



**2025**  
**Current Expense Budget**  
**Boston Water and Sewer Commission**





Board of Commissioners:

Michael J. Woodall, Chair  
Chris Cook, Commissioner  
Armando Goncalves, Commissioner

Henry F. Vitale, Executive Director  
John P. Sullivan, Chief Engineer  
Luciano Petruzzello, Chief Financial Officer

Prepared by the Finance Division



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget  
Presentation Award*

PRESENTED TO

**Boston Water and Sewer Commission  
Massachusetts**

For the Fiscal Year Beginning

**January 01, 2024**

*Christopher P. Morill*

**Executive Director**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Boston Water & Sewer Commission, Massachusetts for its annual budget for the fiscal year beginning January 1, 2024.

In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communicative device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# Table of Contents

---

## Table of Contents

	<u>Page</u>
<b>I. Budget Message</b> .....	11
<i>Management Objectives</i> .....	11
<i>MWRA Five Year Rate Forecast</i> .....	16
<b>II. Plans, Policies and Procedures</b> .....	19
Financial Planning Process.....	19
Program Based Budgeting.....	19
Goal Setting Process.....	19
Capital Improvement Program Budget Development.....	19
Direct Expense and Current Expense Budget Development.....	20
Rate Setting Process.....	21
2024 Budget Process Schedule.....	22
Policies.....	23
<i>Financial Policies</i> .....	23
<i>Policy for the Investments of BWSC Funds</i> .....	23
<i>Commercial Banking Policy Statement</i> .....	23
<i>Banking Policy</i> .....	24
<i>Funding and Utilization of Reserve Funds</i> .....	24
<i>Operating</i> .....	25
<i>Insurance</i> .....	25
<i>Renewal and Replacement</i> .....	25
<i>Stabilization</i> .....	25
<i>Departmental Program Plans and Budgets</i> .....	26
<i>Development, Monitoring &amp; Amendment of the CEB</i> .....	27
<i>Development, Monitoring &amp; Amendment of the CIP</i> .....	27
<i>Establishment of Water and Sewer Rates, Fees and Other Charges</i> .....	27
<i>Other Commission Policies</i> .....	28
Current Expense Budget Process.....	29
<i>Budget Allocations</i> .....	30
<i>Budget Variance Monitoring &amp; Analysis</i> .....	30
Capital Improvement Program Process.....	31
<i>Development</i> .....	32
<i>Capital Project Funding</i> .....	33
<i>Capital Budget Amendments</i> .....	34
<i>Capital Budget Reallocations</i> .....	34
<i>Capital Program Monitoring and Reporting</i> .....	34
Debt Plan.....	35
Debt Service Coverage Requirements.....	36
Debt Service Coverage Calculation.....	37
Five-Year Debt Service Requirements.....	37
Additional Bonds & Refunding Bonds.....	38

# Table of Contents

---

<b>III. Budget Overview</b> .....	45
2024 Financial Position.....	45
2024 Revenues and Expenses.....	45
Requirements and Future Impact.....	47
Budgeting and Accounting Basis.....	48
2024 Budget Summary.....	49
Historical Financial Analysis.....	50
Revenue Sources.....	51
Rate Revenue.....	53
Adjustments to Rate Revenue.....	54
Prior Year Net Operating Surplus.....	56
Miscellaneous Revenue.....	57
<i>Late Charge Fees</i> .....	57
<i>Investment Income</i> .....	58
<i>Fire Pipe Fees</i> .....	59
<i>Other Income</i> .....	60
Total Expenses.....	61
Direct Expense Budget Comparison.....	62
Direct Expense Budget.....	63
2025 Direct Expense Budget by Division.....	64
Budget Comparison by Line Items, 2025 v. 2024.....	65
<i>Wages and Salaries</i> .....	66
<i>Overtime</i> .....	68
<i>Labor Related Costs/Benefits</i> .....	69
<i>Supplies and Materials</i> .....	70
<i>Repair and Maintenance</i> .....	71
<i>Utilities</i> .....	72
<i>Professional Services</i> .....	73
<i>Space and Equipment Rentals</i> .....	74
<i>Other Services</i> .....	75
<i>Insurance</i> .....	76
<i>Inventory</i> .....	77
<i>Capital Outlay</i> .....	78
<i>Travel / Training / Seminars</i> .....	79
<i>Damage Claims</i> .....	80
<i>Indirect Expenses</i> .....	81
2025 v. 2024 Budgeted Indirect Expenses.....	82
<i>MWRA Assessment</i> .....	83
<i>Capital Improvements</i> .....	85
<i>Debt Service</i> .....	86
<i>Contractual Funding Obligations</i> .....	90
<i>Safe Drinking Water Act Assessment</i> .....	91
Fund Balances.....	92
<i>Flow of Funds</i> .....	92
<i>Revenue</i> .....	94

# Table of Contents

---

<i>Operating &amp; Maintenance</i> .....	95
<i>Senior Debt Service</i> .....	96
<i>Senior Debt Service Reserve</i> .....	97
<i>Operating Reserve</i> .....	98
<i>Insurance Reserve</i> .....	99
<i>MWRA Assessment</i> .....	100
<i>Renewal and Replacement Reserve</i> .....	101
<i>General</i> .....	102
<i>Stabilization</i> .....	103
<b>IV. Program Goals and Budgets</b> .....	105
Commission Organization .....	105
Commission-Wide Organizational Chart.....	106
Customer Base .....	107
2024 Commission Results.....	109
Commission Budget Summary .....	110
Commission Personnel Summary.....	111
Commission Goals, 2025 .....	112
<b>Executive Division</b> .....	113
Organizational Chart.....	113
Division Organization.....	114
Mission.....	114
Budget Summary .....	114
Explanation of Major Variances .....	114
Personnel Summary .....	115
Explanation of Personnel Changes .....	115
<i>Office of Executive Director</i> .....	116
<i>Organizational Diversity</i> .....	118
<i>General Counsel</i> .....	121
<i>Human Resources</i> .....	125
<i>Facilities &amp; Support Services</i> .....	128
<i>Communication and Community Services</i> .....	131
<b>Operations Division</b> .....	135
Organizational Chart.....	135
Division Organization.....	136
Mission.....	136
Budget Summary .....	136
Explanation of Major Variances .....	136
Personnel Summary .....	137
Explanation of Personnel Changes .....	137
<i>Office of Chief of Operation Services</i> .....	138
<i>Water &amp; Sewer Services</i> .....	140
<i>Day Operations</i> .....	141
<i>Nights Operations</i> .....	142

## Table of Contents

---

<i>Leak Detection/Dye Testing</i> .....	143
<i>Support Services</i> .....	149
<i>Storeroom Facility</i> .....	151
<i>Material Handling Facility</i> .....	153
<i>Customer Service &amp; Compliance</i> .....	156
<i>Enforcement</i> .....	158
<i>Work Order/Customer Service</i> .....	162
<i>Asset Management &amp; CMOM</i> .....	164
<i>SSO ERT</i> .....	168
<i>Special Structures</i> .....	170
<i>CCTV/Cleaning</i> .....	172
<i>Meter Services</i> .....	175
<i>Safety and Training</i> .....	178
<b>Engineering Division</b> .....	181
Organizational Chart.....	181
Division Organization.....	182
Mission.....	182
Budget Summary .....	182
Explanation of Major Variances .....	182
Personnel Summary .....	183
Explanation of Personnel Changes .....	183
<i>Office of Chief Engineer</i> .....	184
<i>Planning</i> .....	186
<i>Design</i> .....	189
<i>Construction</i> .....	193
<b>Administration Division</b> .....	196
Organizational Chart.....	196
Division Organization.....	197
Mission.....	197
Budget Summary .....	197
Explanation of Major Variances .....	197
Personnel Summary .....	198
Explanation of Personnel Changes .....	198
<i>Office of Chief Administrative Officer</i> .....	199
<i>Account Services</i> .....	201
<i>Information Technology</i> .....	206
<b>Finance Division</b> .....	209
Organizational Chart.....	209
Division Organization.....	210
Mission.....	210
Budget Summary .....	211
Explanation of Major Variances .....	211
Personnel Summary .....	211

## Table of Contents

---

Explanation of Personnel Changes .....	211
<i>Office of Chief Financial Officer</i> .....	213
<i>Budgets</i> .....	215
<i>Financial Services</i> .....	218
<i>Revenues</i> .....	220
<i>Accounting</i> .....	224
<i>Procurement</i> .....	228
<b>V. Capital Improvement Program (CIP) .....</b>	<b>233</b>
Management Objectives and Accomplishments .....	234
Capital Improvements Cash Flows .....	235
Capital Improvements Funding Source .....	236
Project Highlights .....	237
Projects Associated with Consent Decree & Water Quality Improvements.....	239
<i>Background</i> .....	240
<i>Water Distribution System Expenditures</i> .....	241
<i>Sewer System Expenditures</i> .....	242
<i>Support Project Expenditures</i> .....	243
<i>Stormwater Project Expenditures</i> .....	243
MWRA.....	244
Funding Sources and Financial Impact .....	243
Impact of CIP on Current Expense Budget.....	245
Water Distribution System.....	248
Water Distribution System Capital Program .....	249
Water Main Replacement Program.....	249
Water Main Replacement Program Summary .....	250
Water System .....	252
<i>Water Replacement</i> .....	252
<i>Water Distribution System Special Projects</i> .....	257
Sewer System.....	260
<i>Sewer System Capital Program</i> .....	260
<i>Sewer Renewal and Replacement</i> .....	266
<i>Increased Capacity Projects</i> .....	271
<i>Sewer System Special Projects</i> .....	272
Support Projects .....	276
<i>Metering</i> .....	277
<i>Information Technology Systems</i> .....	278
<i>Administrative Equipment</i> .....	280
Stormwater/Green Infrastructure/Low Impact Development .....	282

## Table of Contents

---

<b>VI. Long Range Forecast</b> .....	291
Financial Modeling Results .....	291
<i>MWRA Assessment</i> .....	291
<i>Forecasted MWRA Rate Increases</i> .....	292
<i>Forecast Assumptions</i> .....	293
<i>Financial Projections</i> .....	294
<i>Five Year Pro Forma</i> .....	294
Reserve Fund Levels .....	295
BWSC Rate Increases .....	296
Household Charges .....	297
<b>VII. Demographics</b> .....	299
City of Boston Overview .....	299
<i>Population</i> .....	300
<i>Employment</i> .....	303
<i>Unemployment</i> .....	303
<i>Industry</i> .....	305
<i>Education</i> .....	306
<i>Consumer Spending</i> .....	307
<i>Commercial Market</i> .....	308
<i>Housing Market</i> .....	311
<i>Tourism</i> .....	313
<i>Commission Background</i> .....	315
<i>Sources</i> .....	320
<b>VIII. Personnel Summary</b> .....	321
Overview .....	321
<i>Executive</i> .....	321
<i>Local 6</i> .....	326
<i>Local 888</i> .....	327
<i>Council 93</i> .....	328
<i>Local 100</i> .....	329
<b>IX. Glossary</b> .....	331
<b>X. Index</b> .....	337

### 2025 Budget Message from the Executive Director

The Commission was established in 1977 pursuant to a “home rule” petition adopted by the City of Boston (the “City”) and enacted by the Legislature of The Commonwealth of Massachusetts as the Boston Water and Sewer Reorganization Act of 1977, Chapter 436 of the Acts of 1977 of the Commonwealth (the “Act”). Under the Act, the Commission has been constituted as a public instrumentality, a body politic and corporate and a political subdivision of the Commonwealth. The Act provided for the transfer to the Commission of the ownership and responsibility for the operation of the water distribution system and the wastewater collection and stormwater drainage systems of the city. The Act authorizes the Commission to operate, maintain and construct all necessary improvements to the systems, establish and collect rates and charges for its services (which rates and charges are not subject to regulation by any other governmental body), and finance its operations and improvements through revenue collections and the sale of bonds and notes payable solely from the Commission’s revenues. The Act further provides that any revenue surpluses earned by the Commission in any Fiscal Year shall be credited to the next year’s rates or returned to the City of Boston. Since its inception, the Commission has generated a surplus in each year of its operations and has credited the surplus to the reduction of the next year’s rates. The Act may be amended only by means of further “home rule” petitions of the City enacted by the Massachusetts Legislature, or by means of state legislation affecting generally all water and sewer districts within the Commonwealth.

#### Management Objectives

The Commission was created to maintain and improve the long-term quality and reliability of Boston’s water and sewer services for all users in the city and to assure adequate funding for operation and maintenance of the systems. To this day, the Commission continues to be committed to these primary goals:

**To maintain and improve the water distribution and wastewater collection systems.** The Commission is committed to various improvements to the Water Distribution and Sewer Systems, including following an aggressive renewal and replacement program, reducing unaccounted for water, encouraging conservation and improving the environment. The Commission is also committed to meeting and exceeding the requirements of all federal and state water and wastewater laws, regulations and technical standards.

**To establish and administer a billing and collections system that is fair and efficient.** The Commission has worked to establish a rate structure that fully and fairly reflects its costs, properly distributes the financial obligation amongst its customer base and encourages water conservation. The metering, billing and collection process is a central focus of the Commission’s full management team and the Commission is committed to maintaining its strong record in that area.

**To maintain a strong financial structure.** The Commission has consistently employed conservative financial projections and budgeting assumptions, maintained adequate reserves and struck a reasonable balance between debt funding and rate funding of capital expenses.

## Budget Message

---

**To sustain the effectiveness of investments / compliance of regulations.** The Commission is committed to complying with all its regulatory obligations under federal and state laws, including the Safe Drinking Water Act (“SDWA”) and Clean Water Act (“CWA”) with its National Pollutant Discharge Elimination System (“NPDES”) permitting obligations for both its stormwater systems and combined sewer systems. Compliance obligations also extend to meeting and exceeding the goals and requirements of the Boston Harbor Decree and the Consent Decree executed in 2012 with the Environmental Protection Agency (“EPA”) related to stormwater discharges.

The overall objectives of the Commission’s 2025-2027 Capital Improvement Program (“CIP”) are to ensure the delivery of high-quality potable water for consumption and fire protection, as well as the efficient collection of sewage for transport and delivery to a treatment facility or for approved discharge. In addition, the CIP includes projects to improve overall efficiency of the Commission and to enhance the Commission’s ability to provide services to its customers.

The Stormwater category was created in 2017 that focuses on Stormwater management. The primary purpose of the Stormwater Category in the 2025-2027 Capital Improvement Program is to engage in participation in the Boston Harbor pollution abatement projects and implement green infrastructure to improve the water quality of discharges to the local receiving waters. The goal is also to study existing conditions and make recommendations for placement of new best management practices designed to promote improved water quality, ensure compliance with state and federal regulations, minimize flooding and strategically manage Stormwater throughout the City of Boston.

The Commission’s CIP includes projects to improve the overall efficiency and to enhance the Commission's ability to provide services to its customers. The projects included in this CIP are intended to accomplish these objectives in the most efficient and cost-effective manner. The Commission intends to enhance Boston’s water and sewer infrastructure with several targeted projects included in the 2025-2027 Capital Improvement Program. Some of the major projects are listed below:

- Fort Point Channel and Mystic/Chelsea Combined Sewer Overflow Control Projects
- Water Main Valve Replacement
- Rehabilitation of the New Boston Main Interceptor (NBMI)
- East Boston Sewer Separation
- South Boston Sewer Separation
- Dorchester Interceptor - Relief Sewer
- West Roxbury and Hyde Park SSES
- City-wide Illegal Connections Investigations
- Upgrades to Union Park Pumping Station & Satellite Stations
- Charlestown SSES
- Charlestown Separation
- Construction of Daisy Field Green Infrastructure
- Coastal Stormwater Impact Analysis

## Budget Message

---

- Projects affiliated with the Consent Decree; includes cleaning and televising 90 miles of sewer and drains
- Improvements of Information Technology
- Citywide Renewal & Rehabilitation of Drains and Sewers
- Lead Sampling and Education Program for Schools and Childcare Facilities
- Projects affiliated with the Consent Decree; includes cleaning and televising 90 miles of sewer and drains
- Implement Stormwater/Green Infrastructure Program designed to improve water quality, the environment and manage stormwater resources
- Improvements of Information Technology
- Citywide Renewal & Rehabilitation of Drains and Sewers
- Lead Sampling and Education Program for Schools and Childcare Facilities

Since its creation, the Boston Water and Sewer Commission has provided the City of Boston with reliable, quality water. A program, which began as an aggressive 17 miles of water pipe replaced or rehabilitated annually based on age and the City's construction schedule, has transformed into a successful asset management approach. When combined with an aggressive leak detection and flushing program, the results have been undeniable. The Commission has averaged just over 35 water pipe failures per year and has witnessed its unbilled water drop from 48% to 18%. The Commission utilizes effective conservation measures through continued efforts to eliminate leaks across the system through advanced leak detection technology and proactive maintenance of the system's water mains.

In 2011, the Commission completed a Water Distribution Study, which provided a thorough understanding of the water system and how to best manage it. The study gave all stakeholders a better sense of the history of Boston's water infrastructure and provided key insights into current conditions. The study has been responsible for the development of best management practices in value maintenance, main flushing and more effective methodology of selecting pipe to be replaced under the Capital Improvement Plan. Not only do these tools assist current Commission employees with an understanding of the system, but they also provide future employees with a roadmap for optimal system maintenance.

The three-year study was divided into two phases. The first phase was to have both Commission staff and a hired contractor collect 93 pipe samples (coupons). The samples were taken from every neighborhood and varied in size and pipe material. The age of the water pipes ranged from 18 years old to 147 years old and included cast iron, ductile iron and a mix of cement lined and unlined. The pipe and soil samples, which were also taken from the locations, were analyzed. The analysis consisted of physical observations and measurements, microscopic examination, mechanical properties test, and chemical composition analysis. The soil sample obtained at each location was also analyzed to determine its corrosiveness. The results of the tests performed were matched with locations on Commission maps, and corrosion rates were correlated with fill areas, electrified rail locations and groundwater levels.

The second phase was to create a sustainable distribution system by developing a risk-based measure for selecting pipe to be included in the annual CIP budget. This phase employed

## Budget Message

---

sophisticated models that levered all the data collected in phase one, data the Commission collects in its GIS, Citiworks, and hydraulic model to determine the appropriate level of pipe rehabilitation and replacement needed to achieve the Commission's goals. The pipe selected is based on a risk-based assessment. The framework is derived from asset management principles, which consider the highest risk of pipe to be the probability of a failure, and what the consequences of an event occurring could be (hospital flooding or critical customers without water).

This system is used in the selection of pipes for replacement under the Capital Improvement Program. Pipes with the highest ranking are considered first. Pipes are also selected within proximity to other selected pipe to create geographic based contracts. All street excavations are coordinated with City and State Paving Programs.

The study recommended replacing eleven miles of pipe per year through the year 2030. This ranking system was updated in 2016 resulting in a recommendation to replace and rehabilitate eight miles of pipe per year. In addition to the samples taken during the three-year study, the Commission obtains eight pipe samples every year. Once the results of the analysis are received the information is uploaded into the Commission's database to continue selecting the most vulnerable pipe.

Over the last ten years, the Commission has completed a total of \$262.2 million in water distribution system improvements. The projects scheduled for initiation in 2025 will result in the replacement of approximately 10.7 miles of water mains.

Sewer System improvements will include in-kind replacement and rehabilitation of sewer pipes, installation or replacement of sewers and storm drains that increase the overall capacity of the system, separation of combined sewers, identification and reduction of infiltration and reduction of infiltration and inflow and compliance with permit requirements in the areas of combined sewer overflows and stormwater discharges.

Major sewer system improvements have resulted in increased system capacity and the virtual elimination of dry weather overflows from combined sewers into Boston Harbor and the Neponset, Charles and Mystic Rivers. These improvements have also increased water quality and improved accessibility to all waterways.

Projects associated with the Plan in the Sewer System CIP include the rehabilitation or replacement of approximately 15.5 miles of newly identified deteriorated or collapsed sanitary sewers and storm drains and the television inspection of approximately 21 miles of sewer and drain pipe within the next year. Also included are drainage improvements and the replacement of faulty tide-gates and the installation of new tide-gates.

On August 23, 2012, the Commission entered in a Consent Decree with the Environmental Protection Agency and Conservation Law Foundation. Under the terms of the Consent Decree the Commission implemented a Capacity, Maintenance, Operations and Management ("CMOM") self-assessment study in 2012 that analyzed all aspects of the Commission's sanitary sewer and storm drainage facility operations and maintenance. The Commission finalized a

## Budget Message

---

CMOM Corrective Action Plan in July 2013 and developed a CMOM Program Document in May 2014. The CMOM Program synchronizes infrastructure maintenance and operations goals with long-term CIP planning to achieve (“CWA”) compliance with the Commission’s NPDES permit and ultimately improve water quality.

As part of the CMOM Corrective Action Plan filed with the EPA, the Commission increased its inspection and assessment of its sewer and drainage systems. The program represents progressive increases in the quantity of pipes cleaned and televised with an end goal of completing approximately 10% of the system annually.

The Commission has embraced the Consent Decree requirements from senior management through all divisions and departments. The Commission views the requirements as an opportunity to enhance its current practices and procedures in operating and maintaining the sewer system. Staffing leadership changes have been implemented; for example, a CMOM superintendent and an SSO manager were hired in 2013 to ensure compliance with the requirements enforced by the Consent Decree. The Consent Decree offers an unprecedented opportunity for the Commission to increase its role as an environmental steward for Boston’s waterways. The Commission is committed to meeting and surpassing the benchmarks outlined in the Consent Decree. To fulfill this commitment, the Commission has begun implementing both short-term and long-term measures that are designed to improve water quality, increase public awareness, and protect the environment.

The City of Boston, the Commission and its ratepayers have helped clean up Boston Harbor and Boston’s waterways to a level where they are accessible for the public use 90.2% of the time. South Boston’s beaches are recognized as the cleanest urban beaches in the U.S. and the Charles River has been recognized by the EPA and internationally as one of the cleanest urban rivers in America. The Commission’s illicit discharge detection protocol and sampling program have been cited as an example and standard by EPA. These achievements are a direct result of the Commission’s investment in improved sewer and stormwater infrastructure, implementation of best management practices and working with other stakeholders in the City of Boston. The Commission will continue a tenable, sustainable path to improve water quality and maintain outstanding access to the City’s waterways.

The Commission continues to work with city agencies, including Boston Public Works Department (BPW), Boston Parks and Recreation Department, Boston Transportation Department, Boston Planning Department, and others, to design and construct BMP/GI projects at various locations throughout the city. Ongoing projects in conjunction with the PWD include the construction of bioretention BMPs at Codman Square in Dorchester, design of BMPs along Coolidge Road in Brighton, and construction of bioretention areas along New England Avenue. Ongoing projects include design of a drainage structure retrofit with phosphorus removal technology on Talbot Avenue in Dorchester with an approximately 122-acre drainage areas, and design of a subsurface gravel filter at Daisy Field that would treat stormwater from an approximately 71-acre drainage area.

Effective January 1, 2025 the Commission increased its water and sewer rates by an average of 3.4%. The 2025 Current Expense Budget (“CEB”), as outlined in the following pages, details

## Budget Message

---

\$484.7 million in anticipated revenues and expenses. This represents a 6.1% increase over the 2024 budget.

On April 1, 2024, the Commission began charging for stormwater. The stormwater charge is a charge for all parcels in the City of Boston with greater than 400 square feet of impervious (hard/impermeable) surface. The stormwater charge will be charged per Equivalent Residential Unit (ERU). Each ERU is equal to 2,164 square feet of impervious surface. The rate per ERU will be \$8.98 per month. The stormwater charge will be implemented as follows: (1) All one to six unit residential properties will be charged only one ERU per month, (2) all other parcels will be charged per ERU based on the amount of square feet of impervious area. The total amount of impervious area will be divided by 2,164 and rounded to the next whole number to calculate the number of ERUs a parcel will be charged.

The Commission's fiscal priorities for 2025 include adhering to management objectives and mitigating the effects of the Massachusetts Water Resources Authority ("MWRA") five-year projected wholesale rate increases. Successful achievement of these priorities will allow the Commission to accomplish its main goal of: providing Boston with the highest quality water and sewer service at the lowest possible price.

### **MWRA Five-Year Rate Forecast**

The MWRA regularly updates its estimates of anticipated revenues and expenses over a multi-year planning horizon. These planning estimates provide a context for budget discussions and a planning tool for the MWRA and those affected by its rate revenue requirements. Increasing debt service to finance the capital improvement program is the most important factor driving estimates of future budget increases. New water system improvements and the impact of recent financing strategies will increase capital financing costs over the next several years.

The payment of the cost of such MWRA programs will be included in the MWRA's assessments to its Member Communities for the supply of water and sewer services. Because the Commission is approximately one-third of the MWRA's rate revenue requirement, it is expected that these programs will have a significant financial impact on the Commission, inevitably leading to increased water and sewer rates for our customers.

In developing future rate projections, the Commission must utilize the most current rate and future projections, which have been issued by the MWRA. The MWRA Assessment is based on an actual 4.1% increase for 2025, a projected average of 3.3% for 2026 to 2029. These anticipated rate increases are based on the MWRA fiscal year, which began on July 1, 2023.

The 2025 budgeted assessment of \$264.3 million is anticipated to escalate to \$301.6 million by the year 2029. This forecast amount represents approximately 54.5% of the total expenses of the Commission for that year. Consequently, the current rate increase to Boston's ratepayers for 2025 is 3.4%, with forecasted increases of 3.8% for 2026 & 2027, and 3.0% for 2028 & 2029.

## Budget Message

---

The Commission will aggressively pursue all available state relief funding, grant and low interest loans, and continue to control total expenses, in an effort to offset these rate increases. Based on the projected rate increases for 2026-2029, annual household charges for the typical Commission customer are forecast into an average dollar cost increase from \$1,318 in 2025 to \$1,505 in the year 2029.

The 2025 Current Expense Budget enables the Boston Water and Sewer Commission to fulfill its commitment to our ratepayers. That commitment is to operate the water, wastewater, stormwater systems in a modern and efficient manner; provide the highest quality and most cost effective water distribution and wastewater collection services; while improving the water quality in Boston Harbor, its beaches and tributary rivers.



Henry F. Vitale,  
Executive Director

**THIS PAGE INTENTIONALLY LEFT BLANK**

### **The Financial Planning Process**

The Commission's annual financial planning process adheres to established procedures in completing each vital planning phase in the implementation of the Commission's overall financial plan. The phases, described below in chronological order, are the Goal Setting Process, the Capital Improvement Program ("CIP") Budget Process, Direct Expense and CEB Development and the Rate Setting Process. Together, these phases outline the level of expenses for which the Commission must secure necessary financial resources, the revenue requirement to meet these expenses and the sources of the funds to implement these spending plans. The primary source for funding the current expenses for each fiscal year is customer water and sewer charges.

### **Program Based Budgeting**

In 1989 the Commission implemented the "Program Based Budgeting" methodology. Under this methodology each operating unit within the Commission identifies areas of concern on an annual basis and declares new goals and objectives, which outline the mission and the duties of each operating unit. Program goals and objectives when successfully completed result in reduced costs, increased operating efficiencies and elevated levels of service being provided to our customers.

### **The Goal Setting Process**

The Goal Setting Process commences in June each year. Division Chiefs and Department Managers submit preliminary goals and objectives to the Budget and Financial Planning Department staff ("Budget staff") for review. The goals are categorized as Monthly Management Report Goals, Goals included in the Commission-wide Report Status Update, Tactical Goals and Strategic Goals. Monthly Management Report Goals are those, which carry out the core duties and responsibilities of an operating unit within the Commission for delivery of basic water and sewer services. Goals included in the Commission-wide Report Status Update are reports submitted by staff for internal distribution or as required by law or permit to be completed and submitted to any external agency. Tactical Goals are one-time improvements and/or enhancements to a technical or service-oriented process. Strategic Goals outline the long-range plans and direction of each division and department in the Commission. In each case, the Division Chiefs and Department Managers must declare goals and objectives which meet at least one of the following criteria: cost control, revenue enhancement, service improvement or environmental protection. Each division and department must explain how the progress of the objective is to be measured - the measurement criteria. After review by Budget staff, proposed goals are forwarded to the Chief Financial Officer ("CFO") for review and comment. The final goals for the ensuing year are then reviewed and approved by the Executive Director.

### **The Capital Improvement Program Budget Development**

The Commission is required under its Enabling Act and the General Bond Resolution, adopted on December 6, 1984, and supplemental resolutions ("the Resolution") to annually publish a CIP for the succeeding three years. The ultimate goal of the CIP is to ensure the uninterrupted

## Plans, Policies and Procedures

---

delivery of high quality water and wastewater services while minimizing water loss and the pollution of Boston Harbor and its tributary waters. The CIP process, which also begins in June each year, outlines the improvements, which are necessary to maintain and enhance the infrastructure. The overall objectives of the CIP are to ensure the adequate delivery of high quality potable water for consumption and fire protection and the efficient and environmentally sound collection of wastewater for transport and delivery to a treatment facility or for approved discharge. The projects included in the CIP are divided into three categories: water distribution system projects, sewer system projects and support projects. Commission staff establishes a time line for the design and construction phases of each project along with projected cash flow requirements based on engineering information and a priority ranking system. As part of the CIP development process the Commission solicits input from private and public entities regarding planned capital projects and any potential impact on the Commission's systems and/or CIP. Project information is then submitted to Budget staff for review and compilation into the annual CIP. The proposed CIP is then forwarded to the CFO for review and comment, after which it is forwarded to the Executive Director for review and approval. In accordance with the Enabling Act the proposed CIP must be delivered to the Mayor of the City of Boston on or before November 1, annually. Prior to adoption of the CIP, the Enabling Act requires that the Commission hold a public hearing on its proposed CIP for the purpose of allowing interested parties the opportunity to review and comment. After the public hearing, the Commission maintains a fifteen-day open comment period for the public to present views or arguments on the proposed CIP. The Commission responds to these public comments and the final CIP is presented to the Board of Commissioners for adoption in December each year.

### **Direct Expense and Current Expense Budget Development**

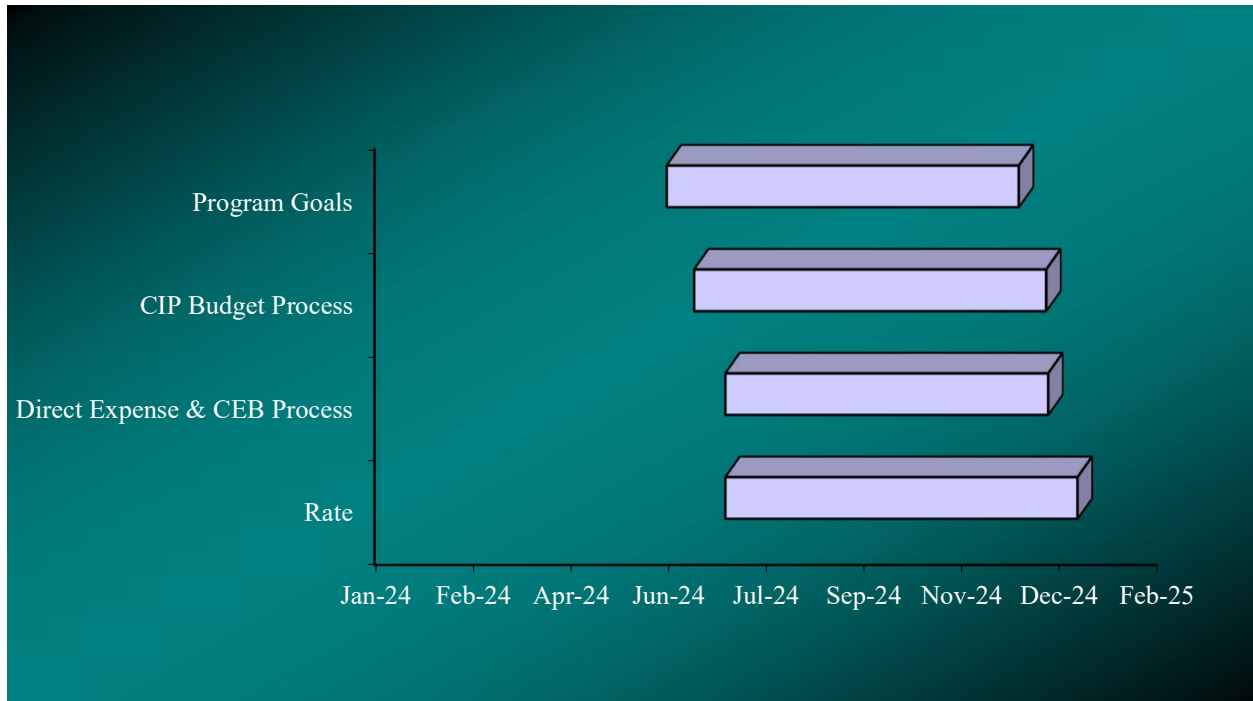
In July, the process for the Direct Expense Budget and CEB Development begins. Initially, Division Chiefs and Department Managers submit their requests for the funding necessary to fulfill the duties, responsibilities and new goals for the following fiscal year. Budget staff evaluates these requests in light of the current level of spending, historical spending patterns, availability of resources and the tactical and strategic goals declared by each department. Based on this analysis, the Budget staff determines a recommended level of funding. This recommendation is then submitted to the CFO for review and modification before finalizing the Direct Expense Budget at the Executive Director's Planning Meeting with Senior Management. The Commission then determines the total level of expenditures, which will be required to operate and maintain the systems, provide basic services and fulfill all financial obligations for the next fiscal year. Staff considers all financial obligations such as the wholesale costs of water and sewer services paid to the MWRA, the Direct Expenses as determined above, rate revenue funded costs of renewal and replacement of the water and sewer systems as included in the CIP, the Safe Drinking Water Act ("SDWA") Assessment, payment of State Revolving Loan Fund ("SRF") debt service, principal payments on MWRA loans, total debt service expense on outstanding general revenue bonds of the Commission and required deposits to various reserve funds which are stipulated by the Resolution ("Contractual Funding Obligations"). Once the level of these expenses is determined for the following year, the Commission must determine the level of revenue required to meet these expenses and to meet the debt service coverage test, which is covenanted in the Resolution.

### The Rate Setting Process

In accordance with legislative and policy mandates, using generally accepted rate setting practices of the utility industry, the Commission follows a specific annual process in developing and setting water, sewer and stormwater rates. The Commission's Rate Setting Methodology consolidates the following phases: Legislative/Policy Analysis; Water Demand Analysis; Financial Analysis; and the Water, Sewer and Stormwater Rate Calculation. Legislative/Policy Analysis must be performed annually to ensure that the Rate Setting Process is conducted in compliance with all generally accepted accounting principles, generally accepted rate making practices and that it adheres to all existing legal and policy directives mandated by the Enabling Act and the General Bond Resolution. The Water Demand Analysis evaluates factors that may have an impact on consumption levels. Analysis of changes in the composition of the Commission's customer base, the occurrence of extreme weather conditions, economic trends, water conservation efforts and the impact on consumption, if any rate change is performed. The third component of the Rate Setting Methodology is the Financial Analysis phase, which evaluates the past, present and projected financial position of the Commission. This analysis is used as an aid in determining a projection of revenues, adjustments to revenues and expenses for a given year. Completion of this analysis results in the total projected level of expenses for the ensuing year and the determination of the rate revenue requirement for that year. The final phase of this process is Water, Sewer and Stormwater Rate Calculation. The rate revenue requirement is allocated to water, sewer and stormwater costs to derive a water revenue requirement, a sewer revenue requirement and a stormwater revenue requirement. Rate increases, if required, are determined by dividing the water and sewer rate revenue requirement by the estimated revenue from current water and sewer rates. Stormwater rates are determined by dividing the total stormwater rate revenue requirement by the total number of ERUs and then divide by 12 months to determine the monthly rate per ERU. The estimated percent increases are then applied to current water, sewer and stormwater rates resulting in the calculation of new water, sewer and stormwater rates.

Another important factor in the annual Rate Setting Process is the projection of rate increases for the ensuing four-year period. In order to project the level of future rate increases, the Commission must estimate the level of expenditures required to operate and maintain the system, provide basic services and meet all legal and contractual obligations for the following four years. Utilizing the latest MWRA projections of future rate increases and estimating the level of Direct and Indirect Expenses, the Commission is able to project the combined water, sewer and stormwater rate increases for a given four-year period. Utilizing this methodology, the Commission currently projects combined water, sewer and stormwater rates will increase by the following percentages through 2028.

## Plans, Policies and Procedures



### 2024 BUDGET PROCESS SCHEDULE

*The above chart illustrates the process, which took place in 2024 in preparation for the 2025 fiscal year. At the beginning of June, the Program Goals and Objectives process was initiated, followed by the start of the CIP process in mid-June. During the first week of July, development of the direct and current expense budgets commenced, along with the development of the rates required to support all planned program spending.*

### Financial Policies

The Commission has established specific Financial Policies, which set the parameters within which decisions of a financial or budgetary nature are made. Many of the policies establish guidelines for operation in accordance with the requirements of the Enabling Act and the Resolution. Along with the broad-reaching policies described below, departmental level policies and procedures have been designed and instituted to ensure compliance with generally accepted accounting principles (“GAAP”) and applicable laws and statutes. Under the Enabling Act, the Commission is required to maintain its books and records in accordance with GAAP and to have an annual audit performed by an independent certified public accountant or firm of certified public accountants. The Commission has complied with this requirement and has received an unqualified opinion each year since inception.

The Commission follows the accounting standards set forth in Governmental Accounting Standards Board Statement No. 62, (“GASB 62”). Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB 62 allows certain (a) revenues provided for future allowable costs to be deferred until the costs are actually incurred (deferred credits) and (b) costs incurred to be capitalized if future recovery is reasonably assured (deferred charges). These changes allow a more meaningful presentation of the results of operations in that the financial statements prepared under GAAP more closely reflect the Commission’s rate setting policies.

#### **Policy for the Investment of Boston Water and Sewer Commission Funds**

This policy sets forth the principles, which the Commission shall follow in investing all of its cash assets, with the exception of the Pension Fund. Investment of Commission funds is governed by federal and state law and is restricted to Permitted Investments as defined by the Commission’s General Revenue Bond Resolution and Supplemental Resolutions. Revenues generated from the investment of Commission funds reduce the amount the Commission must charge its customers, while any investment losses would negatively affect the Commission’s general rates and charges. Consequently, the Commission shall at all times maintain a fully invested, diversified portfolio with the objective of achieving the highest yield that is attainable in conjunction with preservation of capital.

The basic criteria that will be used in making investment decisions include the evaluation of risk/reward tradeoffs, historical price spreads between different securities, the slope of the yield curve and the anticipated cash flows of the different investment accounts of the Commission. In addition, the prudent investor rule will be applied to all investment decisions.

#### **Commercial Banking Policy Statement**

This policy statement sets forth the principles governing the Commission’s commercial bank relationships. Commercial banks serve the Commission in two primary capacities. First, they provide a range of financial services including custody, trustee, check clearing, cash management and accounting. Second, commercial bank deposit accounts, including checking accounts, non-collateralized certificates of deposit and similar general obligations of the bank,

## **Plans, Policies and Procedures**

---

are forms of investment securities. Banking relationships will be evaluated from both perspectives. Bank service relationships will be evaluated based on the quality of service provided and the full cost of service relative to similar service offered by other institutions. Bank deposit accounts in excess of amounts insured by the Federal Depository Insurance Corporation (“FDIC”) will be analyzed relative to their compliance with the Resolution and their overall investment risk and return. Every attempt will be made to minimize the investment risks associated with bank deposit accounts by maintaining deposits below the level insured by the FDIC whenever possible or by requiring that bank deposits be fully-collateralized. Non-collateralized deposit accounts in excess of FDIC-insured levels will be placed to the fullest extent practicable with banks that have high credit ratings consistent with the general credit levels established by the Resolution for Permitted Investments.

### **Banking Policy**

This policy was adopted in 1991 when operating losses, downgrades and failures spread throughout the banking industry in New England, in order to ensure the safety of the Commission’s bank deposits. This policy was designed to further restrict the list of Permitted Investments as defined in the Commission’s Resolution. The Banking Policy dictates that any funds maintained with the Trustee or any other bank would have to be invested, collateralized or otherwise secured so as to provide the Commission with the security equivalent to at least an A rating. The Resolution requires that bank deposits in excess of FDIC limits can only be maintained in banks with combined capital and surplus of more than \$50 million. This policy imposes the stricter requirement that unsecured deposits in excess of FDIC limits be maintained only in banks with commercial paper ratings of A-1/P-1 or credit ratings of A or better.

### **Policy on the Funding and Utilization of Reserve Funds**

This policy sets forth the purposes of the contractual requirements and additional funding guidelines of the Commission’s reserve funds. At a minimum the Commission will maintain each reserve fund at the amount required by the Resolution adopted December 6, 1984 and Supplemental Resolutions. It is the intention of the Commission to augment, withdraw from, pledge or otherwise utilize its reserve funds in accordance with the Resolution and this policy in order to provide a high level of security to its bondholders and to potentially moderate future rate increases.

The Commission is self-supporting entity that provides water and sewer services to the City of Boston. The Commission has established a fund structure that ensures necessary funds are made available to meet its various responsibilities in the relative order of priority. The fund structure is prescribed in the General Resolution under which bonds are issued to fund its infrastructure needs.

The funds established under the General Resolution include the Project Fund, the Redemption Fund, the Revenue Fund, The Operating and Maintenance Fund, the Debt Service Funds, the Debt Service Reserve Funds, the Stabilization Fund, the Operating Reserve Fund, the

## **Plans, Policies and Procedures**

---

Insurance Reserve Fund, the Renewal Replacement Fund, and the General Fund (as well as some inactive Funds not presented here).

The funding structure requires all bond proceeds to be deposited in the Project Fund and thus, to be available for the purpose for which the bonds were issued.

The funding structure also requires revenues of the Commission to be deposited in the Revenue Fund and thereafter to be dispersed in the order stipulated in the General Resolution. The order ensures that funds are first available to meet operation and maintenance requirements of the Commission, and then to meet the debt service requirements of the Commission, and finally to maintain the reserves of the Commission. Thereafter, remaining revenues are deposited in the General Fund for use by the Commission as it sees fit.

### ***Operating Reserve Fund***

The basic purpose of the Operating Reserve Fund is to provide funds if at any time the amount on deposit in the Operating and Maintenance Fund is insufficient to pay operating expenses due, or if there are insufficient funds in the MWRA Assessment Fund to pay the MWRA charges. The Commission's Resolution requires that the Operating Reserve Fund be maintained in an amount that is equivalent to one-sixth of the Commission's operating and maintenance expenses, plus one-sixth of the MWRA water and wastewater charges assessed to the Commission.

### ***Insurance Reserve***

The purpose of the Insurance Reserve Fund is to provide funds for the payment of awards due to personal injury or property damage in excess of \$10,000 up to the amount reimbursable from available commercial insurance coverage. In accordance with the Resolution, the Commission maintains its Insurance Reserve Fund in an amount, which is determined and certified annually via an audit conducted by an insurance consultant or an engineer consultant.

### ***Renewal and Replacement Reserve***

The basic purpose of the Renewal and Replacement Reserve Fund is to provide additional funds for Renewal & Replacement projects if there are insufficient funds in the Renewal and Replacement Account to pay for these projects. The Commission's Resolution requires that the Renewal and Replacement Reserve Fund must be maintained at an amount equal to or above 25% of the current fiscal year's budgeted Renewal and Replacement expenditures.

### ***Stabilization Reserve***

The purpose of the Stabilization Reserve Fund is to provide additional security to bondholders and to moderate the impact on the Commission's ratepayers of any substantial increases in expenses or reductions in revenues. In particular, the Stabilization Reserve Fund can be utilized to offset any sharp increase in the Commission's variable rate interest obligations or large increases in wholesale water and sewer charges due from the Commission to the MWRA. The Stabilization Fund required balance, as defined in the Resolution, is 4% of the aggregate principal amount of any variable rate bonds outstanding. In the event additional variable rate

## Plans, Policies and Procedures

---

bonds containing provisions for interest rate changes on an annual or more frequent basis are issued by the Commission, the Stabilization Fund required balance shall include an additional amount equal to 4% of such bonds.

Under guidelines pertaining to reserve funds, adopted by the Commission in October 1990 and revised April 1994, additional deposits may be made to the Stabilization Fund from projected audited year end surpluses realized by the Commission, in amounts equal to 50% of any savings on budgeted relative to actual MWRA charges unless otherwise approved by the Commissioners.

In December of 2000, this policy was amended to read as follows: The amount on deposit in the Stabilization Fund shall equal the greater of the Stabilization Fund Requirement or 10% of the previous fiscal year's net billed charges. If, at the start of the fiscal year, the balance of the Stabilization Fund is projected to exceed such requirement, then the Commission, on the last business day of the current fiscal year, may transfer to the Revenue Fund an amount up to the greater of 20% of such excess or \$20 million, but in either case, an amount not to exceed \$20 million in any one fiscal year.

The Commission has established supplemental guidelines for reserve fund contributions and withdrawals. In addition to the reserve fund requirements specified in the Resolution, the Commission shall manage its reserves in order to:

1. Provide additional security to bondholders where feasible and cost effective.
2. Ensure that sufficient funds are available to pay all operating and capital costs; meet, and to the extent cost-effective, exceed the net revenue requirements of the Resolution.
3. Moderate rate increases.
4. Or otherwise reduce the cost of maintaining and operating the water and sewer systems.

As part of the annual budgeting and rate setting processes the Commission shall review the funding levels of its debt service, operating, renewal and replacement, stabilization and insurance reserve funds. Withdrawals from or additional contributions to these funds shall be proposed in accordance with the Resolution and the objectives listed above.

### **Policy for Departmental Program Plans and Budgets**

Through the 1990s the Commission has faced, and will continue to face, in the new millennium, increasing demands on its resources. At the same time the Commission must continue to improve and expand, where necessary, its services to maintain public support. In order to provide essential services and priorities, promote greater accountability and match scarce resources with critical program objectives, the Commission will annually undertake a program planning and budgeting process which defines departmental missions, sets objectives, establishes measurement criteria and projects promised levels of services which form the basis of the operating and capital budgets. The budgets, primarily the operating budget, thus reflect key performance objectives and allocate the resources needed to achieve these results.

### **Policy for the Development, Monitoring and Amendment of the Current Expense Budget**

The CEB of the Commission should provide for the Commission's essential services and current priorities promote greater accountability by division and match scarce resources with critical program objectives. The CEB is developed in conjunction with departmental program plans and performance objectives. It therefore serves as both a planning document and a management tool for monitoring financial and operational performance. The Commission will utilize the CEB development and monitoring process to minimize its total costs of operation, consistent with its responsibilities to operate reliable and efficient water and sewer systems, conserve water and protect the natural resources available to the City.

