

Meeting the Challenges of Financing Water Infrastructure Improvements



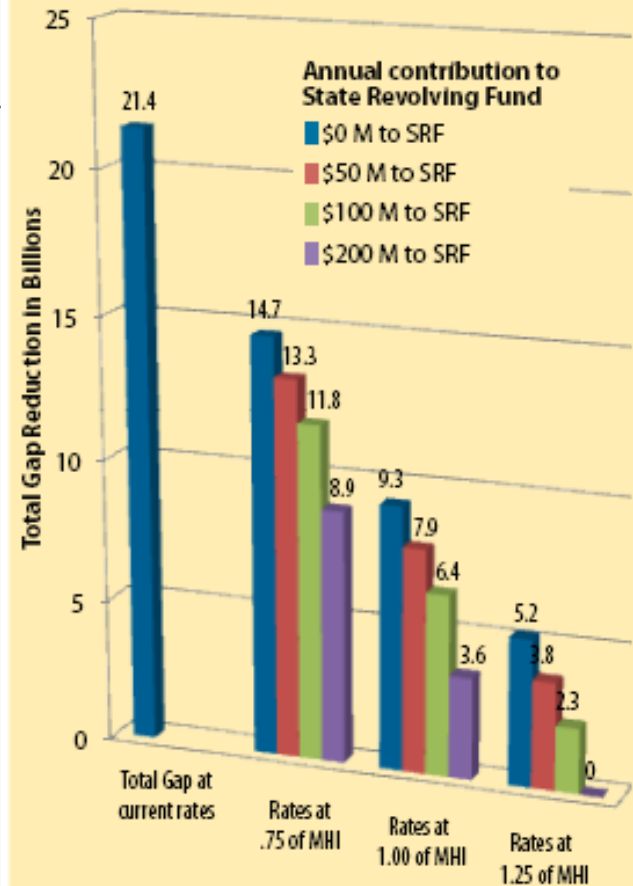
Key Recommendations

- The WIFC made 23 specific recommendations, among them:
 - Raise public awareness of the true value and cost of water-related services
 - Increase available resources at the state level
 - Encourage municipalities, districts and authorities to cover reasonable costs of service when setting rates
 - Encourage BMPs in asset management, capital improvement plans and enterprise accounting

Recommendations, cont'd

- An approach that incorporates rate increases to 1.25% of Median Household Income with a \$200 million annual appropriation from the state, eliminates the gap entirely
- In 2012
 - Water Rates averaged **.52%** of MHI
 - Sewer Rates averaged **.75%** of MHI
- We have a ways to go....

Gap reduction possible using rates increases and new revenues



Increases in rates to 1.25% of MHI with a \$200 million annual appropriation from the state eliminates the Gap entirely

What has happened since the report was released?

- 💧 Interested stakeholders formed a “Water Infrastructure Alliance” to keep the momentum going
- 💧 Legislation was filed to incorporate some of the recommendations of the WIFC
- 💧 Public outreach opportunities are being pursued

Legislation

- The MA Senate unanimously passed a bill on February 27, 2014—Senate Bill 2021
 - Increases the capacity of the State Revolving Loan Fund Program by \$50 million
 - Provides for less than 2% loans or even principal forgiveness for water systems who meet certain criteria
 - Provide mechanism at local option to assess property tax surcharge of 3% for infrastructure improvements
- Legislation will now be taken up by the House of Representatives

Public Outreach

- Alliance is putting together flyers and messaging around the Water Environment Federation's **WATER'S WORTH IT®** campaign
- Scheduling Editorial Board meetings
- MA Municipal Association publishing a magazine devoted to water

Resources

- **Only Tap Water Delivers™**
 - www.awwa.org (*Only Available to AWWA Utility Members*)
- **WATER'S WORTH IT®**
 - www.waters-worth-it.org
- **Liquid Assets**
 - <http://liquidassets.psu.edu>

Questions??

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To get a copy of the WIFC report visit: www.masswaterworks.org

To get a copy of the legislation visit:

<https://malegislature.gov/Bills/188/Senate/S2021/History>