

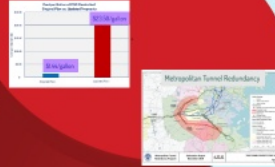


Comments & Recommendations on MWRA's Proposed FY26 CEB & CIP

Advisory Board Meeting
May 15, 2025

Forecasting the Future Before It Hits Us

Big Projects Need Bigger Foresight



A Sharper Pencil, A Smarter Budget Reckoning with the Real Numbers



Policy, Stewardship, and Public Trust





Comments & Recommendations on MWRA's Proposed FY26 CEB & CIP

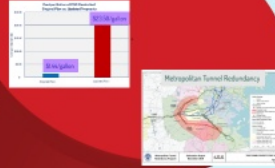
Advisory Board Meeting
May 15, 2025



Happy 40th!

Forecasting the Future Before It Hits Us

Big Projects Need Bigger Foresight



A Sharper Pencil, A Smarter Budget
Reckoning with the Real Numbers



Policy, Stewardship, and Public Trust





Comments & Recommendations on MWRA's Proposed FY26 CEB & CIP

Advisory Board Meeting
May 15, 2025

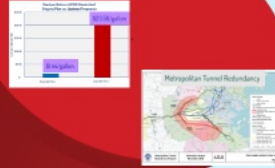


Happy 40th!

What Are We Really Paying For?

Forecasting the Future Before It Hits Us

Big Projects Need Bigger Foresight



A Sharper Pencil, A Smarter Budget
Reckoning with the Real Numbers



Policy, Stewardship, and Public Trust



A Sharper Pencil, A Smarter Budget

Reckoning with the Real Numbers

Water Utility

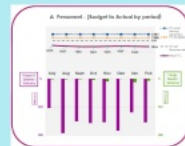


Combined



Right-Sizing for the Right Reasons

Purpose, Not Padding



Sewer Utility



Long-Term Rates Management Committee



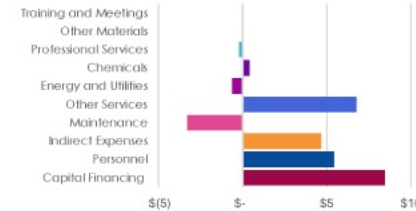
Proposed Fiscal Year 2026 CEB

Authority Level - Expenses

	Final FY25	Proposed FY26	Change (\$)	Change (%)
Total Direct Expenses	\$ 321,013,762	\$ 329,497,499	\$ 8,483,737	2.6%
Personnel	169,699,593	175,111,429	5,411,836	3.2%
Chemicals	19,706,033	20,102,976	396,943	2.0%
Energy and Utilities	32,048,176	31,416,124	(632,052)	-2.0%
Maintenance	46,653,201	43,354,835	(3,298,366)	-7.1%
Training and Meetings	568,346	627,241	58,895	10.4%
Professional Services	11,121,730	10,926,404	(195,326)	-1.8%
Other Materials	7,270,879	7,487,366	216,487	3.0%
Other Services	33,945,804	40,680,124	6,734,320	19.8%
Indirect Expenses	\$ 75,439,576	\$ 80,079,425	\$ 4,639,849	6.2%
Capital Financing	\$ 504,168,667	\$ 512,609,754	\$ 8,441,087	1.7%
Total Expenses	\$ 900,622,005	\$ 922,186,678	\$ 21,564,673	2.4%

▲ from FY25

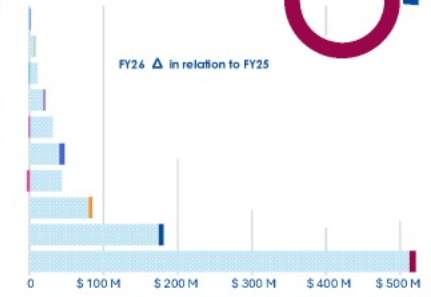
PY26 ↑ \$ 21 M



FY26 Proposed Budget Highlights

Capital Financing	*\$8.4M due to structure of existing debt, projected borrowing in FY25 & FY26 (\$7) & variable rate debt assumption
Other Services	*\$6.7M due to increased Garage Pollution costs, includes 5 months of landfilling and an inflation adjustment for repurchase of the calendar year 2025 contract, 2026 contract is fixed price and
Personnel	*\$5.4M includes an anticipated COLA, a 5% increase in overtime and a 5.5% increase in Fringe Benefits resulting from a 5.5% in Health Insurance premiums
Indirect Expenses	*\$4.7M due to increased Insurance premiums, a \$2.5M increase in Wastewater Management expenses and an additional \$5.8M payment to the provider fund
Maintenance	*\$3.3M resulting from the completing of large maintenance projects in FY25
Energy and Utilities	*\$0.5M - driven by lower Electricity and Diesel Fuel costs
Chemicals	*\$0.4M - driven primarily by price increases for Soda Ash, Potash, Chlorine, Sodium Bisulfite and Liquid Oxygen

FY26 Δ in relation to FY25



A Sharper Pencil, A Smarter Budget

Reckoning with the Real Numbers

Water Utility

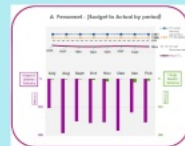


Combined



Right-Sizing for the Right Reasons

Purpose, Not Padding



Sewer Utility



Long-Term Rates Management Committee



Proposed Fiscal Year 2026 CEB

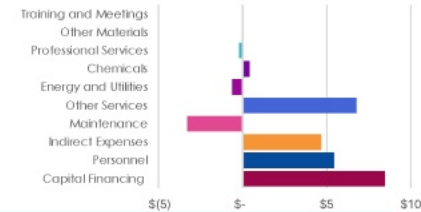
Authority Level - Expenses

	Final FY25	Proposed FY26	Change (\$)	Change (%)
Total Direct Expenses	\$ 201,816,710	\$ 208,107,408	\$ 6,290,698	2.6%
Personnel				3.2%
Chemicals				2.0%
Energy & Utilities				-2.0%
Maintenance				-7.1%
Training & Meetings				10.4%
Professional Services				-1.8%
Other Materials				0.1%
Other Services				19.8%
Indirect Expenses	\$ 75,439,576	\$ 80,079,425	\$ 4,639,849	6.2%
Capital Financing	\$ 504,168,667	\$ 512,609,754	\$ 8,441,087	1.7%
Total Expenses	\$ 900,622,005	\$ 922,186,678	\$ 21,564,673	2.4%