The CEB is intended to be a balanced budget. The Commission believes a balanced budget is one where all available resources equals or exceeds budgeted expenditures. Available resources must include the use of the prior year's surplus and may include a transfer from the Stabilization Fund with the intent of mitigating the impact of projected rate increases. With each budget, the Commission expects at the end of that fiscal year to produce a small revenue surplus, typically less than \$1,000,000, which would be carried forward as available funds for next fiscal year.

### **Policy for the Development, Monitoring and Amendment of the Capital Improvement Program**

The Commission's CIP is a comprehensive plan for the enhancement of the basic infrastructure and support facilities necessary to provide water distribution, wastewater collection and storm drainage services throughout the City. The primary goals of the CIP are to protect public health and the environment, improve the reliability of water, wastewater and storm drainage systems and minimize the long-term costs of operating these systems.

As part of the Commission's annual budgeting and rate-setting process, departments shall prepare capital project requests and submit them to the Finance Division for review and analysis. The Finance Division will estimate the financial feasibility of the proposed projects and will develop a draft CIP based on prioritized criteria. These criteria are intended to present a framework for project selection and elimination, are not all-inclusive and are subject to modification as part of the annual capital budget process.

### **Policy for the Establishment of Water, Sewer and Stormwater Rates, Fees and Other Charges**

The Commission shall set its rates and charges in accordance with generally accepted accounting principles, generally accepted rate-setting practices of the utility industry and applicable federal and state law. The Commission has established the following rate-setting objectives in addition to the above requirements:

## **Plans, Policies and Procedures**

---

1. To establish fees, rates and charges on just and equitable standards such that all consumers pay their fair share of the costs of these services.
2. To minimize the financial burden on its customers, consistent with the Commission's statutory responsibilities to operate the water and sewer systems in an efficient and financially self-sustaining manner.
3. To ensure that cash receipts and net revenues are at least sufficient to meet the fund transfers, debt service coverage ratios and reserve provisions required by the Commission's Resolution and the CEB.
4. To design its rates in order to promote the conservation, protection and improvement of increasingly scarce water sources.
5. To establish fees, rates and charges that will protect and preserve, to the extent possible, the natural resources available to the people of the City.

### **Other Commission Policies**

In addition to the Financial Policies detailed above the Commission has established other Commission-wide policies and procedures. The purpose of the following policies and procedures is to set forth guidelines and principles, which the Commission shall follow.

1. Continue to comply with applicable laws and policies in obtaining needed professional services to ensure fair and full public competition in the solicitation and award of contracts.
2. Provide a safe and healthy work environment through in-house safety programs such as defensive driving, back injury prevention, confined space entry, right-to-know law, cardiopulmonary resuscitation and first aid and cultural diversity sensitivity training.
3. Maintain a 25% minority employment rate on all construction contracts employing a crew of four or more.
4. Maintain a 50% Boston resident employment rate on all construction contracts employing a crew of six or more.
5. Encourage all employees to enhance their knowledge and skills through education, to maintain and improve their capabilities in their position and to foster employee commitment. The Commission offers a Tuition Assistance Program and will also reimburse an employee for authorized attendance and travel related expenses at conferences, seminars and other training, educational or professional meetings.
6. Provide an Employee Assistance Program, which will help employees, and all members of their household, cope with various professional, personal or family problems.
7. Continue to comply with applicable laws, safety and health articles by promoting a safe and healthy work environment by reducing the health risk associated with the exposure

## Plans, Policies and Procedures

---

to burning tobacco smoke. The Commission has adopted a Clean Air Policy to inform all employees that smoking in non-designated smoking areas will not be tolerated.

8. Continue to disseminate current employment information to various minority agencies and local newspapers, to allow all residents of the City of Boston the equal opportunity to apply for employment with the Commission. City of Boston residency is required for all employees hired after January 1, 1991.
9. Maintain a Drug-Free Workplace policy, which prohibits the use of alcohol and/or drugs by employees during their work shift.
10. Encourage and provide the greatest possible participation of Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) in the awarding of all contracts including contracts for supplies and equipment, services, design selection and consultants.
11. To ensure Commission employees the ability to provide efficient, high quality water and sewer services, so they will be entrusted with the public's confidence.
12. The Commission has adopted a Code of Conduct, which addresses conflict of interest, appropriate conduct, attitude and demeanor, as well as providing for a discrimination free and sexual harassment free work place.
13. To provide for the safety of Commission employees in emergency situations, with a comprehensive emergency evacuation plan that has been designed to execute the timely and orderly evacuation from Commission facilities in the event of an emergency.

### **Current Expense and Capital Improvement Plan Budget Process**

The Commission has developed an integrated financial plan which encompasses all of its current expenses and capital improvement needs, provides for the efficient and financially self-sustaining operation of the water and sewer systems and allocates costs to all consumers in a just and equitable manner.

### **Current Expense Budget Process**

The CEB provides for the Commission's essential services and current priorities, promotes greater accountability by departments and matches scarce resources with critical program objectives. The CEB is developed in conjunction with departmental program plans and performance objectives. The Commission's CEB is developed utilizing the full accrual method in which revenues are recognized when earned and expenses recognized when incurred, as opposed to when cash is received or spent.

The Commission's Enabling Act requires that the Commission recover its full costs of operation through fees, rates, rents, assessments and special charges. The CEB defines the operational activities and other costs that must be funded from these revenue sources during the fiscal year. The budget includes the costs of operations, maintenance and repair programs,

## Plans, Policies and Procedures

---

MWRA charges for water supply and wastewater treatment, the SDWA assessment, R & R projects funded from current revenues, insurance, debt service and additions to reserves.

The CEB is based on program priorities and objectives developed by each department. The budget process has two distinct, but interrelated aspects. The Finance Division works with each department of the Commission to develop a mission statement, a list of divisional programs and a set of specific measurable objectives for the upcoming year.

Based on the stated program performance objectives, Department Managers prepare and submit their budget requests to the Finance Division. Subsequently, the Finance Division compiles and analyzes the budget requests and allocates recommended resources according to the program priorities of each cost center. The proposed CEB is reviewed with Division Chiefs before submission to the Executive Director and the Commissioners for their final approval.

### ***Budget Allocations***

The Finance Division allocates the approved budget, by month, object code and department. Monthly allocations for MWRA Assessments, debt service and additions to reserves are determined by the Finance Division in accordance with the approved budget and the Commission's bond resolution. They also develop forecasts of monthly-billed water and sewer charges and revenue adjustments, as well as special charges and investment income. The monthly distribution serves as the basis for planned revenues, expenditures and accruals for each of the twelve months of the year, which will be compared to actual revenues, and expenses as reported in the Commission's monthly variance reports. The Finance Division produces the Budget Variance Reports and distributes to all cost center managers.

### ***Budget Variance Monitoring and Analysis***

At the close of a monthly accounting period the budget staff of the Finance Division prepares the monthly Budget Variance Reports. These reports set forth a comparison of planned expenses by object code and department for the month and year to date. Budget staff then distributes the Budget Variance Report to each Division Chief and Department Manager.

- (A) *Variance Analyses:* Division Chiefs are responsible for monitoring variance reports and for explaining variances between planned and actual expenditures and accruals by department when those variances exceed either plus or minus 10% and \$5,000. Budget staff then prepares a Budget Variance Analysis Report by department and by subsidiary account based on the written explanations given by the Division Chiefs. The Budget Variance Analysis Report is distributed to senior management, the Executive Director and the Commissioners on a monthly basis.
- (B) *Budget Reallocation and Amendments:* The Commission's CEB sets forth planned expenditures in certain categories for various areas of responsibility of the Commission and for the Commission as a whole. In addition, Divisions allocate planned expenditures by month for all departments and object codes. Changes during the year in BWSC priorities or in conditions upon which expenditure plans are predicated may

## Plans, Policies and Procedures

---

require the reallocation of resources. This section delineates the authority and procedures for making reallocations of approved expenditures. It is intended to provide flexibility and discretion to Commission management and to respond to actual circumstances as they arise.

Reallocations of the expenditure plan may occur at the end of the first, second or third fiscal quarters, as part of the Budget Variance Analysis process. All budget reallocations are documented on CEB Reallocation forms. Budget staff will consolidate these requests and prepare a forecast of the year-end expenditures by division and by subsidiary account. The quarterly year-end forecast will accompany the Budget Variance Analysis Report for distribution.

Division Chiefs may make any reallocations within their Department's budget provided that the reallocation does not change a division object code budget by either the greater of more than plus or minus \$10,000 or 5%. The Executive Director has full authority to approve budget reallocations, over the amount and percentage stated above.

The Executive Director or a Division Chief may initiate proposed budget reallocations using the CEB Budget Reallocation form. All reallocations within the authority of a Division Chief must be filed with budget staff before they are deemed to be in effect. All reallocations, which require approval by the Executive Director, must be submitted to budget staff for analysis and recommendation before approval.

Budget Staff is responsible for notifying Division Chiefs and the Accounting Department of any approved or disallowed budget reallocations. The Finance Division will also prepare a quarterly report for the Commissioners detailing all approved budget reallocations.

- (C) *Budget Amendment:* An amendment to a Commission CEB shall be defined as follows:
- a. Any increase in total Commission current expenses; or
  - b. An increase of 5% or more in total expenses for any division of the Commission; or
  - c. An addition or deletion of a specific new program or initiative, the cost of which is greater than 1% of total current expenses, less the MWRA assessment for that fiscal year.

The Executive Director must submit all proposed budget amendments to the Commissioners for their approval prior to the amendment going into effect.

### **Capital Improvement Program Process**

The Commission's CIP is a comprehensive plan for the enhancement of the basic infrastructure and support facilities necessary to provide water distribution, wastewater collection and storm

## Plans, Policies and Procedures

---

drainage services throughout the City of Boston. The primary goals of the CIP are to protect public health and the environment, improve the reliability of water, wastewater and storm drainage systems and minimize the long-term costs of operating these systems.

The Commission is required by the Enabling Act and the Resolution to annually update a CIP for the three succeeding fiscal years. The proposed CIP must be submitted to the Mayor of the City of Boston on or by November 1st. In addition, the Commission must hold a public hearing relating to the proposed CIP, prior to adoption of the CIP by the Board of Commissioners. Three types of capital projects are considered for inclusion in the annual CIP:

1. Projects involving expansion and improvement to the water distribution and wastewater collection systems including studies, planning, etc.
2. Projects involving the renewal and rehabilitation of the existing system (in-kind replacement).
3. Improvements to other facilities and equipment owned or leased by the BWSC.

Capital expenditures are considered for inclusion in the CIP if the estimated cost of the resulting tangible asset is \$10,000 or more and have a useful life of five years or more. In addition, projects involving improvements to the water distribution system or wastewater collection system are required to have a minimum useful life of ten years. Facility improvements should have a minimum useful life of seven years and equipment five years. For non-tangible assets (studies, improvement plans, etc.) the cost must be \$50,000 or more and have an expected benefit period of five years or more. Normal maintenance costs, emergency repair costs and recurring annual expenditures for system maintenance are generally not capitalized.

### Development of the Capital Improvement Program

As part of the Commission's annual budgeting and rate-setting process, departments will prepare capital project requests and submit them to the Finance Division for review and analysis. The Finance Division will estimate the financial feasibility of the proposed projects and will develop a draft CIP based upon the following criteria:

**Priority One:** This priority should be assigned to the most critical projects. Projects that are included in this category must meet urgent Commission needs as defined by the following criteria:

- i. The project is required by a statutory or regulatory requirement, court order or consent decree; or
- ii. The project is necessary to correct an immediate threat to public health and safety; or
- iii. The project is necessary to correct an immediate threat to worker health and safety; or

## Plans, Policies and Procedures

---

- iv. The project is necessary to prevent imminent failure of the water or wastewater systems.

**Priority Two:** This category includes projects that are essential to maintain current service levels, which protect the environment, or that directly reduce costs and/or increase revenues. Projects that are included in this category must meet one or more of the following criteria:

- i. The project is necessary for environmental protection; or
- ii. The project is part of the Wastewater Facilities Plan, Water Distribution Plan, Water Conservation Plan, or other, similar Commission endorsed improvement plan; or
- iii. The project corrects a chronic water discoloration problem; or
- iv. The project directly results in a net decrease in Commission operating and/or capital costs.

**Priority Three:** The projects in this category are necessary to provide improved service that meets the following criteria:

- i. The project will insure proper long-term operation of the distribution and collection systems.

These criteria are intended to present a framework for project selection and elimination. They are not all-inclusive and are subject to modification as part of the annual capital budget process. Any modification of the priority framework, however, will be reviewed with the Commissioners.

### **Capital Project Funding**

Capital projects are funded through several mechanisms: Commission general revenue bonds, current year rate revenues, traditional grant reimbursements, subsidized loans through the SRF, and funding programs provided by the MWRA. In general, BWSC bond proceeds are used to fund projects that expand or improve the water distribution and wastewater collection system. Current rate revenues are used to fund projects resulting in renewal and rehabilitation of the existing system. Intergovernmental grants and loans and MWRA funding are generally available for projects, which provide specific benefits. Grant and loan funding has been and will continue to be aggressively sought.

Capitalized costs paid for through contributed capital (grant funds) are not charged to system users through rates. Yearly debt service on outstanding BWSC revenue bonds is included in the annual calculation of rates. The Commission amortizes costs over a period not to exceed that of the estimated useful life of the obtained asset. In the case of non-tangible assets, costs are amortized over a period not longer than ten years. The Commission may elect to amortize capital costs over a shorter period than that indicated on original depreciation schedules.

## **Plans, Policies and Procedures**

---

### ***Capital Budget Amendments***

All amendments to the current CIP require the approval of the Commissioners. Amendments are defined as the following:

1. Any deletion, in total, of a capital project or program specifically budgeted in the current CIP or any addition of a previously un-budgeted capital project to the current CIP; or
2. Any increase in the budget for a particular project currently contained in the CIP where the increase has a dollar value greater than 10% of the current year budget for that project; or
3. Any increase in the total three-year budget of the current CIP.

In addition to the CIP amendments, as defined above, Commission approval will be required on all change orders which increase contract bid amounts as described in the Commission's Change Order Policy. Any other changes to the CIP are deemed as reallocations.

### ***Capital Budget Reallocations***

Reallocations are changes to the current CIP, which do not require the approval of the Commission. Reallocations are defined as any change in the budget for a particular project or program, not specified as Capital Budget Amendments.

Reallocations will be governed by the following procedure. The department managing the project will notify the Finance Division, in writing, of the proposed reallocation. The notification will include the following:

1. A description of the proposed project change.
2. An explanation of why the change is necessary.
3. An indication of the monetary impact the change will have on the capital budget.
4. An indication of the impact on the project schedule.

The notification must take place as soon as the managing department is aware that a project revision is necessary. The Finance Division will review the proposed project change for its impact on cash flow and will respond with relevant recommendations within five working days. Approval of the Executive Director is required for all reallocations. A quarterly report must be submitted to the Commissioners detailing all capital budget reallocations.

### ***Capital Program Monitoring and Reporting***

As part of the development of the CIP, Division Chiefs will develop schedules and quarterly expenditure forecasts for all capital projects. On a monthly basis actual schedule data for all capital projects are compared with the original project schedules. Capital Budget Variance Reports are produced utilizing data for actual project expenditures. These reports include an

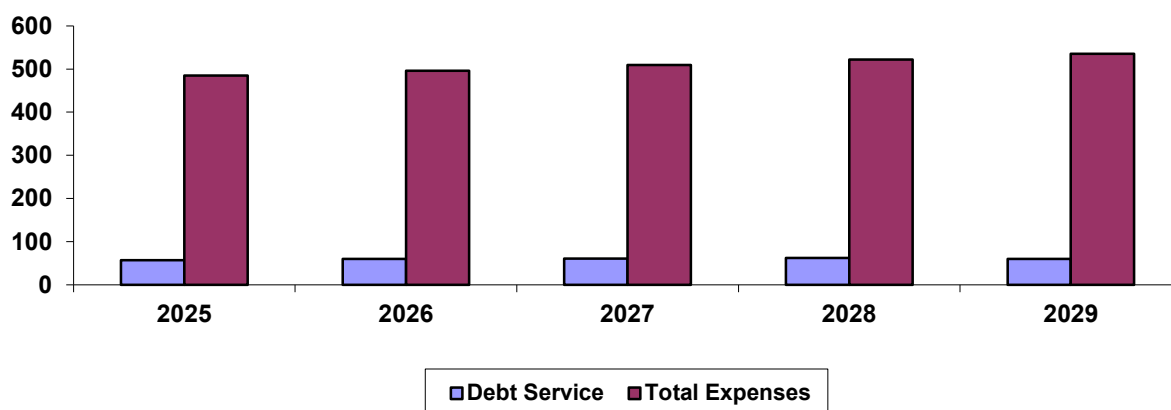
## Plans, Policies and Procedures

analysis of all project expenditure and schedule variances. The Commissioners receive a summary of all capital program-monitoring reports.

### Debt Plan

The Commission is empowered by the Enabling Act and the Resolution to issue bonds and notes payable solely constituted on the general obligation of the Commission. The Commission has no legal restrictions concerning the amount of debt, which it may have outstanding, subject to the coverage requirements described below.

The Commission issues General Revenue Bonds to finance portions of its CIP. The Commission's 2025-2027 CIP, which totals \$403.1 million, anticipates that projects totaling \$127.4 million or 31.6% will be funded from bond proceeds. The 2025 budget for debt service is \$57.1 million, or approximately 11.8% of the overall expenses. For the average single-family household paying \$1,318 for water, sewer and stormwater services, approximately \$155 of these charges is related to debt service.



Five-year projections of debt service cost per household and five-year projections of debt service vs. total expenses are illustrated.

Year	Average Annual Cost-Single Family Home	Debt Service Cost
2025	\$1,318	\$155
2026	\$1,367	\$164
2027	\$1,418	\$168
2028	\$1,461	\$175
2029	\$1,505	\$168

## Plans, Policies and Procedures

---

The Commission currently has eleven series of General Revenue Bonds outstanding at the end of 2024:

<b>\$56.0</b>	<b>Million</b>	<b>2014 Series A</b>
<b>\$46.5</b>	<b>Million</b>	<b>2015 Series A</b>
<b>\$40.6</b>	<b>Million</b>	<b>2016 Series A</b>
<b>\$47.6</b>	<b>Million</b>	<b>2016 Series B</b>
<b>\$65.9</b>	<b>Million</b>	<b>2018 Series A</b>
<b>\$143.9</b>	<b>Million</b>	<b>2021 Series A</b>
<b>\$39.7</b>	<b>Million</b>	<b>2021 Series B</b>
<b>\$81.3</b>	<b>Million</b>	<b>2024 Series A</b>

The current debt plan projects that the Commission will issue new debt in 2025.

The Commission implemented a Commercial Paper Program in December of 2006 with an initial draw of \$25.0 million. The Commercial Paper Program was implemented to:

1. Provide very efficient and cost-effective access to the capital markets as needed.
2. Fund the bond-funded portion of the capital improvements implemented by the Commission prior to issuing permanent debt.
3. Act as a portion of the variable rate debt the Commission will have outstanding.
4. Ensure the timely expenditure of tax-exempt note proceeds in accordance with the Internal Revenue code.
5. Provide some relief to the upward pressure on rates by deferring a principal payment on the bonds to be issued (to retire the commercial paper) for one year.

### **Debt Service Coverage Requirements**

The Commission's bond covenant requires that rates and charges be at least sufficient to provide revenues (i) to pay all current expenses of the Commission, (ii) to pay the principal of, premium if any, and interest on all bonds issued by the Commission as they become due and payable, (iii) to create and maintain such reasonable reserves as may be reasonably required by any trust agreement or resolution securing bonds, (iv) to provide funds for paying the cost of all necessary repairs, replacements and renewal of the systems and (v) to pay or provide for any and all amounts which the Commission may be obligated to pay or provide for by law or contract. The Commission is also required to establish and maintain rates and charges at levels sufficient so that total net revenues in each year during which bonds are outstanding will equal at least 125% of (1) the bond debt service requirement during such year less (2) the amount, if any, of bond proceeds available to pay interest becoming due in such year on bonds outstanding as of the first day of such year. The Commission has exceeded the 125% debt service coverage requirement of the Resolution in each year since its inception in 1977.

## Plans, Policies and Procedures

---

The table below presents the projected 2025-2029 debt service coverage.

### Debt Service Coverage Calculation (000)

	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Cash Receipts	\$484,672	\$495,657	\$509,284	\$521,964	\$535,073
Operating Transfers	(381,461)	(392,852)	(404,831)	(416,849)	(428,059)
Net Revenues	103,211	102,805	104,453	105,115	107,014
Senior Debt Service	49,819	51,695	50,896	52,429	51,425
Total Debt Service	49,819	51,695	50,896	52,429	51,425
Debt Service Coverage Ratio	207%	199%	205%	200%	208%

Pursuant to the Resolution, these amounts do not include principal or interest, which are expected to be paid from amounts in available escrow funds. These amounts also exclude debt service on SRF loans and loans from the MWRA.

### Five-Year Debt Service Requirements

Total Debt Service (000)	
2025	\$57,095
2026	\$59,489
2027	\$60,213
2028	\$62,398
2029	\$59,872

### Additional Bonds and Refunding Bonds

The Resolution permits the issuance of additional bonds for paying the cost of any project, making deposits in various funds established under the Resolution, paying Costs of Issuance, paying the principal, premium and interest on any notes issued in anticipation of additional bonds, or any combination of the above.

Additional bonds may only be issued by the Commission upon receipt by the Trustee of:

1. A certificate of the Commission setting forth the amount of net revenues (as defined in the Resolution) for the last full fiscal year prior to the year in which bonds are to be issued, showing that the net revenues were equal to at least 125% of the bond debt service requirement and the amount, if any, of bond proceeds available to pay principal and interest coming due in such fiscal year on bonds outstanding as of the first day of the fiscal year.
2. A certificate of a consulting engineer setting forth the estimated annual net revenues for each of the five full fiscal years following the issuance of additional bonds, showing that in each of those fiscal years the estimated net revenues, together with reserved revenues, will be at least equal to 125% of the aggregate of the Senior Debt Service Reserve Fund Requirement and the Subordinated Debt Service Fund Requirement calculated as of the first day the fiscal year, less the amount, if any, of bond proceeds available or projected to be available to pay principal and interest coming due that fiscal year on bonds outstanding or projected to be outstanding as of the first day of the fiscal year.

Refunding bonds may also be issued by the Commission only upon certifying that the aggregate debt service in each fiscal year in which Refunding Bonds are outstanding will not be increased as a result of the issuance of the Refunding Bonds; provided that, in lieu of such certification, the Commission may deliver to the Trustee certificates satisfying the conditions described above for the issuance of additional bonds.

## Plans, Policies and Procedures

Initial Par Issue		\$100,000,000				
		General Revenue Bonds				
		(Senior Series)				
		2014 Series A				
Dated		7/22/2014				
Principle Due		November 1				
<u>Year</u>	<u>Amount</u>		<u>Rate</u>			
2025	1,000,000		5.000%			
2026	5,000,000		4.000%			
2027	5,000,000		4.000%			
2028						
2029	5,000,000		3.500%			
2030						
2031						
2032						
2033						
2034						
2035						
2036	5,000,000		3.500%			
2037						
2038	5,000,000		3.500%			
2039	5,000,000		3.500%			
2040	5,000,000		3.500%			
2041	5,000,000		3.500%			
2042	5,000,000		3.625%			
2043	5,000,000		3.625%			
2044	5,000,000		3.625%			
Total Issue Outstanding		\$56,000,000				
Call Provisions	Bonds maturing after November 1, 2024 are subject to redemption at the option of the Commission, on or after November 1, 2024, as a whole or in part, at any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.					
Ratings (Moody's/S&P/Fitch)	Aa1/AA+/AA+					



## Plans, Policies and Procedures

Initial Par Issue	\$84,960,000			\$78,400,000		
	General Revenue Bonds			General Revenue Bonds		
	(Senior Series)			(Senior Series)		
	2016 Series B			2018 Series A		
Dated	8/17/2016			5/14/2018		
Principle Due	November 1			November 1		
Year	Amount		Rate	Amount		Rate
2025				500,000		5.000%
2026				1,500,000		5.000%
2027				1,500,000		4.000%
2028				1,600,000		4.000%
2029				1,800,000		3.000%
2030				3,000,000		3.000%
2031				3,000,000		3.000%
2032				3,000,000		3.000%
2033				3,000,000		3.000%
2034				3,000,000		3.125%
2035						
2036						
2037	4,765,000		3.000%			
2038	4,765,000		3.000%	4,000,000		3.250%
2039	4,765,000		3.000%	4,000,000		4.000%
2040	4,765,000		3.000%	4,000,000		4.000%
2041*	4,765,000	\$23,825,000	3.000%	4,000,000		4.000%
2042	4,765,000		3.000%	4,000,000		3.500%
2043	4,765,000		3.000%	4,000,000		3.500%
2044	4,760,000		3.000%	4,000,000		4.000%
2045	4,760,000		3.000%	4,000,000		4.000%
2046*	4,760,000	\$23,810,000	3.000%	4,000,000		3.500%
2047				4,000,000		3.500%
2048				4,000,000		3.500%
Total Issue Outstanding	\$47,635,000			\$65,900,000		
Call Provisions	Bonds maturing after November 1, 2026 are subject to redemption at the option of the Commission, on or after November 1, 2026, as a whole or in part, any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.			Bonds maturing after November 1, 2025 are subject to redemption at the option of the Commission, on or after November 1, 2026, as a whole or in part, any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.		
Sinking Fd Remption	Bonds maturing November 1, 2041 & November 1, 2046 are subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date on November 1 of each of the years.					
*Stated Maturity						
Ratings						
(Moody's/S&P)	Aa1/AA+			Aa1/AA+		

## Plans, Policies and Procedures

Initial Par Issue		\$157,710,000		\$40,630,000	
		General Revenue Bonds (Senior Series) 2021 Series A		General Revenue Bonds (Senior Series) 2021 Series B	
Dated		7/7/2021		7/7/2021	
<u>Principle Due</u>		November 1		November 1	
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Rate</u>
2025	8,865,000	0.965%			
2026	5,630,000	1.065%	485,000		5.000%
2027	5,640,000	1.374%	765,000		5.000%
2028	10,665,000	1.474%	805,000		5.000%
2029	6,575,000	1.629%	2,255,000		5.000%
2030	11,585,000	1.729%	955,000		5.000%
2031	11,505,000	1.829%	1,005,000		5.000%
2032	14,205,000	1.929%	1,820,000		5.000%
2033	14,065,000	2.029%	1,830,000		5.000%
2034	13,930,000	2.129%	1,840,000		5.000%
2035	16,800,000	2.229%	1,855,000		5.000%
2036	11,625,000	2.329%	2,480,000		5.000%
2037	12,775,000	2.379%	970,000		5.000%
2038			1,755,000		5.000%
2039			1,765,000		4.000%
2040			1,760,000		4.000%
2041*			1,755,000		4.000%
2042			1,750,000		2.421%
2043			1,700,000		2.426%
2044			1,660,000		2.431%
2045			1,625,000		2.435%
2046*			1,595,000		2.438%
2047			1,560,000		2.250%
2048			1,495,000		2.250%
2049			1,455,000		2.250%
2050			1,415,000		2.250%
2051			1,375,000		2.250%
<b>Total Issue Outstanding</b>			<b>\$143,865,000</b>		<b>\$39,730,000</b>
<b>Call Provisions</b>	<b>Bonds maturing after November 1, 2026 are subject to redemption at the option of the Commission, on or after November 1, 2026, as a whole or in part, any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.</b>			<b>Bonds maturing after November 1, 2025 are subject to redemption at the option of the Commission, on or after November 1, 2026, as a whole or in part, any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.</b>	
<b>Ratings (Moody's/S&amp;P)</b>	<b>Aa1/AAA</b>			<b>Aa1/AAA</b>	

## Plans, Policies and Procedures

Initial Par Issue		\$82,110,000			
		General Revenue Bonds			
		(Senior Series)			
		2024 Series A			
Dated		3/26/2024			
Principle Due		November 1			
<u>Year</u>	<u>Amount</u>		<u>Rate</u>		
2025	1,000,000		5.000%		
2026	2,150,000		5.000%		
2027	2,125,000		5.000%		
2028	2,250,000		5.000%		
2029	3,650,000		5.000%		
2030	3,650,000		5.000%		
2031	3,650,000		5.000%		
2032	3,650,000		5.000%		
2033	3,500,000		4.000%		
2034	3,500,000		4.000%		
2035	3,500,000		4.000%		
2036	3,500,000		4.000%		
2037	3,300,000		4.000%		
2038	3,300,000		4.000%		
2039	3,300,000		4.000%		
2040	2,900,000		4.000%		
2041	2,900,000		4.000%		
2042	2,900,000		4.000%		
2043	2,900,000		4.000%		
2044	2,900,000		4.000%		
2045	2,900,000		4.000%		
2046	2,900,000		4.000%		
2047	2,875,000		4.000%		
2048	2,375,000		4.000%		
2049	2,100,000		4.000%		
2050	1,925,000		4.000%		
2051	1,600,000		4.000%		
2052	1,370,000		4.000%		
2053	1,370,000		4.000%		
2054	1,370,000		4.000%		
Total Issue Outstanding		\$81,310,000			
Call Provisions	Bonds maturing after November 1, 2032 are subject to redemption at the option of the Commission, on or after November 1, 20232, as a whole or in part, at any time, from maturities selected by the Commission at a redemption price equal to 100% of the principle amount to be redeemed, plus accrued interest to the date of redemption.				
Ratings (Moody's/S&P)		Aa1/AAA			

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **2024 Revenues and Expenses**

---

### ***BUDGET OVERVIEW***

The 2024 year-end financial position for the Boston Water and Sewer Commission (“the Commission”) resulted in an unaudited surplus of \$2.7 million. Total Revenues equaled \$480.1 million. Expenses totaled \$477.4 million, resulting in the \$2.7 million surplus for FY24. The year-end financial position was mainly a result of a result of more than anticipated Total Revenues and savings realized for Direct Operating Expenses.

### ***REVENUES***

Total Revenues for FY24 were more than originally anticipated. The total revenues equaled \$480.1 million; the budgeted amount was \$456.9 million resulting in \$23.2 million, or 5.1% more than anticipated.

Water, Sewer and Stormwater Revenues (excluding adjustments) represented 94.6% of revenues and equaled \$454.1 million, which was \$22.7 million, or 5.3% more than the budgeted amount of \$431.4 million. Water revenues totaled \$193.3 million; the budget amount equaled \$186.2 million and resulted in \$7.1 million or 3.8% more than budget. Sewer revenues totaled \$258.1 million; the budgeted amount equaled \$245.6 million resulting in \$12.6 million, or 5.1% more than anticipated. Stormwater revenues totaled \$20.3 million; the budget amount equaled \$18.0 million and resulted in \$2.3 million or 12.5% more than budget.

Miscellaneous Revenues totaled \$24.9 million. This amount realized in 2024 was \$0.2 million, or 0.8% more than the budget amount of \$24.7 million. Late Charges equaled \$2.5 million for the year and was \$0.2 million or 10.1% more than the budgeted amount. Investment Income totaled \$9.8 million and was \$0.5 million or 5.1% more than the budgeted amount of \$9.4 million. Fire Pipe Income totaled \$5.5 million and was \$40,150 or 0.7% less than the budgeted amount. The amount realized for Miscellaneous Other Income totaled \$7.0 million, and was \$0.5 million, or 6.1% less than the budgeted amount of \$7.5 million.

### ***EXPENSES***

Direct Operating Expenses for FY24 were less than originally anticipated. Direct Operating Expenses in 2024 totaled \$107.6 million, which were above the budgeted amount of \$105.4 million by \$2.1 million or 2.0%. Indirect Expenses for FY24 were more than originally anticipated. Indirect Expenses totaled \$369.9 million. The budget for the year equaled \$351.5 million resulting in an unfavorable variance of \$18.4 million or 5.2%. The unfavorable variance for Indirect Expenses was due to more than anticipated expenses for MWRA Assessment, Capital Improvement, Debt Service, Contractual Funding Obligations and SDWA Assessment. The following page illustrates the 2024 budget versus unaudited revenues and expenses.

## 2024 Revenues and Expenses

	2024		VARIANCE	
	UNAUDITED	BUDGET	\$	%
Water Revenues	\$ 193,317,965	\$ 186,230,479	\$ 7,087,486	3.8%
Sewer Revenues	\$ 258,140,423	\$ 245,591,916	\$ 12,548,507	5.1%
Stormwater Revenues	\$ 20,309,598	\$ 18,037,057	\$ 2,272,541	12.6%
Total	\$ 471,767,986	\$ 449,859,452	\$ 21,908,534	4.9%
Less:				
Adjustments	\$ (13,831,508)	\$ (13,495,784)	\$ (335,724)	2.5%
Discounts	\$ (3,600,159)	\$ (4,498,595)	\$ 898,436	-20.0%
Bad Debt	\$ (188,062)	\$ (449,859)	\$ 261,797	-58.2%
Subtotal	\$ (17,619,729)	\$ (18,444,238)	\$ 824,509	-4.5%
Net Billed Charges	\$ 454,148,257	\$ 431,415,214	\$ 22,733,043	5.3%
Prior Year Surplus	\$ 1,065,859	\$ 809,273	\$ 256,586	31.7%
Miscellaneous Revenues				
Late Charges	\$ 2,477,171	\$ 2,249,297	\$ 227,874	10.1%
Fire Pipe	\$ 5,546,764	\$ 5,586,914	\$ (40,150)	-0.7%
Investment Income	\$ 9,846,680	\$ 9,372,175	\$ 474,505	5.1%
Other Income	\$ 7,044,170	\$ 7,498,590	\$ (454,420)	-6.1%
Subtotal	\$ 24,914,786	\$ 24,706,977	\$ 207,809	0.8%
<b>TOTAL REVENUES</b>	<b>\$ 480,128,902</b>	<b>\$ 456,931,464</b>	<b>\$ 23,197,438</b>	<b>5.1%</b>
Direct Expenses				
Wages and Salaries	\$ 66,048,980	\$ 59,515,704	\$ (6,533,276)	-11.0%
Overtime	\$ 3,032,209	\$ 2,047,868	\$ (984,341)	-48.1%
Fringe Benefits	\$ 8,395,125	\$ 10,529,781	\$ 2,134,656	20.3%
Supplies and Materials	\$ 3,154,819	\$ 3,670,003	\$ 515,184	14.0%
Repair and Maintenance	\$ 12,416,703	\$ 15,536,645	\$ 3,119,942	20.1%
Utilities	\$ 1,768,164	\$ 2,322,240	\$ 554,076	23.9%
Professional Services	\$ 6,067,634	\$ 6,995,421	\$ 927,787	13.3%
Space & Equipment Rentals	\$ 210,164	\$ 225,550	\$ 15,386	6.8%
Other Services	\$ 1,940,362	\$ 2,850,139	\$ 909,777	31.9%
Insurance	\$ 1,326,346	\$ 1,297,934	\$ (28,412)	-2.2%
Inventory	\$ 19,027	\$ 23,000	\$ 3,973	17.3%
Capital Outlay	\$ 105,250	\$ 140,000	\$ 34,750	24.8%
Travel/Training/Seminar	\$ 62,927	\$ 80,000	\$ 17,073	21.3%
Damage Claims	\$ 3,010,913	\$ 200,000	\$ (2,810,913)	-1405.5%
Total Direct Expenses	\$ 107,558,623	\$ 105,434,285	\$ (2,124,338)	-2.0%
Indirect Expenses				
MWRA Assessment	\$ 254,755,865	\$ 253,938,132	\$ (817,733)	-0.3%
Capital Improvements	\$ 46,341,224	\$ 39,684,778	\$ (6,656,446)	-16.8%
Debt Service	\$ 50,593,122	\$ 50,381,317	\$ (211,805)	-0.4%
Contractual Funding	\$ 17,960,000	\$ 7,280,830	\$ (10,679,170)	-146.7%
SDWA Assessment	\$ 212,447	\$ 212,122	\$ (325)	-0.2%
Total Indirect Expenses	\$ 369,862,658	\$ 351,497,179	\$ (18,365,479)	-5.2%
<b>TOTAL EXPENSES</b>	<b>\$ 477,421,281</b>	<b>\$ 456,931,464</b>	<b>\$ (20,489,817)</b>	<b>-4.5%</b>
	\$ 2,707,621	SURPLUS		

## Requirements and Future Impact

---

The Commission is required by the Enabling Act to:

1. Establish fees, rates, rents, assessments and other charges to provide revenues at least sufficient to pay the current expenses of the Commission.
2. Pay the principal, premium, if any, and interest on all bonds issued by the Commission.
3. Maintain its reserve funds as stipulated by its General Bond Resolution.
4. Provide funds for paying the costs of all necessary repair, replacements, and renewals of the water, wastewater and storm drainage systems.
5. Pay all other amounts which the Commission by law or contract is obligated to pay.

The Commission's rates must comply with all applicable laws and statutes, and the rates must be set in a manner to ensure the eligibility for any federal and state funding.

The Proposed CEB and corresponding rate impact was presented to the Board of Commissioners for its review and comment. In accordance with the Commission's Rules of Procedure, the Commission is required to conduct a public hearing for the purpose of promulgating proposed water and sewer rate increases prior to implementation of new rates. The public hearing allows interested parties the opportunity to present data, views and arguments on the proposed schedule of fees, rates and other charges to be implemented.

Due to the financial condition of the Commission at year-end 2024, the 2025 Water and Sewer rates will increase by 3.40%.

## Budgeting and Accounting Basis

---

The Commission is autonomous and self-sustaining, separate and apart from the City. As an enterprise fund, the Commission provides goods and services to the public, which it funds primarily through revenues it collects from user charges. Periodically, the Commission will examine revenues earned, expenses incurred and net income to determine how best to deal with issues such as capital maintenance, public policy, management control, accountability and other issues. The Commission follows Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board Statement 62 (GASB 62).

The Commission's Current Expense Budget is developed using a full accrual method, a method of accounting in which revenues are recognized when earned and expenses recognized when incurred, as opposed to when cash is received or spent. Monthly deposits to all appropriate funds are made in an amount sufficient to equal the total projected level of accrued expenditures for each line item and to enable the Commission to have sufficient funds available to meet scheduled payments of all financial obligations.

The CEB includes the following:

- Anticipated operating and maintenance expenses
- Costs of wholesale water supply and wastewater treatment services provided by the MWRA
- Capital projects are funded from current rate revenues
  - ➔ renewal and replacement program
- Debt service
  - ➔ repayment of principal and interest
  - ➔ insurance
  - ➔ contractual funding obligations
  - ➔ working capital requirements

The Commission's CEB does not include (nor are its rates intended to provide for)

- Depreciation expenses
- Amortization of debt issuance costs
- Inventory expenses

## 2024 Budget Summary

The 2025 CEB totals \$484.7 million in Revenues, which is offset by an equal amount of Expenses. The amount budgeted for FY25 is a 6.1% increase from FY24.

In the illustration below, components of Revenues and Expenses are compared from 2025 to 2024 with variances in dollars and as a percentage changed. Dollar amounts are rounded and expressed in thousands of dollars (columns may not add up correctly due to rounding).

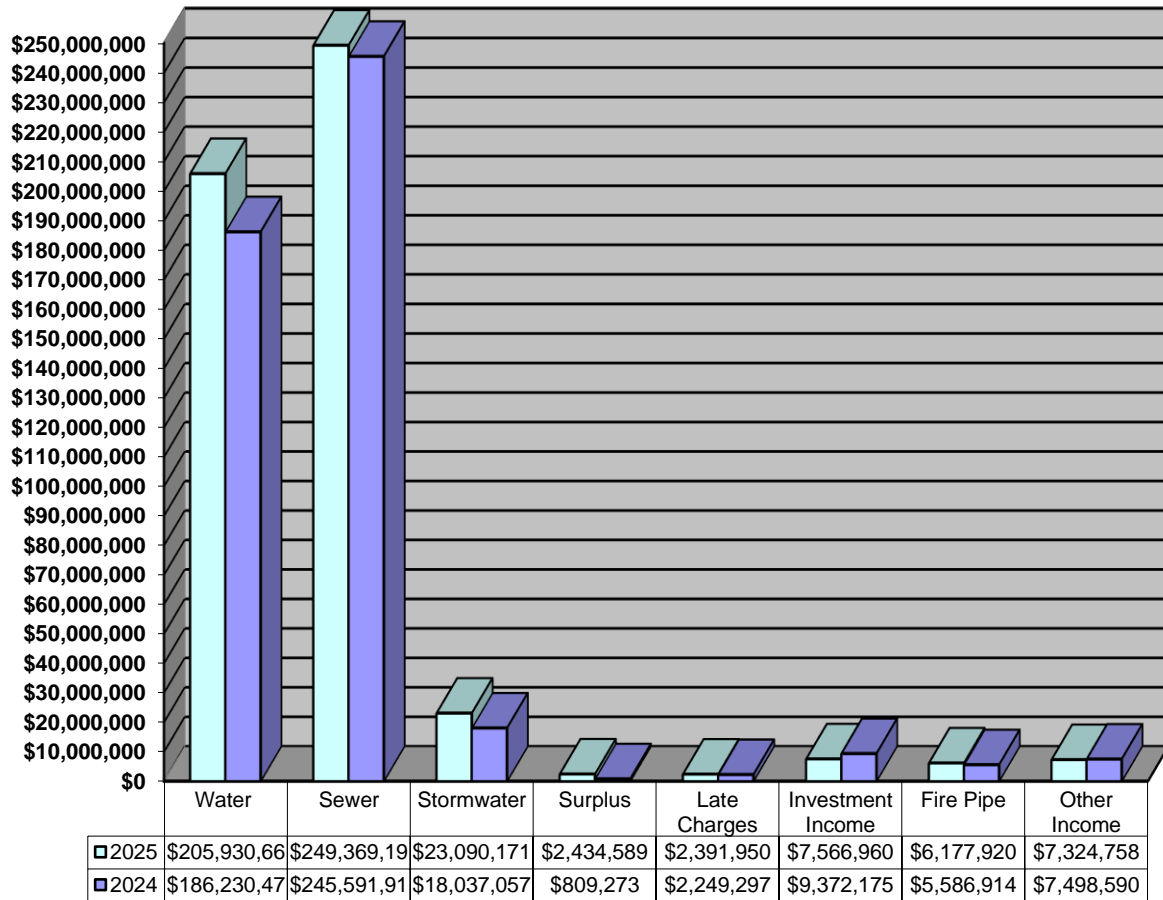
	BUDGET 2025	BUDGET 2024	VARIANCE	%
<b>Revenues</b>				
Water, Sewer & Stormwater Rate Revenue	\$ 478,390,026	\$ 449,859,452	\$ 28,530,574	6.3%
Less: Adjustments	\$ (14,351,701)	\$ (13,495,784)	\$ (855,917)	6.3%
Discounts	\$ (4,783,900)	\$ (4,498,595)	\$ (285,305)	6.3%
Bad Debt	\$ (478,390)	\$ (449,859)	\$ (28,531)	6.3%
<b>Net Operating Revenues</b>	<b>\$ 458,776,035</b>	<b>\$ 431,415,214</b>	<b>\$ 27,360,821</b>	<b>6.3%</b>
<b>Other Income</b>				
Prior Year Surplus	\$ 2,434,589	\$ 809,273	\$ 1,625,316	200.8%
Miscellaneous Income	\$ 15,894,628	\$ 15,334,802	\$ 559,826	3.7%
Investment Income	\$ 7,566,960	\$ 9,372,175	\$ (1,805,215)	-19.3%
<b>Total Revenues</b>	<b>\$ 484,672,212</b>	<b>\$ 456,931,464</b>	<b>\$ 27,740,748</b>	<b>6.1%</b>
<b>Expenses</b>				
Direct Expenses	\$ 107,631,042	\$ 105,434,285	\$ 2,196,757	2.1%
MWRA Assessment	\$ 264,259,121	\$ 253,938,132	\$ 10,320,989	4.1%
Capital Improvement	\$ 44,320,000	\$ 39,684,778	\$ 4,635,222	11.7%
Debt Service	\$ 57,094,687	\$ 50,381,317	\$ 6,713,370	13.3%
Contractual Funding Obligations	\$ 11,158,239	\$ 7,280,830	\$ 3,877,409	53.3%
SDWA Assessment	\$ 209,123	\$ 212,122	\$ (2,999)	-1.4%
<b>Total Current Expenses</b>	<b>\$ 484,672,212</b>	<b>\$ 456,931,464</b>	<b>\$ 27,740,748</b>	<b>6.1%</b>

## Financial Analysis

	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	Actual 2023	UNAUDITED 2024	BUDGET 2025
Revenues:						
Water Revenue	\$151,395,689	\$ 170,438,964	\$ 179,012,241	\$ 183,566,041	\$ 193,317,965	\$ 205,930,660
Sewer Revenue	\$212,105,684	\$ 232,227,292	\$ 262,396,440	\$ 267,314,891	\$ 258,140,423	\$ 249,369,195
Stormwater Revenue	\$ -	\$ -	\$ -	\$ -	\$ 20,309,598	\$ 23,090,171
Subtotal	\$363,501,373	\$ 402,666,256	\$ 441,408,681	\$ 450,880,932	\$ 471,767,986	\$ 478,390,026
Less:						
Adjustments	\$ (10,720,098)	\$ (11,827,391)	\$ (14,062,606)	\$ (12,902,529)	\$ (13,831,508)	\$ (14,351,701)
Discounts	\$ (1,321,341)	\$ (3,015,493)	\$ (3,440,140)	\$ (3,407,625)	\$ (3,600,159)	\$ (4,783,900)
Bad Debt	\$ (51,057)	\$ (41,375)	\$ (550,528)	\$ (101,914)	\$ (188,062)	\$ (478,390)
Subtotal	\$ (12,092,496)	\$ (14,884,259)	\$ (18,053,274)	\$ (16,412,068)	\$ (17,619,729)	\$ (19,613,991)
Net Billed Charges	\$351,408,877	\$ 387,781,997	\$ 423,355,407	\$ 434,468,864	\$ 454,148,257	\$ 458,776,035
Prior Year Surplus	\$ 689,554	\$ 371,904	\$ 464,760	\$ 758,941	\$ 1,065,859	\$ 2,434,589
Miscellaneous Revenues:						
Late Charges Revenue	\$ 350,258	\$ 1,976,793	\$ 2,082,882	\$ 2,208,594	\$ 2,477,171	\$ 2,391,950
Investment Income	\$ 5,110,863	\$ 5,222,027	\$ 4,370,282	\$ 8,201,266	\$ 9,846,680	\$ 7,566,960
Fire Pipe Revenue	\$ 1,980,533	\$ 2,059,556	\$ 5,327,520	\$ 5,428,308	\$ 5,546,764	\$ 6,177,920
Other Income	\$ 24,379,632	\$ 6,780,259	\$ 7,670,726	\$ 7,169,673	\$ 7,044,171	\$ 7,324,758
Total Revenues	\$383,919,717	\$ 404,192,536	\$ 443,271,577	\$ 458,235,646	\$ 480,128,902	\$ 484,672,212
Direct Operating Expenses						
Salaries and Wages	\$ 44,008,211	\$ 49,672,729	\$ 63,762,998	\$ 61,641,458	\$ 66,048,980	\$ 63,008,463
Overtime	\$ 1,229,981	\$ 1,541,885	\$ 1,676,989	\$ 2,586,246	\$ 3,032,209	\$ 2,364,913
Fringe Benefits	\$ 8,652,971	\$ 8,828,146	\$ 8,309,345	\$ 9,087,147	\$ 8,395,125	\$ 9,130,846
Supplies and Materials	\$ 2,195,934	\$ 2,317,310	\$ 2,711,659	\$ 2,563,779	\$ 3,154,819	\$ 3,544,511
Repairs and Maintenance	\$ 10,745,786	\$ 12,958,569	\$ 12,480,425	\$ 11,863,427	\$ 12,416,703	\$ 16,411,145
Utilities	\$ 1,456,755	\$ 1,452,560	\$ 1,535,354	\$ 1,568,410	\$ 1,768,164	\$ 2,251,640
Professional Services	\$ 3,288,593	\$ 3,012,331	\$ 3,741,496	\$ 5,013,560	\$ 6,067,634	\$ 6,256,700
Space and Equipment Rentals	\$ 291,919	\$ 319,735	\$ 339,060	\$ 309,224	\$ 210,164	\$ 260,550
Other Services	\$ 1,428,584	\$ 1,543,822	\$ 1,271,151	\$ 1,643,931	\$ 1,940,362	\$ 2,464,689
Insurance	\$ 949,730	\$ 981,380	\$ 1,101,718	\$ 1,207,580	\$ 1,326,346	\$ 1,482,585
Inventory	\$ 17,890	\$ 13,540	\$ 5,848	\$ 19,158	\$ 19,027	\$ 25,000
Capital Outlay	\$ 4,160	\$ 46,492	\$ 81,320	\$ 95,103	\$ 105,250	\$ 150,000
Travel/Training/Seminar	\$ 5,840	\$ 33,995	\$ 64,899	\$ 64,318	\$ 62,927	\$ 80,000
Damage Claims	\$ 46,574	\$ 315,847	\$ 2,374,320	\$ 217,726	\$ 3,010,913	\$ 200,000
Total Direct Operating Expenses	\$ 74,322,928	\$ 83,038,341	\$ 99,456,582	\$ 97,881,067	\$ 107,558,623	\$ 107,631,042
Indirect Operating Expenses:						
MWRA Assessment	\$241,360,172	\$ 243,396,224	\$ 245,958,491	\$ 249,344,505	\$ 254,755,865	\$ 264,259,121
Capital Improvement	\$ 15,948,387	\$ 10,531,019	\$ 20,940,294	\$ 37,516,591	\$ 46,341,224	\$ 44,320,000
Debt Service	\$ 50,179,641	\$ 49,657,755	\$ 49,919,808	\$ 52,311,608	\$ 50,593,122	\$ 57,094,687
Contractual Funding Obligation	\$ 1,516,000	\$ 16,889,000	\$ 26,034,000	\$ 19,912,000	\$ 17,960,000	\$ 11,158,239
SDWA Assessment	\$ 220,685	\$ 215,437	\$ 203,461	\$ 204,016	\$ 212,447	\$ 209,123
Total Indirect Operating Expenses	\$309,224,885	\$ 320,689,435	\$ 343,056,054	\$ 359,288,720	\$ 369,862,658	\$ 377,041,170
Total Current Expenses	\$383,547,813	\$ 403,727,776	\$ 442,512,636	\$ 457,169,787	\$ 477,421,281	\$ 484,672,212
Current Year Rate Surplus	\$ 371,904	\$ 464,760	\$ 758,941	\$ 1,065,859	\$ 2,434,589	\$ -

## Revenue Sources

The 2025 CEB includes anticipated fees for Miscellaneous Revenues, Late Charges Revenue, Fire Pipe Revenue, and Investment Income (on certain operating and reserve fund balances Other Income, and Prior Year Surplus. The CEB also includes Adjustments to Revenue such as Bad Debt provisions, Discounts, and Billing Adjustments. The graph below compares the Commission’s budgeted revenue sources in 2025 versus 2024.



