commonwealth-wide program; yet, it would not be without its own dramatic impacts:

- This would result in the first double-digit MWRA rate increase in over a decade—spiking the increase in water assessments from 3.9% to nearly 14%.
- Once enacted, this transfer and expense never goes away, but becomes part of the permanent costs ratepayers need to shoulder from year to year.

Additionally, the legislation proposes an unnecessary and costly expansion of the MWRA study for potentially supplying water to the Quabbin host communities. Upon the suggestion of the Advisory Board, MWRA agreed to fund studies for 10 Quabbin-area communities, though this study would be funded by ratepayers. When local





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officials requested an additional two communities to be included, MWRA again consulted with the Advisory Board, which agreed to fund their inclusion at additional ratepayer expense in continued recognition of their special relationship with the watershed. However, both the previous and re-filed legislation seek to include over 70 additional communities, many of which are geographically distant from MWRA's core service area, making their inclusion in a study both logistically impractical and financially unjustifiable.

- This expanded study would cost an additional \$2.5 million, an expense that would fall entirely on MWRA ratepayers for a study that serves no clear benefit to MWRA's core mission.
- Economic development studies for municipalities should be conducted by regional planning agencies, economic development organizations, or chambers of commerce—not by MWRA ratepayers whose funds are meant to protect and sustain existing water infrastructure.

Furthermore, this legislation threatens the long-term sustainability of MWRA governance by undermining the careful balance of representation that has served MWRA ratepayers for decades.

- MWRA's Board structure is intentionally designed to balance the interests of all stakeholders, ensuring that no single appointing authority – not the Governor, the Mayor of Boston, the Advisory Board, or the host communities of Quincy and Winthrop – has unilateral control over the MWRA.
- The proposed legislation would dramatically shift this balance
- This disruption would undo decades of stable governance, much of which was shaped by John J. Carroll, the longest-serving Board member in MWRA history. As a founding Board member, Carroll was instrumental in many of the final strategic decisions that made MWRA one of the most successful water systems in the nation, and frankly one of the most successful government entities in the Commonwealth.
- Carroll often noted that the MWRA's success was due in large part to the carefully balanced structure of the Board, ensuring that no single appointing authority could dominate decision-making. This structure created an environment where thoughtful debate, expertise, and institutional knowledge could lead to sound decisions for the benefit of all ratepayers by compelling the Board members to work together to achieve consensus.
- The proposed term limits would impact many current Board members who are either over or nearing the 12-year term limit in the proposed legislation. That so many appointing authorities have continued to reappoint longstanding members speaks to the benefits of having the longevity and continuity of MWRA Board members over the years.
- This continuity and stability have provided institutional knowledge and a steady hand in navigating complex infrastructure and financial challenges.



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- The proposed legislation also unfairly removes the Advisory Board's autonomy to appoint its three representatives on the MWRA Board of Directors by including term limits. In fact, the Advisory Board representatives are the only three MWRA Board members that are elected by a group of their peers rather than being appointed by executive fiat.
- It is worth noting that when the Advisory Board updated its bylaws in 2021 term limits were internally debated, discussed, and summarily dismissed as unnecessary and disruptive to institutional stability.

In addition to the financial burden this legislation imposes, it also threatens the long-term sustainability of MWRA governance by undermining the careful balance of representation that has served MWRA ratepayers for decades.

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## CONCLUSION: FAIRNESS MEANS STABILITY, NOT AN OPEN-ENDED DEMAND

MWRA ratepayers have contributed more than enough to sustain the Quabbin system. This bill seeks to rewrite financial commitments in favor of a select few while placing an unsustainable burden on ratepayers.

We emphatically urge the MWRA Board to oppose this legislation.

Fairness means balance, responsibility, and sustainability—not a system where one side can demand more forever, while the other side is forced to keep paying.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Raiche'.

Richard E. Raiche  
Chair, MWRA Advisory Board

Cc: MWRA Board of Directors  
MWRA Advisory Board Executive Committee



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