\$5.8 million

▲ from FY25

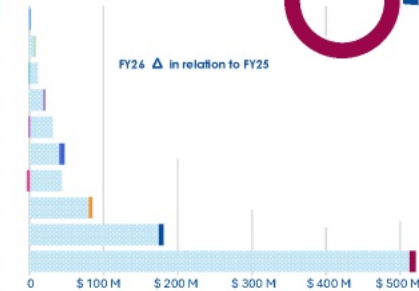
PY26 ↑ \$ 21 M



PY26 Proposed Budget Highlights

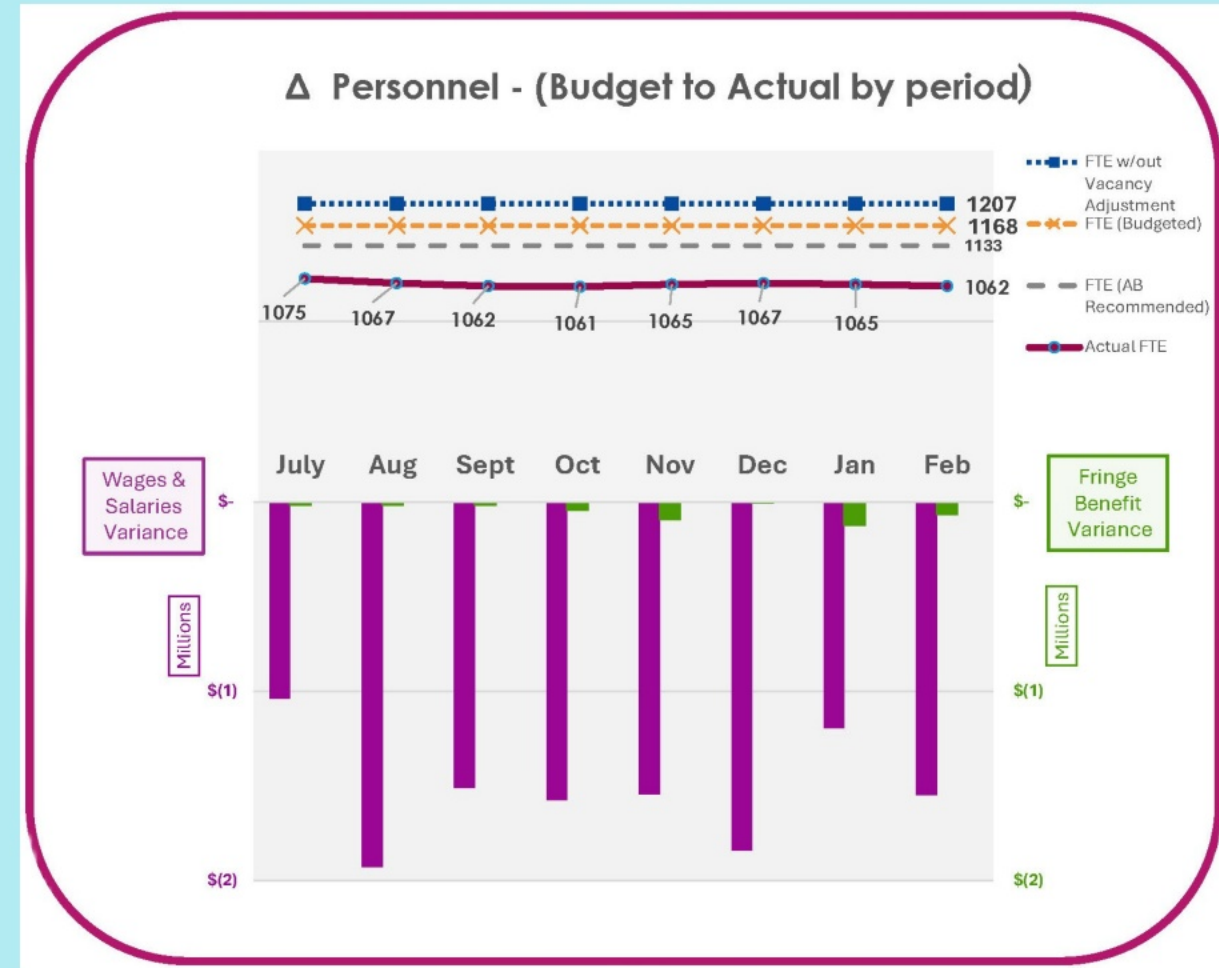
Capital Financing	*\$5.4M due to structure of existing debt, projected borrowing in FY25 & FY26 (\$7) & variable rate debt assumption
Other Services	*\$6.7M due to increased Garage Pollution costs, includes 5 months of landfilling and an inflation adjustment for expenditure of the calendar year 2025 contract. 2025 contract is fixed price and
Personnel	*\$5.4M includes an anticipated COLA, a 5% increase in overtime and a 5.5% increase in Fringe Benefits resulting from a 5.5% in Health Insurance premiums
Indirect Expenses	*\$4.7M due to increased Insurance premiums, a \$2.5M increase in Wastewater Management expenses and an additional \$5.8M payment to the provider fund
Maintenance	*\$3.3M resulting from the completing of large maintenance projects in FY25
Energy and Utilities	*\$0.5M - driven by lower Electricity and Diesel Fuel costs
Chemicals	*\$0.4M - driven primarily by price increases for Soda Ash, Potash, Chlorine, Sodium Bisulfite and Liquid Oxygen