## Revenue Sources

The following pages analyze each of the revenue sources in greater detail. The revenue analysis provides a brief description of each source, a five-year historical perspective and the assumptions used in preparing the 2025 budget. This information is supplemented by the utilization of various graphical displays to facilitate a better understanding of each revenue source.

The Commission's total revenues in FY25 are projected at \$484.7 million, an increase of \$27.7 million or 6.1% from FY24. The table below shows a breakdown of the revenue sources and adjustments to rate revenue. Variances from the 2025 budget to the 2024 budget are discussed on the following pages.

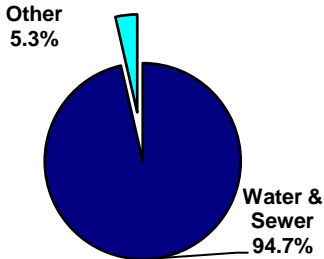
	BUDGET 2025	BUDGET 2024	VARIANCE	%
<b>REVENUES</b>				
Water	\$ 205,930,660	\$ 186,230,479	\$ 19,700,181	10.6%
Sewer	\$ 249,369,195	\$ 245,591,916	\$ 3,777,279	1.5%
Stormwater	\$ 23,090,171	\$ 18,037,057	\$ 5,053,114	28.0%
SUBTOTAL	\$ 478,390,026	\$ 449,859,452	\$ 28,530,574	6.3%
<b>LESS:</b>				
Adjustments	\$ (14,351,701)	\$ (13,495,784)	\$ (855,917)	6.3%
Discounts	\$ (4,783,900)	\$ (4,498,595)	\$ (285,305)	6.3%
Bad Debt	\$ (478,390)	\$ (449,859)	\$ (28,531)	6.3%
SUBTOTAL	\$ (19,613,991)	\$ (18,444,238)	\$ (1,169,753)	6.3%
<b>NET BILLED CHARGES</b>	\$ 458,776,035	\$ 431,415,214	\$ 27,360,821	6.3%
<b>PRIOR YEAR SURPLUS</b>	\$ 2,434,589	\$ 809,273	\$ 1,625,316	200.8%
<b>MISCELLANEOUS REVENUES:</b>				
Late Charges	\$ 2,391,950	\$ 2,249,297	\$ 142,653	6.3%
Fire Pipe	\$ 6,177,920	\$ 5,586,914	\$ 591,006	10.6%
Investment Income	\$ 7,566,960	\$ 9,372,175	\$ (1,805,215)	-19.3%
Other Income	\$ 7,324,758	\$ 7,498,590	\$ (173,832)	-2.3%
SUBTOTAL	\$ 23,461,588	\$ 24,706,977	\$ (1,245,389)	-5.0%
<b>TOTAL REVENUE</b>	\$ 484,672,212	\$ 456,931,464	\$ 27,740,748	6.1%

# Rate Revenue

The primary source of the Commission’s revenue is from billing for water, sewer and stormwater services from various consumers. The Commission method for calculating water, sewer and stormwater sales is to use last year’s projected consumption and reduce it by 1.0%, then apply the rate increase (if any). Below annual amounts and the percentage of revenues are illustrated.

YEAR	TOTAL	% CHANGE	
2020	\$ 363,501,373		
2021	\$ 402,666,256	10.8%	
2022	\$ 441,408,681	9.6%	
2023	\$ 450,880,932	2.1%	
2024	\$ 471,767,986	4.6%	Unaudited
2024	\$ 445,561,246		<b>BUDGET</b>
2025	\$ 478,390,026	7.4%	

% of Revenues As of 2025



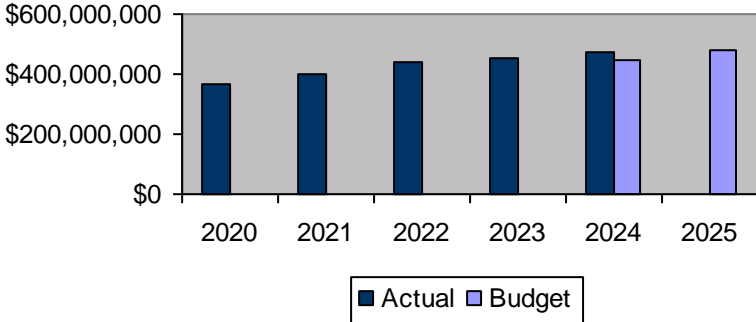
## Historical Viewpoint

Due to decreasing consumption and increasing costs, the Commission was required to raise rates. There were rate increases in 2020, 2021, 2022, 2023 and 2024. Because of these past increases, Rate Revenues increased from \$363.5 million in 2020 to \$471.8 million in 2024, an increase of \$108.3 million, or 29.8%.

## Funding

The Commission has increased rates in 2020, 2021, 2022, 2023 and 2024, and plans a 3.40% increase for 2025. The Commission anticipates Water and Sewer Revenues to total \$471.8 million in 2025.

Rate Revenue



Adjustments to rate revenue are divided into three categories:

## Adjustments to Rate Revenue

- I. Billing adjustments represent modifications to customer accounts, which can be attributed to a variety of factors such as inaccurate usage estimates, erroneous meter readings, sewer abatements and transfers of property ownership.
- II. Discounts are a requirement of the Commission’s Enabling Act to elderly (65 years of age or older) or disabled homeowners living in structures with one to four dwelling units. These homeowners are entitled to a 30% discount on the water, sewer and stormwater portions of their bills.
- III. Bad debt is the provision made for the uncollectible amount of adjusted billed revenue.

ADJUSTMENTS			
2020	\$	10,720,098	<b>ACTUAL</b>
2021	\$	11,827,391	10.3%
2022	\$	14,062,606	18.9%
2023	\$	12,902,529	-8.2%
2024	\$	13,831,508	7.2%
			Unaudited
			<b>BUDGET</b>
2024	\$	13,495,784	
2025	\$	14,351,701	6.3%

DISCOUNTS			
YEAR	TOTAL	% CHANGE	
2020	\$	1,321,341	<b>ACTUAL</b>
2021	\$	3,015,493	128.2%
2022	\$	3,440,140	14.1%
2023	\$	3,407,625	-0.9%
2024	\$	3,600,159	5.7%
			Unaudited
			<b>BUDGET</b>
2024	\$	4,498,595	
2025	\$	4,783,900	6.3%

BAD DEBT			
YEAR	TOTAL	% CHANGE	
2020	\$	51,057	<b>ACTUAL</b>
2021	\$	41,375	-19.0%
2022	\$	550,528	1230.6%
2023	\$	101,914	-81.5%
2024	\$	188,062	84.5%
			Unaudited
			<b>BUDGET</b>
2024	\$	449,859	
2025	\$	478,390	6.3%

## Adjustments to Rate Revenue

### Historical Viewpoint

Adjustments to Rate Revenue include Adjustments, Discounts, and Bad Debt. Adjustments have totaled \$10.7 million in 2020, \$11.8 million in 2021, \$14.1 million in 2022, \$12.9 million in 2023 and \$13.8 million in 2024.

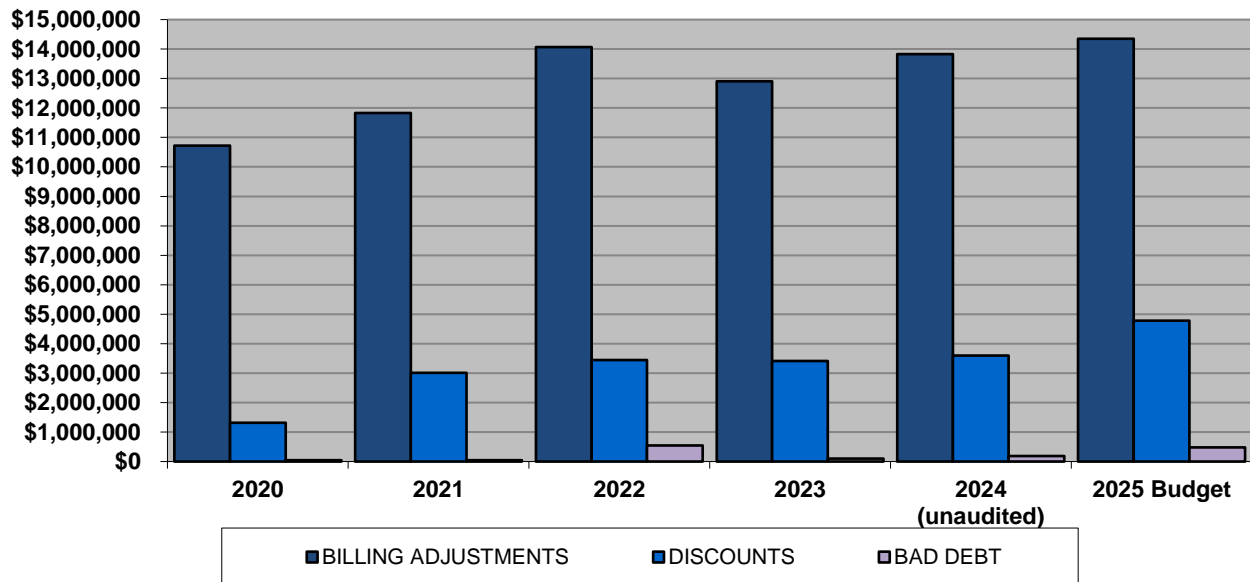
Discounts have totaled \$1.3 million in 2020, \$3.0 million in 2021, \$3.4 million in 2022, \$3.4 million in 2023 and \$3.6 million in 2024.

Bad Debt has totaled \$55,699 in 2020, \$41,375 in 2021, \$550,528 in 2022, \$101,914 in 2023 and \$188,062 in 2024.

### Funding

The funding for Adjustments to Rate Revenue is based on a percentage of water, sewer and stormwater revenues. Adjustments have been budgeted at 3.00% of revenues, Discounts at 1.0%, and Bad Debt at 0.1%, respectively. The amounts budgeted for these items in 2025 are Adjustments: \$14.4 million, Discounts: \$4.8 million, and Bad Debt: \$0.5 million, respectively.

### Adjustments to Rate Revenue



## Prior Year Net Operating Surplus

As required by the Enabling Act, the Commission must use any net operating surplus generated in any year to reduce the revenue requirement in the following year, or transfer that operating surplus to the City of Boston. In a given year, the prior year net operating surplus is determined by subtracting the previous year’s actual expenses from the actual revenues. In other words, the prior year net operating surplus of the 2025 budget reflects the actual (unaudited) surplus realized in 2024. Data and Graphs are shown below for additional information.

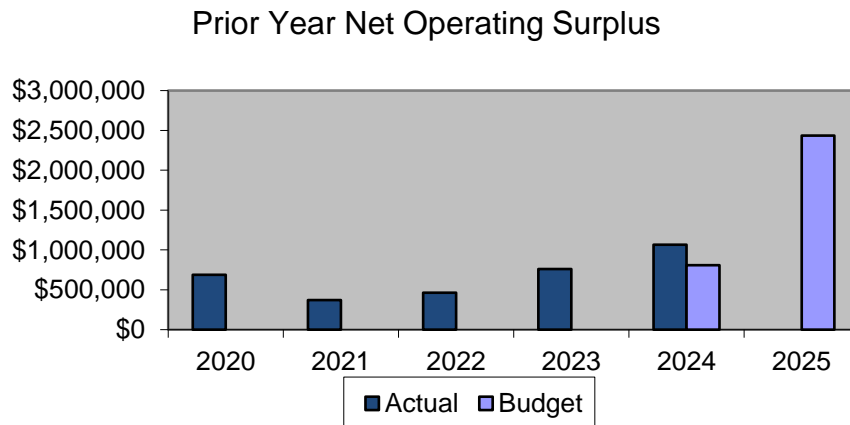
YEAR	TOTAL	% CHANGE	
2020	\$ 689,554		<b>ACTUAL</b>
2021	\$ 371,904	-46.1%	
2022	\$ 464,760	25.0%	
2023	\$ 758,941	63.3%	
2024	\$ 1,065,859	40.4%	
2024	\$ 809,273		<b>BUDGET</b>
2025	\$ 2,434,589	200.8%	

### Historical Viewpoint

The Commission has experienced a prior year net operating surplus in each of the past five years presented here. In 2020, the Commission recognized \$0.7 million in prior year net operating surplus, \$0.4 million in 2021, \$0.5 million in 2022, \$0.8 million in 2023 and a prior year surplus of \$1.1 million in 2024.

### Funding

The 2025 budget will utilize the 2024 surplus of \$2.4 million to offset anticipated expenditures. The Commission anticipates a similar surplus in the future.



# Miscellaneous Revenue – Late Charge Fees

It is the policy of the Commission to impose a late payment charge with each billing on all amounts past due over 30 days. The imposition of late charges encourages the prompt payment of bills to prevent subsidies to customers who do not pay their bills on time. The late payment charge is 14% per annum or 0.03836% per diem.

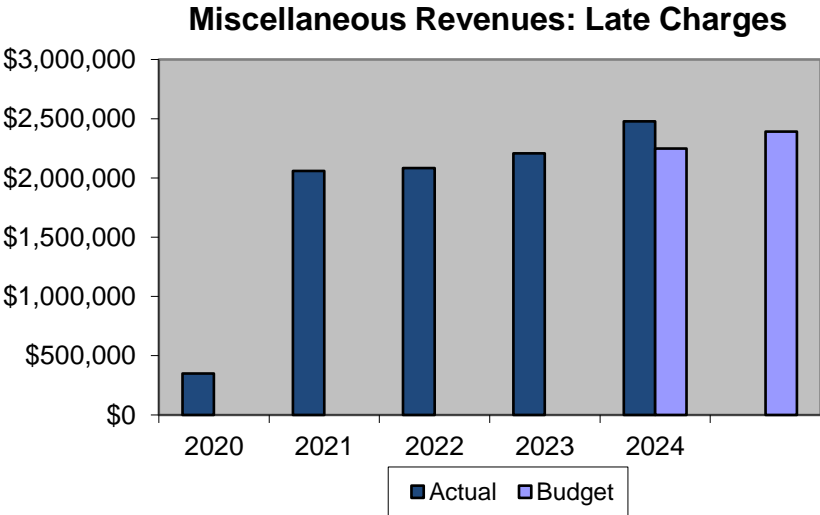
YEAR	TOTAL	% CHANGE	
2020	\$ 350,258		<b>ACTUAL</b>
2021	\$ 1,976,793	464.4%	
2022	\$ 2,082,882	5.4%	
2023	\$ 2,208,594	6.0%	
2024	\$ 2,477,171	12.2%	Unaudited
<hr/>			
2024	\$ 2,249,297		<b>BUDGET</b>
2025	\$ 2,391,950	6.3%	

### Historical Viewpoint

Late Charges have remained steady annually, which is a result of the Commission’s efforts to collect outstanding balances. Late Charges were below budget in 2020, due to an interest moratorium that was imposed because of the Covid-19 pandemic. In 2020, the Commission observed \$0.4 million in Late Charges, \$2.0 million in 2021, \$2.1 million in 2022, \$2.2 million in 2023 and \$2.5 million in 2024. In 2025, the Commission anticipates Late Charges to equal \$2.4 million.

### Funding

In the 2025 budget, Late Charges are estimated at 0.5% of billed Water and Sewer charges. Thus, the 2025 budget accounts for \$2.4 million in Late Charges, which is \$142,653 or 6.3% more than the budgeted amount in 2024.



## Miscellaneous Revenue – Investment Income

Large expenditures such as the MWRA Assessment and principal and interest payments on outstanding debt are paid in periodic installments. The funds accumulated to pay these expenses earn Investment Income for the Commission. In addition, according to Commission policy, certain fund balances are available for investment purposes.

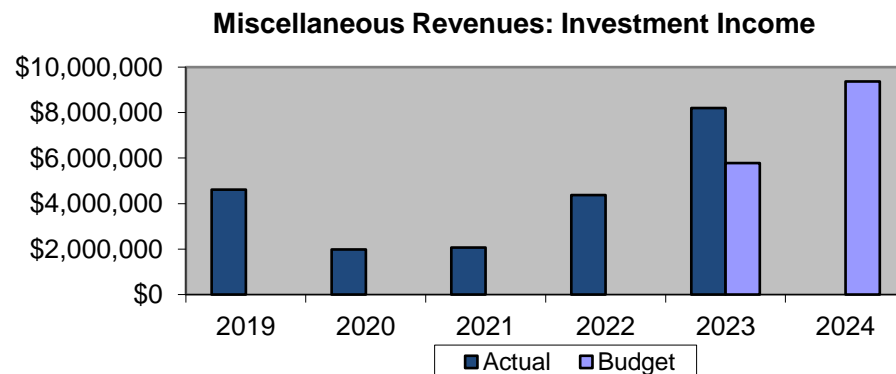
YEAR	TOTAL	% CHANGE	
2020	\$ 1,980,533		<b>ACTUAL</b>
2021	\$ 2,059,556	4.0%	
2022	\$ 4,370,282	112.2%	
2023	\$ 8,201,266	87.7%	
2024	\$ 9,846,680	20.1%	Unaudited
2024	\$ 9,372,175		<b>BUDGET</b>
2025	\$ 7,566,960	-19.3%	

### Historical Viewpoint

Investment Income \$2.0 million in 2020, \$2.1 million in 2021, \$4.4 million in 2022, \$8.2 million in 2023 and \$9.8 million in 2024. The Commission’s investment income saw a downward trend in 2020 and 2021 because of the Covid-19 pandemic’s effects on interest rates but rebounded in 2022 and onward. The ongoing Commission investment strategy is preservation of capital. Most recent economic forecast make it difficult to predict the future direction of investment rates and, in turn, the ability of the Commission to continue to generate higher than budgeted rates of return. Staff will continue to monitor market conditions so that prudent investment decisions can be made to maximize investment returns.

### Funding

Investment Income in 2025 is budgeted for \$7.6 million, which is \$1.8 million or 19.3% less than budgeted in 2024. Due to lower interest rate yields because of COVID-19 and a cautious strategy during 2020 & 2021, Investment Income was below budget, but due to rate hikes in FY22, FY23 & FY24, Investment Income was much higher than the budgeted amounts.



## Miscellaneous Revenue – Fire Pipe Fees

Fire Pipe connections are billed separately by the Commission. Fire Pipe connections are used to service internal sprinkler systems and stand pipes which are utilized for fire protection in buildings. Generally accepted rate making practices recommend the imposition of special service fees for private fire protection.

YEAR	TOTAL	% CHANGE	
2020	\$ 5,110,863		<b>ACTUAL</b>
2021	\$ 5,222,027	2.2%	
2022	\$ 5,327,520	2.0%	
2023	\$ 5,428,308	1.9%	
2024	\$ 5,546,764	2.2%	Unaudited
<hr/>			
2024	\$ 5,586,914		<b>BUDGET</b>
2025	\$ 6,177,920	10.6%	

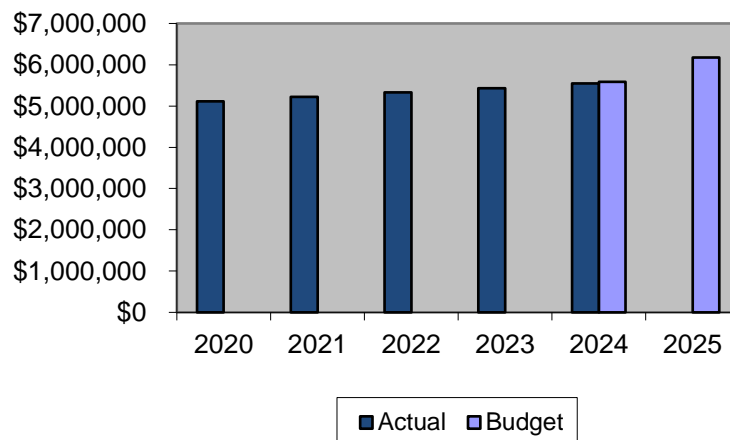
### Historical Viewpoint

Fire Pipe Revenue has gradually increased since 2020. Increase in Fire Pipe Revenues can be attributed to new construction in the Boston area and the requirement for fire pipes in the city. The amount realized in 2024 was \$5.5 million, the largest amount in the five-year period.

### Funding

The amount budgeted for Fire Pipe Revenue in the 2025 budget is \$6.2 million, which is \$0.6 million or 10.6% more than the 2024 budget. The large variance is due to an increase to the Fire Pipe rates in 2025.

**Miscellaneous Revenues: Fire Pipe Fees**



## Miscellaneous Revenue – Other Income

The Commission provides special services to some customers, the costs of which are not imposed upon the general ratepayer. These services come under the title “Special Service Fees.” Special services include cross connection inspections, general service applications, water, sewer and stormwater lien certificates, water and sewer pipe inspections, and special meter tests. Another component of Other Income is Deferred Revenues, which are revenues that have been deferred for the primary purpose of being recognized later.

YEAR	TOTAL	% CHANGE	
2020	\$ 24,379,632		<b>ACTUAL</b>
2021	\$ 6,780,259	-72.2%	
2022	\$ 7,670,726	13.1%	
2023	\$ 7,169,673	-6.5%	
2024	\$ 7,044,170	-1.8%	Unaudited
2024	\$ 7,498,590		<b>BUDGET</b>
2025	\$ 7,324,758	-2.3%	

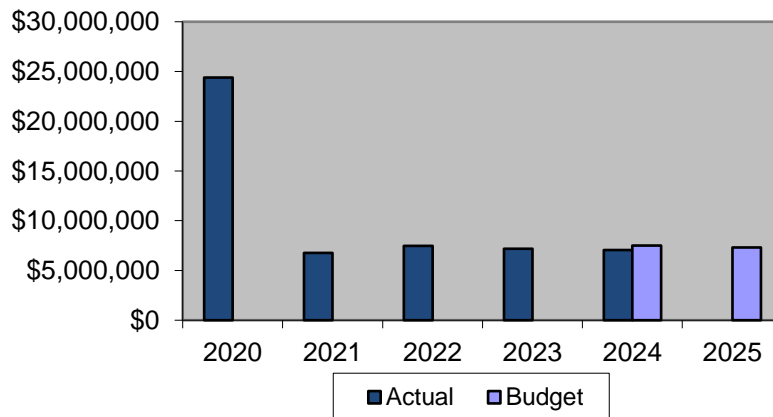
### Historical Viewpoint

Other Income totaled \$24.6 million in 2020, \$6.8 million in 2021, \$7.7 million in 2022, \$7.2 million in 2023 and \$7.0 million in 2024. The increase in 2020 is the result of the transfer of funds from the Stabilization Fund due to the COVID-19 pandemic and the resulting decrease in consumption and revenue.

### Funding

Monies budgeted for Other Income in 2025 equal \$7.3 million, which is \$0.2 million or 2.3% less than the 2024 budget.

**Miscellaneous Revenue: Other Income**



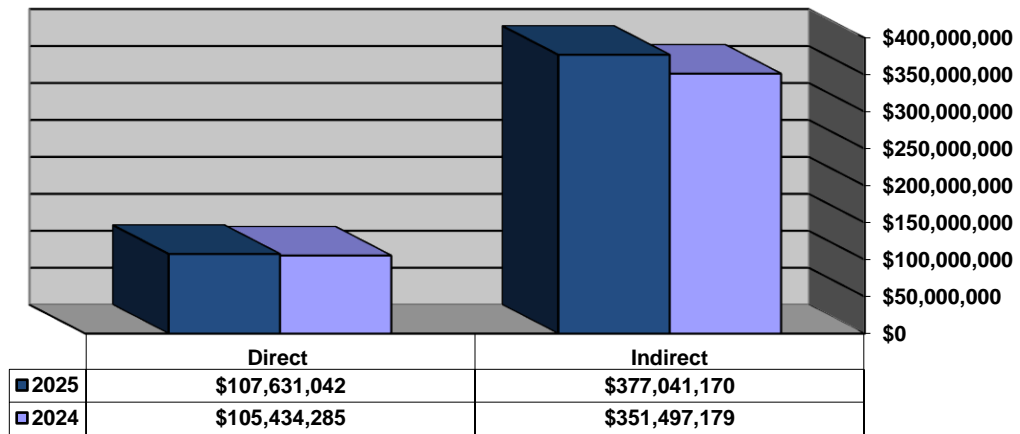
## Total Expenses

The 2025 Current Expense Budget includes \$484.7 million in total expenses.

The budget includes:

- ➔ Direct Expenses - \$107.6 million
- ➔ Indirect Expenses - \$377.0 million
  - MWRA Assessment - \$264.3 million
  - Debt Service - \$57.1 million
  - Capital Improvements - \$44.3 million
  - Contractual Funding Obligations - \$11.2 million
  - SDWA Assessment - \$0.2 million

**2025 Budget vs. 2024 Budget Expenses**



## Direct Expense Budget Comparison

Direct Expenses are those expenses directly associated with a division, department, or operating unit's daily activity. The Direct Expense budget for 2025 totals \$107.6 million which is greater than the 2024 budget by \$2.2 million or 2.1%. The Commission is dedicated to reducing the required level of future rate increases by controlling expenses wherever possible through strong financial management and policy controls. The chart below displays the 2025 Direct Expense budget by line item versus the 2024 budget along with the percentage change from year to year.

	<b>2025 Budget</b>	<b>2024 Budget</b>	<b>Variance %</b>
Wages and Salaries	\$ 63,008,463	\$ 59,515,704	5.9%
Overtime	\$ 2,364,913	\$ 2,047,868	15.5%
Fringe Benefits	\$ 9,130,846	\$ 10,529,781	-13.3%
Supplies & Materials	\$ 3,544,511	\$ 3,670,003	-3.4%
Repair & Maintenance	\$ 16,411,145	\$ 15,536,645	5.6%
Utilities	\$ 2,251,640	\$ 2,322,240	-3.0%
Professional Services	\$ 6,256,700	\$ 6,995,421	-10.6%
Space & Equipment Rentals	\$ 260,550	\$ 225,550	15.5%
Other Services	\$ 2,464,689	\$ 2,850,139	-13.5%
Insurance	\$ 1,482,585	\$ 1,297,934	14.2%
Inventory	\$ 25,000	\$ 23,000	8.7%
Capital Outlay	\$ 150,000	\$ 140,000	7.1%
Training/Seminar/Travel	\$ 80,000	\$ 80,000	0.0%
Damage Claims	\$ 200,000	\$ 200,000	0.0%
<b>TOTAL</b>	<b>\$ 107,631,042</b>	<b>\$ 105,434,285</b>	<b>2.1%</b>

## Direct Expense Budget

---

The Commission's Direct Expenses are divided into two distinct categories, Labor Costs and Other Costs. These two categories are subsequently divided into fourteen line items with three line items attributed to Labor Costs and eleven attributed to Other Costs. Listed below are the line items and categories that are contained within them.

### LABOR COSTS

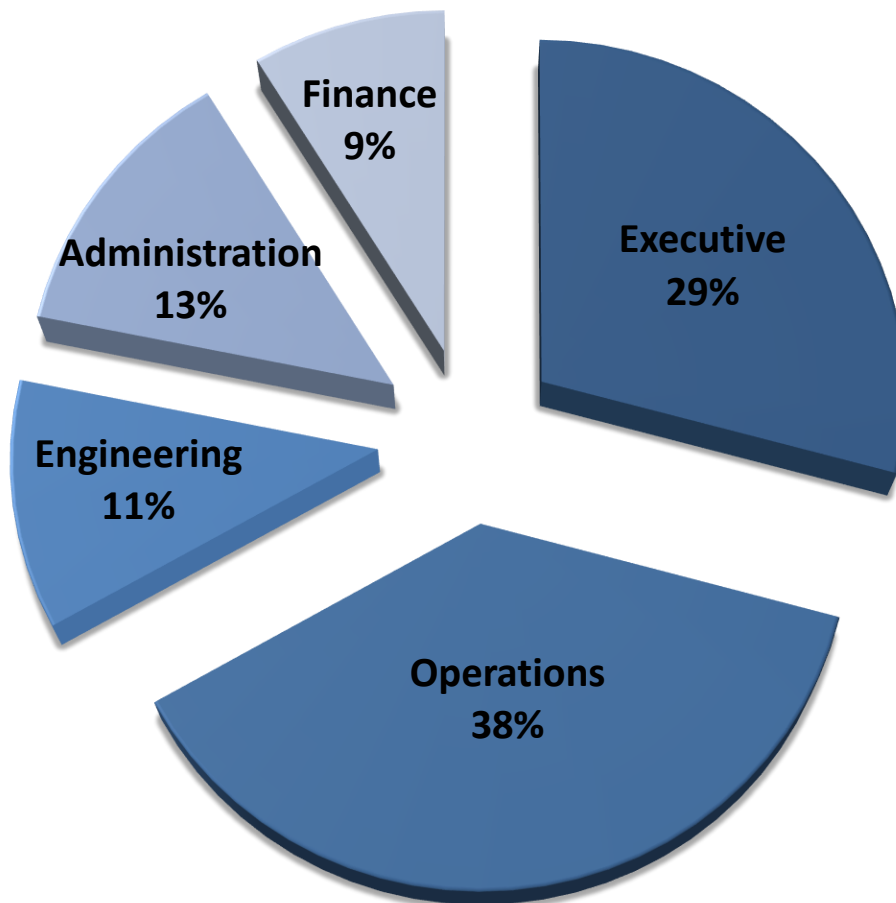
- **Wages and Salaries** – Medicare, Contract Allowances, Other Post Employee Benefits Liability, Mass Hospital Tax, and Pension
- **Overtime**
- **Fringe Benefits** – Health, Life, Dental, Workers' Compensation and Unemployment Insurance, Long Term Disability, Tuition Reimbursement

### OTHER COSTS

- **Supplies and Materials** – Office, Program and Health/Safety Supplies, Work Clothes, and Vehicle Fuel
- **Repair and Maintenance** – Contract Repairs, Sewer Lateral, Television Inspections
- **Utilities** – Heating Oil, Gas, Electricity
- **Professional Services** – Audit Services, Trustee Services, Risk Management, Engineering Services, and Legal Services
- **Space & Equipment Rentals** – Space and Copier Leases, and Other Rentals
- **Other Services** – Printing and Duplication, Advertising, Police Details, SW GI Grant
- **Insurance** – Excess Liabilities, Employment Practices Liability, Cyber, Fiduciary Liability, Property/Casualty Insurance, Vehicle Insurance, Crime Insurance and Permit/Bonding
- **Inventory** – Water and Sewer related items
- **Capital Outlay** – Office and Field Equipment
- **Training/Seminar/Travel** – Local and Out-Of-State Training/Seminar, Local Meeting/Conference, Out-Of-State Conference
- **Damage Claims**

## 2025 Direct Expense Budget by Division

	Executive	Operations	Engineering	Administration	Finance	Total
Wages and Salaries	\$ 15,632,426	\$ 21,165,349	\$ 10,632,727	\$ 9,525,126	\$ 6,052,835	\$ 63,008,463
Overtime	\$ 82,950	\$ 1,945,000	\$ 229,528	\$ 100,000	\$ 7,435	\$ 2,364,913
Labor Related Costs/Benefits	\$ 8,666,000	\$ 120,209	\$ 115,710	\$ 133,157	\$ 95,770	\$ 9,130,846
Total Labor Costs	\$ 24,381,376	\$ 23,230,558	\$ 10,977,965	\$ 9,758,283	\$ 6,156,040	\$ 74,504,222
Supplies and Materials	\$ 514,900	\$ 2,082,477	\$ 56,250	\$ 117,000	\$ 773,884	\$ 3,544,511
Repair and Maintenance	\$ 1,646,000	\$ 11,689,545	\$ 9,600	\$ 2,938,000	\$ 128,000	\$ 16,411,145
Utilities	\$ 1,616,000	\$ -	\$ -	\$ 635,640	\$ -	\$ 2,251,640
Professional Services	\$ 1,685,000	\$ 2,650,000	\$ 1,119,500	\$ 375,000	\$ 427,200	\$ 6,256,700
Space and Equipment Rentals	\$ 58,000	\$ 22,000	\$ -	\$ 180,550	\$ -	\$ 260,550
Other Services	\$ 1,243,400	\$ 688,939	\$ 19,500	\$ 2,300	\$ 510,550	\$ 2,464,689
Insurance	\$ -	\$ -	\$ -	\$ -	\$ 1,482,585	\$ 1,482,585
Inventory	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Capital Outlay	\$ 40,000	\$ 110,000	\$ -	\$ -	\$ -	\$ 150,000
Training/Travel/Seminar	\$ 12,500	\$ 17,000	\$ 24,500	\$ 21,000	\$ 5,000	\$ 80,000
Damage Claims	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Total Other Costs	\$ 7,015,800	\$ 17,284,961	\$ 1,229,350	\$ 4,269,490	\$ 3,327,219	\$ 33,126,820
<b>Total Direct Expenses</b>	<b>\$ 31,397,176</b>	<b>\$ 40,515,519</b>	<b>\$ 12,207,315</b>	<b>\$ 14,027,773</b>	<b>\$ 9,483,259</b>	<b>\$ 107,631,042</b>

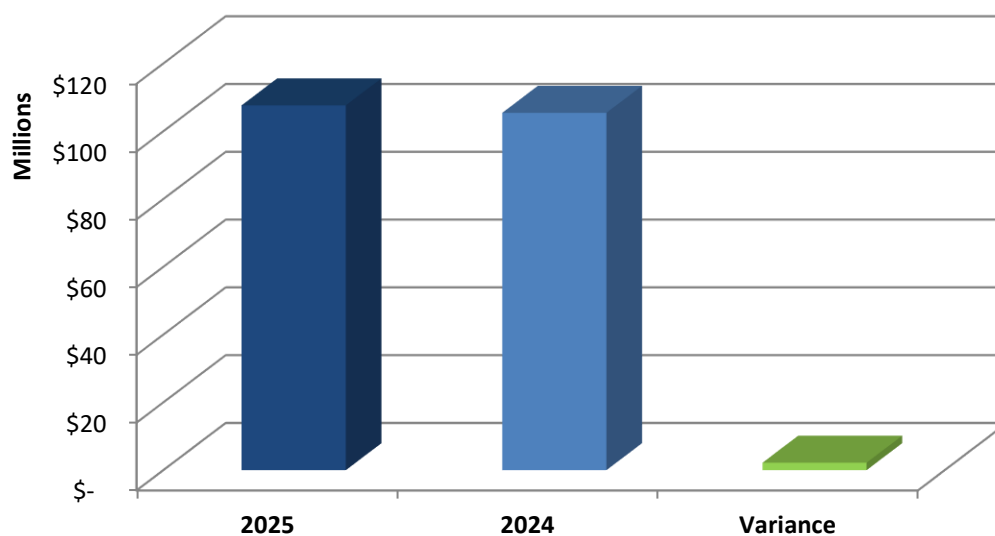


## Budget Comparison by Line Item: 2025 vs. 2024

The following illustration shows the line items for Direct Expenses. The amounts from 2024 are compared to 2023, which includes the dollar and percentage variance from year to year.

Line Item	2025 Budget	2024 Budget	Variance \$	Variance %
Wages & Salaries	\$ 63,008,463	\$ 59,515,704	\$ 3,492,759	5.9%
Overtime	\$ 2,364,913	\$ 2,047,868	\$ 317,045	15.5%
Labor Related Costs/Benefits	\$ 9,130,846	\$ 10,529,781	\$ (1,398,935)	-13.3%
<b>Total Labor Costs</b>	\$ 74,504,222	\$ 72,093,353	\$ 2,410,869	3.3%
Supplies and Materials	\$ 3,544,511	\$ 3,670,003	\$ (125,492)	-3.4%
Repairs and Maintenance	\$ 16,411,145	\$ 15,536,645	\$ 874,500	5.6%
Utilities	\$ 2,251,640	\$ 2,322,240	\$ (70,600)	-3.0%
Professional Services	\$ 6,256,700	\$ 6,995,421	\$ (738,721)	-10.6%
Space and Equipment Rentals	\$ 260,550	\$ 225,550	\$ 35,000	15.5%
Other Services	\$ 2,464,689	\$ 2,850,139	\$ (385,450)	-13.5%
Insurance	\$ 1,482,585	\$ 1,297,934	\$ 184,651	14.2%
Inventory	\$ 25,000	\$ 23,000	\$ 2,000	8.7%
Capital Outlay	\$ 150,000	\$ 140,000	\$ 10,000	7.1%
Travel/Training/Seminar	\$ 80,000	\$ 80,000	\$ -	0.0%
Damage Claims	\$ 200,000	\$ 200,000	\$ -	0.0%
<b>Total Other Cost</b>	\$ 33,126,820	\$ 33,340,932	\$ (214,112)	-0.6%
<b>Total Direct Expenses</b>	<b>\$ 107,631,042</b>	<b>\$ 105,434,285</b>	<b>\$ 2,196,757</b>	<b>2.1%</b>

### Direct Expenses 2025 Budget vs. 2024 Budget

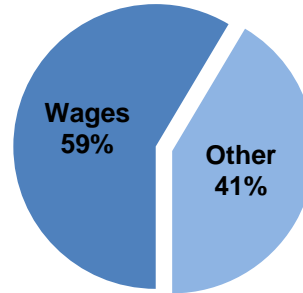


## Wages and Salaries

The Wages and Salaries line item provides funding for compensation paid to Commission employees. Along with full time equivalent employees, this line reflects costs of part-time employees, interns, co-op students, and the summer youth program.

YEAR	TOTAL	% CHANGE	
2020	\$ 44,008,211		<b>ACTUAL</b>
2021	\$ 49,672,729	12.9%	
2022	\$ 64,512,998	29.9%	
2023	\$ 61,641,458	-4.5%	
2024	\$ 66,048,980	7.2%	Unaudited
2024	\$ 59,515,704		<b>BUDGET</b>
2025	\$ 63,008,463	5.9%	

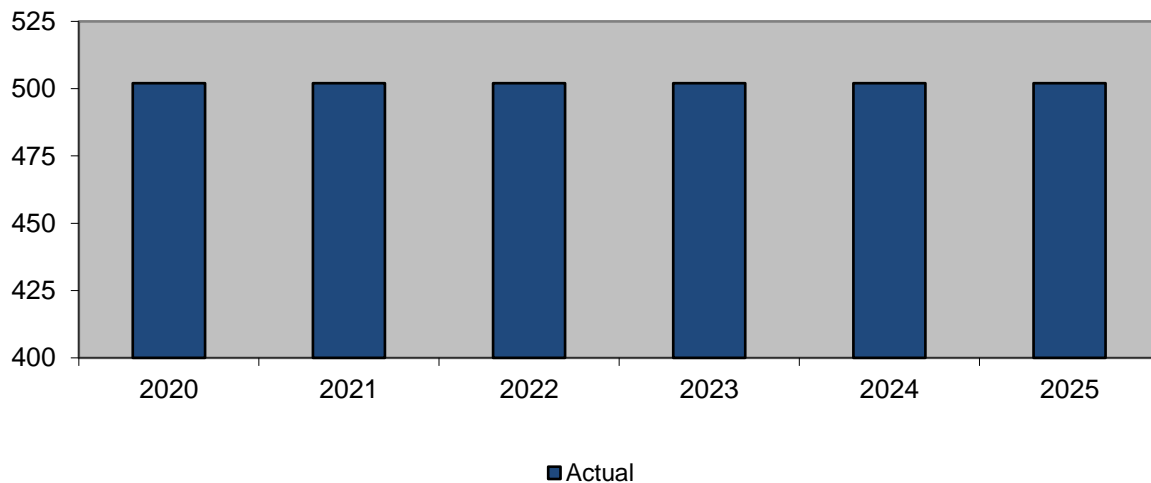
2025 Budget  
Wages vs. Other Direct Expenses



### Historical Viewpoint

Increases seen over the last year are based on contract settlements and performance reviews for various employees and unions within the Commission. The Commission’s diverse workforce is comprised of executive employees and four collective bargaining units. The Commission will maintain the head count for 2025 at 502 positions, unchanged from the 2024 head count.

Budgeted Number of Employees at BWSC



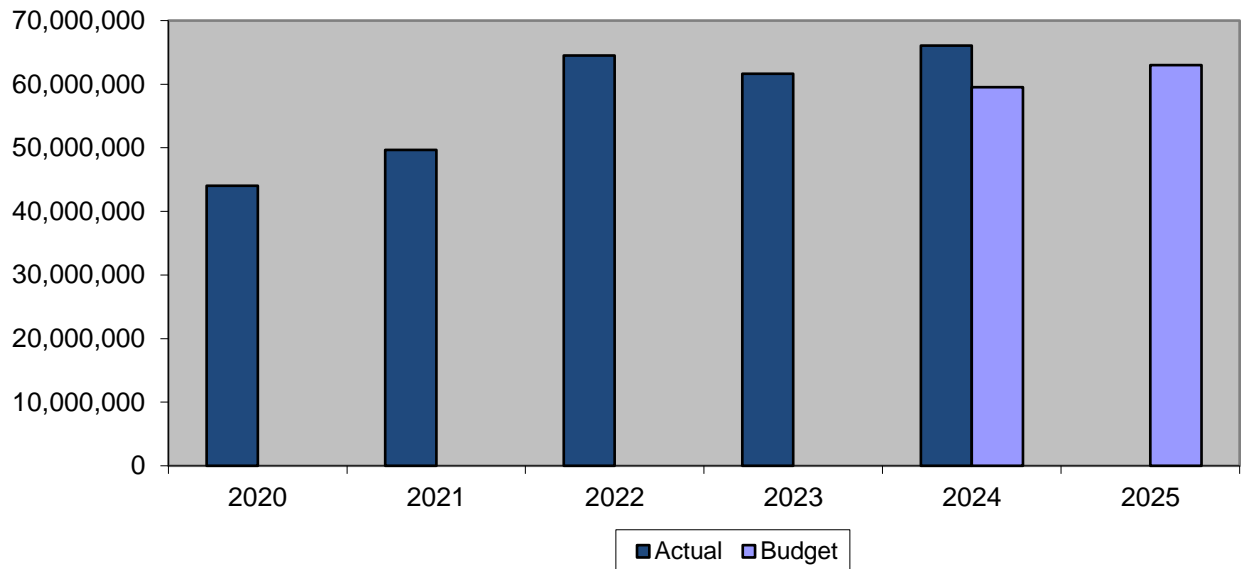
## Wages and Salaries

---

### *Funding*

The 2025 budget for Wages and Salaries is \$63.0 million, which is an increase of \$3.5 million or 5.9% from the 2024 budget.

### Historical Amounts for Wages and Salaries



## Overtime

The Commission establishes a budget for Overtime in order to respond to services related to emergencies requiring attention outside the normal hours of operation.

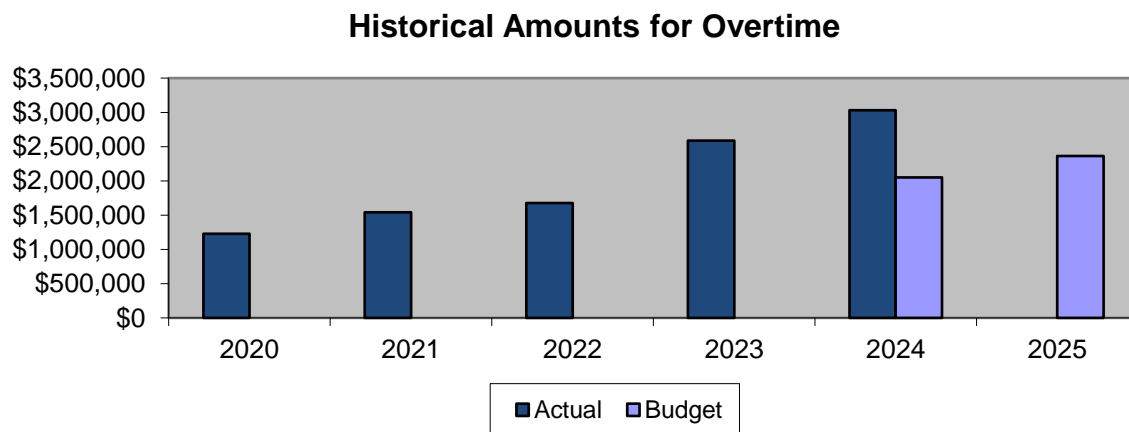
YEAR	TOTAL	% CHANGE	
2020	\$ 1,229,981		<b>ACTUAL</b>
2021	\$ 1,541,885	25.4%	
2022	\$ 1,676,989	8.8%	
2023	\$ 2,586,246	54.2%	
2024	\$ 3,032,209	17.2%	Unaudited
2024	\$ 2,047,868		<b>BUDGET</b>
2025	\$ 2,364,913	15.5%	

### Historical Viewpoint

Overtime spending has increased year-to-year over the past five years. The steady increase in overtime spending is primarily due to the increase in job vacancies for the Operations department over the past five years, requiring additional shift coverage. Expenditures for Overtime have equaled \$1.2 million in 2020, \$1.5 million in 2021, \$1.7 million in 2022, \$2.6 million in 2023 and \$3.0 million in 2024.

### Funding

The amount allocated for 2025 Overtime is budgeted at \$2.4 million which is \$0.3 million greater than the 2024 budget of \$2.0 million, or 15.5%.



## Labor Related Costs/Benefits

Labor Related Costs/Benefits provides funding for Health, Life, Dental, and Unemployment Insurance, Workers' Compensation, Tuition Reimbursement, and Sick, Compensatory, and Vacation Time Buy Back.

YEAR	TOTAL	% CHANGE	
2020	\$ 8,652,971		<b>ACTUAL</b>
2021	\$ 8,828,146	2.0%	
2022	\$ 8,309,345	-5.9%	
2023	\$ 9,087,147	9.4%	
2024	\$ 8,395,125	-7.6%	
2024	\$ 10,529,781		<b>BUDGET</b>
2025	\$ 9,130,846	-13.29%	

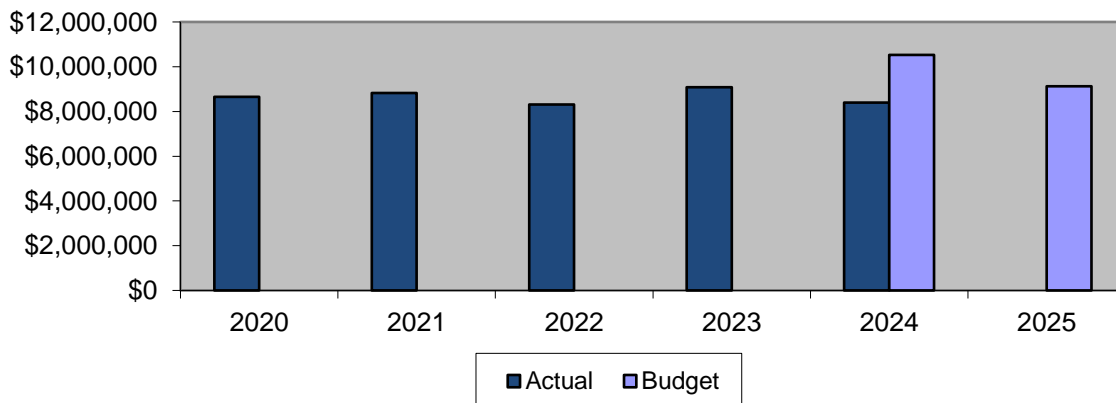
### Historical Viewpoint

Increases in annual expenses have been caused by increasing premiums for health, dental, long-term disability, and unemployment insurance throughout the state of Massachusetts. The health care industry and premiums to employees continue to increase annually.

### Funding

The 2025 budget equals \$9.1 million, which is a decrease of \$1.4 million or 13.3% from the 2024 Budget.

### Labor Related Costs/Benefits



## Supplies and Materials

Supplies and Materials include funding for office supplies, work clothes, health/safety supplies, program supplies, postage and delivery services, vehicle fuel, and all other materials not classified as inventory items.

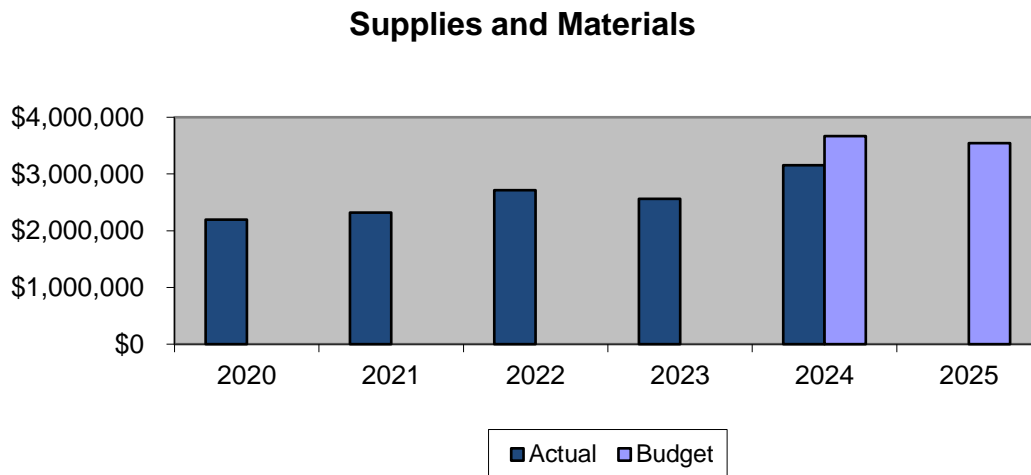
YEAR	TOTAL	% CHANGE	
2020	\$ 2,195,934		<b>ACTUAL</b>
2021	\$ 2,317,310	5.5%	
2022	\$ 2,711,659	17.0%	
2023	\$ 2,563,779	-5.5%	
2024	\$ 3,154,819	23.1%	Unaudited
2024	\$ 3,670,003		<b>BUDGET</b>
2025	\$ 3,544,511	-3.4%	

### *Historical Viewpoint*

The Commission has focused on centralization for the purchasing of supplies and materials by management. Spending for supplies and materials totaled \$2.2 million in 2020, \$2.3 million in 2021, \$2.7 million in 2022, \$2.6 million in 2023 and \$3.2 million in 2024.

### *Funding*

Supplies and Materials are budgeted for \$3.5 million in 2024, which reflects a \$0.1 million or 3.4% decrease from the 2024 budget.



## Repair and Maintenance

The Repair and Maintenance line item includes: Materials, Service and Maintenance, Contractual Repairs to the Water System and the Sewer System, Television Inspections, Sewer Laterals, Solid Fill Disposals, and Other Repair and Maintenance.

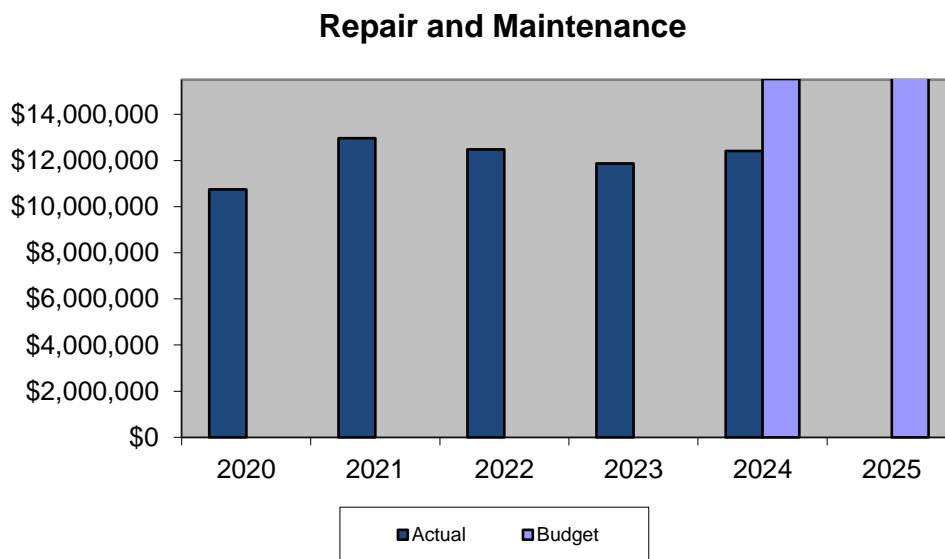
YEAR	TOTAL	% CHANGE	
2020	\$ 10,745,786		<b>ACTUAL</b>
2021	\$ 12,958,569	20.6%	
2022	\$ 12,480,425	-3.7%	
2023	\$ 11,863,427	-4.9%	
2024	\$ 12,416,703	4.7%	Unaudited
2024	\$ 15,536,645		<b>BUDGET</b>
2025	\$ 16,411,145	5.6%	

### Historical Viewpoint

Costs associated with Repair and Maintenance \$11.4 million in 2020, \$13.0 million in 2021, \$12.5 million in 2022, \$11.9 million in 2023 and \$12.4 million in 2024.

### Funding

Repair and Maintenance is budgeted for \$16.4 million in 2025. This amount is \$0.9 million or 5.6% more than the 2024 budget amount.



## Utilities

This line item includes funding for natural gas, electricity, water/sewer, and telephone expenses (long distance and cellular).

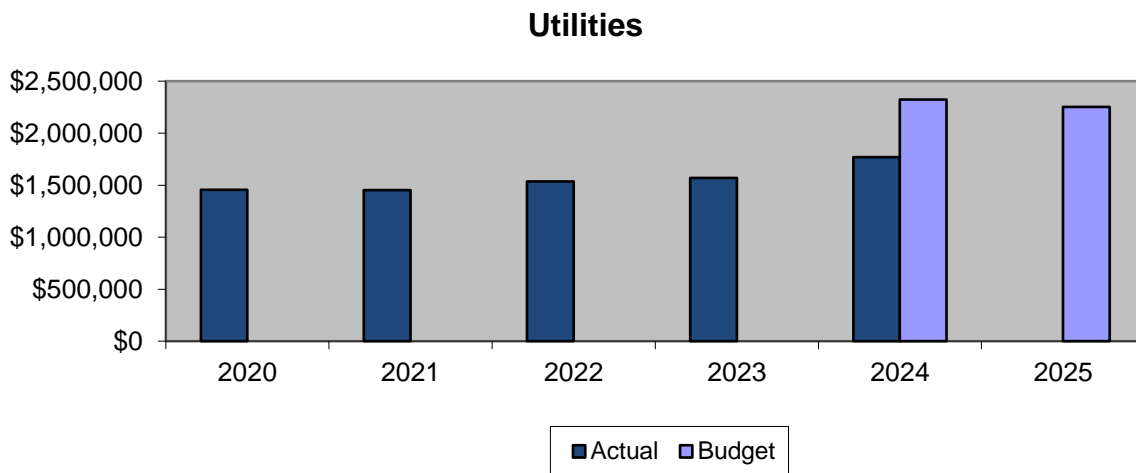
YEAR	TOTAL	% CHANGE	
2020	\$ 1,456,755		<b>ACTUAL</b>
2021	\$ 1,452,560	-0.3%	
2022	\$ 1,535,354	5.7%	
2023	\$ 1,568,410	2.2%	
2024	\$ 1,768,164	12.7%	
2024	\$ 2,322,240		<b>BUDGET</b>
2025	\$ 2,251,640	-3.0%	

### *Historical Viewpoint*

Due to COVID-19 and fewer people in the office, the cost of Utilities was lower in 2020 and 2021, however they have been rising over the past three years due to the higher cost of energy and with the return of staff to the office. Expenses increased by 12.7% in 2024.

### *Funding*

Utilities in 2025 are budgeted for \$2.3 million. The amount is a \$70,600 or 3.0% decrease from the 2024 budget.



## Professional Services

The Professional Services line item includes funding for Audit Services, Trustee Services, Financial Consultants, Risk Management, Bond Remarketing, Rating Agencies, Letter of Credit, Miscellaneous Financial, Legal, Liens and Taking, Engineering, Personnel, and Other Professional Services.

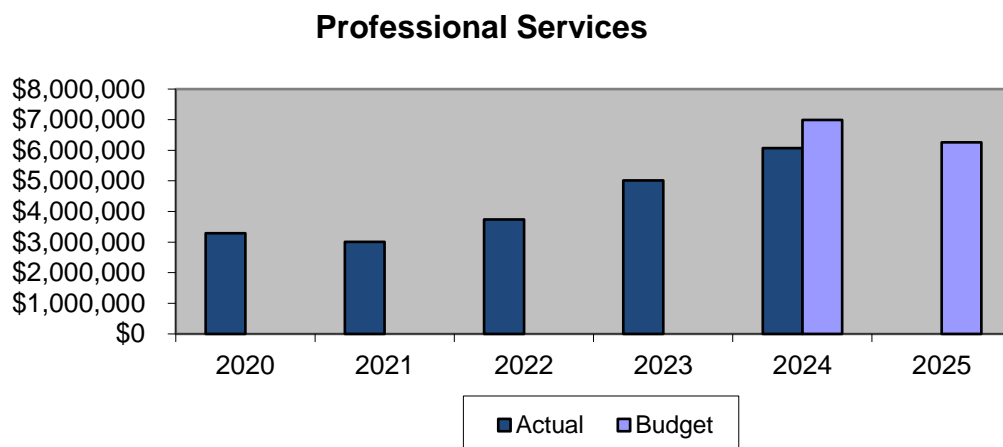
YEAR	TOTAL	% CHANGE	
2020	\$ 3,288,593		<b>ACTUAL</b>
2021	\$ 3,012,331	-8.4%	
2022	\$ 3,741,496	24.2%	
2023	\$ 5,013,560	34.0%	
2024	\$ 6,067,634	21.0%	Unaudited
2024	\$ 6,995,421		<b>BUDGET</b>
2025	\$ 6,256,700	-10.6%	

### Historical Viewpoint

In the year 2000, the Commission awarded a contract to service the pumping stations throughout the City of Boston. These services have been very effective in reducing flooding in various areas of Boston. These services have continued into the present and account for most of the Commission’s annual expenses for Professional Services.

### Funding

Professional Services are budgeted for \$6.3 million in 2025, which is \$0.7 million or 10.6% less than the 2024 budget.



## Space and Equipment Rentals

The Space and Equipment Rentals line item includes funding for Space/Lease Rentals, Copier Leases, and Other Rentals. The funds allocated for this line item are also used for miscellaneous and emergency equipment rental costs.

YEAR	TOTAL	% CHANGE	
2020	\$ 291,919		<b>ACTUAL</b>
2021	\$ 319,735	9.5%	
2022	\$ 339,060	6.0%	
2023	\$ 309,224	-8.8%	
2024	\$ 210,164	-32.0%	Unaudited
2024	\$ 225,550		<b>BUDGET</b>
2025	\$ 260,550	15.5%	

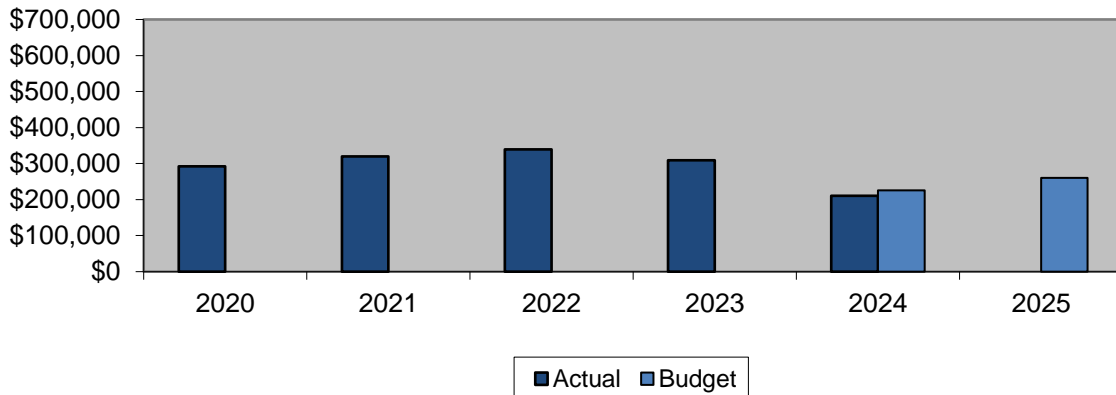
### Historical Viewpoint

The Commission has seen fluctuations in Space and Equipment Rental spending over the last five years due to changing rental needs. Expenses for 2024 totaled \$210,164, a 32.0% decrease from 2023.

### Funding

Space and Equipment Rentals are budgeted for \$260,550 in 2025, which is \$35,000 or 15.5% less than the 2024 budget.

### Space and Equipment Rentals



## Other Services

The Other Services line item includes all non-professional services, such as Printing and Duplication, Memberships/Dues, Subscriptions, Advertising (Public Information, Recruitment, Procurement), Police Details, Facilities Security, Billing, and Miscellaneous Other Services. Private police details are services that are required by law for work performed on the streets of Boston.

YEAR	TOTAL	% CHANGE	
2020	\$ 1,428,584		<b>ACTUAL</b>
2021	\$ 1,543,822	8.1%	
2022	\$ 1,271,151	-17.7%	
2023	\$ 1,643,931	29.3%	
2024	\$ 1,940,362	18.0%	Unaudited
2024	\$ 2,850,139		<b>BUDGET</b>
2025	\$ 2,464,689	-13.5%	

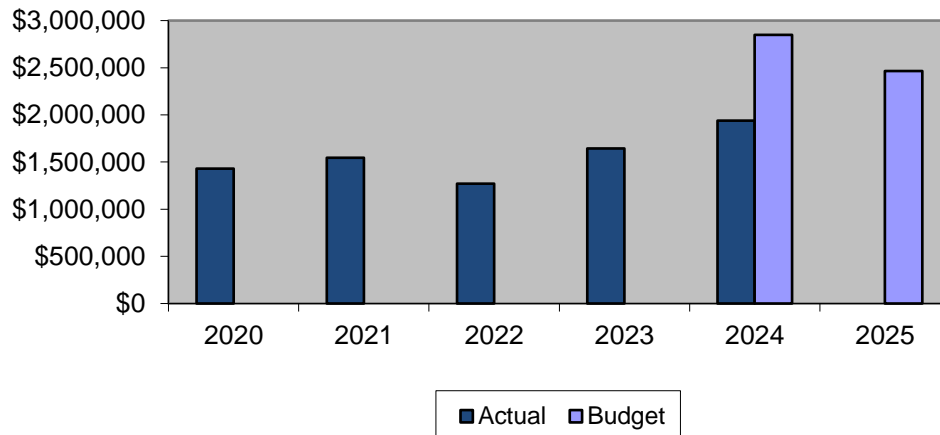
### Historical Viewpoint

Expenses for Other Services have remained relatively steady over the last five years. Expenses equaled \$1.4 million in 2020, \$1.5 million in 2021, \$1.3 million in 2022, \$1.6 million in 2023 and \$1.9 million in 2024. Printing and Duplication, Police Details, Advertising, Facilities Security, and Miscellaneous Other Services are the main components of the annual expenses made by the Commission for Other Services.

### Funding

The Commission has allocated \$2.5 million in funds for Other Services in the 2025 budget, which is \$0.4 million or 13.5% more than the 2024 amount.

### Other Services



## Insurance

The Insurance line item includes funding for Excess Liabilities, Fiduciary Liability, Property/Casualty, Vehicle Insurance, Crime Insurance, and Permit/Bonding.

YEAR	TOTAL	% CHANGE		Types of Insurance Coverage	% of Budget
2020	\$ 949,730		<b>ACTUAL</b>	Excess Liabilities	36.7%
2021	\$ 981,380	3.3%		Employment Practices Liability	20.7%
2022	\$ 1,101,718	12.3%		Cyber	5.2%
2023	\$ 1,207,580	9.6%		Fiduciary Liability	1.6%
2024	\$ 1,326,346	9.8%		Property/Casualty	17.9%
			<b>BUDGET</b>	Vehicle Insurance	16.9%
2024	\$ 1,297,934			Crime Insurance	1.0%
2025	\$ 1,482,585	14.2%		Permit/Bonding	0.0%
				Total Insurance	100.0%

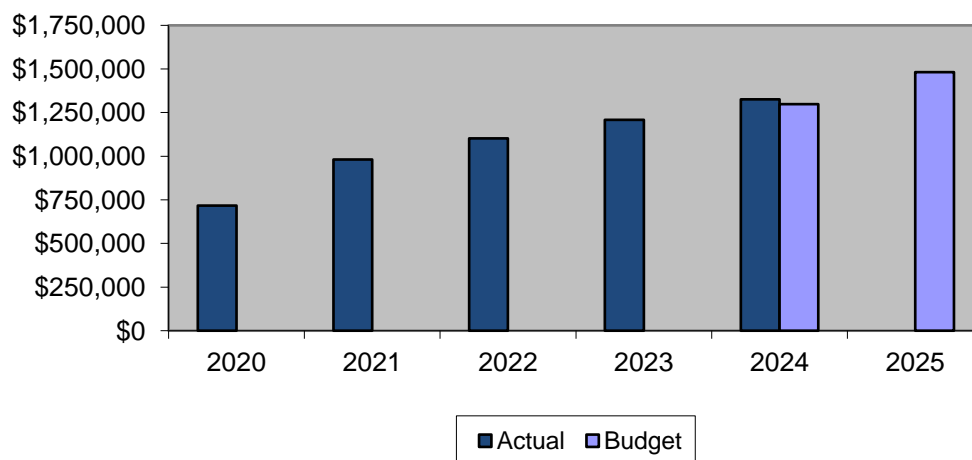
### Historical Viewpoint

For Insurance over the last five years, the Commission has expensed \$949,731 in 2020, \$981,380 in 2021, \$1,101,718 in 2022, \$1,207,580 in 2023 and \$1,326,346 in 2024. Future costs are intended to decrease as premiums continue to fluctuate in the market.

### Funding

The Insurance line item is budgeted at \$1,482,585 in 2025. The amount budgeted is \$0.2 million or 14.2% more than the previous year. The amount budgeted incorporates rates for five months of actual expenses and seven months of estimated renewals, which begin in June for the next fiscal year thus creating overlapping fiscal years.

### Insurance

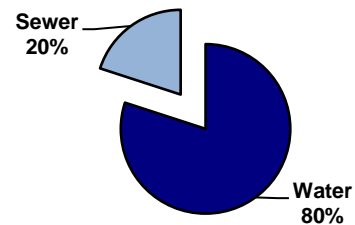


# Inventory

The Commission’s Inventory budget includes funding for water and sewer related items, such as, copper, tubing, gate valves, fittings, and couplings. Also included in this line item are replacement parts for hydrants.

YEAR	TOTAL	% CHANGE	
2020	\$ 5,840		<b>ACTUAL</b>
2021	\$ 13,540	131.8%	
2022	\$ 5,848	-56.8%	
2023	\$ 19,158	227.6%	
2024	\$ 19,027	-0.7%	Unaudited
<b>BUDGET</b>			
2024	\$ 23,000		
2025	\$ 25,000	8.7%	

Inventory Fund Distribution

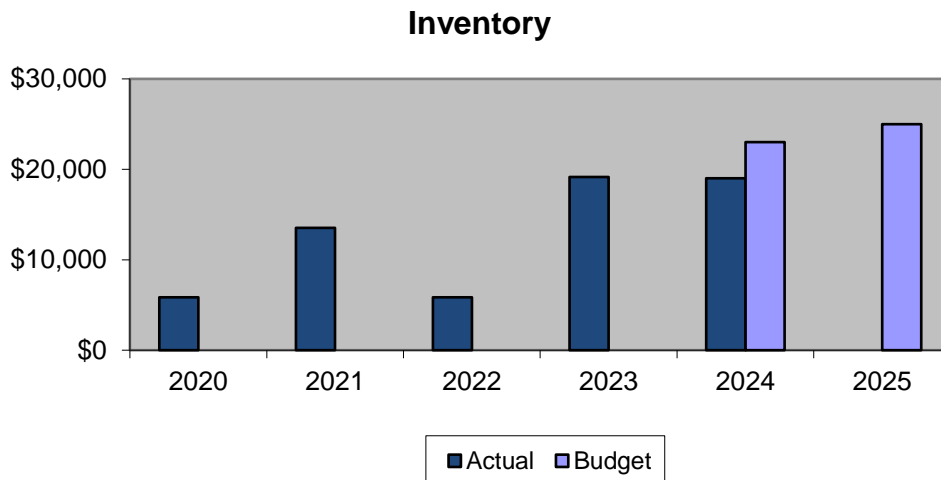


## Historical Viewpoint

The Commission reclassified materials that were previously considered inventory into program supplies. Annual expenses for inventory totaled \$5,840 in 2020, \$13,540 in 2021, \$5,848 in 2022, \$19,158 in 2023 and \$19,027 in 2024. The increase in spending for 2023 can be attributed to restocking all supplies.

## Funding

Funding for inventory in the 2025 budget is \$25,000. The amount budgeted is \$2,000 or 8.7% more than the previous year.



## Capital Outlay

The Capital Outlay line item includes funding for Office Equipment and Field Equipment.

YEAR	TOTAL	% CHANGE	
2020	\$ 46,574		<b>ACTUAL</b>
2021	\$ 46,492	-0.2%	
2022	\$ 81,320	74.9%	
2023	\$ 95,103	16.9%	
2024	\$ 105,250	10.7%	
2024	\$ 140,000		<b>BUDGET</b>
2025	\$ 150,000	7.1%	

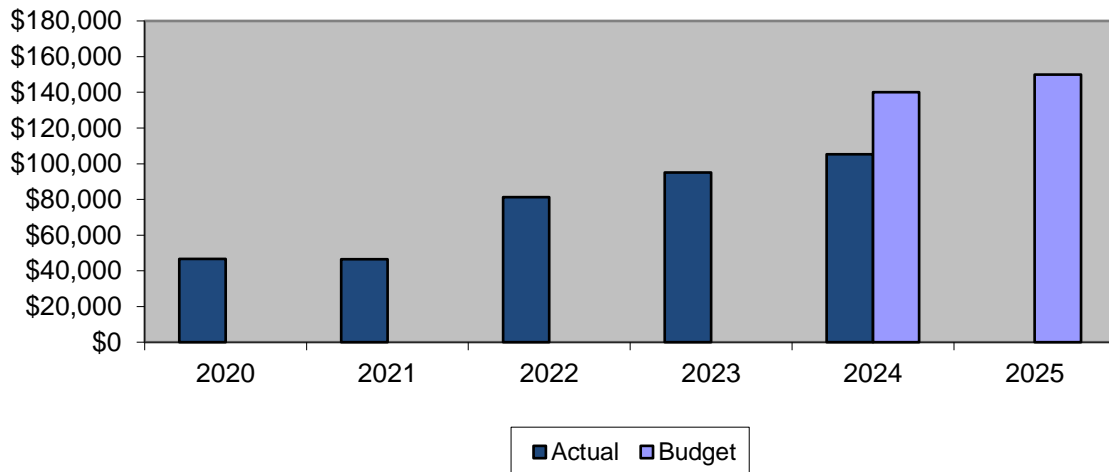
### Historical Viewpoint

In prior years, the Commission purchased replacement furniture and office equipment. Annual expenses for Capital Outlay totaled \$85,538 in 2020, \$46,492 in 2021, \$81,320 in 2022, \$95,103 in 2023 and \$105,250 in 2024.

### Funding

Funding for Capital Outlay in the 2025 budget is \$150,000, which is \$10,000 or 7.1% more than the 2024 budget.

**Capital Outlay**



## Travel/Training/Seminar

Travel/Training/Seminar is funded in order to provide Commission employees the opportunity to enhance professional development and stay current with the trends in their fields of expertise by attending job-related seminars or training sessions.

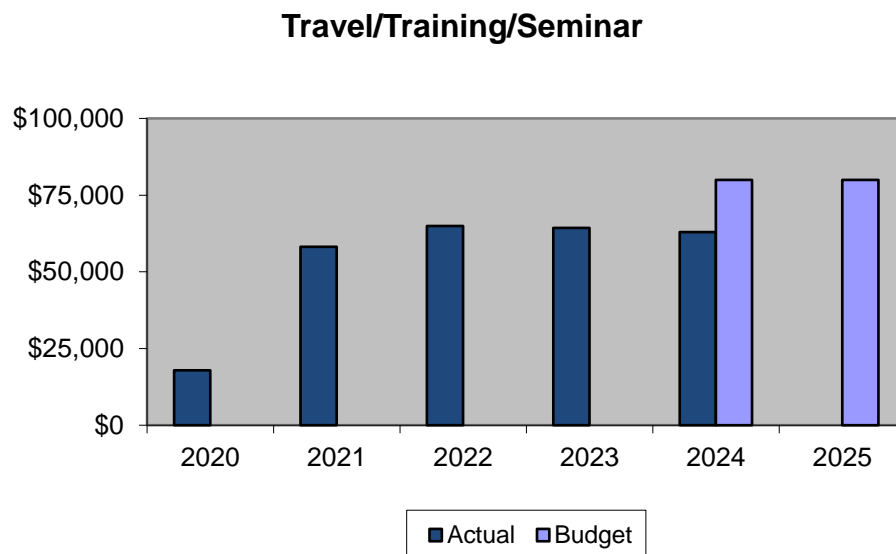
YEAR	TOTAL	% CHANGE	
2020	\$ 17,890		<b>ACTUAL</b>
2021	\$ 58,180	225.2%	
2022	\$ 64,899	11.5%	
2023	\$ 64,318	-0.9%	
2024	\$ 62,927	-2.2%	
			Unaudited
2024	\$ 80,000		<b>BUDGET</b>
2025	\$ 80,000	0.0%	

### Historical Viewpoint

Travel/Training/Seminar expenditures totaled \$18,314 in 2020, \$58,180 in 2021, \$64,899 in 2022, \$64,318 in 2023 and \$62,927 in 2024. The significant drop in spending in 2020 was due to less Travel because of Covid-19 restrictions.

### Funding

Travel/Training/Seminar is funded at \$80,000 for 2025, which is level funded with the 2024 budget.



## Damage Claims

The Damage Claims line item is budgeted to pay claims sustained against the Commission for personal injury, property damage, or employee liability damages. The Commission’s current policy calls for a self-insured retention limit of \$1.0 million per occurrence and \$2.5 million in annual aggregate retention. In addition, damages relating to employee liability are subject to a \$100,000 self-insured retention limit. Claims exceeding \$10,000 are paid from the Insurance Reserve Account.

YEAR	TOTAL	% CHANGE	
2020	\$ 4,160		<b>ACTUAL</b>
2021	\$ 315,847	7492.5%	
2022	\$ 2,374,320	651.7%	
2023	\$ 217,726	-90.8%	
2024	\$ 3,010,913	1282.9%	Unaudited
<hr/>			
2024	\$ 200,000		<b>BUDGET</b>
2025	\$ 200,000	0.0%	

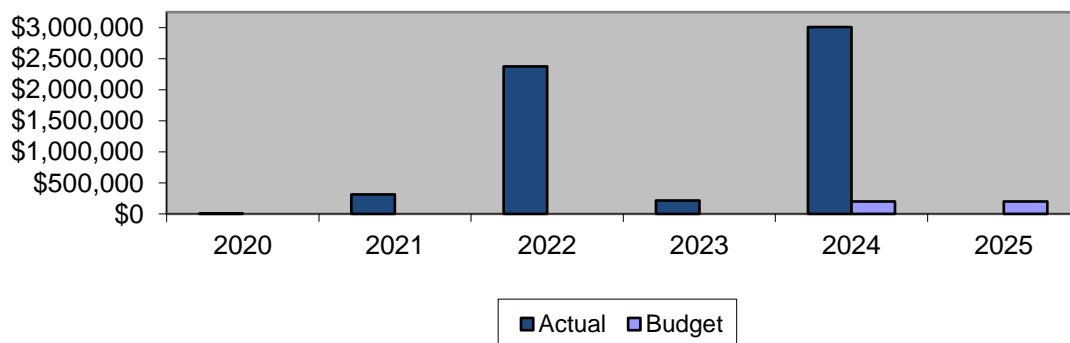
### *Historical Viewpoint*

Damage Claims in a given year depend on how many claims are brought against the Commission. Over the past couple years, actual expenses have been higher than the correlative budget amounts, which can be attributed to additional required deposits into the Insurance Reserve Fund. Expenses for Damage Claims totaled \$4,160 in 2020, \$315,847 in 2021, \$2,374,320 in 2022, \$217,726 in 2023 and \$3,010,913 in 2024.

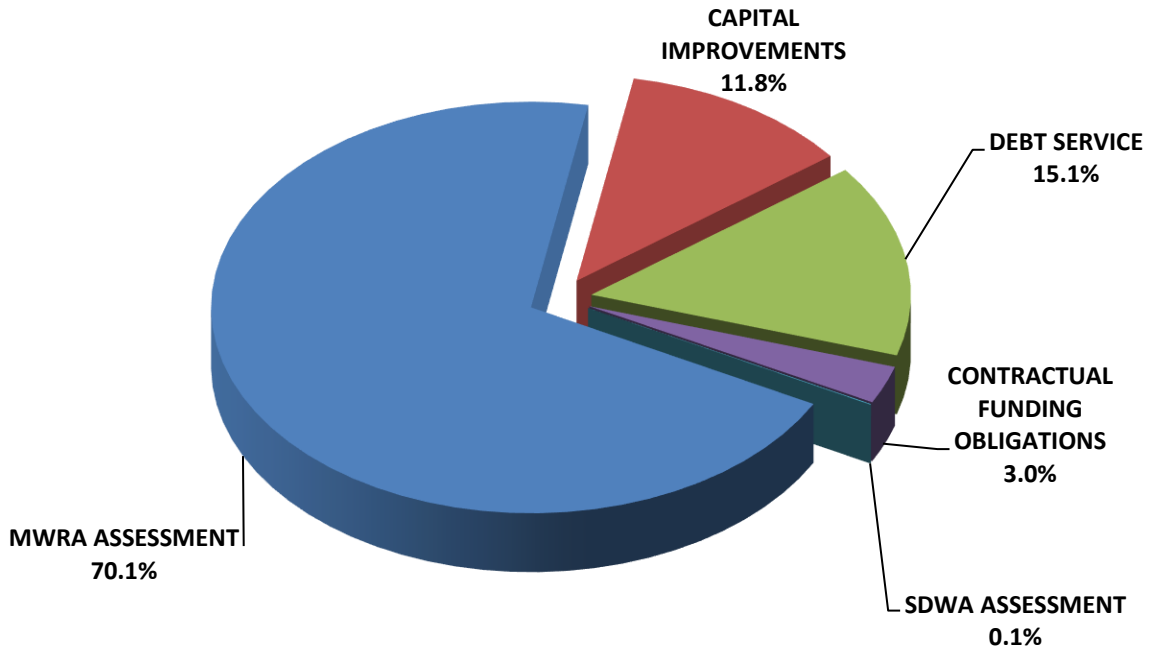
### *Funding*

Funding for Damage Claims in the 2025 budget is \$200,000, which is level funded with the 2024 budget.

### Damage Claims



**INDIRECT EXPENSES FOR 2025 BUDGET**



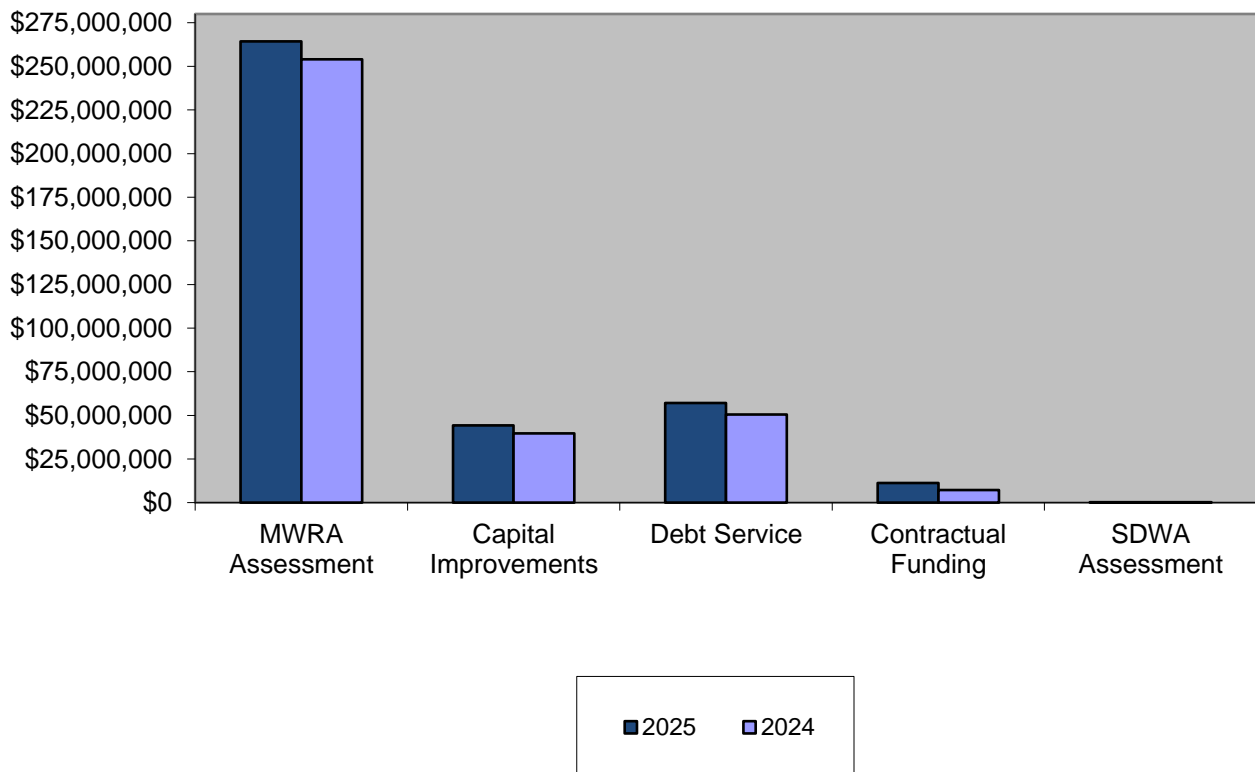
MWRA Assessment	\$	264,259,121
Capital Improvements	\$	44,320,000
Debt Service	\$	57,094,687
Contractual Funding	\$	11,158,239
SDWA Assessment	\$	209,123
<b>Total Indirect Expenses for FY 2025</b>	<b>\$</b>	<b>377,041,170</b>

## Indirect Expenses: 2025 vs. 2024

The table below displays the breakdown of Indirect Expenses. Variances from the 2025 to the 2024 budget are discussed in the following sections.

	2025 Budget	2024 Budget	Variance %
MWRA Assessment	\$ 264,259,121	\$ 253,938,132	4.1%
Capital Improvements	\$ 44,320,000	\$ 39,684,778	11.7%
Debt Service	\$ 57,094,687	\$ 50,381,317	13.3%
Contractual Funding	\$ 11,158,239	\$ 7,280,830	53.3%
SDWA Assessment	\$ 209,123	\$ 212,122	-1.4%
<b>TOTAL</b>	<b>\$ 377,041,170</b>	<b>\$ 351,497,179</b>	<b>7.3%</b>

### 2025 vs 2024 Indirect Expense Budgets



## **Indirect Expenses – MWRA Assessment**

---

The Commission obtains its water supply and sewer treatment services from the MWRA. The MWRA provides water services to 54 cities, towns and special purpose entities and wastewater treatment to 43 cities, towns and special purpose entities located throughout central and eastern Massachusetts.

### *Background*

On December 19, 1984, Chapter 372 of the Acts of 1984, known as the MWRA Act, was passed by the legislature, creating the MWRA. The MWRA was formed as a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts (“the Commonwealth”). Effective July 1, 1985 the ownership, possession, and control of all personal property comprising the Metropolitan District Commission (“MDC”) water and sewer systems were transferred to the MWRA. It was recognized at that time that the MDC was unable to effectively manage the collection, treatment, and disposal of sewage in the Boston metropolitan area. The MWRA Act made the MWRA responsible for the repair, replacement, rehabilitation, modernization, and extension of the water delivery system and of the sewage collection, disposal, and treatment systems on a self-sustaining basis. The Act also allows for the issuance of bonds and notes to finance any of its corporate activities.

### *Rates and Charges*

The MWRA was empowered to establish charges for its services and commodities without supervision by other agencies or governmental bodies. One of the basic goals achieved by the MWRA Act was the substitution of assessments, or user fees, to the member communities for the prior tax-based system of charges.

The Commission continues to be the single largest customer of the MWRA. For the MWRA fiscal year 2025, the Commission will be assessed \$109.9 million or 35.3% of MWRA total water system charges and \$150.0 million or 27.6% of the MWRA sewer system charges. On a combined basis, the Commission will pay \$259.9 million or 30.4% of the total MWRA combined assessments.

Assessments for water services are calculated by the MWRA based on the metered water use in the calendar year immediately preceding the MWRA fiscal year. The Commission’s water charges for MWRA Fiscal year 2024 total \$101,284,742 based on the Commission’s 2023 calendar year metered water use.

Sewer Assessments allocate operating and maintenance costs based on total metered annual flow and total annual average strength, septage contributions, and high strength flow loads. Septage contributions are allocated based on volume, total suspended solids (“TSS”), and biochemical oxygen demand (“BOD”) loadings. High strength flow loads are generated by those permitted entities whose flows exceed 25,000 gallons per day and whose TSS and/or BOD concentrations exceed 400 milligrams per liter.

## Indirect Expenses – MWRA Assessment

The 2025 CEB includes funding for the MWRA Assessments totaling \$264.3 million. Since the MWRA fiscal year begins July 1 each year, the Commission’s budgeted amount is based on MWRA rates for two fiscal years.

### Historical Viewpoint

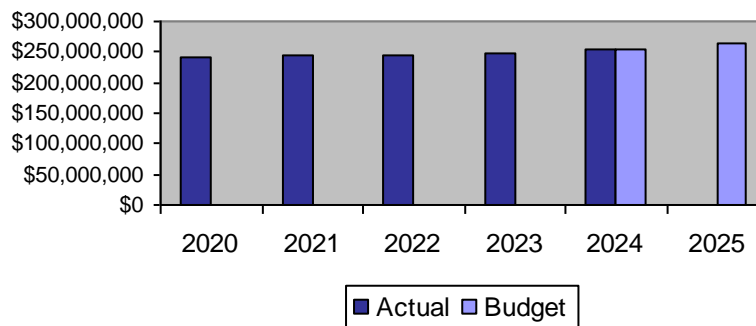
YEAR	TOTAL	% CHANGE	
2020	\$ 241,360,172		<b>ACTUAL</b>
2021	\$ 243,396,224	0.8%	
2022	\$ 245,958,491	1.1%	
2023	\$ 249,344,505	1.4%	
2024	\$ 254,755,865	2.2%	
			Unaudited
2024	\$ 253,938,132		<b>BUDGET</b>
2025	\$ 264,259,121	4.1%	

Expenses for MWRA Assessments have gradually increased in the past five years. Rate increases imposed by the MWRA have contributed to the rising expenditures. Amounts for MWRA Assessments totaled \$241.4 million in 2020, \$243.4 million in 2021, \$246.0 million in 2022, \$249.3 million in 2023 and \$254.8 million in 2024.

### Funding

The 2025 Budget for the MWRA Assessment is \$264.3 million, an increase of \$10.3 million or 4.1% from the 2024 Budget. The MWRA and Commission have different fiscal years, thus, the budget for 2025 is based on an increase of 4.1% in MWRA FY25, and a projected 3.3% increase in MWRA FY26.

**MWRA Assessment**



## Indirect Expenses – Capital Improvements

The Commission has an aggressive annual Capital Improvement Program in place to ensure the proper long-term integrity of its water distribution and wastewater collection systems. Capital Improvement expenses represent the costs associated with rate revenue funded projects undertaken in the CIP. In 2012, the Commission began to implement the recommendations made in the Water Distribution System Study. This study recommended that the Commission rehabilitate 11 miles of water mains per year through 2030. This ranking system was updated in 2016 resulting in a recommendation to replace and rehabilitate 8 miles of pipe per year. The Water Infrastructure Program, which is a grant loan provided by the MWRA, assists the Commission to pay for related projects.

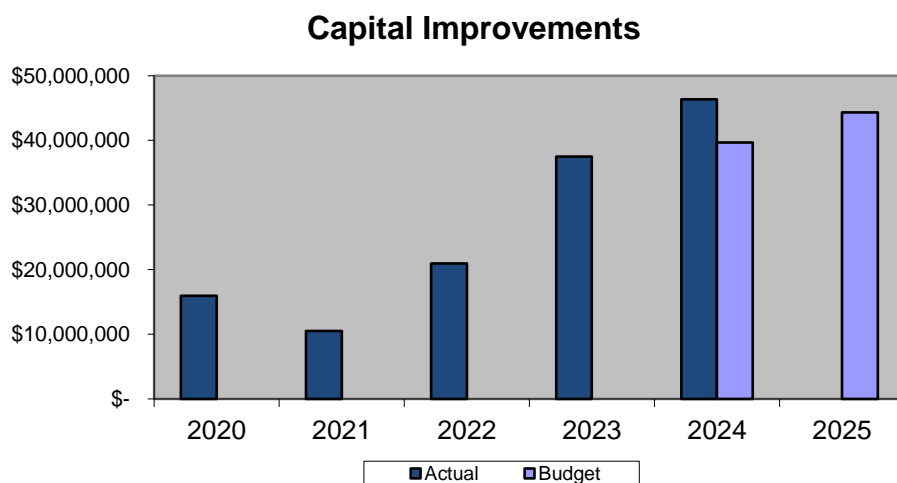
YEAR	TOTAL	% CHANGE	
2020	\$ 15,948,387		<b>ACTUAL</b>
2021	\$ 10,531,019	-34.0%	
2022	\$ 20,137,567	91.2%	
2023	\$ 37,516,591	86.3%	
2024	\$ 46,341,224	23.5%	
			Unaudited
2024	\$ 39,684,778		<b>BUDGET</b>
2025	\$ 44,320,000	11.7%	

### Historical Viewpoint

Costs associated with Capital Improvements have fluctuated during the last five years, but increases have occurred in the previous two years. Expenses have totaled \$14.0 million in 2020, \$10.5 million in 2021, \$20.1 million in 2022, \$37.5 million in 2023 and \$46.3 million in 2024.