FY26 Δ in relation to FY25



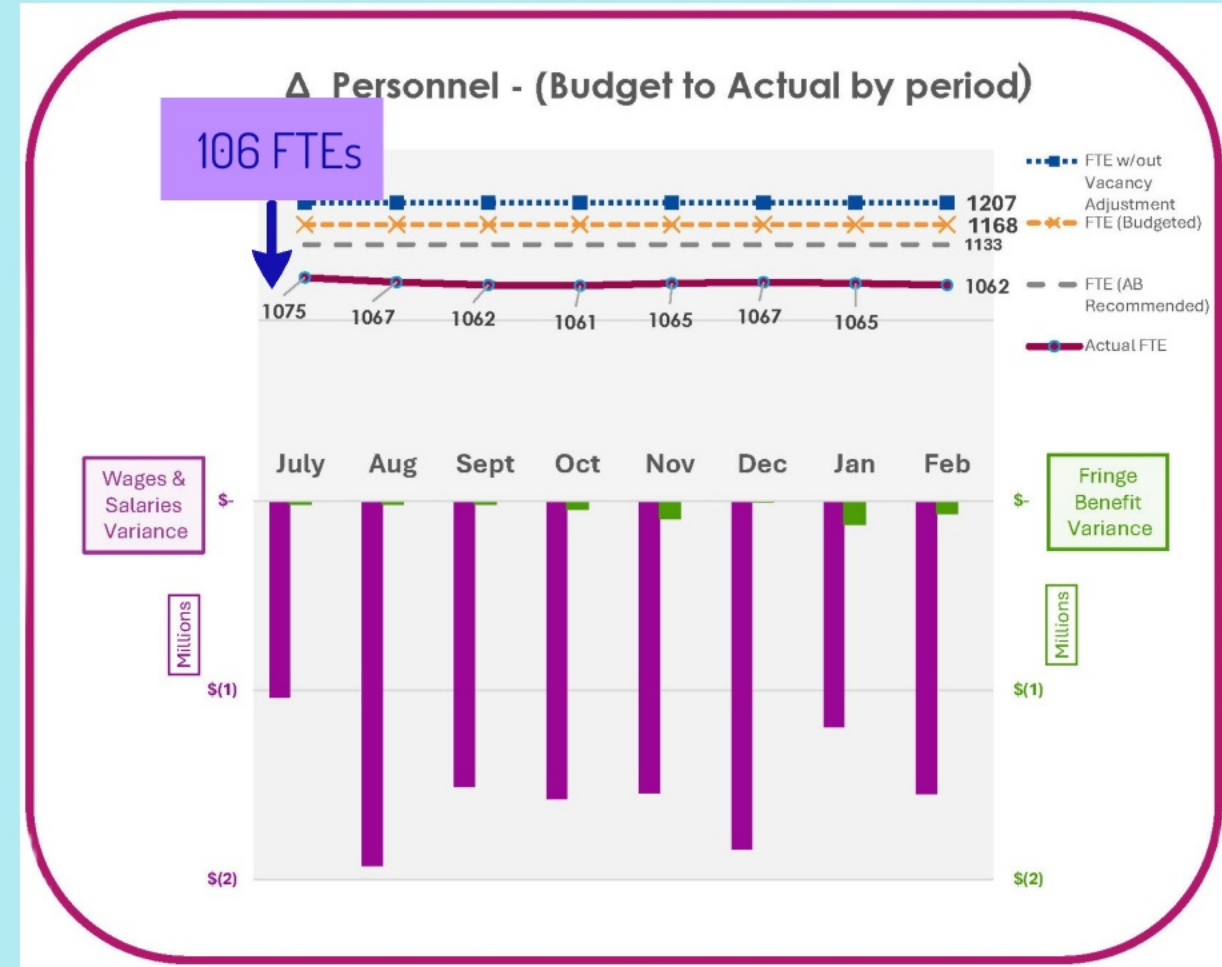
Right-Sizing for the Right Reasons

Purpose, Not Padding



Right-Sizing for the Right Reasons

Purpose, Not Padding



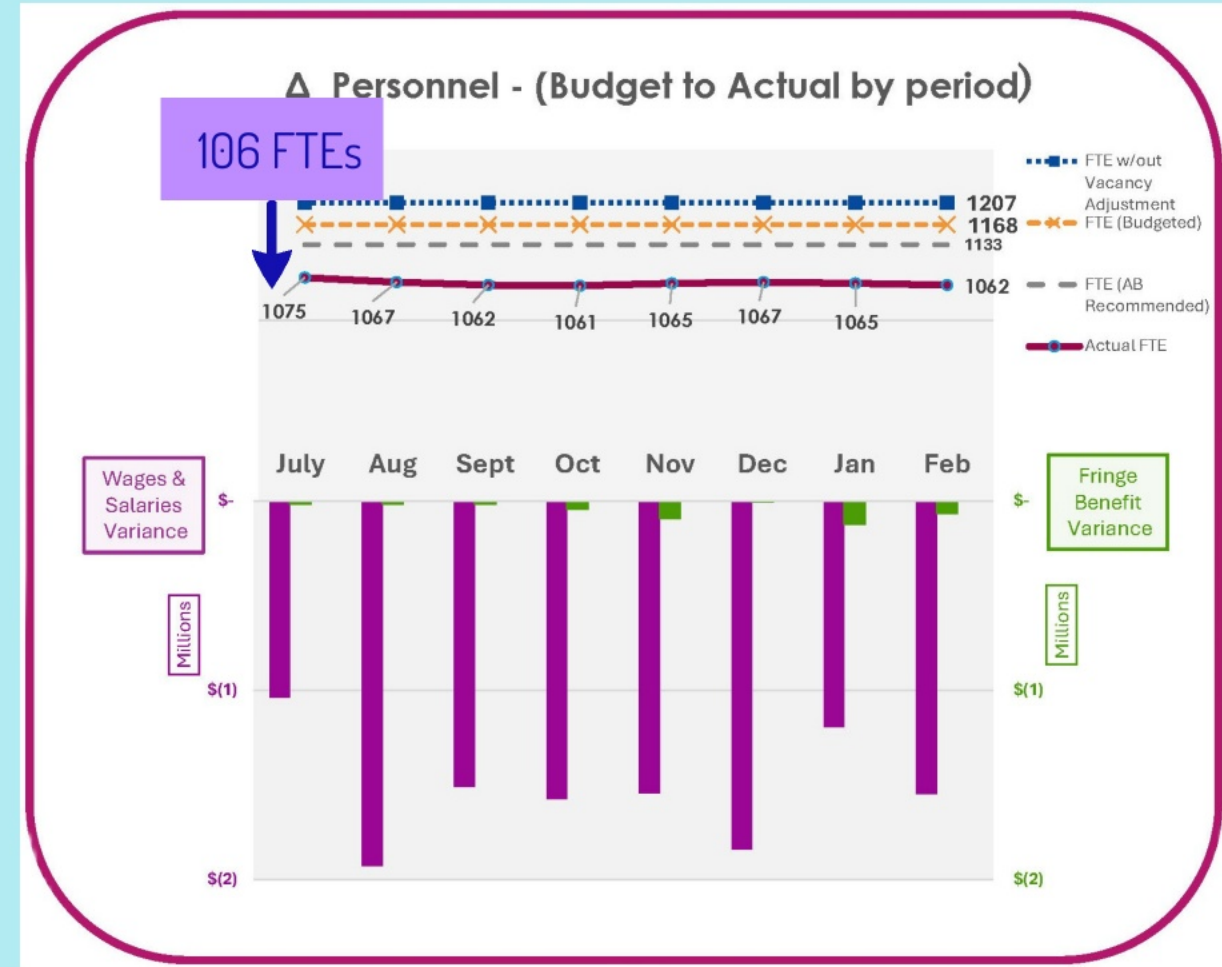
Right-Sizing for the Right Reasons

Purpose, Not Padding

 Capital Financing Surplus → Defease Debt

 Wages & Salaries Surplus → Pension

 Fringe Benefits Surplus → OPEB



Water Utility

The Dunphy Sheet Water - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Total FY2025 RRR	\$	311,378,328
Proposed FY2026 RRR	\$	325,597,942
MWRA Proposed FY25 RRR Increase		3.92%
AB Recommendations	\$	(2,791,651)
FY2026 RRR, less changes	\$	320,866,291
Advisory Board Recommended FY26 RRR Increase		3.05%

Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,615,000)	@ \$11.50/TEE (salary only)
Fringe benefits	\$ (827,000)	
Rate stabilization funds		
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,182	Increase driven by Stand By Pay (\$6780) per new collective bargaining agreements.
Overtime	\$ (6,974)	Minor change based on operational needs.
Fringe Benefits	\$ 441,847	Due to increased health insurance rates for FY26 per the GAC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions in Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
Energy & Utilities	\$ 583,418	Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.
Maintenance	\$ (1,217,384)	Increase driven by updated cost estimates and results of project prioritization review.
Training and Meetings	\$ 23,307	Increase based on anticipated training needs/conference attendance.
Professional Services	\$ 96,619	Increase driven by Computer Systems Consultant (\$285K) and Legal Services (\$150K) based on anticipated needs.
Other Materials	\$ 109,473	Increase driven by Computer Hardware (\$375K) based on anticipated needs.
Other Services	\$ 167,599	Minor adjustments from proposed.
Subtotal of Changes to Operating Costs	\$ (408,415)	
Revenue & Income		
Investment Income		
Subtotal of Rate & Revenue	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ (390,736)	(Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included))
NET CHANGES TO PROPOSED FY25 CEB	\$	(2,791,651)

The Dunphy Sheet Water - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	311,379,328
Proposed FY2026 RRR	\$	323,597,942
MWRA Proposed FY25 RRR Increase		3.92%
AB Recommendations	\$	(2,731,651)
FY2026 RRR, less changes	\$	320,866,291
Advisory Board Recommended FY26 RRR Increase		3.05%

Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only)
Fringe benefits	\$ (322,000)	
Rate stabilization funds		
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
Fringe Benefits	\$ 441,947	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
Energy & Utilities	\$ 583,418	Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.
Maintenance	\$ (1,217,384)	Increase driven by updated cost estimates and results of project prioritization review.
Training and Meetings	\$ 23,307	Increase based on anticipated training needs/conference attendance.
Professional Services	\$ 96,639	Increase driven by Computer Systems Consultant (\$285K) and Legal Services (\$150K) based on anticipated needs.
Other Materials	\$ 109,475	Increase driven by Computer Hardware (\$375K) based on anticipated needs.
Other Services	\$ 167,599	Minor adjustments from proposed.
Subtotal of Changes to Operating Costs	\$ (409,415)	
Revenue & Income		
Investment Income		
Subtotal of Rate & Revenue	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ (390,236)	Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)
NET CHANGES TO PROPOSED FY25 CEB	\$ (2,731,651)	

ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB

Direct & Indirect Cost Changes

Wages & Salaries	\$ 84,192	<i>Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.</i>
Overtime	\$ (6,924)	<i>Minor change based on operational needs.</i>
Fringe Benefits	\$ 441,947	<i>Due to increased Health Insurance rates for FY26 per the GIC.</i>
Workers Comp	\$ (11,908)	<i>Utility reclassification. No net change to CEB from proposed.</i>
Chemicals	\$ (679,776)	<i>Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.</i>
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Other Services	\$ 167,599	<i>Minor adjustments from proposed.</i>
Subtotal of Changes to Operating Costs	\$ (409,415)	

Revenue & Income

Investment Income		
Subtotal of Rate & Revenue	\$ -	

OPERATING RESERVE REQUIREMENT ADJUSTMENT

Operating Reserve Requirement	\$ (390,236)	<i>Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)</i>
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ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB

Direct & Indirect Cost Changes

Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
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Other Services	\$ 167,599	Minor adjustments from proposed.
Subtotal of Changes to Operating Costs	\$ (409,415)	

Revenue & Income

Investment Income		
Subtotal of Rate & Revenue	\$ -	

OPERATING RESERVE REQUIREMENT ADJUSTMENT

Operating Reserve Requirement	\$ (390,236)	Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)
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IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	311,379,328
Proposed FY2026 RRR	\$	323,597,942
MWRA Proposed FY25 RRR Increase		3.92%
AB Recommendations	\$	(2,731,651)
FY2026 RRR, less changes	\$	320,866,291
Advisory Board Recommended FY26 RRR Increase		3.05%

Executive Committee **APPROVED:**
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only)
Fringe benefits	\$ (322,000)	
Rate stabilization funds		
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
Fringe Benefits	\$ 441,947	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
		Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	311,379,328
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Advisory Board Recommended FY26 RRR Increase		3.05%

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only) ← 14 FTEs
Fringe benefits	\$ (322,000)	
Rate stabilization funds		
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
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IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only) ← 14 FTEs
Fringe benefits	\$ (322,000)	← 20%
Rate stabilization funds		
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
Fringe Benefits	\$ 441,947	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
		Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	311,379,328
Proposed FY2026 RRR	\$	323,597,942
MWRA Proposed FY25 RRR Increase		3.92%
AB Recommendations	\$	(2,731,651)
FY2026 RRR, less changes	\$	320,866,291
Advisory Board Recommended FY26 RRR Increase		3.05%

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only) ← 14 FTEs
Fringe benefits	\$ (322,000)	
Rate stabilization funds		
Advisory Board budget reduction		20%
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
Fringe Benefits	\$ 441,947	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
		Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

Executive Committee APPROVED:

Advisory Board Vote for:

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	311,379,328
Proposed FY2026 RRR	\$	323,597,942
MWRA Proposed FY25 RRR Increase		3.92%
AB Recommendations	\$	(2,731,771)
FY2026 RRR, less changes	\$	320,866,171
Advisory Board Recommended FY26 RRR Increase		3.05%

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (1,610,000)	@\$115K/FTE (salary only) ← 14 FTEs
Fringe benefits	\$ (322,000)	
Rate stabilization funds		
Advisory Board budget reduction		20%
Subtotal AB Recommendations	\$ (1,932,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 84,192	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ (6,924)	Minor change based on operational needs.
Fringe Benefits	\$ 441,947	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ (11,908)	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (679,776)	Driven by reductions to Sodium Hypochlorite (-\$561K) and Liquid Oxygen (-\$118K) based on favorable contract pricing.
		Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

Sewer Utility

The Dunphy Sheet Sewer - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	544,108,672
Proposed FY2026 RRR	\$	557,418,058
MWRA Proposed FY26 RRR Increase		2.49%
All Recommendations	\$	275,422
FY2026 RRR less changes	\$	557,465,480
Advisory Board Recommended FY26 RRR Increase		2.49%

Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (3,120,000)	(\$511/6/FTE (vacancy emp)
Fringe benefits	\$ (844,000)	MWRA doesn't include fringe benefits reduction as part of vacancy rate.
Advisory Board's budget reduction		
Subtotal AB Recommendations	\$ (5,894,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 1,015,920	Increase driven by Shared By Pay (56788) per new collective bargaining agreements.
Overtime	\$ 15,030	Adverse change based on operational needs.
Fringe benefits	\$ 230,140	Due to increased health insurance rates for FY26 per the GAC.
Workers Comp	\$ 11,906	2018ly reclassification. No net change in CEB from proposal.
Chemicals	\$ (115,972)	Driven by reductions to Sodium Hypochlorite / 556280 based on transaction contract pricing.
Energy & Utilities	\$ 1,575,523	Increase driven by Electricity (\$2,786) and Natural Gas (\$636) based on updated pricing.
Maintenance	\$ 1,485,216	Increase driven by updated cost estimates and results of project prioritization review.
Training and Meetings	\$ 35,195	Increase based on anticipated training needs/conference attendance.
Professional Services	\$ 275,840	Increase driven by Computer Systems Consultants (\$2894) and Legal Services (\$1504) based on anticipated needs.
Other Materials	\$ 272,866	Increase driven by Computer Hardware (\$2750) based on anticipated needs.
Other Services	\$ (1,763,822)	Driven by lower Sludge Polification (-\$1,394) based on updated inflation assumptions and Sewer & Stormwater (-\$2,792) based on updated pricing.
Subtotal of Changes to Operating Costs	\$ 5,548,870	
Revenue & Income		
Investment Income		
Subtotal of Rev. & Income	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ 501,349	(Unfunded based on applicable adjustments; applies only to direct and indirect costs (Revenue not included)
NET CHANGES TO PROPOSED FY26 CEB	\$ 275,422	