### Funding

The amount budgeted in 2025 equals \$44.3 million, which is \$4.6 million or 11.7% more than 2024. The amount budgeted annually is based on project detail of new and ongoing water and sewer main rehabilitation projects outlined in the 2025-2027 Capital Improvement Program.



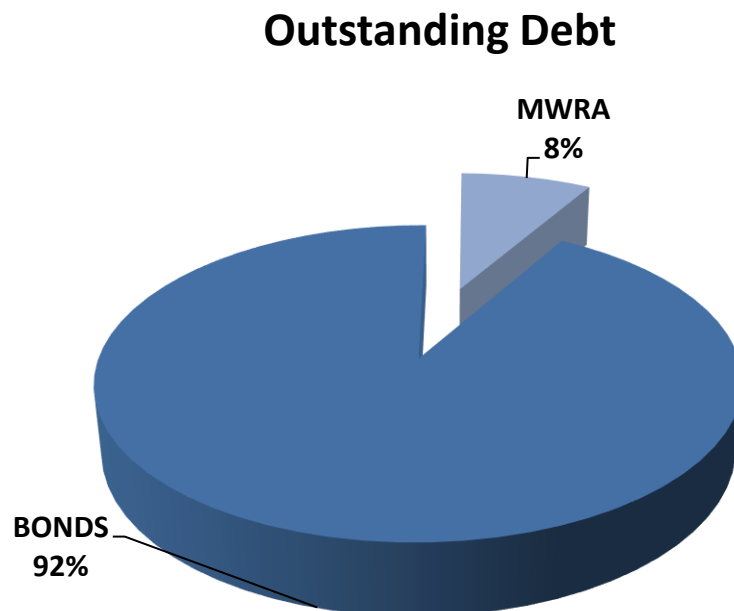
## Indirect Expenses – Debt Service

The Commission issues General Revenue Bonds to finance a portion of its Capital Improvement Program. The Commission has \$521.5 million of General Revenue Bonds outstanding with different maturity dates on which there will be required principal and interest payments in 2025. In addition to its debt service obligations associated with General Revenue Bonds, the Commission must pay debt service relating to the MWRA and Massachusetts Abatement Trust Loan and Grant Programs.

YEAR	TOTAL	% CHANGE	
2020	\$ 50,179,641		<b>ACTUAL</b>
2021	\$ 49,657,755	-1.0%	
2022	\$ 49,919,808	0.5%	
2023	\$ 52,311,608	4.8%	
2024	\$ 50,593,122	-3.3%	Unaudited
2024	\$ 50,381,317		<b>BUDGET</b>
2025	\$ 57,094,687	13.3%	

### *Historical Viewpoint*

In 2024, the Commission issued \$82.1 million in general revenue bonds. The Commission expects another issuance of general revenue bonds in late 2025.

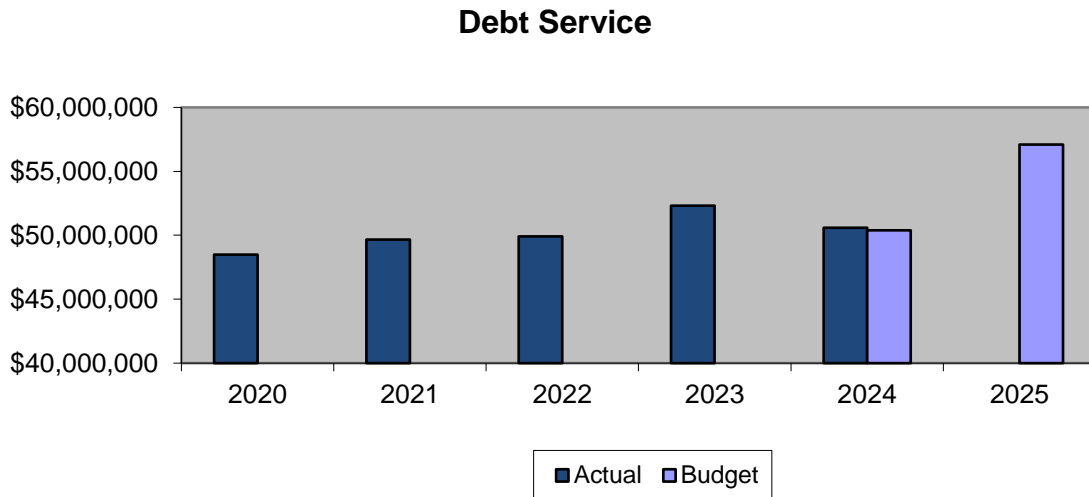


## Indirect Expenses – Debt Service

---

### *Funding*

Funding for Debt Service is set at \$57.1 million for 2025, which is \$6.7 million or 13.3% more than 2024. The budget anticipates a new bond issuance in 2025. The amount budgeted incorporates principal and interest payments on \$567.3 million, which consists of \$521.5 million Senior Debt and \$45.8 million MWRA loans.



## Indirect Expenses – Debt Service

Current outstanding debt includes the following General Revenue Bonds:

2014 Series A = \$56.0 million

2018 Series A = \$65.9 million

2015 Series A = \$46.5 million

2021 Series A = \$143.9 million

2016 Series A = \$40.6 million

2021 Series B = \$39.7 million

2016 Series B = \$47.6 million

2024 Series A = \$81.3 million

<b>2025 Debt Service</b>				
	INTEREST		PRINCIPAL	TOTAL
2014 Series A (Senior)	\$ 2,043,750	\$	1,000,000	\$ 3,043,750
2015 Series A (Senior)	\$ 2,148,300	\$	18,870,000	\$ 21,018,300
2016 Series A (Senior)	\$ 1,779,800	\$	-	\$ 1,779,800
2016 Series B (Senior)	\$ 1,429,050	\$	-	\$ 1,429,050
2018 Series A (Senior)	\$ 2,361,750	\$	500,000	\$ 2,861,750
2021 Series A (Senior)	\$ 2,703,139	\$	8,865,000	\$ 11,568,139
2021 Series B (Senior)	\$ 1,518,875	\$	-	\$ 1,518,875
2024 Series A (Senior)	\$ 3,473,650	\$	1,000,000	\$ 4,473,650
<b>Total of Senior Bonds</b>	\$ 17,458,314	\$	30,235,000	\$ 47,693,314
SRF Debt Service	-	\$	-	\$ -
MWRA I/I	-	\$	864,926	\$ 864,926
MWRA SAP	-	\$	6,064,436	\$ 6,064,436
MWRA LLP	-	\$	346,492	\$ 346,492
	\$ -	\$	7,275,854	\$ 7,275,854
<b>Total Debt Service</b>	<b>\$ 17,458,314</b>	<b>\$</b>	<b>37,510,854</b>	<b>\$ 54,969,168</b>

## Indirect Expenses – Debt Service

---

- MWRA I/I includes two phases

	INTEREST	PRINCIPAL	TOTAL
PHASE 9	\$ -	\$ 452,264	\$ 452,264
PHASE 10	\$ -	\$ 412,662	\$ 412,662
	\$ -	\$ 864,926	\$ 864,926

- MWRA includes SAP and LLP

	INTEREST	PRINCIPAL	TOTAL
SAP	\$ -	\$ 6,064,436	\$ 6,064,436
LLP	\$ -	\$ 346,492	\$ 346,492
	\$ -	\$ 6,410,928	\$ 6,410,928

## Indirect Expenses – Contractual Funding Obligations

The Commission, as required by its Bond Resolution, maintains an Operating Reserve Fund, a Renewal and Replacement Reserve Fund, an Insurance Reserve Fund, and Stabilization Fund. The Contractual Funding Obligation line item represents mandated funding of all of these funds. The Commission is annually required to maintain a balance in the Operating Reserve Fund an amount equal to one-sixth of the Commission’s operating and maintenance expenses and the accrued MWRA Assessments for that year.

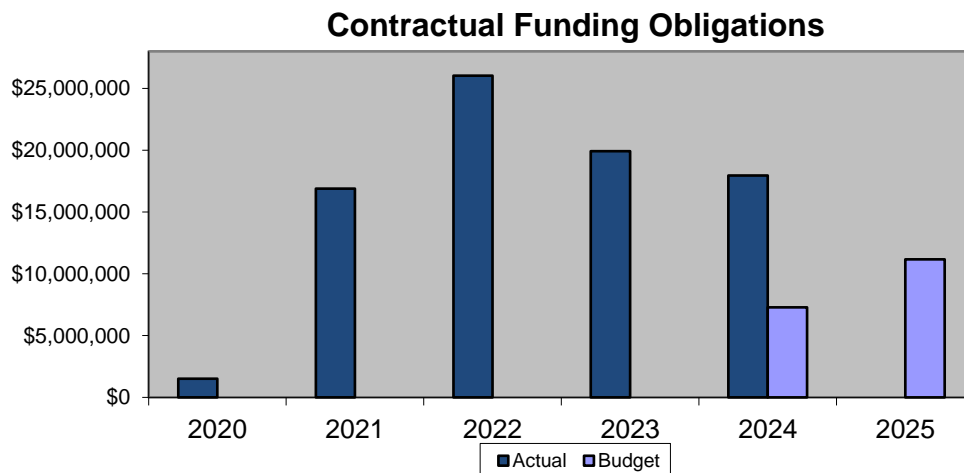
YEAR	TOTAL	%CHANGE	
2020	\$ 1,516,000		<b>ACTUAL</b>
2021	\$ 16,889,000	1014.1%	
2022	\$ 26,034,000	54.1%	
2023	\$ 19,912,000	-23.5%	
2024	\$ 17,960,000	-9.8%	Unaudited
2024	\$ 7,280,830		<b>BUDGET</b>
2025	\$ 11,158,239	53.3%	

### Historical Viewpoint

Contractual Funding Obligations have totaled \$1.5 million in 2020, \$16.9 million in 2021, \$26.0 million in 2022, \$19.9 million in 2023 and \$18.0 million in 2024. Changes in spending can be attributed to different monthly deposit amount requirements per the Bond Resolution and additional deposits into the Stabilization Fund.

### Funding

The amount funded for Contractual Funding Obligations in the 2025 budget is \$11.2 million, which is an increase of \$3.9 million from the 2024 budget. Changes in budgeting can be attributed to different deposit amount requirements by year per the Bond Resolution.



## Indirect Expenses – Safe Drinking Water Act Assessment

The Safe Drinking Water Act (“SDWA”) Assessment line item was established as a result of a federal mandate. Massachusetts has opted to oversee the implementation of the SDWA throughout the Commonwealth (“Primacy”). A funding mechanism for Primacy was approved by the Legislature in 1993 that entails an assessment to all water suppliers.

YEAR	TOTAL	% CHANGE	
2020	\$ 220,685		<b>ACTUAL</b>
2021	\$ 215,437	-2.4%	
2022	\$ 203,461	-5.6%	
2023	\$ 204,016	0.3%	
2024	\$ 212,447	4.1%	Unaudited
2024	\$ 212,122		<b>BUDGET</b>
2025	\$ 209,123	-1.4%	

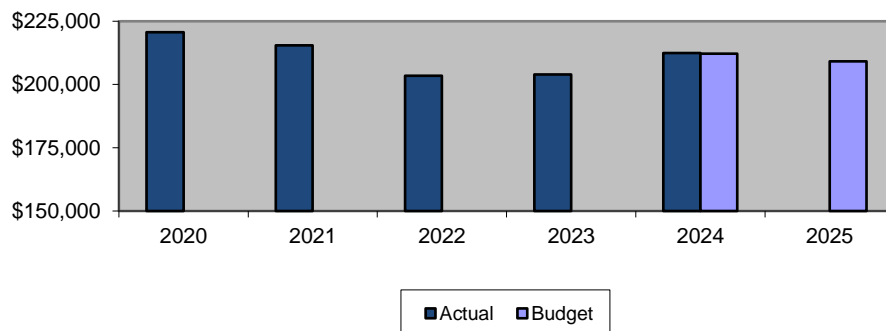
### Historical Viewpoint

The SDWA Assessment is based upon the volume of water purchased during the previous calendar year. Declining water purchases have caused the SDWA Assessment to diminish over most of the last five years before increases in 2023 and 2024, realizing amounts of \$220,685 in 2020, \$215,437 in 2021, \$203,461 in 2022, \$204,016 in 2023 and \$212,447 in 2024.

### Funding

The 2025 budget for the Safe Drinking Water Act Assessment is \$209,123, which is a decrease of 1.4% from the 2024 budget. Massachusetts opted to oversee the implementation of the SDWA throughout the Commonwealth; the Legislature approved a funding mechanism that entails an assessment to all water suppliers. This assessment is calculated at \$0.0095 per thousand gallons of water purchased to offset expenses incurred by the Department of Environmental Protection, which includes monitoring, inspection, and enforcement of activities.

### SDWA Assesment



## Flow of Funds

The statements of net assets provide the information on the assets and liabilities of the Commission, with net assets (deficits) reported as the difference between assets and liabilities. Condensed financial information for the three most recent fiscal years is presented below.

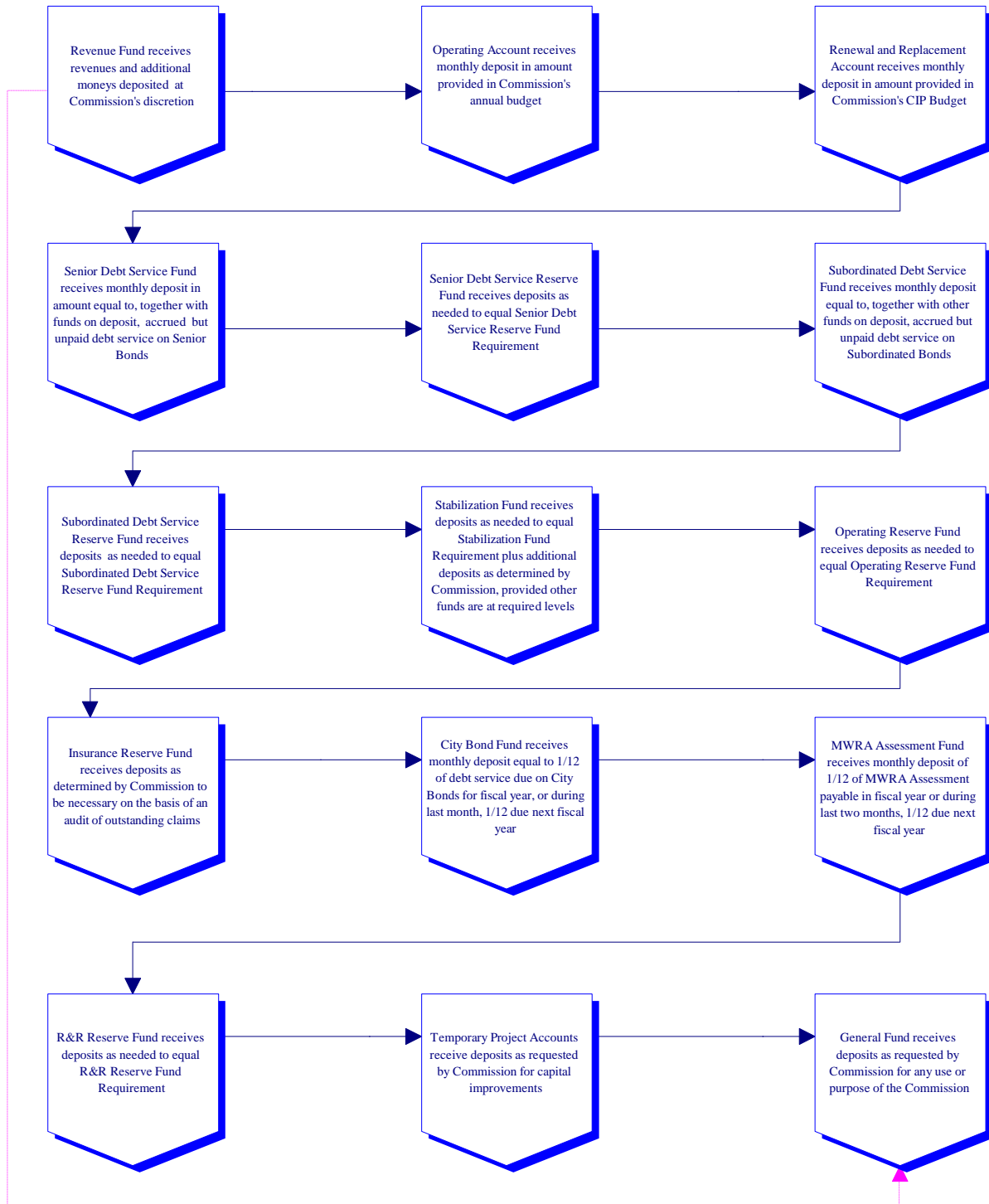
	2021	2022	2023
Current Assets	69,912,047	83,016,782	89,570,481
Capital Net Assets	1,497,562,871	1,532,236,078	1,618,787,848
Other Assets	264,988,651	270,886,915	283,196,811
<b>Total Assets</b>	<b>1,832,463,569</b>	<b>1,886,139,775</b>	<b>1,991,555,140</b>
Current Liabilities	86,285,474	118,498,711	170,828,641
Noncurrent Liabilities	615,280,448	609,343,054	565,588,551
<b>Total Liabilities</b>	<b>701,565,922</b>	<b>727,841,765</b>	<b>736,417,192</b>
<b>Net Assets</b>			
Invested in Capital Assets	898,139,925	944,498,467	1,002,874,524
Restricted Net Assets	114,056,883	118,764,753	124,554,152
Unrestricted Net Deficits	(610,578,778)	(654,698,123)	(718,859,115)
<b>Total Net Assets</b>	<b>401,618,030</b>	<b>408,565,097</b>	<b>408,569,561</b>

The Commission's Resolution required the establishment of the following funds and accounts shown below in the table presented. The table below illustrates historic and projected year-end balances for these funds. Further details on each individual fund follow.

Fund	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Projected 2025
Revenue	\$ 16,148	\$ 31,766	\$ 151,261	\$ 76,706	\$ 150,603	\$ 150,603
Operating & Maintenance	\$ 9,570,446	\$ 6,232,562	\$ 13,950,850	\$ 32,962,733	\$ 46,848,389	\$ 46,848,389
Sr. Debt Service	\$ 7,987,062	\$ 7,413,440	\$ 7,295,266	\$ 7,367,961	\$ 8,454,936	\$ 8,688,601
Sr. Debt Service Reserve	\$ 45,729,110	\$ 44,268,957	\$ 44,302,176	\$ 44,254,181	\$ 46,733,718	\$ 50,536,718
Operating Reserve	\$ 54,301,340	\$ 55,324,454	\$ 55,879,637	\$ 59,444,980	\$ 60,468,887	\$ 62,554,887
Insurance Reserve	\$ 1,996,733	\$ 3,367,494	\$ 4,375,890	\$ 4,582,594	\$ 7,662,925	\$ 7,662,925
MWRA	\$ 5,550,586	\$ 15,051,398	\$ 21,576,679	\$ 13,632,083	\$ 20,121,521	\$ 20,679,741
R & R Reserve	\$ 4,290,014	\$ 4,685,608	\$ 6,162,676	\$ 7,539,741	\$ 10,028,271	\$ 11,187,271
General	\$ 2,139	\$ 2,140	\$ 2,174	\$ 2,284	\$ 2,402	\$ 580,402
Stabilization	\$ 42,645,605	\$ 58,656,386	\$ 83,545,820	\$ 97,784,414	\$ 111,251,267	\$ 118,064,409
<b>Total</b>	<b>\$ 172,089,183</b>	<b>\$ 195,034,205</b>	<b>\$ 237,242,429</b>	<b>\$ 267,647,677</b>	<b>\$ 311,722,919</b>	<b>\$ 326,953,946</b>

➔ NOTE: None of the Commission Funds are subject to appropriation

## Flow of Funds



## Revenue Fund

The Commission's Bond Resolution establishes funds dedicated to the payment of certain obligations of the Commission. In accordance with the Commission's Bond Resolution, all reserves (except certain sale, insurance and condemnation proceeds and certain investment earnings) are deposited in the Revenue Fund, which is held by the Commission's trustee. The Bond Resolution provides that the Trustee make monthly transfers from the Revenue Fund to the other funds and accounts as directed and required.

The Commission projects that in 2025, \$482.2 million will be deposited and \$482.2 million will be withdrawn from the Revenue Fund. The net of these transactions will produce a year-end balance of \$0.2 million. The transactions are summarized in the table below.

	Begin Balance	Deposits	Withdrawals	Ending Balance
2020	\$ 29,074	\$ 382,187,074	\$ (382,200,000)	\$ 16,148
2021	\$ 16,148	\$ 409,774,018	\$ (409,758,400)	\$ 31,766
2022	\$ 31,766	\$ 442,353,695	\$ (442,234,200)	\$ 151,261
2023	\$ 151,261	\$ 443,960,945	\$ (444,035,500)	\$ 76,706
2024	\$ 76,706	\$ 480,951,897	\$ (480,878,000)	\$ 150,603
2025	\$ 150,603	\$ 482,237,624	\$ (482,237,624)	\$ 150,603

2024 Figures are Unaudited

2025 Figures are Projected

→ Deposits include:

- Water, Sewer, and Stormwater Receipts
- Interest income earned from Revenue Fund
- Liens
- Write-off recovery
- Fees collected for special services
- Interest income transferred from other funds

→ Withdrawals include transfers to other funds

## Operating and Maintenance Fund

---

Deposits are made into the Operating and Maintenance Fund at the end of each month for the following month as provided for in the annual budget. The monies deposited into this fund are used to pay for the Commission's day-to-day expenditures such as wages and salaries and payments to vendors for goods and services received. Department heads are required on a monthly basis to inform the Treasury Services Department of any unforeseen expenditures so that the Operating Account deposit can be modified based on the revised expenditure plan.

As illustrated below, the Commission projects that in 2025, \$266.4 million will be deposited and \$266.4 million will be withdrawn, resulting in an ending balance of \$46.8 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 3,100,333	\$ 247,319,493	\$ (240,849,380)	\$ 9,570,446
2021	\$ 9,570,446	\$ 249,257,799	\$ (252,595,684)	\$ 6,232,562
2022	\$ 6,232,562	\$ 277,173,398	\$ (269,455,110)	\$ 13,950,850
2023	\$ 13,950,850	\$ 319,423,121	\$ (300,411,238)	\$ 32,962,733
2024	\$ 32,962,733	\$ 352,287,265	\$ (338,401,609)	\$ 46,848,389
2025	\$ 46,848,389	\$ 266,366,019	\$ (266,366,019)	\$ 46,848,389

2024 Figures are Unaudited

2025 Figures are Projected

## Senior Debt Service Fund

---

The Senior Debt Service Fund provides for the payment of debt service on senior bonds. Deposits are made monthly in equal amounts, together with funds already on deposit, which are sufficient to meet scheduled debt service payments for a given year.

The Commission projects a beginning balance of \$8.5 million in 2025. Deposits made in 2025 are projected to be \$50.0 million and amounts withdrawn are projected to total \$49.8 million, resulting in a projected ending balance of \$8.7 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 7,835,319	\$ 46,676,166	\$ (46,524,423)	\$ 7,987,062
2021	\$ 7,987,062	\$ 46,599,721	\$ (47,173,343)	\$ 7,413,440
2022	\$ 7,413,440	\$ 43,789,300	\$ (43,907,474)	\$ 7,295,266
2023	\$ 7,295,266	\$ 47,268,202	\$ (47,195,507)	\$ 7,367,961
2024	\$ 7,367,961	\$ 44,579,583	\$ (43,492,608)	\$ 8,454,936
2025	\$ 8,454,936	\$ 50,020,511	\$ (49,786,846)	\$ 8,688,601

2024 Figures are Unaudited  
2025 Figures are Projected

- ➔ Deposits represent:
  - Transfers from the Revenue Fund
  - Amounts escrowed to pay debt service
  - Interest income received on the Senior Debt Service Fund
  - Interest earned is not transferred to Revenue Fund
  
- ➔ Withdrawals represent actual senior debt service payments

## Senior Debt Service Reserve Funds

The Senior Debt Service Reserve Funds are maintained at a level sufficient to meet the respective requirements as outlined in the Bond Resolution. These funds are to be used in the event there are insufficient funds in the respective debt service funds. The requirement for each account is equal to the total maximum aggregate amount of principal and interest becoming due in any fiscal year for fixed rate bonds plus the maximum aggregate amount of principal and interest becoming due in any fiscal for variable rate bonds.

The 2025 beginning balance is projected at \$46.7 million. The projected deposit for 2025 is \$5.1 million, and the projected withdrawal is \$1.3 million, resulting in an ending balance of \$50.5 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 47,266,910	\$ 1,137,200	\$ (2,675,000)	\$ 45,729,110
2021	\$ 45,729,110	\$ 1,039,847	\$ (2,500,000)	\$ 44,268,957
2022	\$ 44,268,957	\$ 1,198,220	\$ (1,165,000)	\$ 44,302,176
2023	\$ 44,302,176	\$ 1,287,005	\$ (1,335,000)	\$ 44,254,181
2024	\$ 44,254,181	\$ 4,909,536	\$ (2,430,000)	\$ 46,733,718
2025	\$ 46,733,718	\$ 5,088,177	\$ (1,285,177)	\$ 50,536,718

2024 Figures are Unaudited

2025 Figures are Projected

- ➔ Deposits to the Senior Debt Service Reserve represents:
  - Interest Income received on the fund
  - Additional monthly accruals deposited
  
- ➔ Any excess reserve gets transferred to the Revenue Fund
  
- ➔ Reserve Requirement is equal to \$45,414,267
  
- ➔ In the Reserve Fund is \$46,733,718 cash, as well as \$7,168,001 in a surety policy
  
- ➔ Assets valued at amortized cost

## Operating Reserve Fund

The Operating Reserve Fund receives deposits as needed to meet the requirements outlined in the Bond Resolution. The purpose of the Operating Reserve Fund is to provide funds if at any time the amount on deposit in the Operating Account is insufficient to meet operating expenses that are payable, or if there are insufficient funds in the MWRA Assessment Fund to pay the MWRA charges due. The Operating Reserve Fund requirement is equal to one-sixth, or two months of the Commission’s projected annual operating expenses and MWRA charges.

The Commission’s beginning balance in 2025 is projected to be \$60.5 million. The Commission projects deposits to equal \$3.7 million and withdrawals to equal \$1.7 million resulting in a year-end balance projection of \$62.5 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 52,411,409	\$ 1,889,931	\$ -	\$ 54,301,340
2021	\$ 54,301,340	\$ 1,312,364	\$ (289,250)	\$ 55,324,454
2022	\$ 55,324,454	\$ 1,280,183	\$ (725,000)	\$ 55,879,637
2023	\$ 55,879,637	\$ 4,665,342	\$ (1,100,000)	\$ 59,444,980
2024	\$ 59,444,980	\$ 2,523,907	\$ (1,500,000)	\$ 60,468,887
2025	\$ 60,468,887	\$ 3,748,894	\$ (1,662,894)	\$ 62,554,887

2024 Figures are Unaudited  
2025 Figures are Projected

- ➔ Withdrawals represent transfers of earned interest to the Revenue Fund
  - Withdrawals equals any excess reserves
  
- ➔ 2025 Requirement equals one-sixth of the MWRA Assessment plus one-sixth of the Direct Expenses

## Insurance Reserve Fund

---

The Insurance Reserve Fund receives deposits as required to maintain the balance at a level sufficient to cover the costs of pending claims against the Commission, as certified annually by the Commission's insurance consultant.

Currently, the Commission utilizes the Insurance Reserve Fund to pay all damage claims in excess of \$10,000. Deposits in 2025 are projected for \$0.2 million and the withdrawal amount is projected for \$0.2 million, resulting in a projected ending balance of \$7.7 million for 2025.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 1,687,510	\$ 438,996	\$ (129,773)	\$ 1,996,733
2021	\$ 1,996,733	\$ 1,683,737	\$ (312,976)	\$ 3,367,494
2022	\$ 3,367,494	\$ 1,488,808	\$ (480,412)	\$ 4,375,890
2023	\$ 4,375,890	\$ 406,705	\$ (200,000)	\$ 4,582,594
2024	\$ 4,582,594	\$ 3,280,331	\$ (200,000)	\$ 7,662,925
2025	\$ 7,662,925	\$ 210,730	\$ (210,730)	\$ 7,662,925

2024 Figures are Unaudited

2025 Figures are Projected

➔ Deposits reflect interest income received on Insurance Reserve Fund

➔ Withdrawals represent interest income transferred to the Revenue Fund

## MWRA Assessment Fund

The MWRA Assessment Fund receives monthly deposits of one-twelfth of the MWRA Assessment payable in a given fiscal year. Scheduled payments are made monthly in ten equal monthly payments (excluding January and July) to satisfy the MWRA’s wholesale water and sewer charges.

The unaudited ending balance in 2024 equals \$20.1 million. The ending balance in 2024 is the beginning balance projected in 2025. Deposits in 2025 are projected for \$264.8 million and the withdrawal amount is projected for \$264.3 million, resulting in an ending balance of \$20.7 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 17,103,836	\$ 230,070,043	\$ (241,623,293)	\$ 5,550,586
2021	\$ 5,550,586	\$ 252,897,037	\$ (243,396,224)	\$ 15,051,398
2022	\$ 15,051,398	\$ 252,483,771	\$ (245,958,492)	\$ 21,576,676
2023	\$ 21,576,676	\$ 241,399,910	\$ (249,344,505)	\$ 13,632,083
2024	\$ 13,632,083	\$ 261,245,303	\$ (254,755,865)	\$ 20,121,521
2025	\$ 20,121,521	\$ 264,817,342	\$ (264,259,121)	\$ 20,679,741

2024 Figures are Unaudited  
2025 Figures are Projected

- ➔ Deposits represent
  - Transfers from the Revenue Fund
  - Interest income
  
- ➔ Withdrawals reflect
  - Payments to the MWRA
  - Transfers of Interest Income to the Revenue Fund

## Renewal and Replacement Reserve Fund

---

The Renewal and Replacement (“R & R”) Reserve Fund is intended to provide additional funds for R & R projects if there are insufficient funds in the Renewal and Replacement Account to pay for these projects. In addition, this fund may also be used to pay debt service if certain other funds are insufficient to meet this purpose. The requirement for this fund is 25% of the budgeted R & R expenditures for the year.

The Commission projects \$10.0 million for its beginning balance in 2025. Deposits for 2025 are projected at \$1.4 million and withdrawals at \$0.3 million resulting in an ending balance of \$11.2 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 4,180,918	\$ 109,096	\$ -	\$ 4,290,014
2021	\$ 4,290,014	\$ 500,485	\$ (104,891)	\$ 4,685,608
2022	\$ 4,685,608	\$ 1,477,068	\$ -	\$ 6,162,676
2023	\$ 6,162,676	\$ 1,602,065	\$ (225,000)	\$ 7,539,741
2024	\$ 7,539,741	\$ 2,488,530	\$ -	\$ 10,028,271
2025	\$ 10,028,271	\$ 1,434,777	\$ (275,777)	\$ 11,187,271

2024 Figures are Unaudited

2025 Figures are Projected

- ➔ Deposits represent interest earned
- ➔ Withdrawals reflect interest transfers to the Revenue Fund
- ➔ Fully funded at the beginning of year

## General Fund

---

Deposits to the General Fund must occur on the last business day of the year and may be held and applied by the Commission for any use or purpose. The Commission is currently using the General Fund as a repository for the funds, which are required to satisfy the Commission's obligation to the Massachusetts Pollution Abatement Trust.

As illustrated below, the December 2024 unaudited year-end balance equals \$2,402, which represents the projected 2025 beginning balance. The Commission projects an ending balance of \$0.6 million for 2025.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 2,140	\$ 36,057	\$ (36,057)	\$ 2,139
2021	\$ 2,139	\$ 1	\$ -	\$ 2,140
2022	\$ 2,140	\$ 34	\$ -	\$ 2,174
2023	\$ 2,174	\$ 1,100,109	\$ (1,100,000)	\$ 2,284
2024	\$ 2,284	\$ 1,100,119	\$ (1,100,000)	\$ 2,402
2025	\$ 2,402	\$ 1,678,066	\$ (1,100,066)	\$ 580,402

2024 Figures are Unaudited  
2025 Figures are Projected

- ➔ Deposits reflect
  - Transfers from Revenue Fund
  - Interest Income
- ➔ Deposits into General Fund incorporate any expenses for SRF loans in the following year
- ➔ Withdrawals represent
  - Principal and Interest payments on loans to Massachusetts Pollution Abatement Trust

## Stabilization Fund

The Rate Stabilization Fund, as established in the Bond Resolution, is to be used to minimize the rate impact of extraordinary cost increases, such as large increases in the MWRA Assessments to the Commission; or significant increases in interest rates on the Commission’s variable rate debt. The Stabilization Fund Requirement is defined in the Resolution as an amount equal to 4% of the aggregate principal amount of Outstanding Variable Rate Bonds (referred to as the “Stabilization Fund Resolution Requirement”). The Resolution also provides discretion to the Commission to make additional deposits to the Stabilization Fund and to withdraw amounts as needed to fund Commission expenses.

Currently, the Commission policy, which was amended in December 2000, further states that the amount on deposit in the Stabilization Fund shall equal the greater of the Rate Stabilization Fund Resolution Requirement or 10% of the previous fiscal year’s net-billed charges. If at the start of the fiscal year the balance of the Rate Stabilization Fund is projected to exceed such requirements then the Commission on the last business day of the current fiscal year may transfer to the Revenue Fund an amount up to the greater of 20% of such excess or \$20 million, but in either case, an amount not to exceed \$20 million in any one fiscal year.

The Commission has been very aggressive in managing the funding and utilization of the Rate Stabilization Fund to have the greatest impact of future rate mitigation. The recent amendment to the policy ensures that funds withdrawn at a sensible pace that mitigates sharp ratepayer increases and permits the availability of the surplus balance for future fiscal years.

The Commission projects the 2025 year-end balance to equal \$118.1 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
2020	\$ 61,738,700	\$ 276,905	\$ (19,370,000)	\$ 42,645,605
2021	\$ 42,645,605	\$ 16,300,031	\$ (289,250)	\$ 58,656,386
2022	\$ 58,656,386	\$ 25,679,434	\$ (790,000)	\$ 83,545,820
2023	\$ 83,545,821	\$ 17,028,592	\$ (2,790,000)	\$ 97,784,414
2024	\$ 97,784,415	\$ 17,036,853	\$ (3,570,000)	\$ 111,251,267
2025	\$ 111,251,267	\$ 9,872,552	\$ (3,059,410)	\$ 118,064,409

2024 Figures are Unaudited

2025 Figures are Projected

- ➔ Deposits represent transfers from the Revenue Fund plus Interest Income
- ➔ Withdrawals reflect transfers to other Commission funds
- ➔ Commission has solicited the Board of Commissioners to modify the policy on Rate Stabilization so that future anticipated increases might be gradually implemented

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

## The Commission

---

### Commission Organization

The Boston Water and Sewer Commission is overseen by a three-member Board of Commissioners appointed by the Mayor of Boston, subject to approval by the City Council. The primary responsibility of the Board is to ensure the sound economical and efficient operation and maintenance of the systems to ensure the highest quality services to the City of Boston. The Board of Commissioners is also responsible for setting clear financial and operational policy directives.

The Commission consists of five divisions: Executive, Operations, Engineering, Administration and Finance.

The Executive Division provides executive management, including policy formation and strategic planning, to the entire Commission. The Executive Division also represents the Commission in all legislative lobbying efforts pertaining to securing continued federal and state funded rate relief. This Division is also responsible for implementing and monitoring the Commission's affirmative action plans and ensuring the participation of women and minority owned businesses in obtaining goods, services contracts and safety management to the entire Commission. Additionally, the Executive Division represents the Commission in all litigation. The Human Resources Department is part of the Executive Division and provides its employees with proactive personnel services.

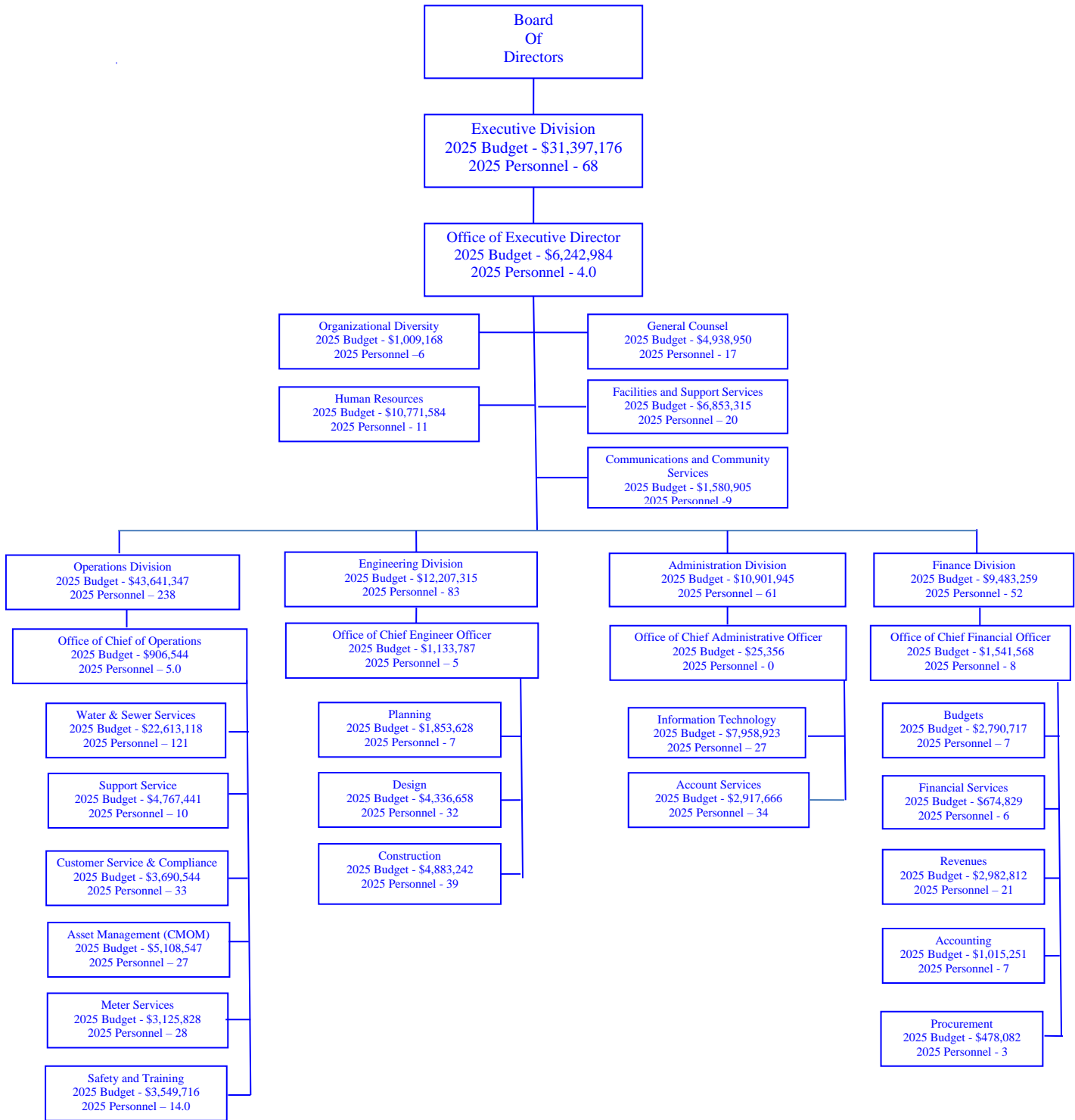
The Operations Division ensures the ongoing maintenance and emergency repairs to the Commission's water and sewer mains, service connections, hydrants and drains. The Division is also responsible for inventory control.

The Engineering Division is responsible for high quality, reliable water, sewer and drainage services. These services are achieved by effectively planning, designing, managing and providing contract compliance for the construction of the Commission's Capital Improvement Projects.

The Administration Division provides the Commission and the Commission's customers with administrative support services. The Administration Division provides its employees with proactive personnel services. This Division is responsible for representing the Commission at various public and community meetings, maintaining collections, customer services and the installation and repair of meters and the provision of facilities and support services. The Information Technology ("IT") Department is now part of the Administrative Division and is responsible for the preservation of the Commission's technical infrastructure.

The Finance Division provides effective management of the Commission's revenues and all its resources. The Finance Division accomplishes this through its financial budgeting, rate setting, accounting and cash management, billing and adjustments. This Division is also responsible for debt financing, investment management, providing procurement, investigate, document and resolve meter problems and erratic consumption. The Finance Division is also comprised of the Commission's Safety and Training department which ensures that the Commission staff conduct themselves in a safe manner and receive the education necessary to do so. The Safety and Training department is also responsible for the management and maintenance of the Commission's automotive fleet for the entire Commission.

# Commission-Wide Organizational Chart

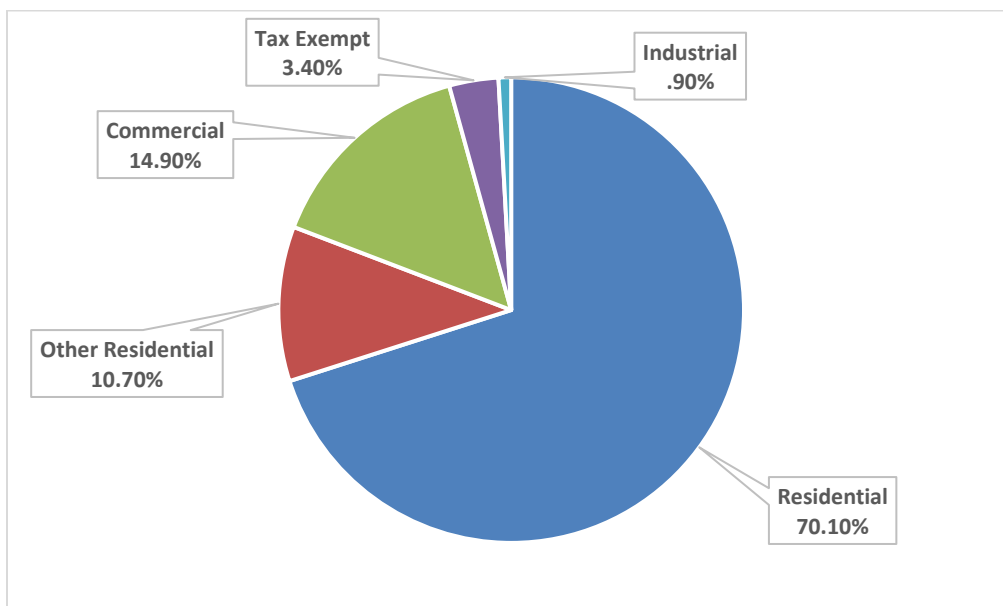


## The Commission

### Customer Base

The Commission provides water and sewer services to residential, commercial, industrial, public, private and non-profit institutional properties throughout the city. The distribution of the Commission’s 88,172 accounts in 2022 was as follows: 76.3% were one to three family dwellings; other residential dwellings accounted for 11.1%. Commercial customers represented 7.9%; Tax-exempt customers accounted for an additional 3.7%; the remaining 1.0% of the customer base is made of the industrial customers. It should be noted that the Boston Housing Authority, which is tax exempt and is the Commission’s largest customer, falls into the classification “other residential.”

### 2024 Distribution of Customers by Account



Account Type by Land Code	Number of Accounts	% of Total Accounts
Residential	67,369	70.10%
Other Residential	10,333	10.70%
Commercial	14,323	14.90%
Tax Exempt	3,287	3.40%
Industrial	840	0.90%
<b>Total by Land Code</b>	<b>96,152</b>	<b>100.00%</b>

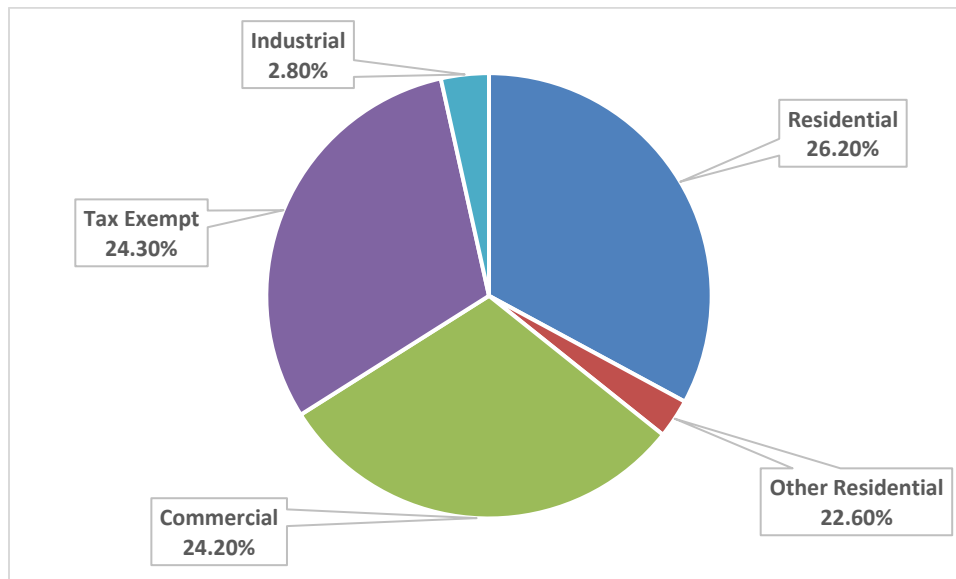
In the above table and graph, one to three family dwellings have accounted for 76.3% of the total accounts. The actual consumption for residential accounts is much lower, using only 28.1%. Other residential customers accounted for an additional 23.0%. Tax Exempt organizations, which include hospitals, universities, religious institutions and government agencies, accounted for 23.9%. The

## The Commission

commercial and industrial customers consumed 25.0% with 22.2% and 2.8% used, respectively. While the graph on the previous page highlights the distribution of the Commission’s customer base by account type, the graph below illustrates the distribution of customers by consumption. The non-residential segment of the customer base (commercial, industrial and tax-exempt), although representing only 12.6% of customer accounts generated 48.9% of retail water sales. These accounts are financially strong entities for which water and sewer charges typically represent a relatively small portion of their operating budget. The high percentage of annual consumption consumed by a relatively small number of accounts has had a positive financial impact on the Commission. These accounts, which include hospitals, universities, commercial and industrial businesses, provide the necessary stability and diversity to the customer base, while providing a steady stream of revenue on a monthly basis. The composition of the Commission’s customer base is highly regarded by credit rating agencies as a major financial strength. Together with the Commission’s proven record of financial management, we have achieved excellent credit ratings. The Commission has received the following ratings from credit agencies:

- “AAA” – S&P Global Ratings
- “Aa1” – Moody’s Investor Services

### 2024 Distribution of Customers by Consumption



Account Type by Consumption	Sales in Cubic Feet (000)	% of Total Consumption
Residential	662,766,950	26.20%
Other Residential	57,270,285	22.60%
Commercial	610,781,971	24.20%
Tax Exempt	614,423,748	24.30%
Industrial	70,034,580	2.80%
<b>Total by Consumption</b>	<b>2,015,277,534</b>	<b>100%</b>

### **2024 Commission Results**

The Commission established 78 tactical and strategic goals and core program functions for 2024, which are highlighted in the “Program Goals and Budgets” section. The Commission has received numerous industry awards for excellence and achievements in the financial, engineering and environmental fields unrelated to any specific 2024 program goal but deserving of recognition. These achievements include:

#### **2023 Distinguished Budget Presentation Award**

For more than 25 consecutive years, BWSC has received the Government Finance Officers Associations (“GFOA”) Distinguished Budget Presentation Award. This is the highest form of recognition in governmental budgeting. This award recognized that the Commission’s Current Expense Budget met the GFOA program criteria as a policy document, an operation guide, a financial plan and a communications device.

## Executive Division

### Commission Budget Summary

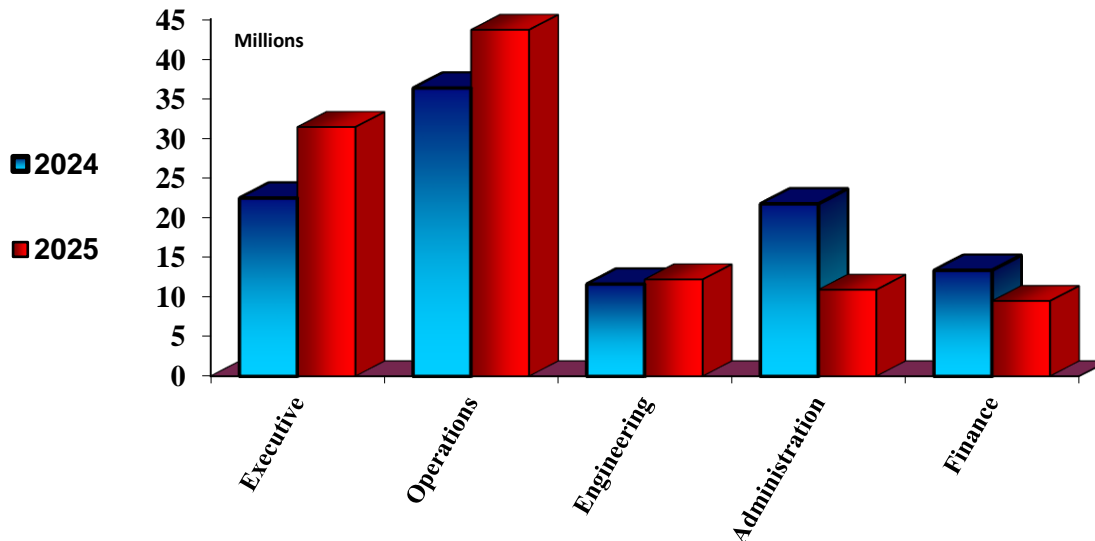
Division	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Executive	\$30,489,831	\$22,445,989	\$31,397,176	\$8,951,187	39.9%
Operations	\$30,923,020	\$36,303,955	\$43,641,347	\$7,337,392	20.2%
Engineering	\$10,754,042	\$11,611,309	\$12,207,315	\$596,006	5.1%
Administration	\$15,616,963	\$21,721,453	\$10,901,945	(\$10,819,508)	-49.8%
Finance	\$9,982,950	\$13,351,579	\$9,483,259	(\$3,868,320)	-29.0%
<b>Total Direct Expenses</b>	<b>\$97,766,806</b>	<b>\$105,434,285</b>	<b>\$107,631,042</b>	<b>\$2,196,757</b>	<b>2.1%</b>

### Explanation of Major Variances

The Commission consists of five divisions: Executive, Operations, Engineering, Administration and Finance.

The Commission's current expense budget for 2025 is \$107,631,042 which is a 2.1% increase from the 2024 budget.

### 2024 versus 2025 Budget



### Commission Personnel Summary

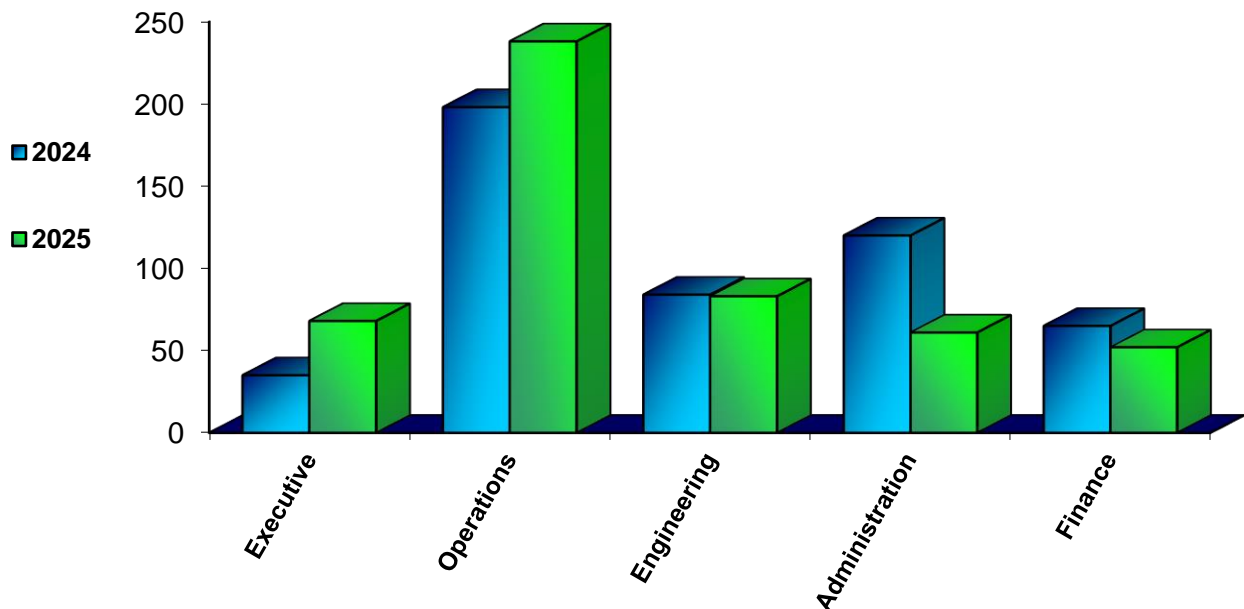
## Executive Division

Division	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Executive	76.0	35.0	68.0	33.0
Operations	198.0	198.0	238.0	40.0
Engineering	83.0	84.0	83.0	(1.0)
Administration	94.0	120.0	61.0	(59.0)
Finance	51.0	65.0	52.0	(13.0)
<b>Total Budgeted Positions</b>	<b>502.0</b>	<b>502.0</b>	<b>502.0</b>	<b>0.0</b>

### Explanation of Personnel Changes

The Commission's 2025 position count is 502.0 FTE, there was no change from the 2024 approved position count. Other minor personnel changes are explained in the following pages with the breakdowns of each department.

### 2024 versus 2025 Personnel

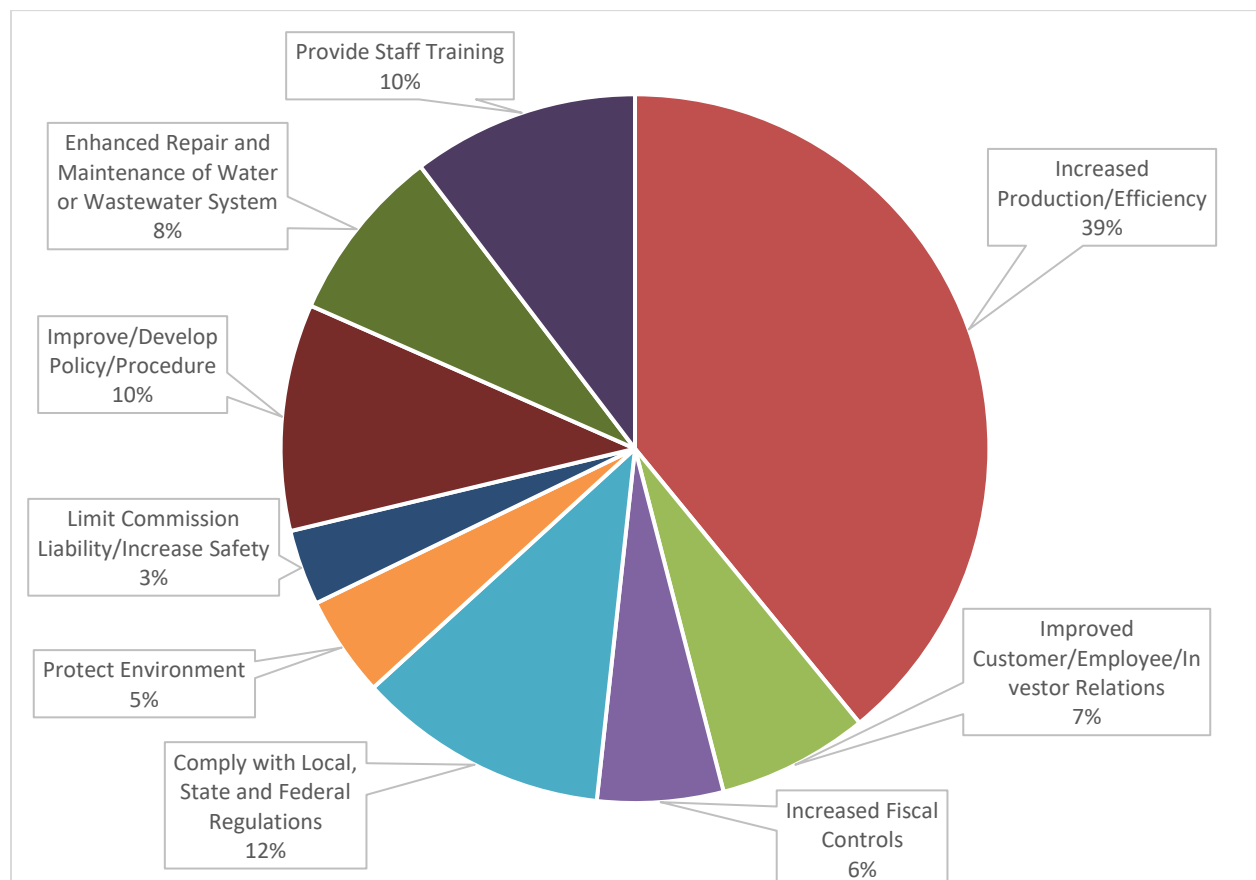


**The 2025 Commission Goals**

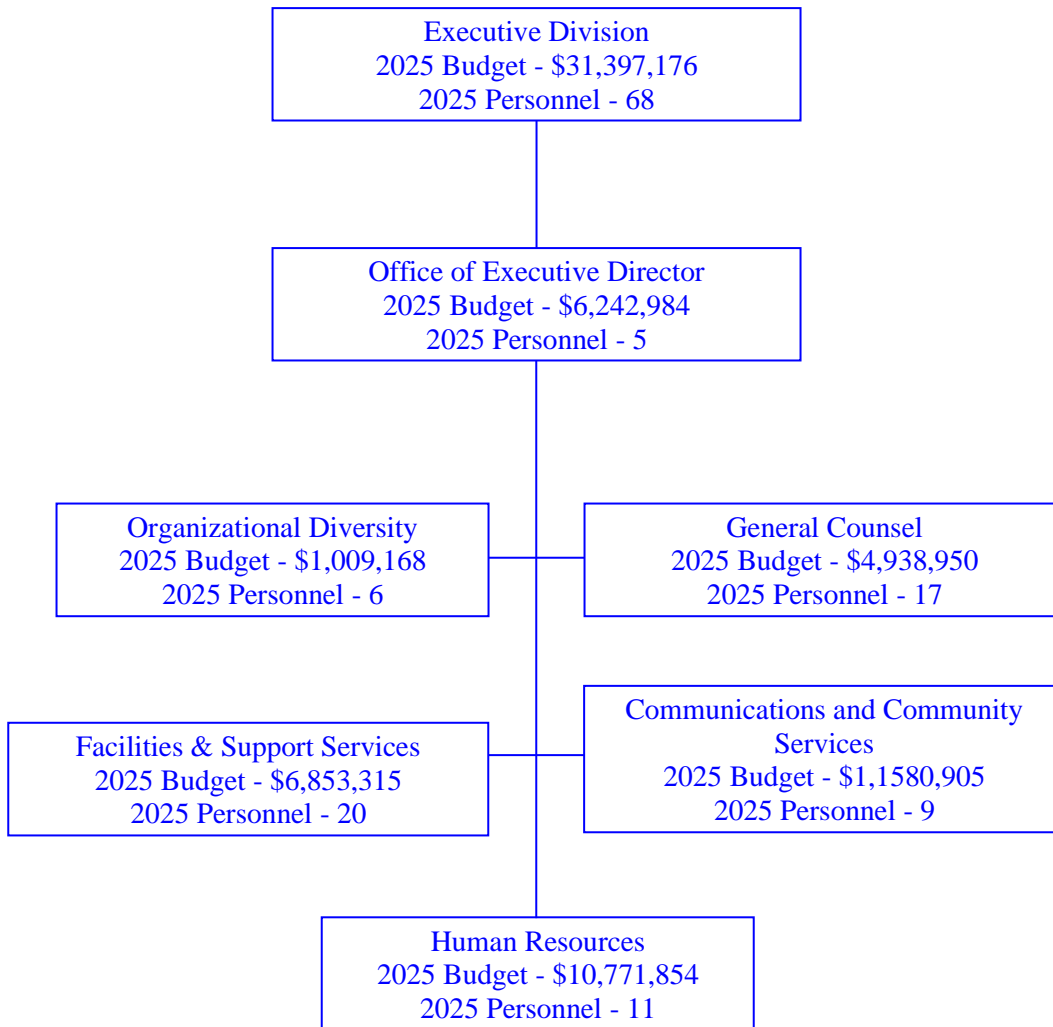
Boston had the first public water supply in the colonies and one of the first water distribution systems providing water to every home. When originally built, Boston’s water distribution and wastewater collections systems were state of the art. In light of evolving technologies and today’s stringent environmental and public health standards, the original systems no longer suffice. The Commission is continually dedicating resources to efforts such as improving operations and services to its ratepayers and controlling pollution to keep Boston’s harbor, beaches and rivers clean. The Commission fights aggressively to maintain equitable and affordable rates.

The Commission has established 78 strategic and tactical goals to accomplish in 2025. Upon successful completion, each goal will continue the Commission’s mission to provide the highest quality services at the lowest possible rates while ensuring the protection of the environment. The chart below depicts the breakdown of the 2025 goals by mission.

**2025 Commission Goals by Mission**



# EXECUTIVE DIVISION



## Executive Division

### Executive Division Organization

The Executive Division consists of the Office of Executive Director and four other departments:

- **Organizational Diversity**
- **General Counsel**
- **Human Resources**
- **Facilities & Support Services**
- **Communications**

### Division Mission

The Executive Division provides executive management, including policy formation and strategic planning, to the entire Commission. The Executive Division also represents the Commission in all legislative lobbying efforts pertaining to securing continued federal and state funded rate relief. This Division is also responsible for implementing and monitoring the Commission’s affirmative action plans and ensuring the participation of women and minority owned businesses in obtaining goods, services contracts and safety management to the entire Commission. Additionally, the Executive Division represents the Commission in all litigation. The Human Resources Department is part of the Executive Division and provides its employees with proactive personnel services.

### Division Budget Summary

Department	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Office of Executive Director	\$9,897,479	\$5,856,197	\$6,242,984	\$386,787	6.6%
Organizational Diversity	\$783,604	\$1,002,287	\$1,009,168	\$6,881	0.7%
General Counsel	\$5,324,848	\$5,007,992	\$4,938,950	(\$69,042)	-1.4%
Human Resources	\$7,875,012	\$10,579,513	\$10,771,854	\$192,341	1.8%
Information Technology	\$4,452,275	\$0	\$0	\$0	#DIV/0!
Safety and Training	\$563,800	\$0	\$0	\$0	#DIV/0!
Facilities & Support Services	\$0	\$0	\$6,853,315	\$6,853,315	#DIV/0!
Communications	\$0	\$0	\$1,580,905	\$1,580,905	#DIV/0!
<b>Total Direct Expenses</b>	<b>\$28,897,018</b>	<b>\$22,445,989</b>	<b>\$31,397,176</b>	<b>\$8,951,187</b>	<b>39.9%</b>

### Explanation of Major Variances

The 2025 budget for the Executive Division is \$31,39,176 an increase of \$8,951,187 or 39.9% from 2024. The variance is due to the transfer of the Facilities & Support Services and Communications Departments.

### **Division Personnel Summary**

#### **Explanation of Personnel Changes**

##### **Office of Executive Director**

One position transferred from General Accounting.

##### **Organizational Diversity**

One position transferred from Day Operations.

##### **General Counsel**

One position transferred from Meter Services.

##### **Human Resources**

One position transferred from Planning.

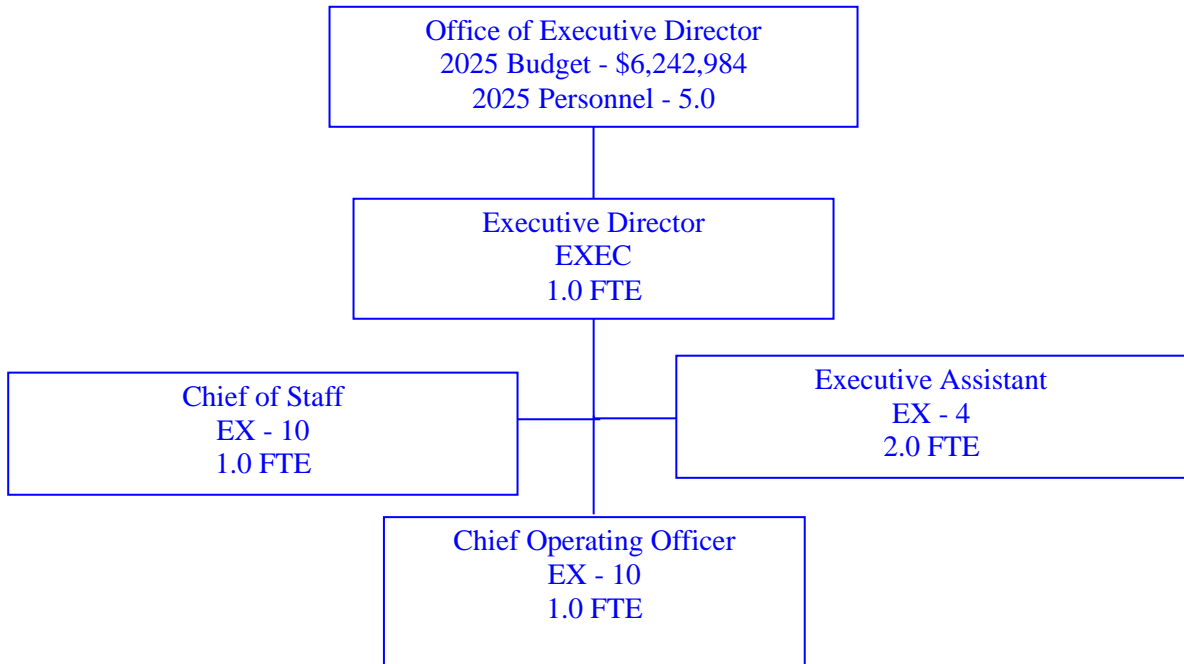
##### **Facilities and Support Services**

The Facilities and Support Services Department transferred from the Administration Division.

##### **Communications and Community Services**

The Communications and Community Services Department transferred from the Administration Division.

# Office of the Executive Director



## Executive Division

---

### Office of Executive Director

#### Program Activities

- Provide policy formation and strategic planning
- Represent the Commission in legislative lobbying efforts to secure rate relief funding

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$9,498,558	\$5,427,896	\$5,766,411	\$338,515	6.2%
Labor Related Costs/Benefits	\$32,148	\$43,801	\$47,073	\$3,272	7.5%
Supplies and Materials	\$5,304	\$4,500	\$4,500	\$0	0.0%
Professional Services	\$214,921	\$225,000	\$270,000	\$45,000	20.0%
Other Services	\$145,235	\$150,000	\$150,000	\$0	0.0%
Training/Seminar/Travel	\$1,313	\$5,000	\$5,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$9,897,479</b>	<b>\$5,856,197</b>	<b>\$6,242,984</b>	<b>\$386,787</b>	<b>6.6%</b>

### Explanation of Major Variances

The 2025 budget for the Office of the Executive Director is \$6,242,984 an increase of \$386,787 or 6.6% from the budgeted amount for 2024. The variance is due to increase of Wages and Salaries and Professional Services line items.

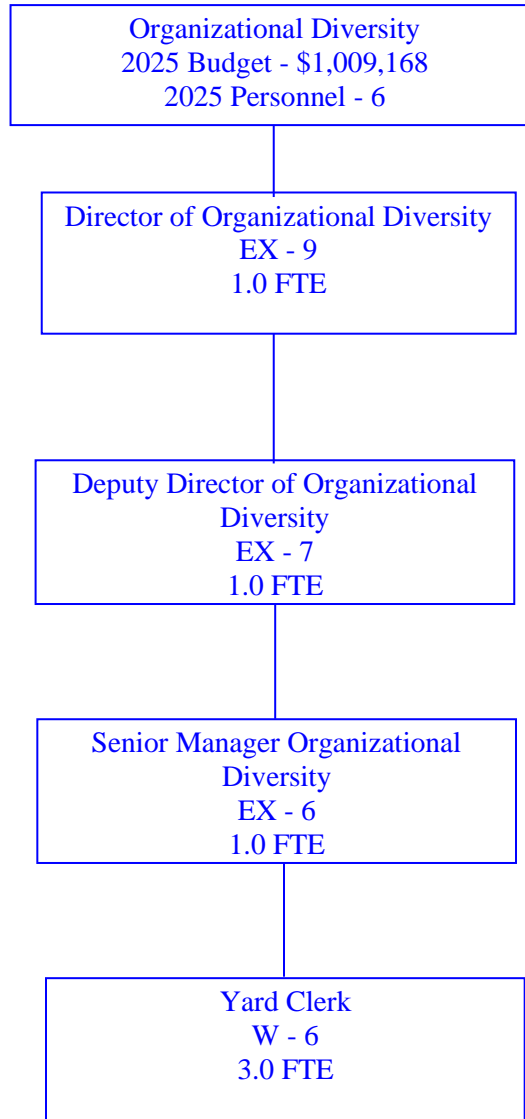
### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of the Executive Director	4.0	4.0	5.0	1.0

### Explanation of Personnel Changes

One position transferred from General Accounting.

# Organizational Diversity



## Executive Division

### Organizational Diversity

#### Program Activities

- Assist the Commission in establishing, conducting and maintaining a recruitment program to assure Equal Employment Opportunity for all persons. Assist in the development and implementation of programs to maximize equal employment and promotional opportunity for minorities, woman and Vietnam-era veterans
- The Commission will use its best effort to ensure that Minority and Women Business Enterprise (“MBE/WBE”) participate in construction contracts to the extent that such firms are qualified and represented in the marketplace
- Ensure that the Commission implements all federal, state and local policies and provisions relative to contract compliance regarding construction contracts, professional service, procurement and work force compliance
- Direct the Commissions overall training needs, administers the terms of the Apprentice Program, administers the Tuition Reimbursement Program, administers the License Reimbursement Program and administers other contractual training initiatives

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$694,517	\$700,975	\$845,524	\$144,549	20.6%
Labor Related Costs/Benefits	\$12,692	\$86,312	\$73,644	(\$12,668)	-14.7%
Supplies and Materials	\$0	\$2,500	\$2,500	\$0	0.0%
Professional Services	\$76,000	\$210,000	\$85,000	(\$125,000)	-59.5%
Training/Seminar/Travel	\$395	\$2,500	\$2,500	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$783,604</b>	<b>\$1,002,287</b>	<b>\$1,009,168</b>	<b>\$6,881</b>	<b>0.7%</b>

#### Explanation of Major Variances

The 2025 budget for Organizational Diversity is \$1,009,168 an increase of \$6,881, or 0.7% from the budgeted amount for 2023. The variance is due to an increase of Wages and Salaries line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Organizational Diversity	4.0	5.0	6.0	1.0

#### Explanation of Personnel Change

One position transferred from Day Operations.

### 2024 Program Goal Results

The number of regular (fulltime) Commission employees for the quarter ending June 30, 2024, was 449, of which 172 were white (or Caucasian) males and 43 were white females, thus bringing the white total to 215 or 48%. BIPOC (Black, Indigenous, People of Color) males numbered 162 while BIPOC females numbered 72, bringing the total BIPOC count to 234 or 52% by the quarter's end. The population of the workforce is BIPOC majority, i.e., 48% white and 52% BIPOC. This represents a huge milestone in the Commission's goal of achieving a diverse workforce.

### 2025 Program Goals and Objectives

**Goal:** Review, implement and administer the Commission's Affirmative Action Program so that equal employment opportunity is provided to all in hiring, training and promotion of minorities, women, disabled persons, and Vietnam error veterans. Maintain throughout the city of Boston and its environs contact with appropriate persons and groups to recruit members of protected groups.

**Objective:** The objective of this goal is to create a work environment that is free from all discrimination and harassment with regards to race, sex, religion, national origin, and qualified veteran status.

**Mission:** Comply with Local, State and Federal Regulations

**Goal:** Following the approval by the Board of Commissioners of the Sheltered Market Program (SMP) and the Expanded Written Quote Maximum (EWQM) which was designed to increase access to BWSC contract for disadvantaged business enterprises, (DBE), diverse business enterprises (DBs) and small and local business enterprises (SLBE), the department will work with internal and external stakeholders to increase the utilization of diverse and disadvantaged business enterprises.

**Objective:** To increase the volume of business the Commission does with diverse and disadvantaged business enterprise utilizing the existing and the newly created SMP and EWQM programs.

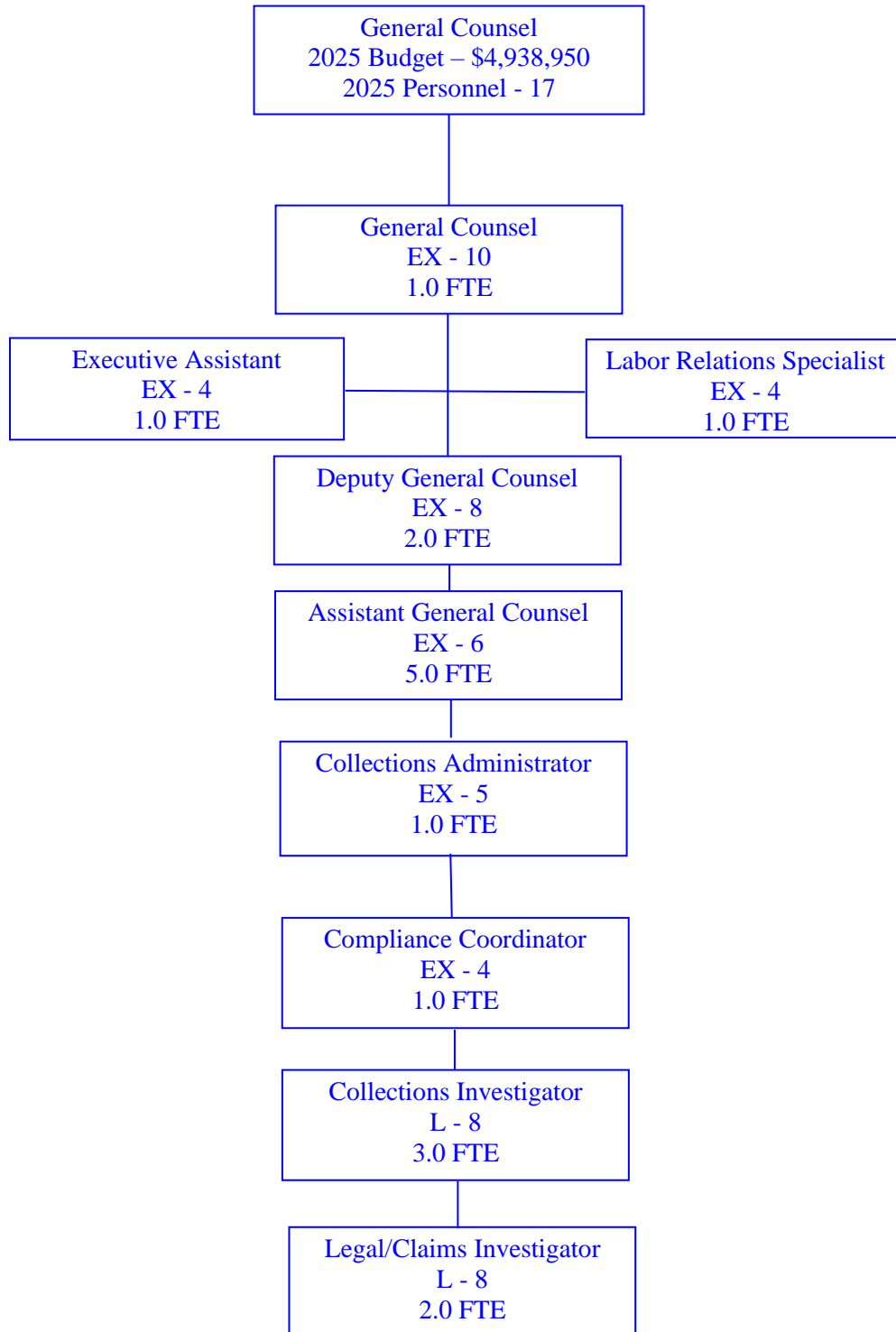
**Mission:** Improved Customer/Employee/Investor Relations

**Goal:** Introduce and publicize the Employee Assistance Program provided by AllOne Health that offers a wide range of benefits to help mental health, reduce stress and make life easier. These services are easily accessible through member portal and include The Manager Resources that contains helpful Leadership toolkit, Training Catalogue online request for training and Annual Report Card.

**Objective:** Introduce and publicize the employee assistance program provided by AllOne Health that offers a wide range of benefits.

**Mission:** Limit Commission Liability/Increase Safety

# General Counsel



## Executive Division

### General Counsel

#### Program Activities

- Represent the Commission in all litigation matters before the courts of the Commonwealth and of the United States and before all administrative bodies
- Defend the Commission against all claims for personal injury and property damage
- Drafting and reviewing contracts, contract amendments and change orders
- Preparing and reviewing easements and licenses
- Drafting, reviewing and enforcing regulations governing the conduct and operation of the Commission adopted by the Board of Commissioners
- Drafting, analyzing, proposing, supporting or opposing legislation affecting the Commission
- Ensuring compliance with environmental regulations applicable to the Commission
- Provide legal analysis of issues before the Commission on a daily basis

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$2,244,751	\$2,170,143	\$2,547,246	\$377,103	17.4%
Labor Related Costs/Benefits	\$1,879,298	\$896,849	\$970,704	\$73,855	8.2%
Supplies and Materials	\$0	\$1,000	\$1,000	\$0	0.0%
Professional Services	\$974,867	\$1,725,000	\$1,205,000	(\$520,000)	-30.1%
Other Services	\$8,116	\$10,000	\$10,000	\$0	0.0%
Insurance	\$0	\$0	\$0	\$0	N/A
Training/Seminar/Travel	\$90	\$5,000	\$5,000	\$0	0.0%
Damage Claims	\$217,726	\$200,000	\$200,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$5,324,848</b>	<b>\$5,007,992</b>	<b>\$4,938,950</b>	<b>(\$69,042)</b>	<b>-1.4%</b>

#### Explanation of Major Variances

The 2025 budget for General Counsel is \$4,938,950 a decrease of \$69,042 or 1.4% from the budgeted amount for 2024. The variance is due to decrease of Professional Services line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
General Counsel	15.0	16.0	17.0	1.0

#### Explanation of Personnel Changes

One position transferred from Meter Services.

### 2024 Program Goal Results

Legal Staff have completed a first draft of the Legal Department Resource Manual/Guide. Staff hope to have the document completely reviewed and finalized by the second quarter 2025. Negotiations with AFSCME, Council 93 are ongoing. A 2-year Memorandum of Agreement is under discussion with L888. Negotiating committees are being reviewed and confirmed for LL100 and Local 6. Work by the Suffolk University Law School's Environmental Law Clinic has been completed, and the recommendations made to the Water and Sewer Use Regulations remain under review. Renovation of the law library is complete. The initial survey of service lines has been completed and submitted to the Mass DEP. Legal and other BWSC staff continue to meet all required compliance requirements/goals. Work related to the BWSC parking lots is ongoing, with Special Counsel Henry Luthin taking the lead.

### 2025 Program Goals and Objectives

**Goal:** Create a Comprehensive Legal Department Resource Manual/Guide that includes information about the following:

- Property/Real Estate Matters: BWSC-owned Property: location of deeds, insurance documents, insurance renewals.
- Stony Brook
- 980 Harrison Avenue and Charlestown Material Handling Facility
- Pumping Stations
- Acquiring and Disposing of Interests in Property
- Purchase and Sales, including Stony Brook Yard Sale Program
- Requests to Purchase (how to handle)
- Granting of Easements and/or Licenses (requirements for insurance, legal, and engineering purposes)
- Insuring property
- Legal Department Staff duties and responsibilities, and how they intersect with the Commission

**Objective:** Provide a user-friendly resource for Legal Department Staff and Commission employees to access information about the Legal Department and its responsibilities, with a particular emphasis on real estate and transactional matters.

**Mission:** Increased Production or Efficiency Improvements.

**Goal:** Finalize the Request for Proposal (RFP) process for a Third-Party Administrator for Workers Compensation Services. This includes completing a comprehensive evaluation of all proposals, selecting the most qualified vendor, and successfully finalizing the contract to ensure optimal administration of workers compensation services.

**Objective:** We aim to swiftly bring the third-party administrator up to speed and seamlessly integrate them into our operations to ensure a smooth transition and effective management of workers compensation services.

**Mission:** Improved Customer/Employee/Investor Relations

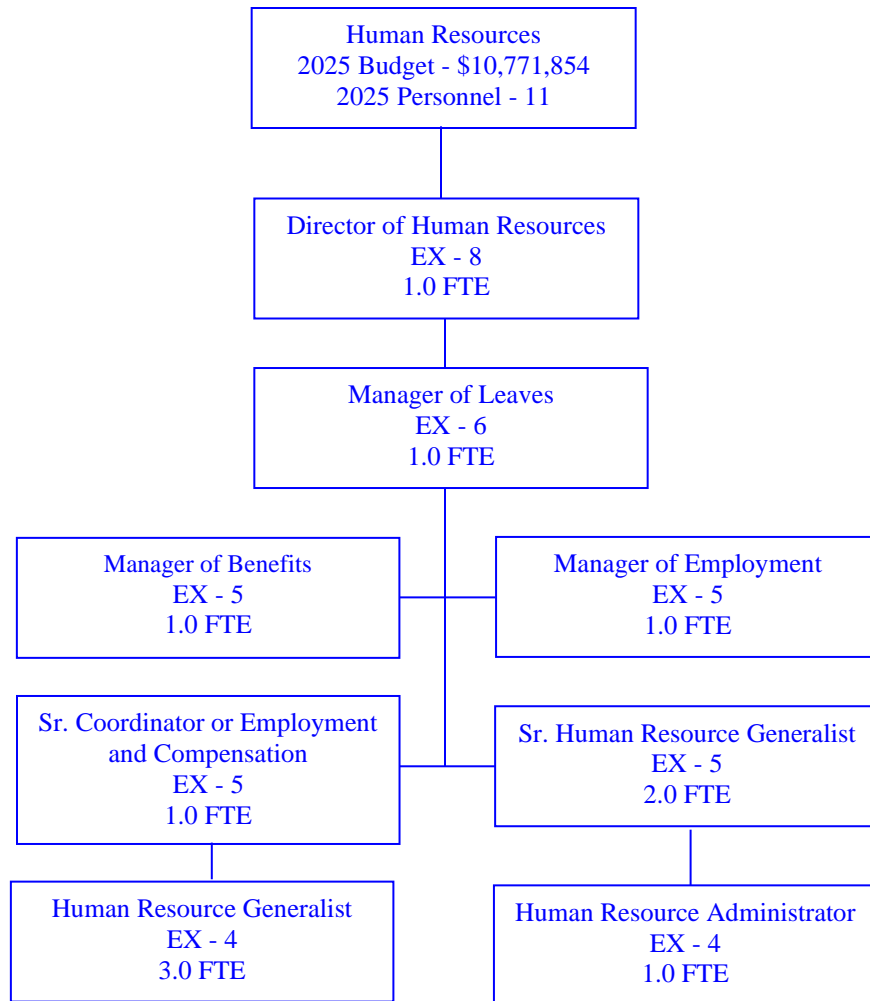
**Executive Division**

---

**Department Maintenance Goals**

<b>Activity</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Goal</b>
Small Claims Cases	1700	1801	1710	At Least 150/Month
Scheduled Hearings	0	0	0	Settled Before the Hearing Process

# Human Resources



## Executive Division

---

### Human Resources

#### Program Activities

- Establish and monitor personnel policies and procedures
- Manage hiring activities
- Maintain staff knowledge on related issues
- Assist in research to develop collective bargaining strategies
- Manage employee benefits
- Oversee the performance appraisal process

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$1,520,662	\$1,943,351	\$3,102,090	\$1,158,739	59.6%
Labor Related Costs/Benefits	\$6,312,105	\$8,525,162	\$7,530,264	(\$994,898)	-11.7%
Supplies and Materials	\$1,360	\$15,000	\$15,000	\$0	0.0%
Professional Services	\$37,845	\$75,000	\$80,000	\$5,000	6.7%
Other Services	\$3,040	\$21,000	\$44,500	\$23,500	111.9%
<b>Total Direct Expenses</b>	<b>\$7,875,012</b>	<b>\$10,579,513</b>	<b>\$10,771,854</b>	<b>\$192,341</b>	<b>1.8%</b>

#### Explanation of Major Variances

The 2025 budget for Human Resources is \$10,771,854, an increase of \$192,341 or 1.8% from the budgeted amount for 2023. The variance is due to an increase of Wages and Salaries line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Human Resources	11.0	10.0	11.0	1.0

#### Explanation of Personnel Changes

One position transferred from Planning.

### 2024 Program Goal Results

Human Resources in 2024 strived in supporting organizational growth, enhancing employee engagement, and fostering a positive workplace culture. The department continued to improve our hiring processes which helped to fill positions more quickly, reducing the workload for existing employees. Enhancement of HR compliance by continuing to implement and audit HR processes in compliance with Federal and State Law.

### 2025 Program Goals and Objectives

**Goal:** Placement of qualified candidates for vacant positions while continuing to develop a succession plan for the retiring workforce.

**Objective:** To ensure qualified candidates for vacant positions are hired and address the critical issue on how to retain industry knowledge and experience from long tenured key-employees as they retire.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Create an accessible Commission directory and a reporting apparatus for personnel attendance/hybrid recordkeeping for employees.

**Objective:** Informational and ease of communication and location of staff/workforce.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Develop, plan and schedule for managers/supervisor managerial training.

**Objective:** Enhance managers and supervisors' knowledge of BWSC policy to increase Accountability towards their duties and responsibilities in order to foster equity and boost morale in the workforce.

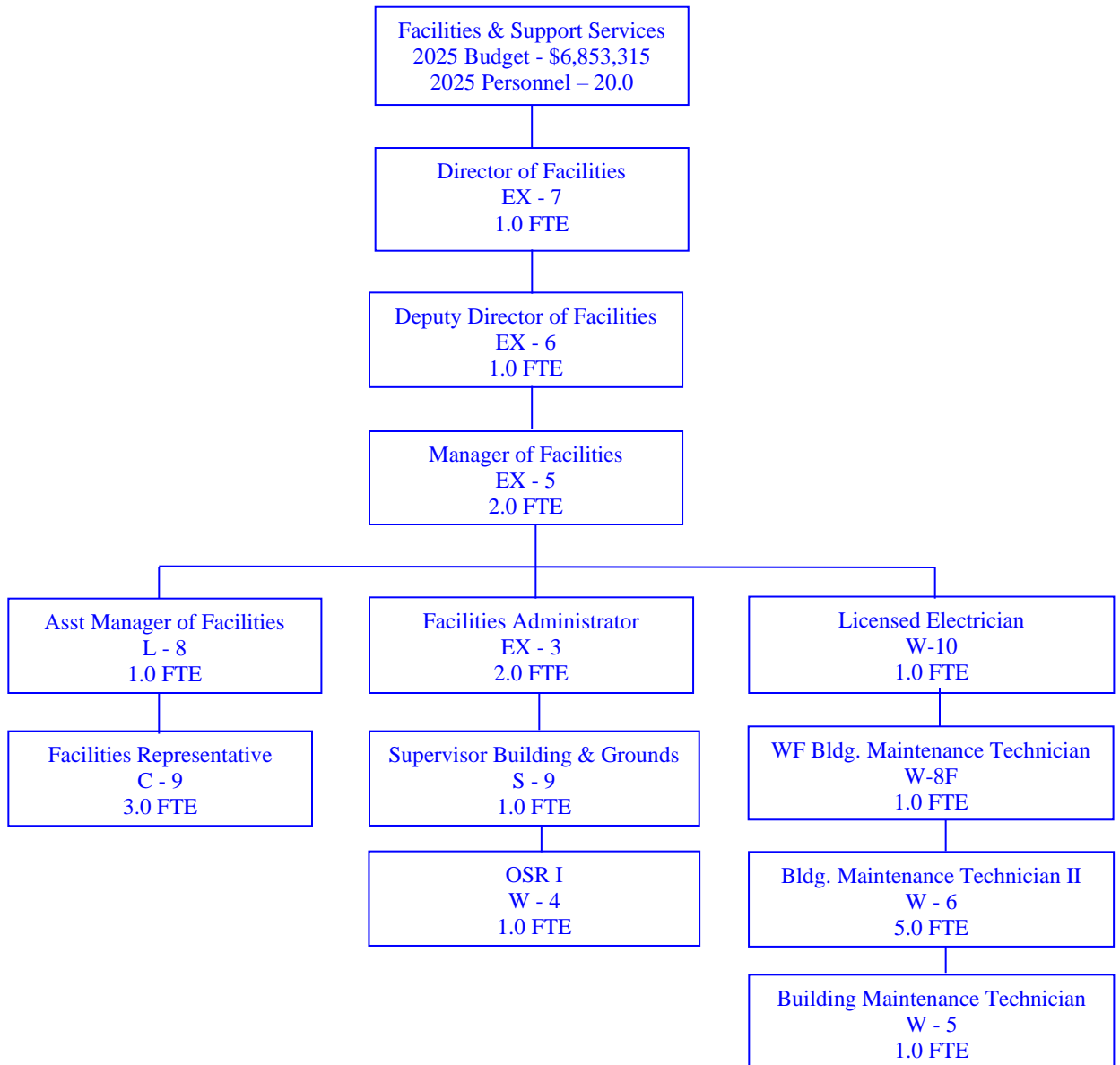
**Mission:** Provide Staff Training

**Goal:** Disseminate template of Standard Operation and Procedures Manual (SOP) for each department

**Objective:** Foster communication and job knowledge.

**Mission:** Increased Production or Efficiency Improvements

# Facilities & Support Services



## Executive Division

### Facilities & Support Services

#### Program Activities

- The Facilities Department is responsible for coordinating all aspects of the Commission's buildings and properties including maintenance, repair, security, mail distribution, office supplies and furniture, records archiving, office equipment leasing and food services
- Facilities is also responsible for directing and monitoring the Commission's Safety Program including accident/injury reporting, safe work practices and alcohol/drug testing

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$1,960,047	\$1,872,476	\$2,110,821	\$238,345	12.7%
Overtime	\$34,680	\$36,509	\$82,950	\$46,441	127.2%
Labor Related Costs/Benefits	\$28,115	\$46,268	\$27,644	(\$18,624)	-40.3%
Supplies and Materials	\$211,092	\$378,400	\$441,900	\$63,500	16.8%
Repair and Maintenance	\$1,185,561	\$1,232,000	\$1,646,000	\$414,000	33.6%
Utilities	\$1,120,200	\$1,734,000	\$1,616,000	(\$118,000)	-6.8%
Professional Services	\$64,807	\$25,000	\$0	(\$25,000)	-100.0%
Space and Equipment	\$34,665	\$41,000	\$58,000	\$17,000	41.5%
Other Services	\$707,169	\$758,000	\$830,000	\$72,000	9.5%
Capital Outlay	\$0	\$30,000	\$40,000	\$10,000	33.3%
<b>Total Direct Expenses</b>	<b>\$5,346,336</b>	<b>\$6,153,653</b>	<b>\$6,853,315</b>	<b>\$699,662</b>	<b>11.4%</b>

#### Explanation of Major Variances

The 2025 budget for Facilities & Support Services Department is \$6,853,315 an increase of \$699,662 or 11.4% from 2024. The variance is due to the increase of Wages and Salaries and Repair and Maintenance line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Facilities & Support Services	19.0	20.0	20.0	0.0

#### Explanation of Personnel Changes

There was no change in position count.

### 2024 Program Goal Results

Contractor commenced work on the initial phases of the HVAC project in September of 2024 and has completed approximately 70% of Section D and approximately 50% of Section F. Staff conducts weekly meetings with all stakeholders to ensure project compliance. Updates are provided to staff on a monthly basis and ongoing coordination efforts continued for Section C.

### 2025 Program Goals and Objectives

**Goal:** Assist with roof top replacement project.

**Objectives:** Timely and accurate replacement and AC equipment.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Oversee interior painting at commission.