Subtotal AB Recommendations		\$ (3,864,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB			
Direct & Indirect Cost Changes			
Wages & Salaries	\$	1,013,935	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$	15,010	Minor change based on operational needs.
Fringe Benefits	\$	730,549	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$	11,908	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$	(115,972)	Driven by reductions to Sodium Hypochlorite (-\$561K) based on favorable contract pricing.
Energy & Utilities	\$	1,579,523	Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.
Maintenance	\$	1,485,216	Increase driven by updated cost estimates and results of project prioritization review.
Training and Meetings	\$	39,193	Increase based on anticipated training needs/conference attendance.
Professional Services	\$	279,660	Increase driven by Computer Systems Consultant (\$285K) and Legal Services (\$150K) based on anticipated needs.
Other Materials	\$	272,866	Increase driven by Computer Hardware (\$375K) based on anticipated needs.
Other Services	\$	(1,763,812)	Driven by lower Sludge Pelletization (-\$1.9M) based on updated inflation assumptions and Grit & Screenings (-\$237K) based on updated pricing.
Subtotal of Changes to Operating Costs	\$	3,548,076	
Revenue & Income			
Investment Income			
Subtotal of Rate & Revenue	\$	-	
OPERATING RESERVE REQUIREMENT ADJUSTMENT			
Operating Reserve Requirement	\$	591,346	Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)
NET CHANGES TO PROPOSED FY26 CEB	\$	275,422	

Subtotal AB Recommendations		\$ (3,864,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB			
Direct & Indirect Cost Changes			
Wages & Salaries	\$	1,013,935	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$	15,010	Minor change based on operational needs.
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NET CHANGES TO PROPOSED FY26 CEB	\$	275,422	

The Dunphy Sheet Sewer - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	544,108,672
Proposed FY2026 RRR	\$	557,408,058
MWRA Proposed FY25 RRR Increase		2.44%
AB Recommendations	\$	275,422
FY2026 RRR, less changes	\$	557,683,480
Advisory Board Recommended FY26 RRR Increase		2.49%

Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (3,220,000)	@\$115K/FTE (salary only)
Fringe benefits	\$ (644,000)	MWRA doesn't include fringe benefits reduction as part of vacancy rate.
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (3,864,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 1,013,935	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ 15,010	Minor change based on operational needs.
Fringe Benefits	\$ 730,549	Due to increased Health Insurance rates for FY26 per the GIC.
Workers Comp	\$ 11,908	Utility reclassification. No net change to CEB from proposed.
Chemicals	\$ (115,972)	Driven by reductions to Sodium Hypochlorite (-\$561K) based on favorable contract pricing.
Energy & Utilities	\$ 1,579,523	Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

The Dunphy Sheet Sewer - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	544,108,672
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MWRA Proposed FY25 RRR Increase		2.44%
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Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (3,220,000)	@ \$115K/FTE (salary only)
Fringe benefits	\$ (644,000)	MWRA does not provide fringe benefits
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (3,864,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
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28 FTEs

20%

The Dunphy Sheet Sewer - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
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Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
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Advisory Board budget reduction		
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ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
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28 FTEs

20%

The Dunphy Sheet Sewer - FY2026

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Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Staffing (vacancy rate assumptions)	\$ (3,220,000)	@ \$115K/FTE (salary only)
Fringe benefits	\$ (644,000)	MWRA does not pay fringe benefits
Advisory Board budget reduction		
Subtotal AB Recommendations	\$ (3,864,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Wages & Salaries	\$ 1,013,935	Increase driven by Stand By Pay (\$878K) per new collective bargaining agreements.
Overtime	\$ 15,010	Minor change based on operational needs.
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Energy & Utilities	\$ 1,579,523	Increase driven by Electricity (\$2.1M) and Natural Gas (\$63K) based on updated pricing.

28 FTEs

20%

Combined

The Dunphy Sheet - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	855,488,000
Proposed FY2026 RRR	\$	881,006,000
MWRA Proposed FY26 RRR Increase		2.98%
AB Recommendations	\$	(2,456,229)
FY2026 RRR, less changes	\$	878,549,771
Advisory Board Recommended FY26 RRR Increase		2.70%

Executive Committee APPROVED:
Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
Water	\$ (1,532,000)	
Sewer	\$ (3,864,000)	
Debt Service Assistance		
Subtotal AB Recommendations	\$ (5,396,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Water Spring Revisits	\$ (409,413)	
Sewer Spring Revisits	\$ 3,548,076	
Subtotal of Changes to Operating Costs	\$ 3,138,663	
Revenue & Income		
Water Spring Revisits	\$ -	
Sewer Spring Revisits	\$ -	
Subtotal of Rate & Revenue	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ 201,110	Updated based on applicable adjustments, applies only to direct and indirect costs (revenue not included)
NET CHANGES TO PROPOSED FY25 CEB	\$ (2,456,229)	

The Dunphy Sheet - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	855,488,000
Proposed FY2026 RRR	\$	881,006,000
MWRA Proposed FY26 RRR Increase		2.98%
AB Recommendations	\$	(2,456,229)
FY2026 RRR, less changes	\$	878,549,771
Advisory Board Recommended FY26 RRR Increase		2.70%

Executive Committee **APPROVED:**

Advisory Board Vote for:

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
water	\$ (1,932,000)	
sewer	\$ (3,864,000)	
Debt Service Assistance		
Subtotal AB Recommendations	\$ (5,796,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Water Spring Revisits	\$ (409,415)	
Sewer Spring Revisits	\$ 3,548,076	
Subtotal of Changes to Operating Costs	\$ 3,138,661	
Revenue & Income		
Water Spring Revisits	\$ -	
Sewer Spring Revisits	\$ -	
Subtotal of Rate & Revenue	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ 201,110	<i>Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)</i>
NET CHANGES TO PROPOSED FY25 CEB	\$ (2,456,229)	

The Dunphy Sheet - FY2026

IMPACTS ON RATE REVENUE REQUIREMENT		Amount
Final FY2025 RRR	\$	855,488,000
Proposed FY2026 RRR	\$	881,006,000
MWRA Proposed FY26 RRR Increase		2.98%
AB Recommendations	\$	(2,456,229)
FY2026 RRR, less changes	\$	878,549,771
Advisory Board Recommended FY26 RRR Increase		2.70%