**Objectives:** Provide aesthetic walls and ceiling at the commission.

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

**Goal:** Analyze and make recommendations on optimum operation of card access system.

**Objectives:** Ensure safety and protection of commission assets by making sure card access system is running at maximum efficiency.

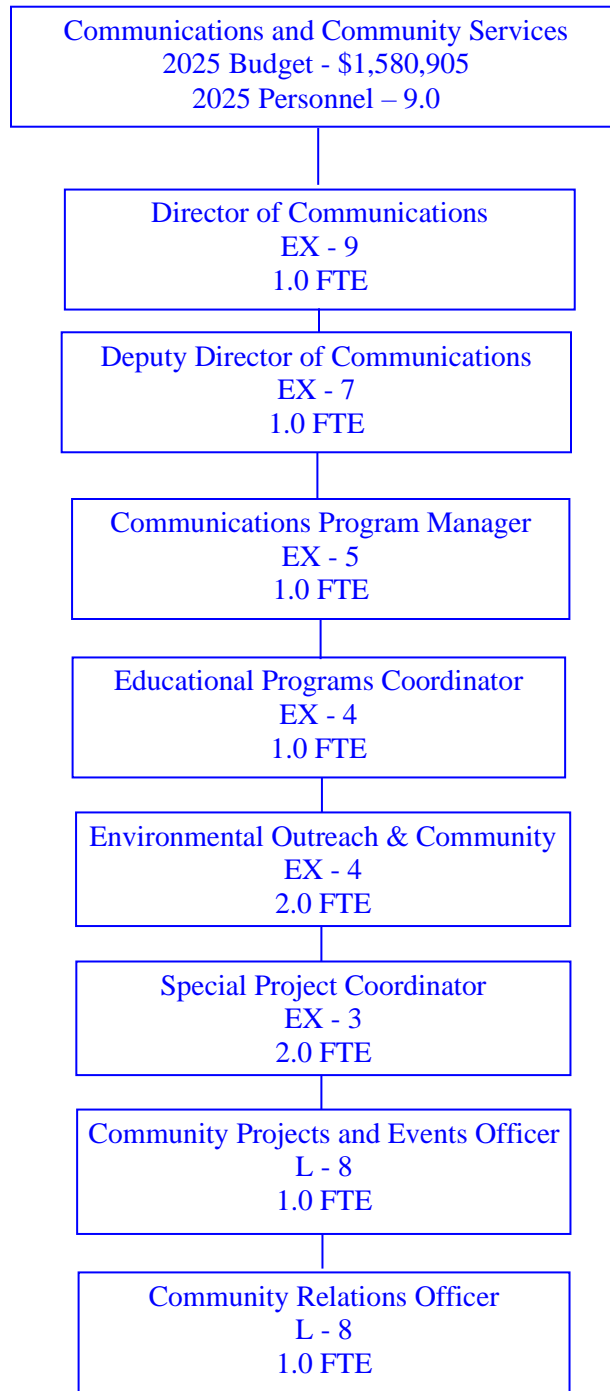
**Mission:** Increased Production or Efficiency Improvements.

**Goal:** Utilize the City of Boston's Inclusive Quote Contract (IQC) program.

**Objectives:** To identify and implement service contracts for certified disadvantaged businesses.

**Mission:** Improved Customer/Employee/Investor Relations

# Communications and Community Services



## Executive Division

### Communications and Community Services

#### Program Activities

- Produce the Commission’s external communications such as informational and educational brochures, customer newsletters and text messages for the Commission’s website
- Represent the Commission at various public and community meetings and at all remote customer service sites located in Boston’s neighborhoods to resolve customer concerns
- Projecting a positive, responsive and proactive public image to the media, customers, businesses, communities and elected officials
- Coordinate and promote a variety of employee participation programs such as the annual Blood Drive, Walk for Hunger and Walk for Breast Cancer
- Assist other Commission departments in developing material, making contacts, and facilitating meetings

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$1,156,302	\$1,196,134	\$1,260,334	\$64,200	5.4%
Labor Related Costs/Benefits	\$18,299	\$29,042	\$16,671	(\$12,371)	-42.6%
Supplies and Materials	\$46,547	\$50,000	\$50,000	\$0	0.0%
Professional Services	\$85,150	\$120,500	\$45,000	(\$75,500)	-62.7%
Other Services	\$179,790	\$208,900	\$208,900	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$1,486,088</b>	<b>\$1,604,576</b>	<b>\$1,580,905</b>	<b>(\$23,671)</b>	<b>-1.5%</b>

#### Explanation of Major Variances

The 2025 budget for Communications and Community Services is \$1,580,905 a decrease of \$23,671 or 1.5% from 2024. The variance is due to the decrease of Professional Services line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Communications and Community Services	10.0	9.0	9.0	0.0

#### Explanation of Personnel Changes

There was no change in position count.

### 2024 Program Goal Results

One key Communications Department accomplishment of 2024 was informing ratepayers that the Commission approved a change in the way we charge for stormwater. Stormwater charge was implemented April 1. Staff fielded emails and calls regarding the new charge. Members of the communication team joined the Finance team in participating in several community meetings to explain and respond to questions regarding the implementation of the charge. Also, in 2024 the communications inspection staff conducted over 900 scratch tests to determine whether there is a lead service line. The final letters were mailed to about 17,000 addresses to occupants of homes that may have a service pipe that is lead, Galvanized Requiring Replacement or unknown to apprise them of the need to have the pipe inspected and replaced if necessary. The number of inspections were over 430. Communications used the local papers to place ads focused on our environmental messages of Don't Dump and Help Prevent Sanitary Sewer Overflows.

### 2025 Program Goals and Objectives

**Goal:** In conjunction with the Commission's Lead Action Committee, update and develop informational material and pursue outreach efforts to reflect the most current user-friendly data on the dangers of lead as delineated through revised federal regulations. The team would work collaboratively with the Operations Department and other stakeholders to aggressively market the utilization of the new Commission's Lead Replacement Incentive grant funding program as the replacement work is currently offered at no cost to the property owner. Assist the team with targeting property owners who have declined participation in the program previously or the material of the pipe is unknown. A key element of this goal is to reflect the most current increased numbers of lead service lines transitioned to copper.

**Objective:** Enhance current public awareness campaign through marketing material targeting property owners with known or unknown pipe information about the importance of their participation in the Private Lead No Cost Replacement Incentive Program. Work in tandem with Operations, Legal, Engineering, and Finance to utilize staff and other resources available to increase the number of property owners to take advantage of the Program. This may include sharing and updating PSAs in multilingual platforms.

**Mission:** Comply with Local, State and Federal Regulations.

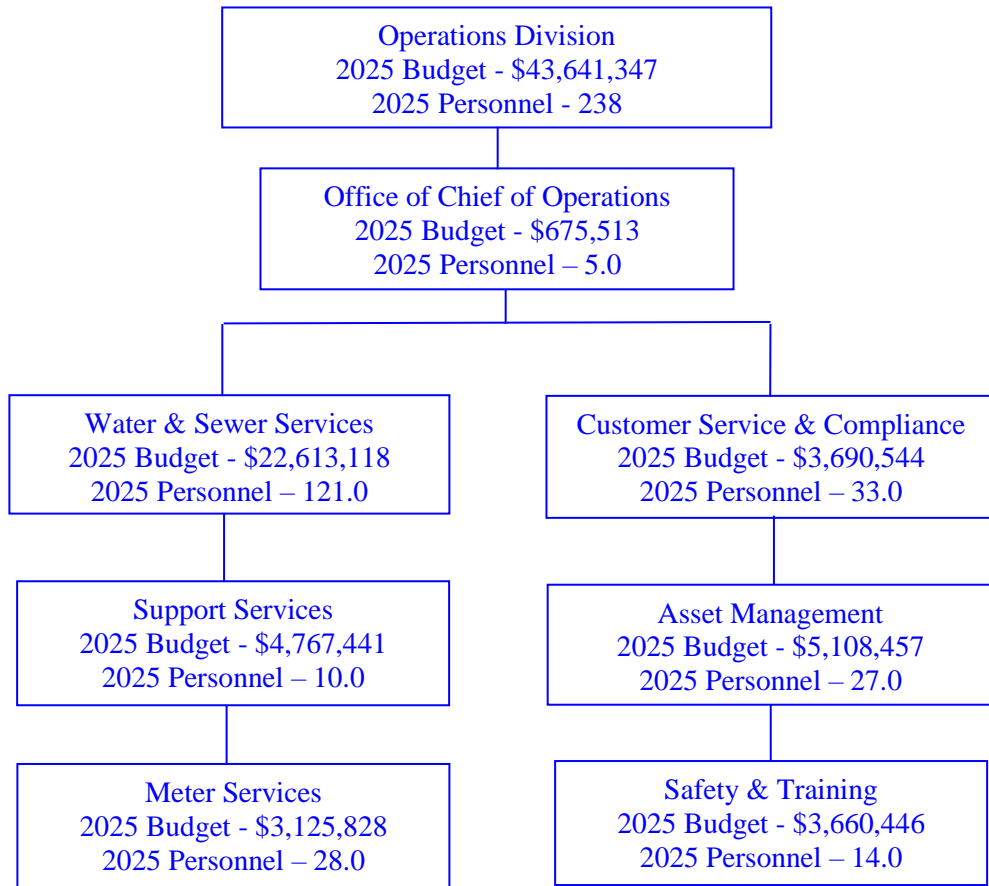
**Goal:** Develop and update materials which utilize new strategies of marketing Commission's programs and services, including private lead service replacement and the importance of a backwater valve. Sharing this information with the business community and homeowners alike.

**Objective:** Provide updated materials for the distribution to ratepayers, city, and community partners through community meetings and other locations and media. Distribute material in multiple languages.

**Mission:** Improved Customer/Employee/Investor Relations

**THIS PAGE INTENTIONALLY LEFT BLANK**

# OPERATIONS DIVISION



## Operations Division

### Operations Division Organization

The Operations Division includes the Office of the Chief of Operations Services and four other departments:

- Water & Sewer Services
- Support Services
- Customer Service & Compliance
- Asset Management
- Metering
- Safety & Training

### Division Mission

The Operations Division is primarily responsible for ensuring the ongoing maintenance and operability of the Commission's buildings and water, sewerage and drainage infrastructures

### Division Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Office of Chief of Operations	\$877,446	\$906,554	\$675,513	(\$231,041)	-25.5%
Water & Sewer Services	\$6,718,808	\$22,015,190	\$22,613,118	\$597,928	2.7%
Support Services	\$2,641,526	\$3,335,439	\$4,767,441	\$1,432,002	42.9%
Customer Service & Compliance	\$437,416	\$3,574,760	\$3,690,544	\$115,784	3.2%
Asset Management	\$1,735,367	\$4,895,734	\$5,108,457	\$212,723	4.3%
Metering	\$0	\$0	\$3,125,828	\$3,125,828	#DIV/0!
Safety & Training	\$0	\$0	\$3,660,446	\$3,660,446	#DIV/0!
<b>Total Direct Expenses</b>	<b>\$12,410,563</b>	<b>\$34,727,677</b>	<b>\$43,641,347</b>	<b>\$8,913,670</b>	<b>25.7%</b>

### Explanation of Major Variances

The 2025 budget for the Operations Division is \$43,641,347, an increase of \$8,913,670 or 25.7% from the budgeted amount for 2024. The variance is attributed to the Metering, Safety and Training, and Fleet Departments move to the Operation Division.

## Operations Division

---

### Division Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of Chief of Operations Services	5.0	5.0	5.0	0.0
Water & Sewer Services	120.0	121.0	121.0	0.0
Support Services	12.0	11.0	11.0	0.0
Customer Service & Compliance	33.0	32.0	33.0	1.0
Asset Management	27.0	28.0	27.0	(1.0)
Metering	0.0	0.0	28.0	28.0
Safety & Training	0.0	0.0	14.0	14.0
<b>Total Personnel</b>	<b>197.0</b>	<b>197.0</b>	<b>197.0</b>	<b>0.0</b>

### Explanation of Personnel Changes

#### Office of Chief of Operations

There was no change to the position count.

#### Water & Sewer Services

There was no change to the position count.

#### Support Services

There was no change to the position count.

#### Customer Service & Compliance

One position transferred from Enforcement.

#### Asset Management

One position transferred to Enforcement.

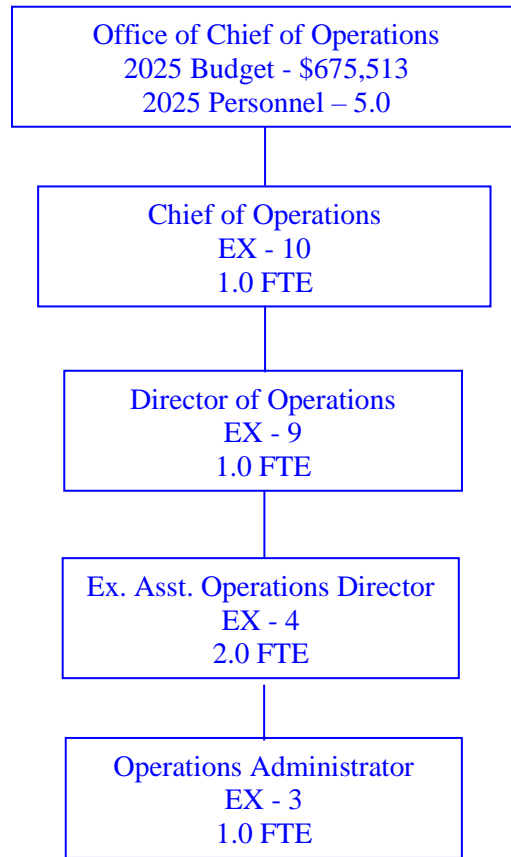
#### Meter Services

The Meter Services Department transferred from the Administration Division.

#### Safety and Training

The Safety and Training Department transferred from the Finance Division.

# Office of Chief of Operations



## Operations Division

### Office of Chief of Operations

#### Program Activities

- Oversee all activities engaged in by Water and Sewer Services, Day and Night Operations, Support Services, Customer Service and Compliance and Asset Management/CMOM Departments.

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$803,251	\$840,431	\$637,332	(\$203,099)	-24.2%
Labor Related Costs/Benefits	\$20,680	\$29,123	\$21,181	(\$7,942)	-27.3%
Professional Services	\$43,650	\$20,000	\$0	(\$20,000)	-100.0%
Training/Seminar/Travel	\$9,865	\$17,000	\$17,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$877,446</b>	<b>\$906,554</b>	<b>\$675,513</b>	<b>(\$231,041)</b>	<b>-25.5%</b>

#### Explanation of Major Variances

The 2025 budget for the Office of Operations Director is \$675,513, a decrease of \$231,041 or 25.5% from the budgeted amount for 2024. The variance is due to the Wages and Salaries, Labor Related Costs/Benefits, and Professional Services line items.

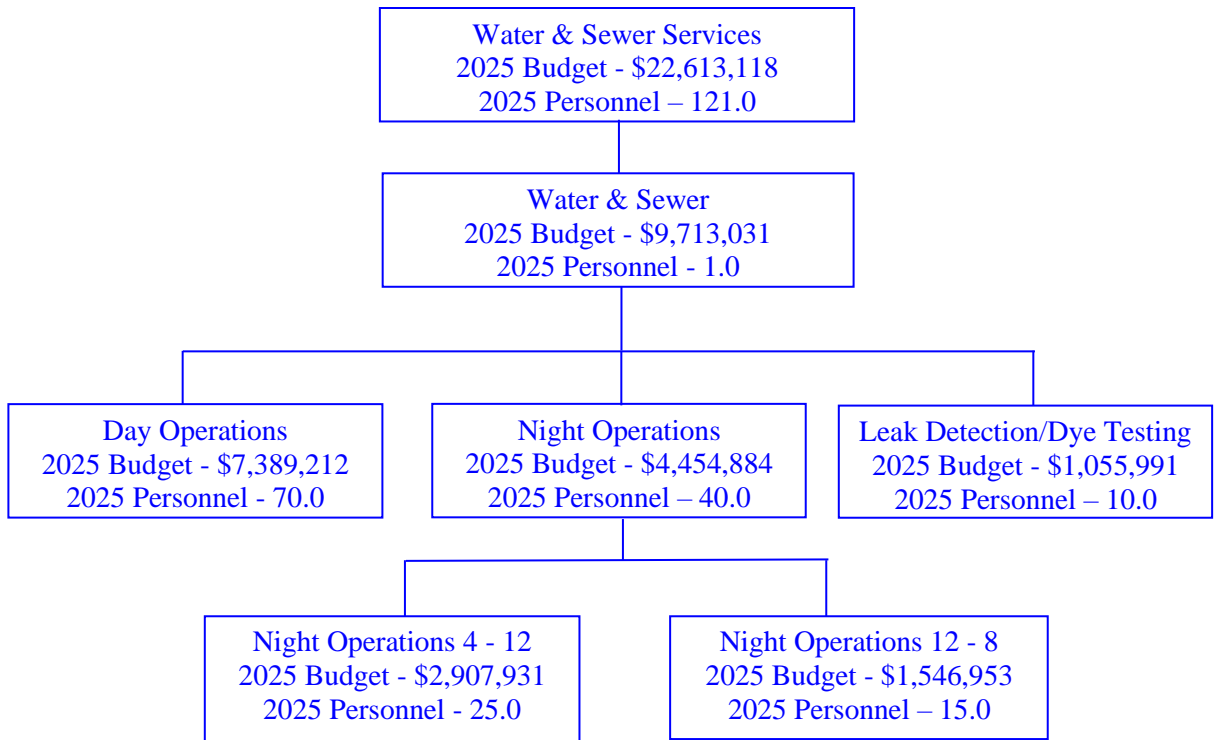
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of Operations Director	5.0	5.0	5.0	0.0

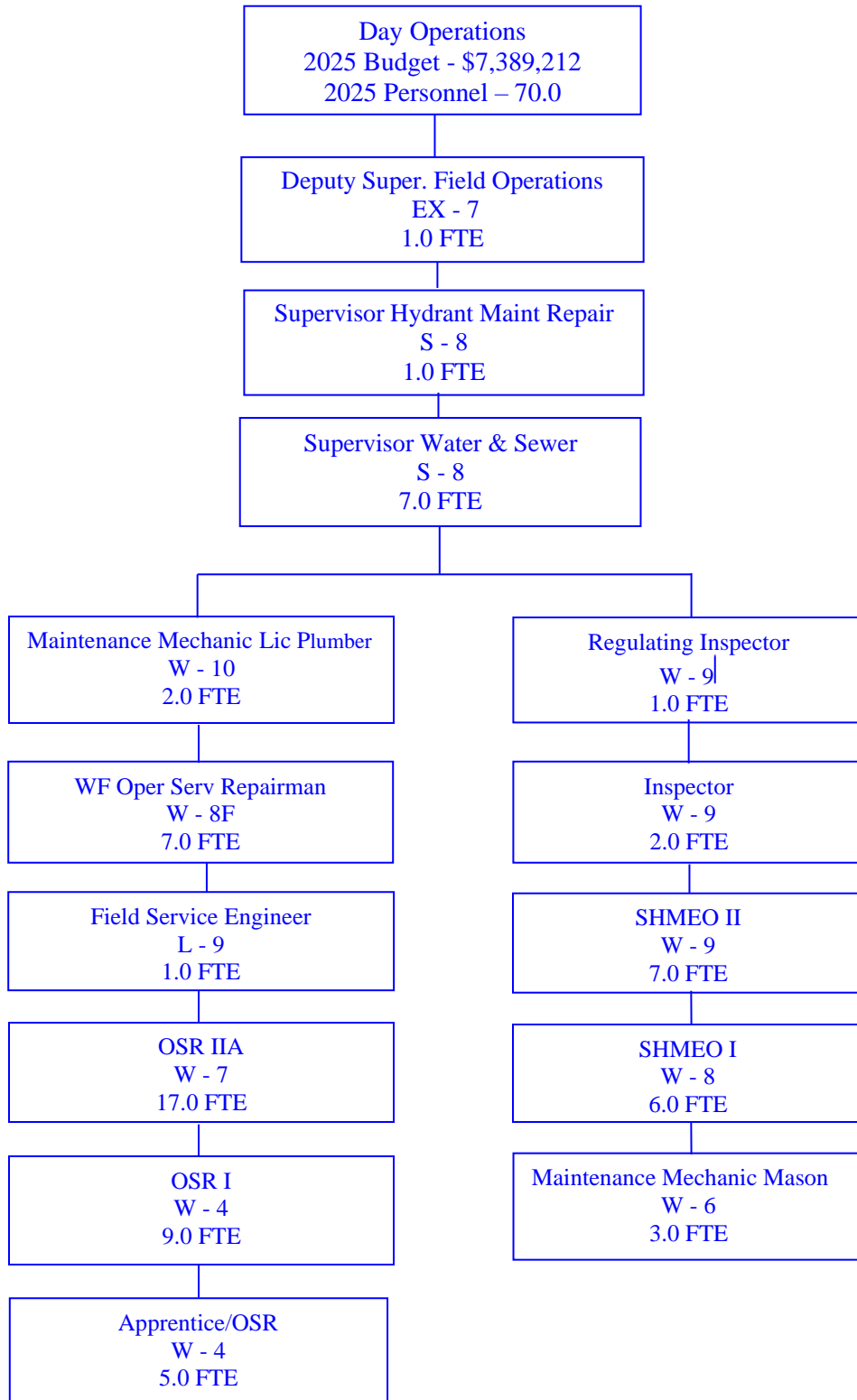
#### Explanation of Personnel Changes

There was no change in position count.

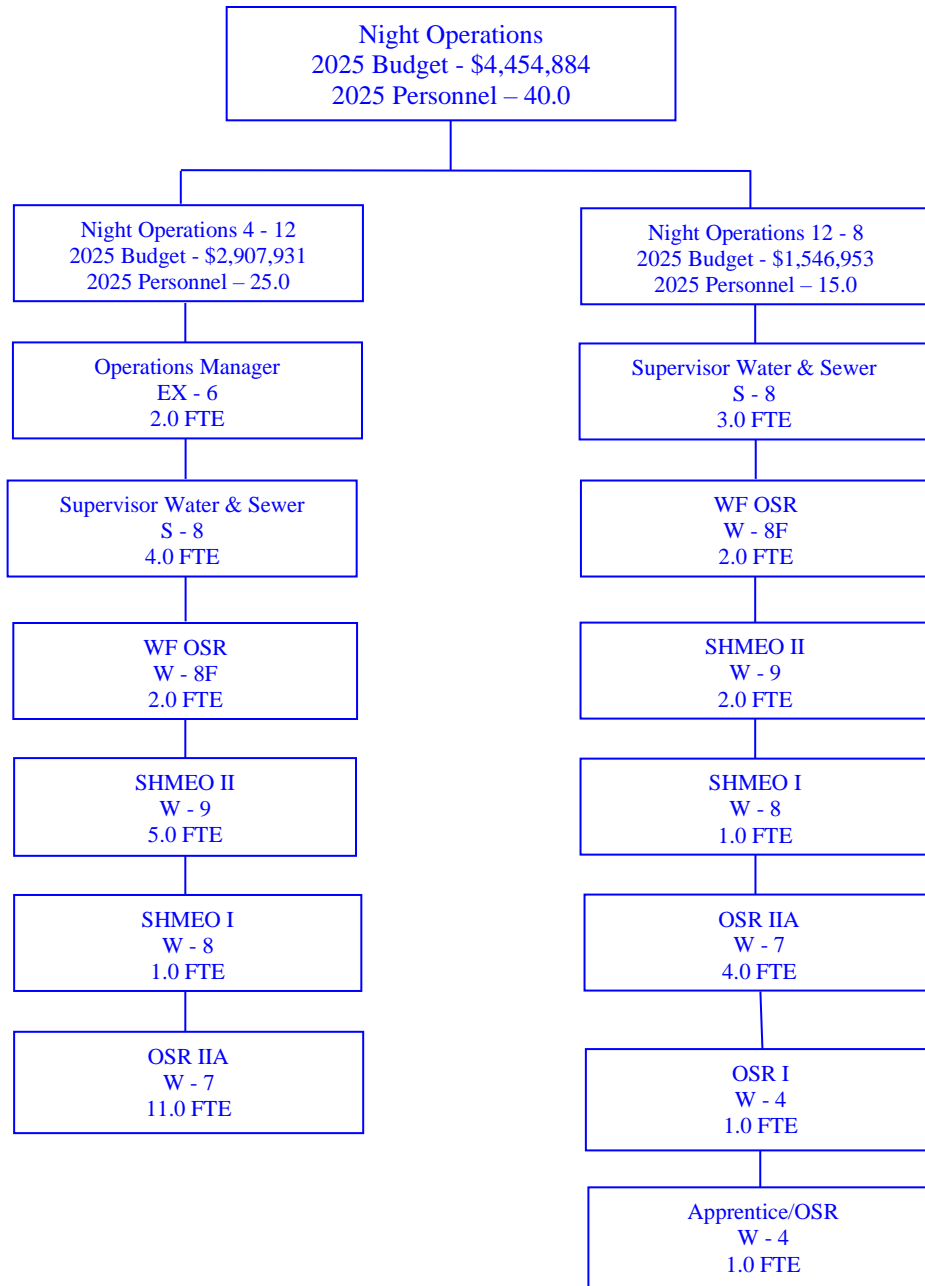
# Water & Sewer Services



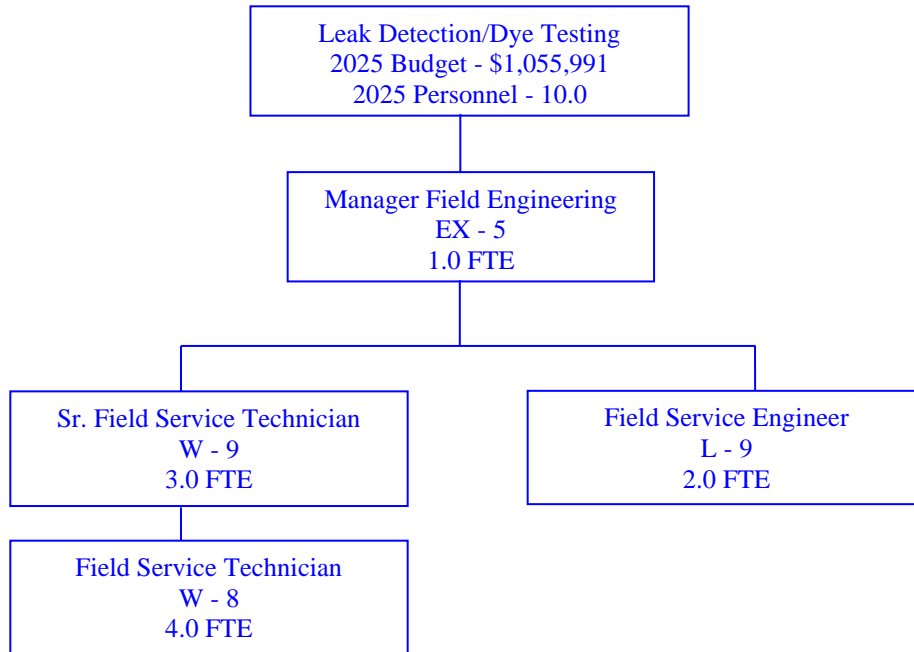
# Day Operations



# Night Operations



# Leak Detection/Dye Testing



## Operations Division

### Water & Sewer Services

#### Program Activities

- Water & Sewer Services directs the operation and maintenance of the Commission’s water, sewerage and drainage systems. The Department ensures the operability of the water and wastewater systems by efficiently maintaining and performing emergency repairs to water mains, service pipes, hydrants, gates, valves, catch basins, manholes and sewer and storm lines
- Increase water accountability by reducing the amount of water purchased from the MWRA through the continued implementation of the Commission’s ongoing leak detection and MWRA Master Meter Monitoring programs
- Perform Fire Flow tests, Loss of Head tests, water pressure analysis and other diagnostic procedures as required
- Identify, through dye testing, improper sanitary connections to storm drains and identify sources of inflow and infiltration entering the sewer system
- Respond to hazardous material spills affecting the sewer system

#### Division Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$160,602	\$10,832,098	\$11,328,222	\$496,124	4.6%
Overtime	\$0	\$1,448,938	\$1,717,817	\$268,879	18.6%
Labor Related Costs/Benefits	\$2,652	\$86,015	\$48,940	(\$37,075)	-43.1%
Supplies and Materials	\$723,741	\$950,000	\$800,000	(\$150,000)	-15.8%
Repair and Maintenance	\$5,536,298	\$7,805,000	\$7,933,000	\$128,000	1.6%
Other Services	\$295,515	\$750,139	\$650,139	(\$100,000)	-13.3%
Inventory	\$0	\$23,000	\$25,000	\$2,000	8.7%
Capital Outlay	\$0	\$110,000	\$110,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$6,718,808</b>	<b>\$22,005,190</b>	<b>\$22,613,118</b>	<b>\$607,928</b>	<b>2.8%</b>

#### Explanation of Major Variances

The 2025 budget for the Water & Sewer Services Department is \$22,613,118, an increase of \$607,928 or 2.8% from the 2024 budget. The variance is due to Wage and Salaries, Overtime, and Inventory line items.

## Operations Division

---

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Water & Sewer Services	1.0	1.0	1.0	0.0
Day Operations	70.0	71.0	70.0	(1.0)
Night Operations	38.0	39.0	40.0	1.0
Leak Detection/Dye Testing	12.0	11.0	10.0	(1.0)
<b>Total Personnel</b>	<b>121.0</b>	<b>122.0</b>	<b>121.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

#### Water & Sewer Services

There was no change to the position count.

#### Day Operations

One position transferred to Organizational Diversity.

#### Night Operations

One position transferred from Leak Detection/Dye Testing.

#### Leak Detection/Dye Testing

One position transferred to Night Operations.

### 2024 Program Goal Results

The operations Department will continue the effort to identify and remove publicly and privately-owned lead services in the City of Boston. The Operations Department will oversee the removal of 400 lead services in the BWSC water system. In 2024, the Operations Division removed 318 privately owned lead services and repaired 67 leaks under the LUTO program. Operations also relayed 55 services removing lead or plastic from the public way.

### 2025 Program Goals and Objectives

**Goal:** The Operations Department will develop procedures to streamline department functions to increase the efficiency of critical response and completion of tasks. This goal will include ensuring all of the Commission's Safety Policies are followed entirely.

**Objectives:** To utilize the current employees and equipment in a planned method to respond to and complete assignments safely and properly.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** The Operations Department will continue the effort to locate and identify leaking pipes throughout the BWSC's water infrastructure. The Hydrant Leak Detection Logger that has been piloted in East Boston and deployed downtown has identified 8 leaks to date. The Operation's Department currently has 60 of these units deployed and will expand this effort by another 30 loggers in 2025.

**Objectives:** To expand the Hydrant Leak Detection Logger by another 30 units in the downtown area.

**Mission:** Decrease Water Purchase

**Goal:** Establish a training for Commission crews on all three shifts regarding the Commission's Storm Response Protocols and the operation of the Commission's CCTV equipment.

**Objectives:** To enable all shifts to inspect the Commission's key sewerage/drainage infrastructure locations prior, during and following a major weather event. Having all shifts trained on the CCTV equipment will allow a faster response on off-hour emergencies.

**Mission:** Increased Production or Efficiency Improvements

# Operations Division

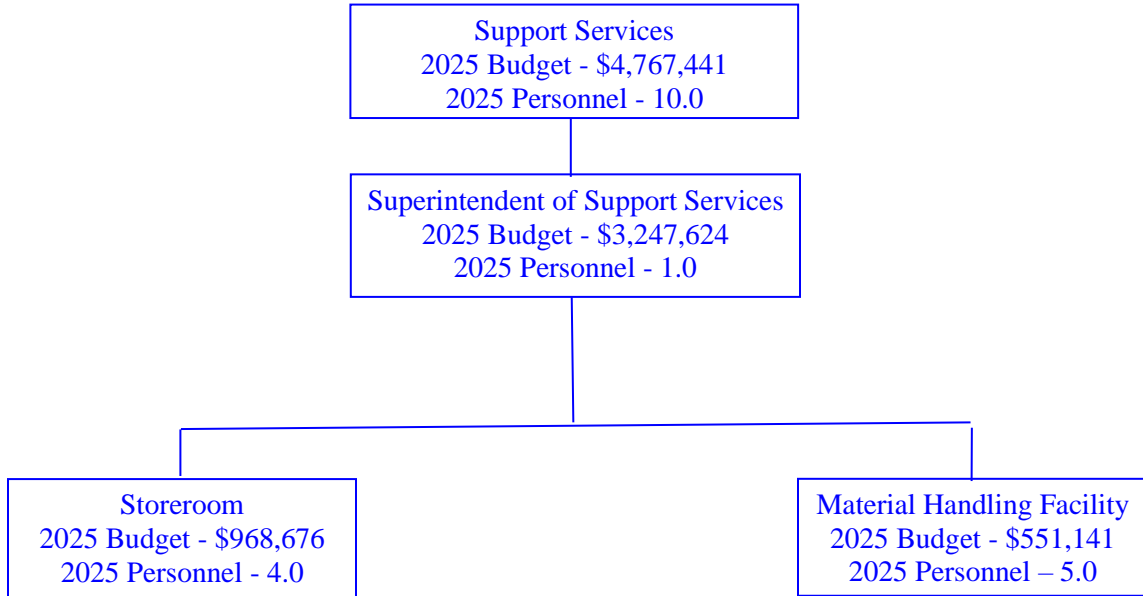
## Department Maintenance Goals

Activity	2022 Actual	2023 Actual	2024 Actual	2025 Goal
<b><u>Investigations:</u></b>				
Sewer Lateral	343	285	300	300
Hydrant	1,722	1,439	1,695	1,695
Leak	731	640	634	634
Service Pipe	105	111	135	135
Frozen Pipe	17	61	11	11
Water Entering	202	234	179	179
Lead	162	456	827	827
Rusty Water	183	265	356	356
Leak Up To Owner (LUTO)	72	62	49	49
Catch Basin	560	62	931	931
Sewer/Drain	3,093	709	3,285	3,285
CSO Regulator	974	3,255	967	967
Tide Gate	770	988	775	775
Backflow Device	21,985	772	24,913	24,913
Hazardous & Oil Spill	12	27,618	0	0
Illegal Connection	1	2	46	46
SSO's Reported to DEP	62	2	6	6
Hydrant Illegal Opening	18	2		
<b><u>Water &amp; Sewer Main Breaks/Repair:</u></b>				
Water Mains	28	28	26	26
Sewer Mains	45	45	43	43
Hydrant Replacement	31	31	44	44
Hydrant Repair	343	343	319	319
<b><u>Permits:</u></b>				
Engineering Permits	103	103	258	258
Operations Permits	356	356	785	785
General Services	993	993	937	937
<b><u>Preventative Maintenance:</u></b>				
Vactored Meter Box	4	4	17	17
Vactored Gate Box	54	54	95	95
Cement Sidewalks	848	848	295	295
Valve Repack	6	6	2	2
LUTO Repair	72	72	60	60
Plate Handling	50	50	64	64
Waste Sediment Disposed/Recycled (tons)	2,449	2,449	3,045	3,045
Gallons Pumped Union Park (millions)	42	42	39.29	39.29

## Operations Division

Activity	2022 Actual	2023 Actual	2024 Actual	2025 Goal
<b><u>Preventive Maintenance:</u></b>				
Main Pipe Flush (miles)	131	219	225	225
Hydrants Painted	1,341	1,832	1,520	1,520
Frame Reset (Water)	32	31	12	12
Frame Reset (Sewer)	281	356	676	676
Control Located	78	97	101	101
Control Reset	56	78	101	101
Mark Outs of Water and Sewer Infrastructure (Emergencies)	1,680	1,396	1,234	1,234
Excavation	732	852	997	997
Exercising of System Gates (Survey)	156	134	724	724
Hydrant Flush	392	398	342	342
Sewer Lines Jetted/Vectored (ft.)	372,778	384,151	326,156	326,156
Sewer Lines Rodded (ft.)	84	150	1,263	1,263
Bacteria Treatment	1,334	1,359	39	39
Service Pipe Repair	51	45	83	83
Service Pipe Relay	54	95		

# Support Services



## Operations Division

### Support Services

#### Program Activities

- Manage the Operations and Maintenance Contract for the Commission's nine pumping stations

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$152,556	\$1,118,456	\$1,036,118	(\$82,338)	-7.4%
Overtime	\$0	\$37,960	\$45,097	\$7,137	18.8%
Labor Related Costs/Benefits	\$1,870	\$9,480	\$12,049	\$2,569	27.1%
Supplies and Materials	\$86,841	\$749,000	\$748,177	(\$823)	-0.1%
Repair and Maintenance	\$657,035	\$947,000	\$854,000	(\$93,000)	-9.8%
Professional Services	\$1,743,225	\$2,059,821	\$2,072,000	\$12,179	0.6%
<b>Total Direct Expenses</b>	<b>\$2,641,527</b>	<b>\$4,921,717</b>	<b>\$4,767,441</b>	<b>(\$154,276)</b>	<b>-3.1%</b>

#### Explanation of Major Variances

The 2025 budget for the Support Services Department is \$4,767,441, a decrease of \$154,276 or 3.1% from 2024. The variance is due to the decrease of Wages and Salaries and Repair and Maintenance line items.

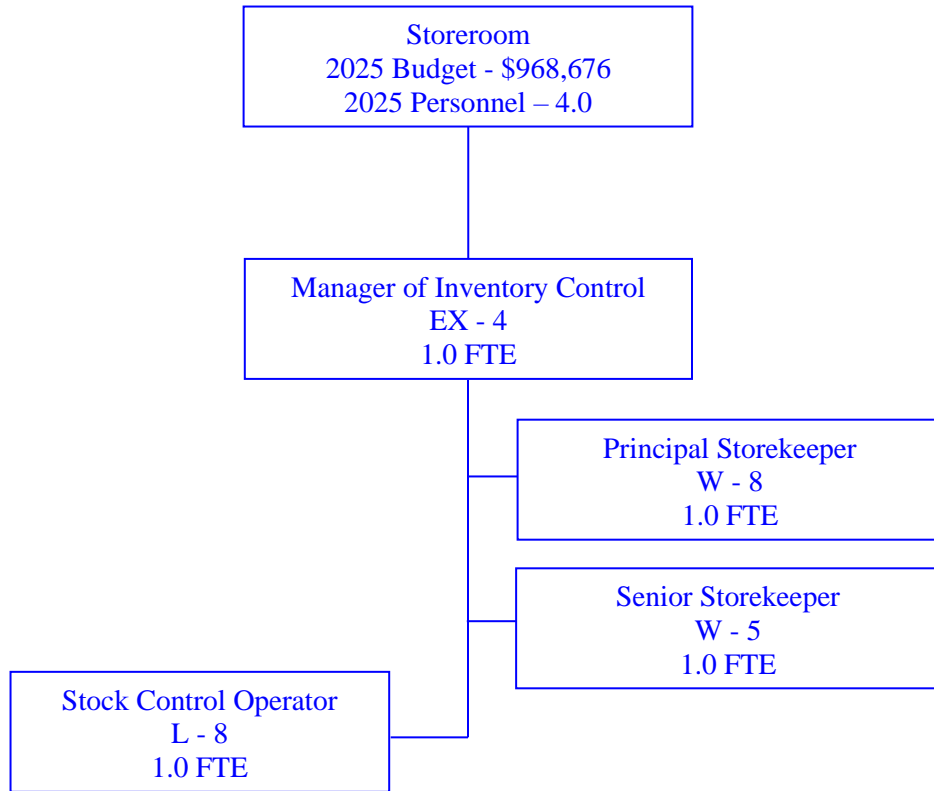
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Support Services	12.0	11.0	11.0	0.0

#### Explanation of Personnel Changes

There was no change to the position count.

# Storeroom



## Operations Division

---

### Storeroom

#### Program Activities

- The Storeroom maintains an inventory of materials, supplies, equipment and tools necessary for the ongoing maintenance and repair activities of the Division

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$344,516	\$561,007	\$389,892	(\$171,115)	-30.5%
Overtime	\$3,021	\$3,970	\$1,784	(\$2,186)	-55.1%
Labor Related Costs/Benefits	\$0	\$2,271	\$0	(\$2,271)	-100.0%
Supplies and Materials	\$423,889	\$565,000	\$577,000	\$12,000	2.1%
<b>Total Direct Expenses</b>	<b>\$771,426</b>	<b>\$1,132,248</b>	<b>\$968,676</b>	<b>(\$163,572)</b>	<b>-14.4%</b>

#### Explanation of Major Variances

The 2025 budget for the Storeroom Department is \$968,676 a decrease of \$163,572 or 14.4% from 2024. The variance is due to the decrease of Wages and Salaries and Overtime line items.

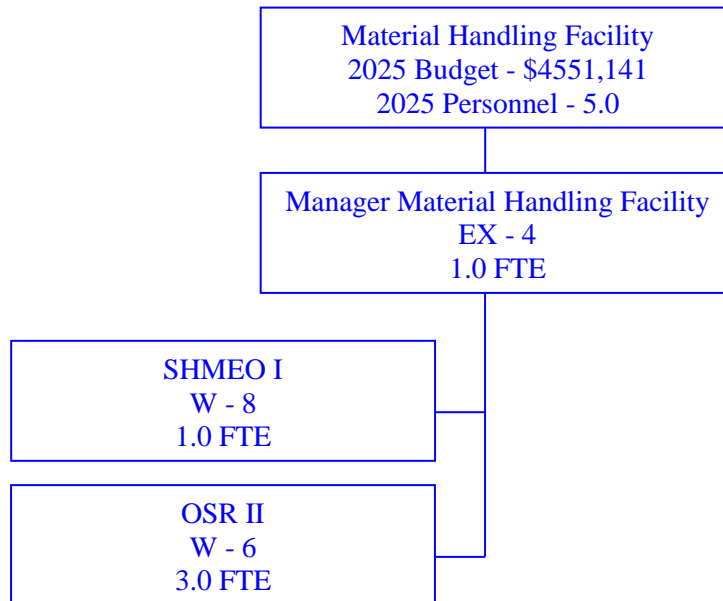
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Storeroom	6.0	6.0	4.0	(2.0)

#### Explanation of Personnel Changes

One position transferred to Material Handling Facility.  
One position transferred to Planning

# Material Handling Facility



## Operations Division

---

### Material Handling Facility

#### Program Activities

- Manage the collection and removal of sewer, drain, catch basin and trench waste generated from the BWSC's infrastructure

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$313,935	\$415,440	\$500,081	\$84,641	20.4%
Overtime	\$46,461	\$33,990	\$43,313	\$9,323	27.4%
Labor Related Cost/Benefits	\$6,232	\$4,600	\$7,747	\$3,147	68.4%
<b>Total Direct Expenses</b>	<b>\$366,628</b>	<b>\$454,030</b>	<b>\$551,141</b>	<b>\$84,641</b>	<b>18.6%</b>

#### Explanation of Major Variances

The 2024 budget for the Material Handling Department is \$551,141 an increase of \$84,641 or 18.6% from 2024. The variance is due to the decrease of Wages and Salaries, Overtime, and Labor Related Costs/Benefits line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Material Handling Facility	5.0	4.0	5.0	1.0

#### Explanation of Personnel Changes

One position transferred from the Storeroom.

### 2024 Program Goal Results

Union Park Pump Station Improvements Required to Maintain Continuous Service. Contract documents were completed for the replacement of two Variable Frequency Drives and the project was advertised for bid proposals. Flood protection for Trilling Way and Summer St Pumps Stations projects are on hold awaiting direction from Massport.

### 2025 Program Goals and Objectives

**Goal:** Oversee the CIP improvements for the Union Park Pump Station required to maintain continuous operation.

**Objectives:** Replacement of two expansion joints on 48” discharge pipes.

Upgrade/Replacement of Sluice Gate #13 and Union Park Tide Gate

Replace / Upgrade the two (2) Variable Frequency Drives for Electric Pumps #5 and #6.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Trilling Way Pump Station and Summer St Pump Station flood protection required in anticipation of sea level rise and climate change.

**Objectives:** Flood Protection for Trilling Way Pump Station and Summer Street Pump Station.

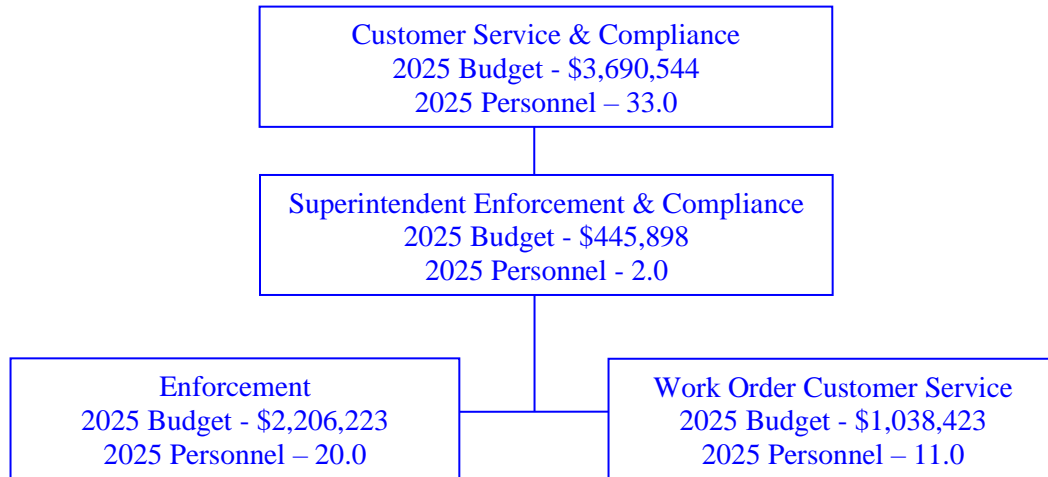
**Mission:** Limit Commission Liability/Increase Safety

**Goal:** Summer Street Pump Station Improvements Required to Maintain Continuous Service.

**Objectives:** Replace/Upgrade suction piping and components.

**Mission:** Increased Production or Efficiency Improvements

# Customer Service & Compliance



## Operations Division

### Customer Service & Compliance

#### Program Activities

- Customer Service & Compliance maintains the Commission’s work order management system (CityWorks) and provides assistance to the Commission’s customers with telephone inquiries.