Executive Committee **APPROVED:**

Advisory Board Vote for:

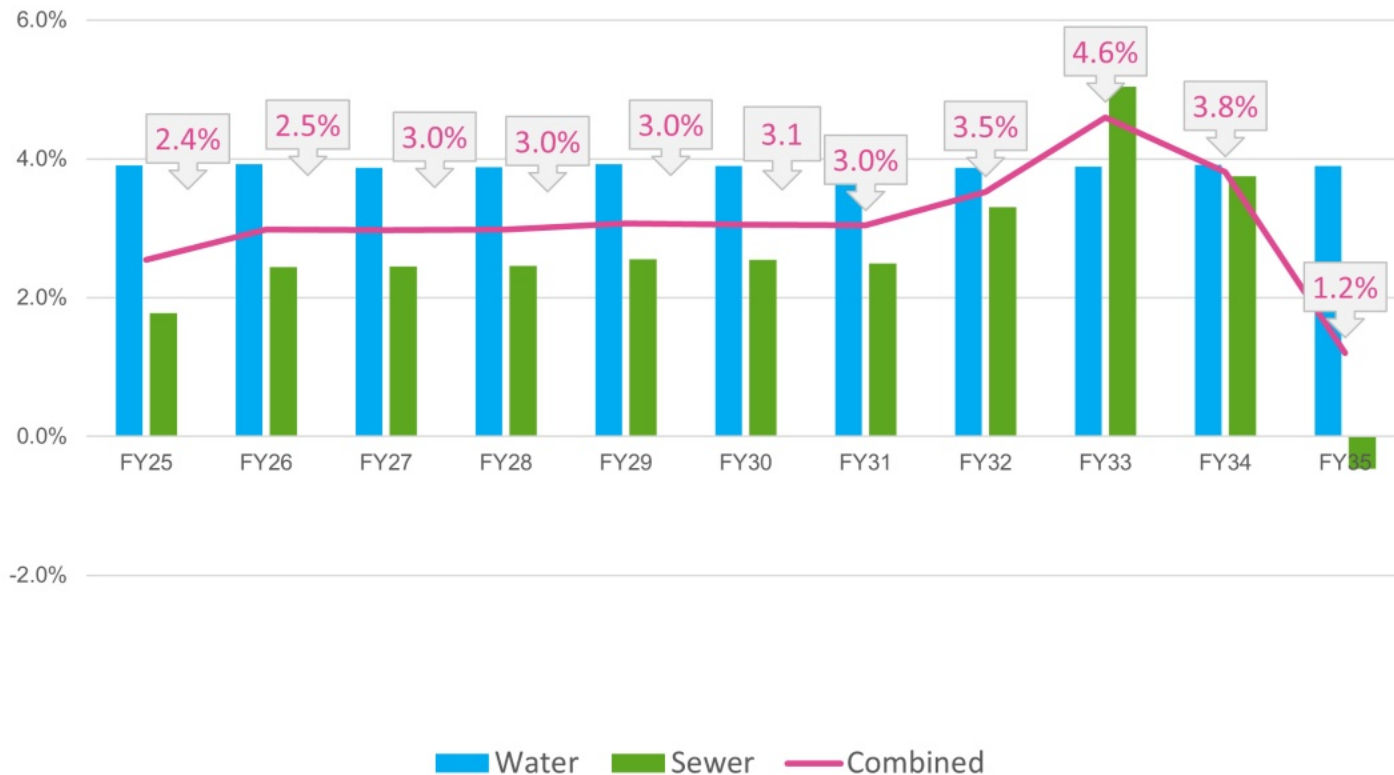
2.70%

IMPACTS ON EXPENDITURES	Amount	Description
MWRA ADVISORY BOARD RECOMMENDATIONS FOR FY26 CEB		
water	\$ (1,932,000)	
sewer	\$ (3,864,000)	
Debt Service Assistance		
Subtotal AB Recommendations	\$ (5,796,000)	
ANTICIPATED ADJUSTMENTS TO PROPOSED FY26 CEB		
Direct & Indirect Cost Changes		
Water Spring Revisits	\$ (409,415)	
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Subtotal of Changes to Operating Costs	\$ 3,138,661	
Revenue & Income		
Water Spring Revisits	\$ -	
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Subtotal of Rate & Revenue	\$ -	
OPERATING RESERVE REQUIREMENT ADJUSTMENT		
Operating Reserve Requirement	\$ 201,110	<i>Updated based on applicable adjustments; applies only to direct and indirect costs (revenue not included)</i>
NET CHANGES TO PROPOSED FY25 CEB	\$ (2,456,229)	

Long-Term Rates Management Committee



PFY26 Proposed Rate Revenue for CAP period FY25 – FY35





Comments & Recommendations on MWRA's Proposed FY26 CEB & CIP

Advisory Board Meeting
May 15, 2025

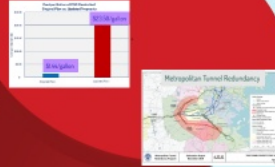


Happy 40th!

What Are We Really Paying For?

Forecasting the Future Before It Hits Us

Big Projects Need Bigger Foresight



A Sharper Pencil, A Smarter Budget
Reckoning with the Real Numbers

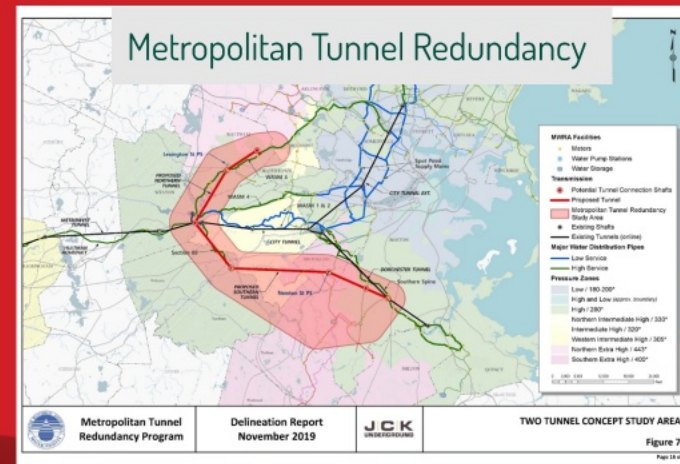
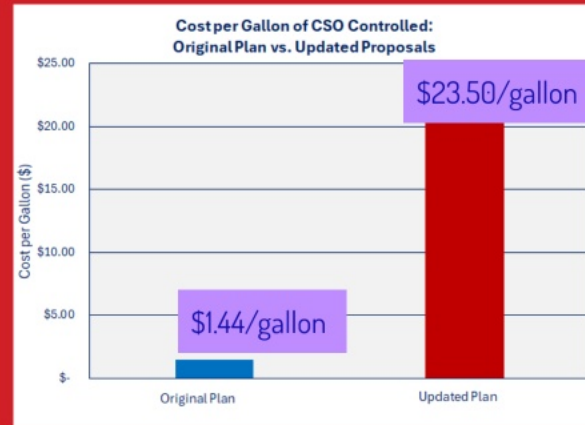


Policy, Stewardship, and Public Trust

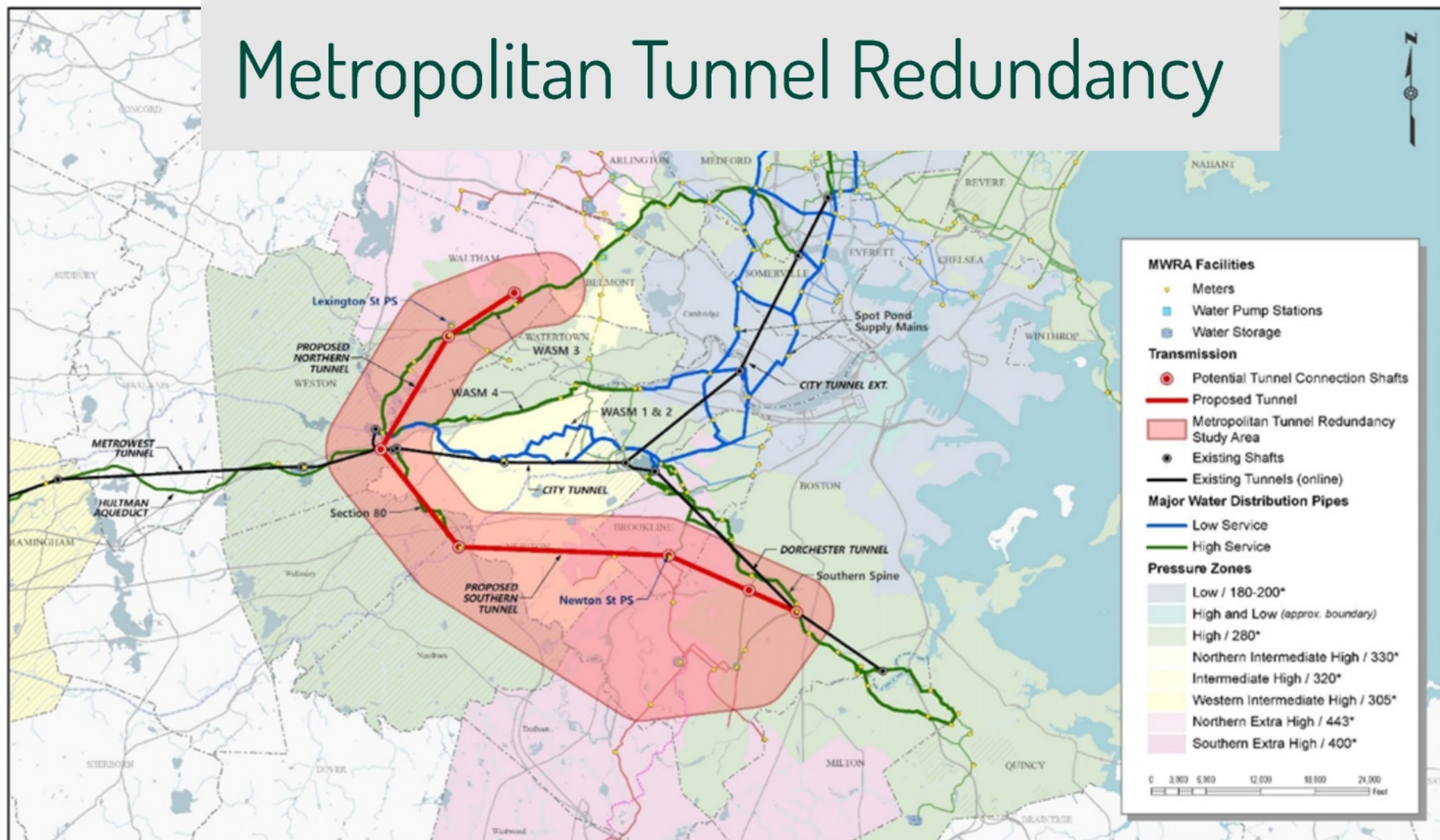


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Big Projects Need Bigger Foresight



Metropolitan Tunnel Redundancy



Metropolitan Tunnel
Redundancy Program

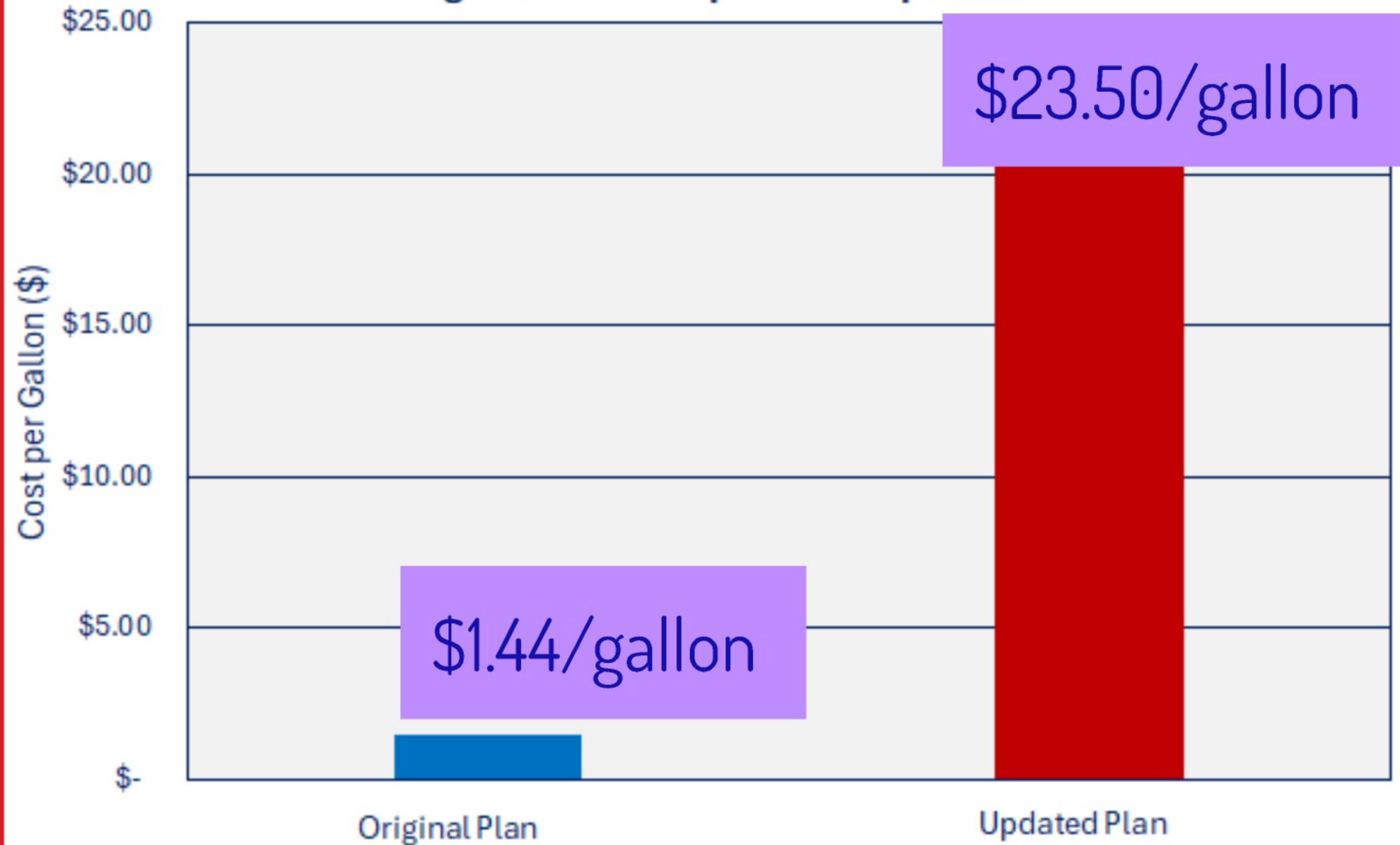
Delineation Report
November 2019

JCK
UNDERGROUND

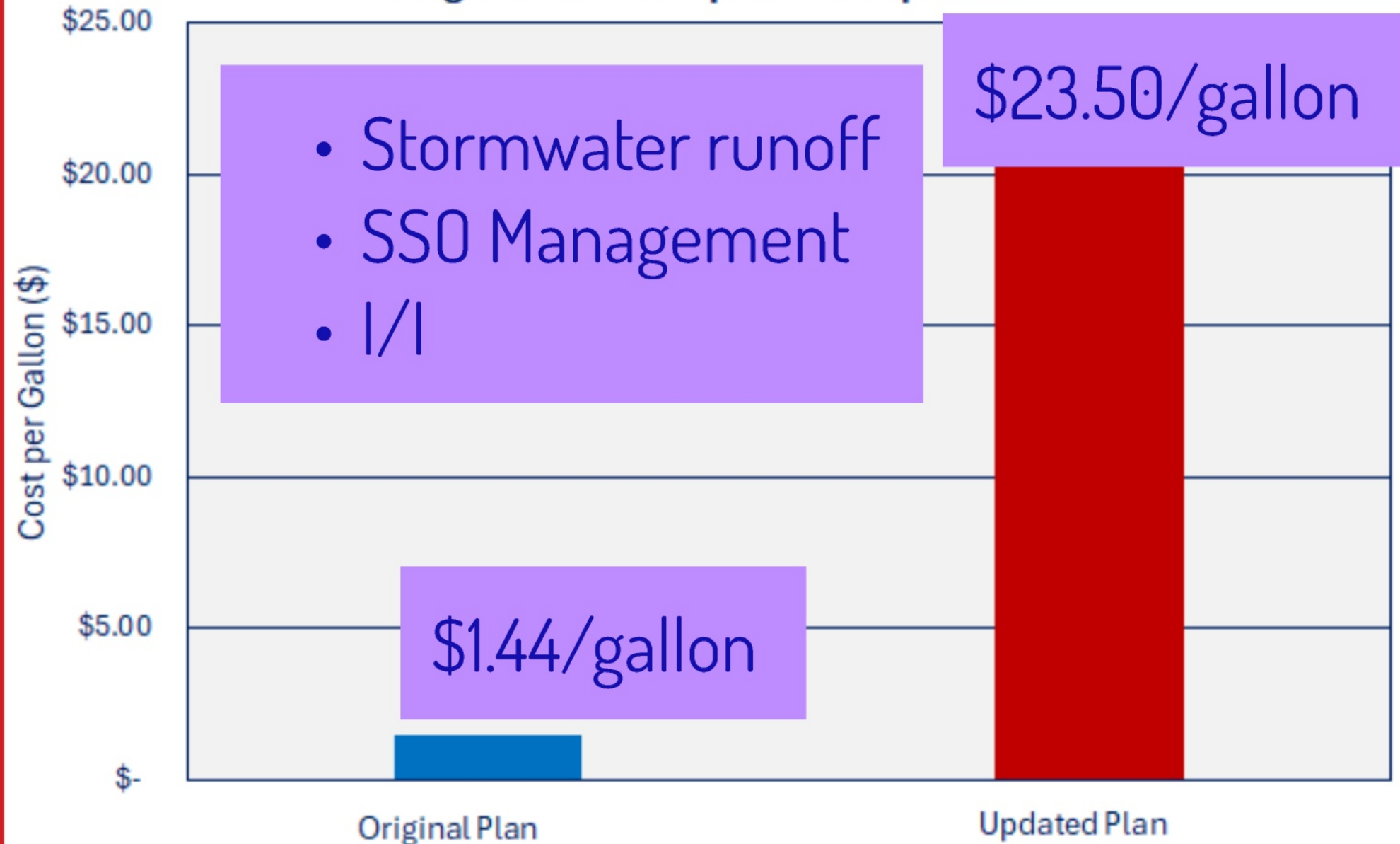
TWO TUNNEL CONCEPT STUDY AREA

Figure 7

Cost per Gallon of CSO Controlled: Original Plan vs. Updated Proposals



Cost per Gallon of CSO Controlled: Original Plan vs. Updated Proposals





Comments & Recommendations on MWRA's Proposed FY26 CEB & CIP

Advisory Board Meeting
May 15, 2025

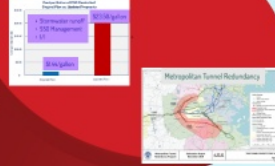


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Policy, Stewardship, and Public Trust



Policy, Stewardship, and Public Trust

Watershed Forestry & Resilience

"Carefully considered, deliberately limited"





Quabbin Legislation




System Expansion - Fair Growth, Not Free Growth

SWNAS Redevelopment Project

 Barriers to entry

 Connection cost

 MWRA finances - community repays



DCR Ranger Enforcement

A qualified win



Watershed Forestry & Resilience

"Carefully considered, deliberately limited"



Watershed Forestry & Resilience

"Carefully considered, deliberately limited"

Independent assessment



Watershed Forestry & Resilience

"Carefully considered, deliberately limited"

Independent assessment

Share the story



Quabbin Legislation



Quabbin Legislation

- \$35 million tax
- Expanded PILOTs
- Board governance
- Feasibility study scope creep



DCR Ranger Enforcement

A qualified win



System Expansion - Fair Growth, Not Free Growth

SWNAS Redevelopment Project



Barriers to entry



Connection cost



MWRA finances – community repays





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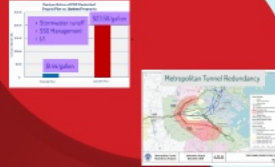


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