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$307,659	\$3,317,689	\$3,454,550	\$136,861	4.1%
Overtime	\$0	\$81,365	\$73,988	(\$7,377)	-9.1%
Labor Related Cost/Benefits	\$7,141	\$32,306	\$18,506	(\$13,800)	-42.7%
Supplies and Materials	\$11,379	\$20,000	\$20,000	\$0	0.0%
Repair and Maintenance	\$110,602	\$118,400	\$118,500	\$100	0.1%
Professional Services	\$635	\$5,000	\$5,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$437,416</b>	<b>\$3,574,760</b>	<b>\$3,690,544</b>	<b>\$115,784</b>	<b>3.2%</b>

#### Explanation of Major Variances

The 2025 budget for the Customer Service & Compliance Department is \$3,690,544, an increase of \$115,784 or 3.2% from 2024. The variance is due to the decrease in the Labor Related Cost/Benefits line items.

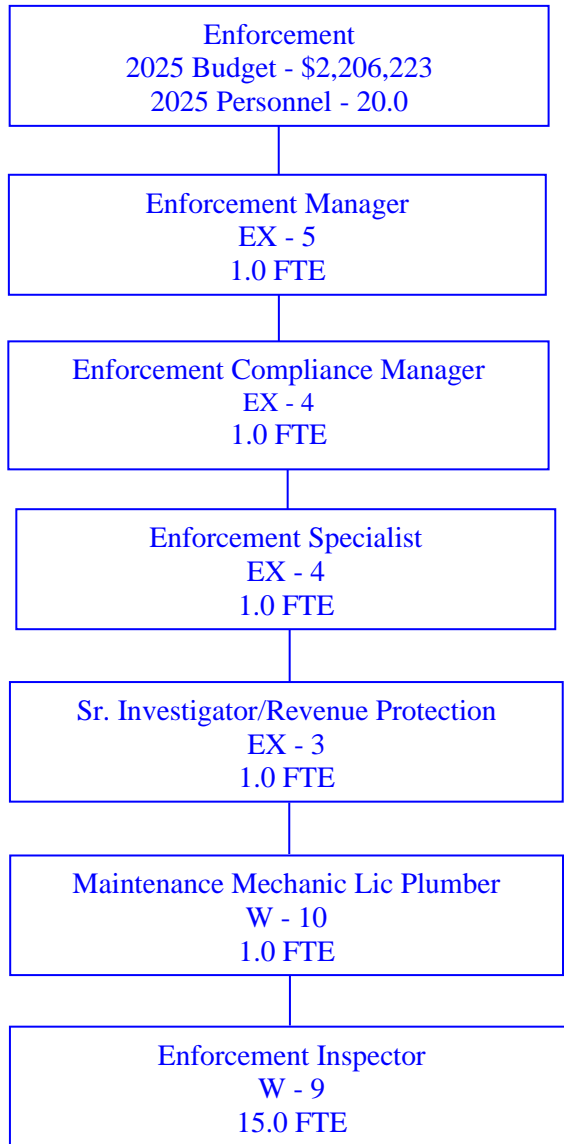
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Customer Service & Compliance	33.0	32.0	33.0	1.0

#### Explanation of Personnel Changes

One position transferred to Asset Management.

# Enforcement



## Operations Division

---

### Enforcement

#### Program Activities

- Protect the public water systems distribution and water quality from contamination and/or pollution due to unprotected or improperly protected Cross Connection
- Provide water sampling as required by State and Federal Regulatory Agencies
- Provide weekly chlorine and bacteriological samplings to the MWRA and report results to the Boston Public Health Commission
- Administrate the BWSC Sewer Abatement Program
- Conduct field inspection of authorized Backwater Valve installations

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$2,035,071	\$2,049,751	\$2,161,548	\$111,797	5.5%
Overtime	\$131,988	\$45,518	\$35,131	(\$10,387)	-22.8%
Labor Related Costs/Benefits	\$15,646	\$14,160	\$9,544	(\$4,616)	-32.6%
<b>Total Direct Expenses</b>	<b>\$2,182,705</b>	<b>\$2,109,429</b>	<b>\$2,206,223</b>	<b>\$96,794</b>	<b>4.6%</b>

#### Explanation of Major Variances

The 2025 budget for Enforcement Department is \$2,206,223, an increase of \$96,794 or 4.6% from 2024. The variance is due to increase of Wages and Salaries line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Enforcement	19.0	19.0	20.0	1.0

#### Explanation of Personnel Changes

One position transferred to SSO ERT.

### 2024 Program Goal Results

The Enforcement Department during the year has had its challengers with inspector shortages. Three were out on Workman's Comp and one was on military leave. The department made up for this through increased workload and working overtime to close the gap on inspections that needed to be done. Enforcement hopes to add 2-3 new inspector positions for 2025.

### 2025 Program Goals and Objectives

**Goal:** Boston Water and Sewer Enforcement Department top priority every year is to have every backflow device in our inventory (19,641) which translates to (28,433 tests) to be tested in year 2025 per MA. DEP Water regulations.

**Objectives:** Enforcement goal is to give each one of our inspectors the support they need every month to finish the work given to them so our goal objective can be made by years end. This goal would be to obtain (3) three new inspectors to the department in order to ease the new influx of devices that are added to our inventory every year. Enforcement also has to survey our city backflow device inventory in ten-year cycle and that adds more devices to our inventory.

**Mission:** Improve/Develop Policy/Procedure.

**Goal:** Update the SOP for grease trap inspections and the Food Establishment Survey Program.

**Objectives:** The City of Boston just in the last 3 years has opened up many new Food Establishments all over the city and survey's need to be done in order to add their grease traps to the Boston Water and Sewer Grease trap inventory. Increasing grease inspections thought out the city in areas that are prone to SSO'S during the year. Enforcement would also like to make an objective to have an inspector re-establish our Food Establishment Surveying program.

**Mission:** Protect Environment

**Goal:** Enforcement will receive abatement applications for irrigation and cooling towers and will follow process from start to finish. Enforcement will also work closely with the Billing department on trouble accounts as well as surveying all the sewer abatement accounts.

**Objectives:** Ensure current abatement accounts are active and verify the facilities features are working properly. Perform surveys to make sure all discharge meters are placed in right location and are working.

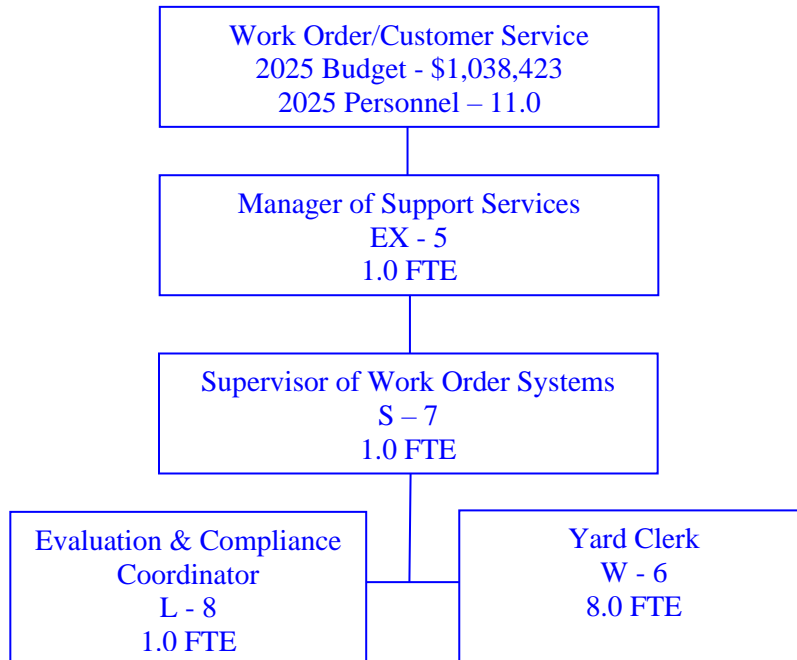
**Mission:** Improve/Develop Policy/Procedure

## Operations Division

### Department Maintenance Goals

Activity	2022 Actual	2023 Actual	2024 Actual	2025 Goal
<b>Sewer Abatements:</b>				
Sewer Requests	69	42	46	46
Sewer Inspections	69	42	41	41
Sewer Approvals	69	63	72	72
<b>Inspections of Backflow Device Installations:</b>				
Semi-annual	7,962	8,392	8,969	8,969
Annual	8,475	10,310	10,986	10,986
Initial Inspections of Backflow Devices	658	964	1,029	1,029
Conducting Cross Connection Surveys of Industrial, Institutional and Commercial Properties	75	1,094	31	31

# Work Order/Customer Service



## Operations Division

---

### Work Order/Customer Service

#### Program Activities

- Work Order/Customer Service maintains the Commission's work order management system (CityWorks) and provides assistance to the Commission's customers with telephone inquiries

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$1,095,991	\$982,807	\$999,566	\$16,759	1.7%
Overtime	\$45,647	\$35,847	\$38,857	\$3,010	8.4%
Labor Related Cost/ Benefits	\$6,112	\$7,669	\$0	(\$7,669)	100.0%
<b>Total Direct Expenses</b>	<b>\$1,147,750</b>	<b>\$1,026,323</b>	<b>\$1,038,423</b>	<b>\$12,100</b>	<b>1.2%</b>

#### Explanation of Major Variances

The 2025 budget for the Work Order/Customer Service Department is \$1,038,423, an increase of \$12,100 or 1.2% from 2024. The variance is due to the decrease of Wages and Salaries and Overtime line items.

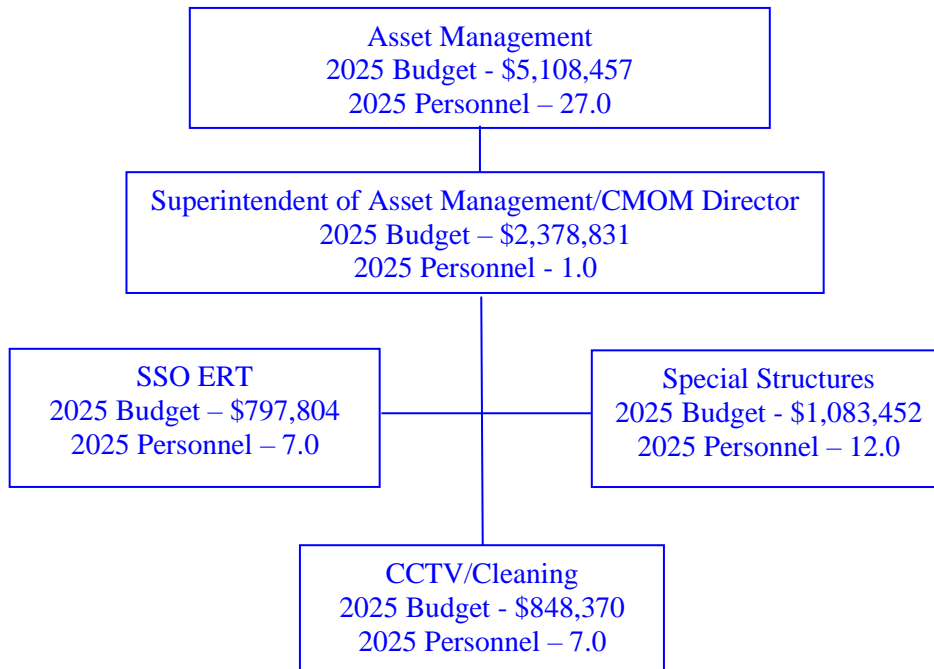
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Work Order/Customer Service	12.0	11.0	11.0	0.0

#### Explanation of Personnel Changes

There was no change in position count.

# Asset Management/CMOM



## Operations Division

---

### Asset Management/CMOM

#### Program Activities

- Inspect and maintain the combined sewer overflow system in accordance with the Commission's National Pollutant Discharge Elimination System (NPDES) permit
- Inspect sewers and building connections within low groundwater areas to ensure that they are not causing the drawdown
- Inspect and ensure the operability of all large diameter water valves, division gates, and appurtenances.
- Inspect manholes, siphon chambers and tide gates for defects and recommend repair and/or replacement

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$161,659	\$2,796,146	\$2,915,912	\$119,766	4.3%
Overtime	\$0	\$81,735	\$83,098	\$1,363	1.7%
Labor Related Costs/Benefits	\$0	\$17,853	\$9,447	(\$8,406)	-47.1%
Repair and Maintenance	\$1,495,091	\$1,800,000	\$1,900,000	\$100,000	5.6%
Professional Services	\$79,618	\$200,000	\$200,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$1,736,368</b>	<b>\$4,895,734</b>	<b>\$5,108,457</b>	<b>\$212,723</b>	<b>4.3%</b>

#### Explanation of Major Variances

The 2025 budget for Asset Management/CMOM Department is \$5,108,457, an increase of \$212,723 or 4.3% from 2024. The variance is due to the increase of Wages and Salaries line item.

## Operations Division

---

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Asset Management/CMOM	1.0	1.0	1.0	0.0
SSO ERT	4.0	8.0	7.0	(1.0)
Special Structures	15.0	12.0	12.0	0.0
CCTV/Cleaning	7.0	7.0	7.0	0.0
<b>Total</b>	<b>27.0</b>	<b>28.0</b>	<b>27.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

#### Asset Management/CMOM

There was no change to the position count.

#### SSO ERT

One position transferred to Enforcement.

#### Special Structures

There was no change to the position count.

#### CCTV/Cleaning

There was no change to the position count.

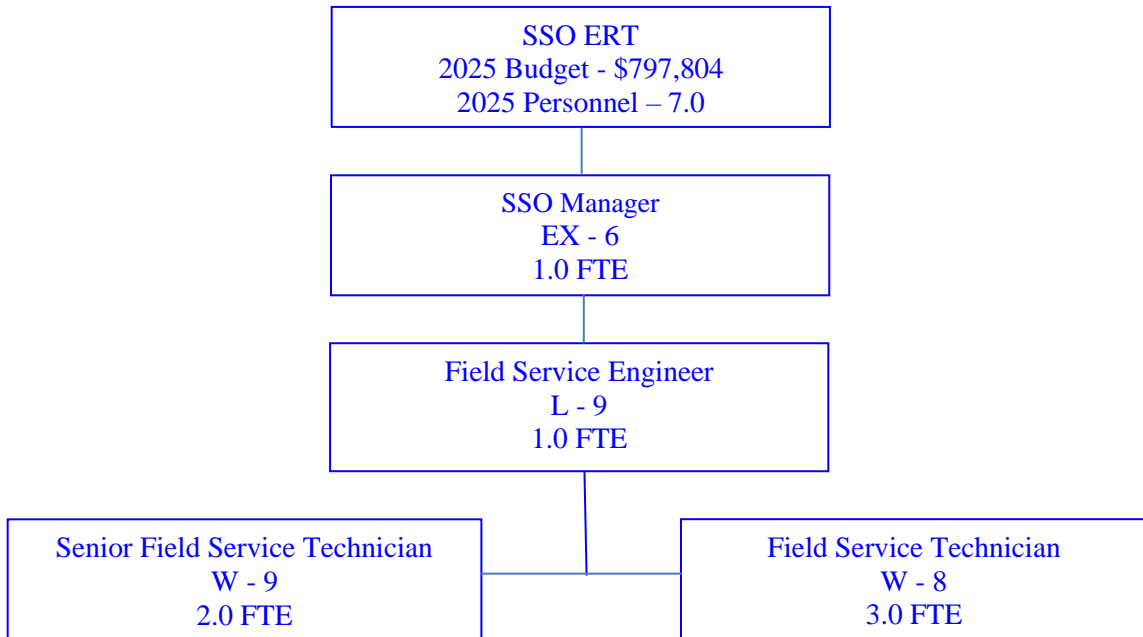
## Operations Division

---

### Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Goal
<b><u>Capacity, Management, Operations and Maintenance (CMOM):</u></b>			
Catch Basin Cleaning	21,615	22,087	20,000
Catch Basin Inspections	21,704	22,796	20,000
Clean and Inspect Sewers and Drains	67.02	79.44	79.44
Manhole Inspections	5,290	5,312	5,000
Siphon Chamber Inspections	4	6	6
Inspect CSO Regulator	977	964	964
Inspect CSO Tide Gate	766	775	775

# SSO ERT



## Operations Division

### SSO ERT

#### Program Activities

- Ensure timely response, reporting, tracking and mitigation of SSOs in accordance with the Commission’s 2012 Consent Decree with EPA
- Manage the Commission’s SSO Emergency Response Plan. Conduct training in the standard operating procedures for responding to and reporting of SSOs
- Maintain the computerized record keeping system for SSO reporting to assure data validity and consistency
- Analyze SSO events and recommend/implement recommendations for future mitigation or elimination

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$942,126	\$843,818	\$785,500	(\$58,318)	-6.9%
Overtime	\$29,988	\$10,159	\$10,193	\$34	0.3%
Labor Related Costs/Benefits	\$14,722	\$5,360	\$2,111	(\$3,249)	-60.6%
<b>Total Direct Expenses</b>	<b>\$986,836</b>	<b>\$859,337</b>	<b>\$797,804</b>	<b>(\$61,533)</b>	<b>-7.2%</b>

#### Explanation of Major Variances

The 2025 budget for the SSO ERT Department is \$797,804, a decrease of \$61,533 or 7.2% from 2024. The variance is due to the decrease of Labor Related Costs line items.

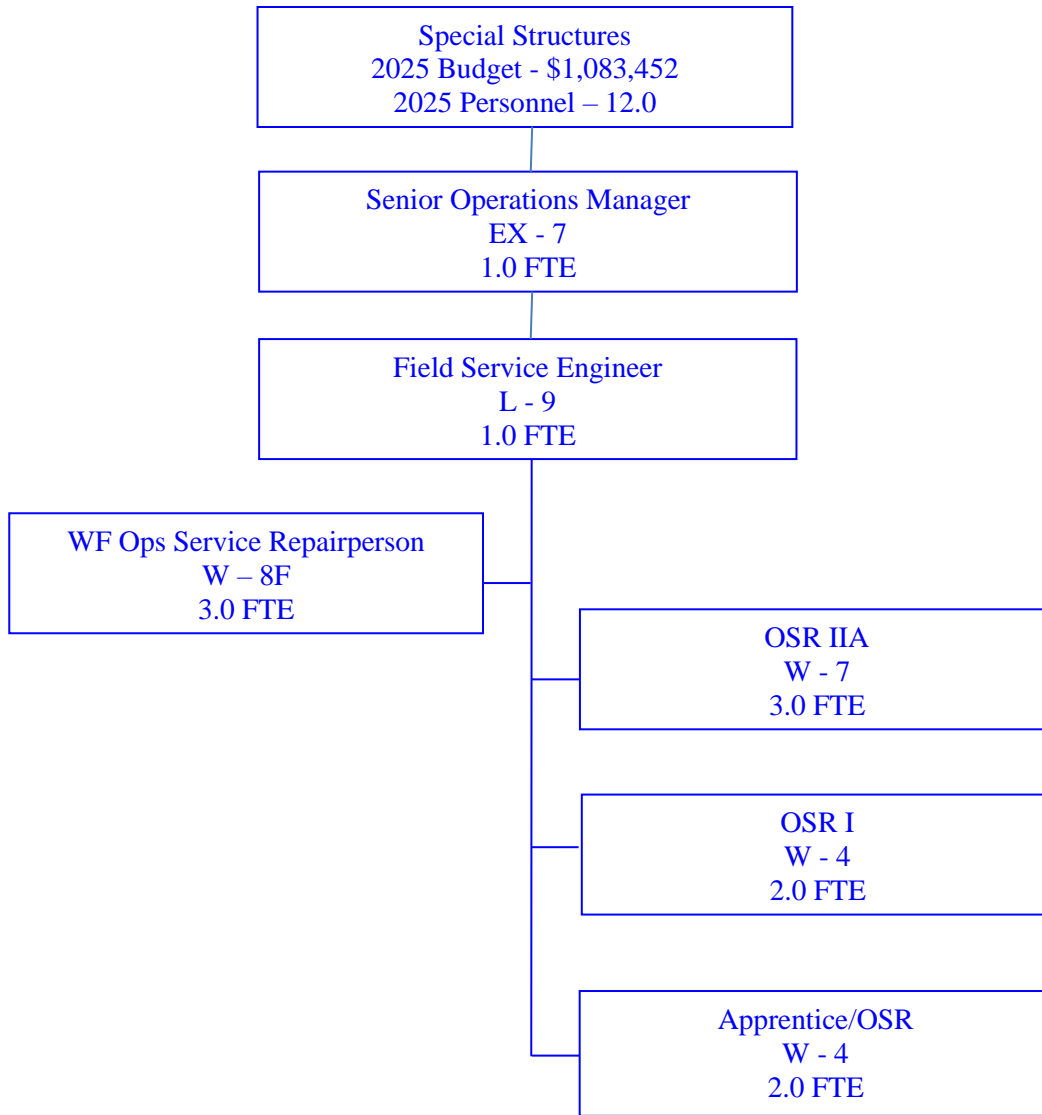
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
SSO ERT	4.0	8.0	7.0	(1.0)

#### Explanation of Personnel Changes

One position transferred to Enforcement.

# SPECIAL STRUCTURES



## Operations Division

---

### Special Structures

#### Program Activities

- Inspect and maintain the combined sewer overflow system in accordance with the Commission’s National Pollutant Discharge Elimination System (NPDES) permit
- Inspect sewers and building connections within low groundwater areas to ensure that they are not causing the drawdown
- Inspect and ensure the operability of all large diameter water valves, division gates, and appurtenances
- Inspect manholes, siphon chambers, and tide gates for defects and recommend repair and/or replacement

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$719,508	\$971,625	\$1,010,547	\$38,922	4.0%
Overtime	\$103,003	\$71,576	\$72,905	\$1,329	1.9%
Labor Related Costs/Benefits	\$3,338	\$6,574	\$0	(\$6,574)	-100.0%
<b>Total Direct Expenses</b>	<b>\$825,849</b>	<b>\$1,049,775</b>	<b>\$1,083,452</b>	<b>\$33,677</b>	<b>3.2%</b>

### Explanation of Major Variances

The 2025 budget for Special Structure Department is \$1,083,452 an increase of \$33,677 or 3.2% from the 2024 budget. The variance is due to the increase of Wages and Salaries.

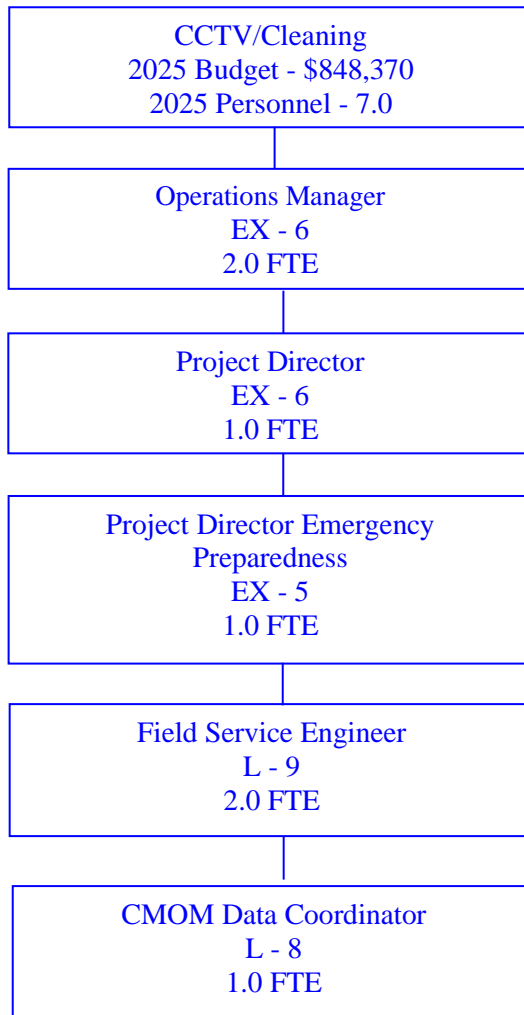
### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Special Structures	15.0	12.0	12.0	0.0

### Explanation of Personnel Changes

There was no change to the position count.

# CCTV/Cleaning



## Operations Division

### CCTV, Pipe Cleaning and Catch Basins

#### Program Activities

- Clean and inspect approximately ten percent (10%) of the Commission’s sewer system annually using a risk-based approach. Analyze inspection data and make recommendations for repair and improvements
- Centralize all Closed-Circuit Television (CCTV) data for reporting and scoring purposes
- Inspect all of the Commission’s catch basins on an annual basis and clean as necessary. The current program is anticipated to clean approximately 20,000 catch basins annually
- Utilize catch basin inspection data to schedule cleaning, other maintenance and repairs of defects found

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$640,555	\$706,255	\$841,034	\$134,779	19.1%
Labor Related Cost/Benefits	\$2,851	\$5,919	\$7,336	\$1,417	23.9%
<b>Total Direct Expenses</b>	<b>\$643,406</b>	<b>\$712,174</b>	<b>\$848,370</b>	<b>\$136,196</b>	<b>19.1%</b>

#### Explanation of Major Variances

The 2025 budget for CCTV/CB Cleaning is \$848,370, an increase of \$136,196 or 19.1% from 2024. The variance is due to the Wages and Salaries line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
CCTV/CB Cleaning	7.0	7.0	7.0	0.0

#### Explanation of Personnel Changes

There was no change to the position count.

### 2024 Program Goal Results

Annual reporting completed. 964 regulators inspected and 775 tidegates inspected. Continued to draft locations for Siphon Cleaning Contract in 2026. Annual cleaning contract complete. Over 20,000 catch basins cleaned as of December 2024.

### 2025 Program Goals and Objectives

**Goal:** Review and update, as needed, standard operating procedures and reporting for inspection of sewer special structures such as outfalls, regulators, siphons, and tide gates.

**Objectives:** To refine, the Commission's inspection schedule of sewer special structures, to greater optimize the use of personnel and equipment, and increase efficiency to ensure a condition assessment is performed for as many structures as possible.

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

**Goal:** Since 2014 the Commission has been cleaning approximately 20,000 catch basins per year. This coupled with the number of catch basin inspections gives the Commission a good reference to review the efficiency of the catch basin cleaning program.

**Objectives:** To analyze the catch basin cleaning and inspection records using all available data and develop a predictive schedule for future years.

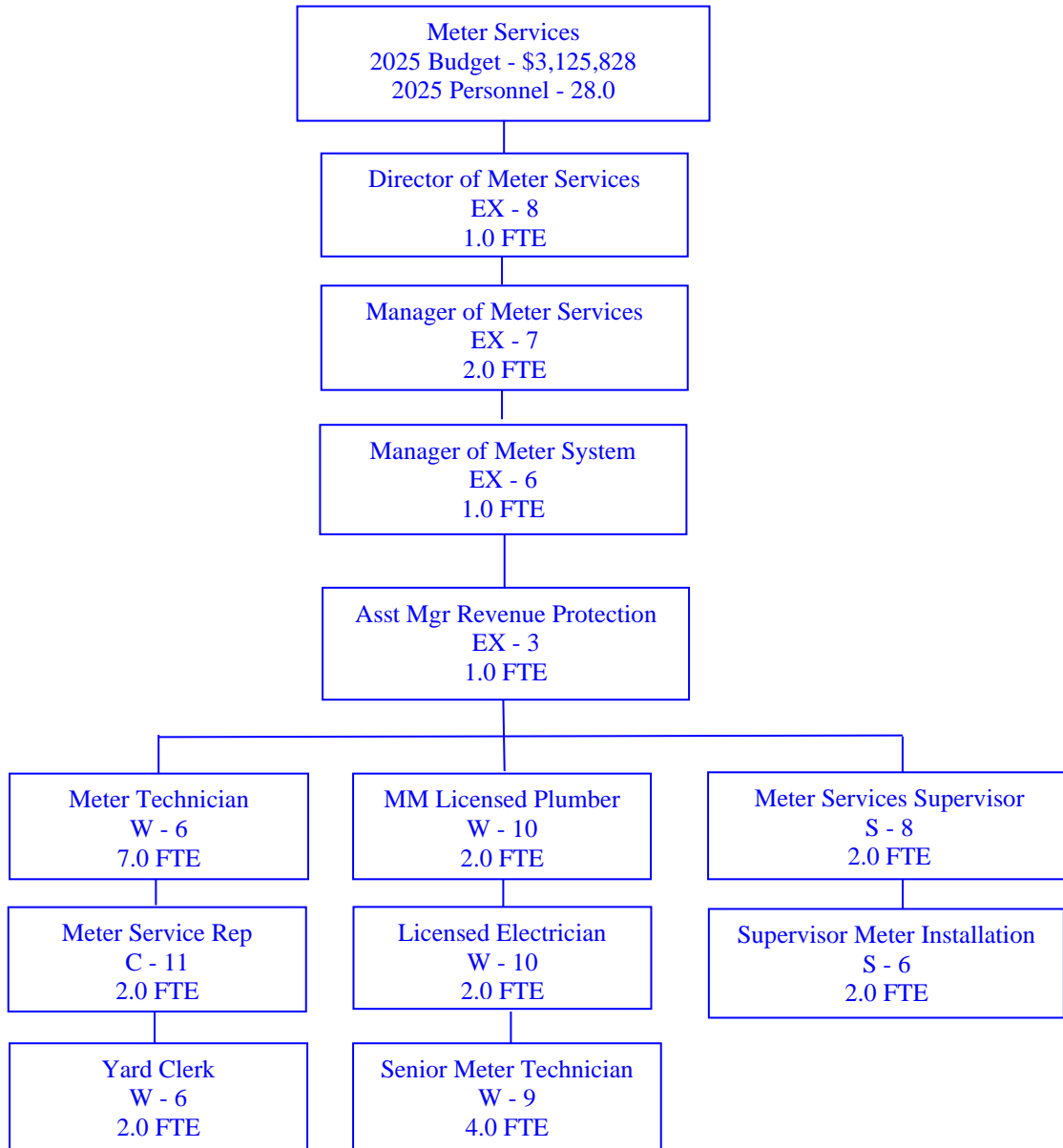
**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

**Goal:** Monitor, investigate, and address inflow and infiltration of groundwater in areas of concern for the Boston Groundwater Trust.

**Objectives:** To work collaboratively with the Boston Groundwater Trust in the monitoring, research, and investigation of groundwater sensitive areas with lowered water tables for the possibility of inflow and infiltration into the Commission's collection system, as well as areas of suddenly increased water tables for the presence of water main or service leaks.

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System.

# Meter Services



## Operations Division

### Meter Services

#### Program Activities

- Maintain the efficient operation of approximately 90,000 water meters and associated automatic meter reading devices in the system thus assuring accurate registration of consumption, including the tracking and evaluation of accounts with irregularities that may be the result of defective registration and/ or meter tampering
- Provide mechanical and technical support services by way of skilled personnel as requested

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$2,935,822	\$2,939,441	\$2,872,157	(\$67,284)	-2.3%
Overtime	\$82,290	\$80,000	\$80,000	\$0	0.0%
Labor Related Costs/Benefits	\$26,815	\$24,107	\$34,821	\$10,714	44.4%
Supplies and Materials	\$20,759	\$24,500	\$40,000	\$15,500	63.3%
Repair and Maintenance	\$54,053	\$51,000	\$78,000	\$27,000	52.9%
Professional Services	\$0	\$0	\$0	\$0	100.0%
Space and Equipment Rentals	\$18,550	\$18,550	\$18,550	\$0	100.0%
Other Services	\$0	\$2,300	\$2,300	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$3,138,289</b>	<b>\$3,139,898</b>	<b>\$3,125,828</b>	<b>(\$14,070)</b>	<b>-0.4%</b>

#### Explanation of Major Variances

The 2025 budget for Meter Services is \$3,125,828, an increase of \$14,070 or 0.4% from 2024. The variance is due to a decrease in the Wages and Salaries line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Meter Services	29.0	29.0	28.0	(1.0)

#### Explanation of Personnel Changes

One position transferred to General Council.

### 2024 Program Goal Results

The American Water works Association recommends that meters 3” in diameter be tested every three years, 4” meters in diameter every two years and meters 6” and larger every year. In order to maintain this program, 450 – 500 meters need to be tested every year. During 2025 staff will continue to test all removed meters on the MARS test bench and field test 3” or larger meters in accordance with the scheduled test months.

### 2025 Program Goals and Objectives

**Goal:** The American Water works Association recommends that meters 3” in diameter be tested every three years, 4” meters in diameter every two years and meters 6” and larger every year. In order to maintain this program, 500 – 600 meters need to be tested every year.

**Objective:** To ensure accurate water measurement by testing large meters.

**Mission:** Increased Fiscal Controls.

**Goal:** In conjunction with IT staff continue with Phase Two and Three of the Aclara upgrade. Phase two is the upgrade to mobile programmer which will allow Bluetooth programming puck and compatibility with other field devices such as iPad’s. Phase Three involves installing another module called VEE which is a validation, estimating and editing tool.

**Objective:** Mobile Programmer Application allows hand-free operation with MTU’s and can run on iOS, Android and Windows platforms. VEE includes billing determinant calculations, load research and forecasting.

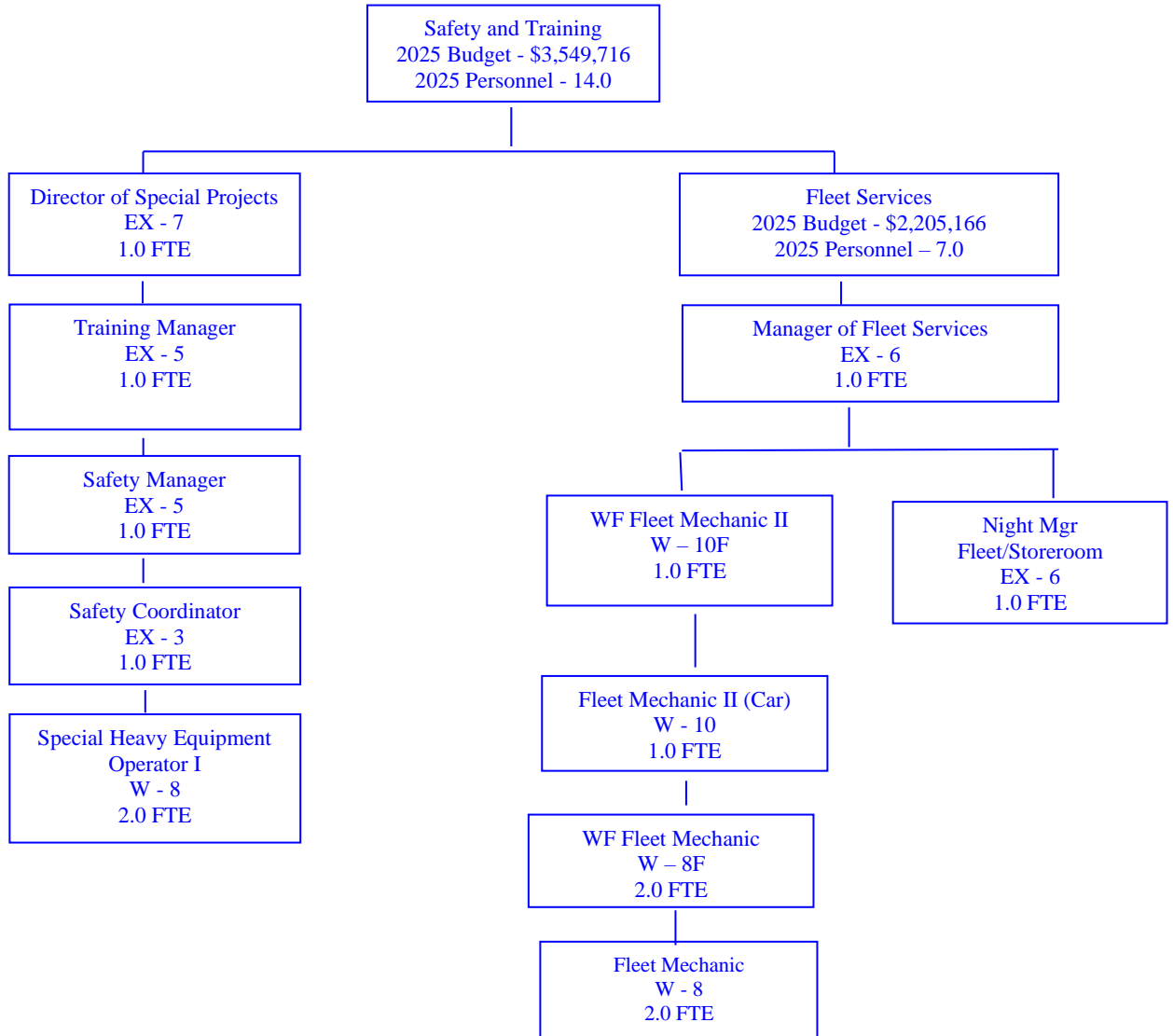
**Mission:** Increased Production or Efficiency Improvements

**Goal:** Rewrite the Commissions Meter Specifications to include Ultrasonic Meters. The meter industry is discontinuing production and parts for nutating disc meters with moving parts for large meters and will only manufacture Ultrasonic meters which have no moving parts and guarantee high resolution for extremely low flows.

**Objective:** The commission will be able to purchase Ultrasonic meters that have no moving parts, a longer warranty, changeable inserts which reduces pipe work and registers low flow more accurately. In addition, more meter manufactures will be able to bid on meters which will ensure competition and keep prices to a minimum.

**Mission:** Increased Production or Efficiency Improvements

# Safety and Training



## Operations Division

### Safety and Training

#### Program Activities

- Emergency Response Plan Training
- Participate in the New Employee Orientations
- Prepare Monthly Utilization Report
- Increase the amount of employees OSHA Certified
- Create a hands-on in-house training program
- Review and update all safety and training forms and documentation

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$623,188	\$930,526	\$1,793,215	\$862,689	92.7%
Overtime	\$0	\$0	\$25,000	\$25,000	#DIV/0!
Labor Related Costs/Benefits	\$37,497	\$33,103	\$10,086	(\$23,017)	-69.5%
Supplies and Materials	\$0	\$30,600	\$514,300	\$483,700	1580.7%
Repair and Maintenance	\$0	\$61,845	\$884,045	\$822,200	1329.5%
Space and Equipment Rentals	\$0	\$0	\$22,000	\$22,000	35.6%
Other Services	\$0	\$0	\$38,800	\$38,800	#DIV/0!
Professional Services	\$0	\$367,000	\$373,000	\$6,000	1.6%
<b>Total Direct Expenses</b>	<b>\$660,685</b>	<b>\$1,423,074</b>	<b>\$3,660,446</b>	<b>\$2,237,372</b>	<b>157.2%</b>

#### Explanation of Major Variances

The 2025 budget for Safety and Training is \$3,660,446 an increase of \$2,237,372 or 157.2% from the budgeted amount for 2024. The variance is due to an increase of Supplies and Materials, Repair and Maintenance and Space and Equipment Rentals line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Safety and Training	14.0	14.0	14.0	0.0

#### Explanation of Personnel Changes

The Safety and Training Department transferred to the Operation. There was no change to the position count.

### 2024 Program Goal Results

In 2024, the Safety Department focused on electrical safety, particularly by adding signage on existing and newly installed electrical transformers throughout the building. All areas identified by the Safety Department and Facilities Department now have additional safety signage. The Safety and Training Department coordinated 58 training courses on various topics to the Commission's employees throughout the year.

### 2025 Program Goals and Objectives

**Goal:** A vehicle policy is a set of rules, guidelines, and procedures that govern how employees use the cars, trucks and vans in our fleet. In 2025, the Safety Department and Fleet would like to focus on updating the Commission's Policy on Vehicles and the Domicile Vehicle Policy.

**Objective:** Having a comprehensive vehicle policy will ensure a safe working environment and an added layer of protection for the Commission's fleet of vehicles.

**Mission:** Improve/Develop Policy/Procedure

**Goal:** Preventative maintenance on vehicles involves regular inspections, fluid changes, and minor adjustments to sustain the longevity of the vehicle. Common tasks include oil and filter changes, tire rotations, brake inspections, and fluid checks. Following the manufacturer's recommendations, we will concentrate on developing a preventative maintenance manual for our Fleet personnel.

**Objective:** One of the most important aspects of preventative maintenance is ensuring the safety of the fleet. Regular maintenance will increase the performance and efficiency of the Commission's fleet of vehicles.

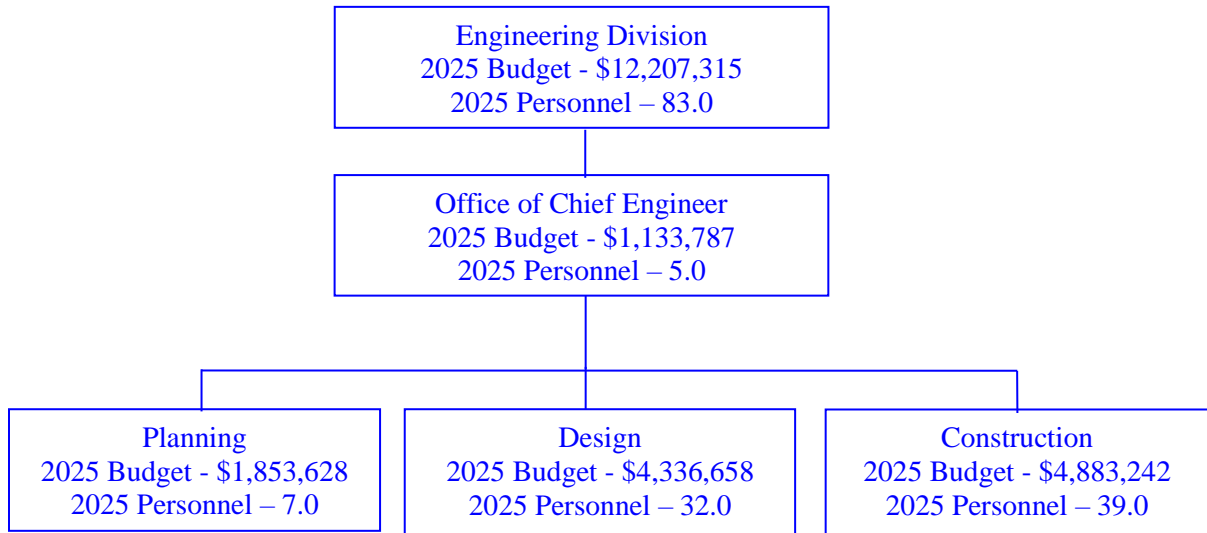
**Mission:** Increased Production or Efficiency Improvements

**Goal:** Perform a thorough inspection of Personal Protective Equipment.

**Objective:** Evaluation and inspection of Personal Protective Equipment (PPE) to ensure that all PPE is present and available to employees. Examination of PPE will determine if it is adequate for hazards faced by personnel.

**Mission:** Limit Commission Liability/Increase Safety

# Engineering Division



## Engineering Division

---

### Engineering Division Organization

The Engineering Division is comprised of the Office of the Chief Engineer and three other departments:

- **Planning**
- **Design**
- **Construction**

### Division Mission

The Engineering Division ensures the provision of high quality, reliable water, sewer and drainage services while protecting the environment. The Engineering Division accomplishes this through pursuing an aggressive Renewal and Replacement program, supporting the Boston Harbor pollution abatement effort and meeting all federal and state water and wastewater laws.

### Division Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Office of the Chief Engineer	\$779,457	\$838,737	\$1,133,787	\$295,050	35.2%
Planning	\$1,737,474	\$1,738,195	\$1,853,628	\$115,433	6.6%
Design	\$1,910,358	\$2,395,360	\$4,336,658	\$1,941,298	81.0%
Construction	\$4,551,962	\$4,876,716	\$4,883,242	\$6,526	0.1%
<b>Total Direct Expenses</b>	<b>\$8,979,251</b>	<b>\$9,849,008</b>	<b>\$12,207,315</b>	<b>\$2,358,307</b>	<b>23.9%</b>

### Explanation of Major Variances

The 2025 budget for the Engineering Division is \$12,207,315, an increase of \$2,358,307 or 23.9% from the 2024 budget. The variance is due to an increase in the Office of the Chief Engineer, Planning, and Design Department line items.

## Engineering Division

---

### Department Personnel Summary

Department	2023 Approved	2024 Budget	2025 Budget	2024-2025 Variance
Chief Engineering Officer	4.0	4.0	5.0	1.0
Planning	7.0	8.0	7.0	(1.0)
Design	31.0	32.0	32.0	0.0
Construction	41.0	40.0	39.0	(1.0)
<b>Total Personnel</b>	<b>83.0</b>	<b>84.0</b>	<b>83.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

#### Office of the Chief Engineer

One position transferred from the Material Handling Facility.

#### Planning

One position transferred to Human Resources.

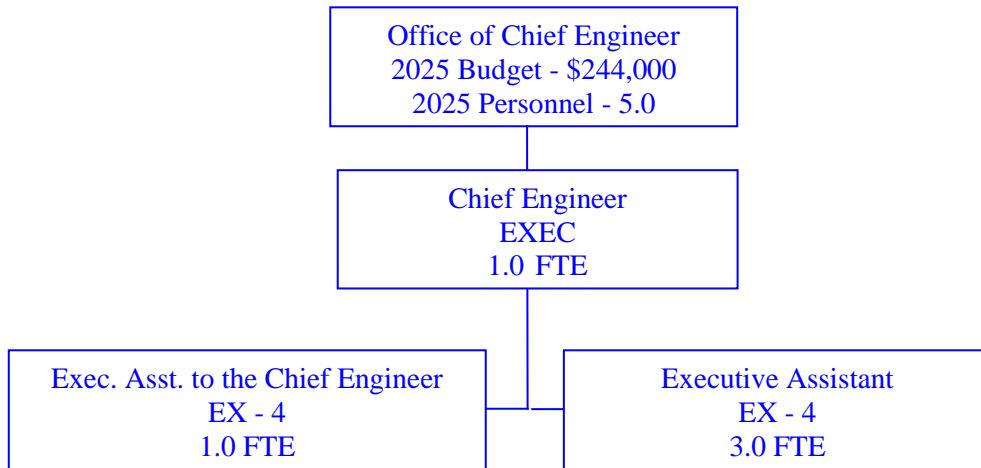
#### Design

There was no change in position count.

#### Construction

One position transferred to Revenue Audit and Analysis.

# Office of the Chief Engineer



## Engineering Division

### Office of Chief Engineer

#### Program Activities

- Provide overall management and coordination of all engineering program development to ensure the provision of high quality, reliable water, sewer and drainage services
- Manage and coordinate all Commission activities with the MWRA
- Manage and coordinate all Commission activities regarding Central Artery/Tunnel Projects

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$636,324	\$609,204	\$861,706	\$252,502	41.4%
Labor Related Costs/Benefits	\$24,278	\$29,433	\$28,081	(\$1,352)	-4.6%
Professional Services	\$77,024	\$175,500	\$219,500	\$44,000	25.1%
Training/Seminar/Travel	\$41,831	\$24,500	\$24,500	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$779,457</b>	<b>\$838,637</b>	<b>\$1,133,787</b>	<b>\$295,150</b>	<b>35.2%</b>

#### Explanation of Major Variances

The 2025 budget for the Office of Chief Engineer is \$1,133,787, an increase of \$295,150 or 35.2% from 2024. The variance is due to the increase of Wages and Salaries.

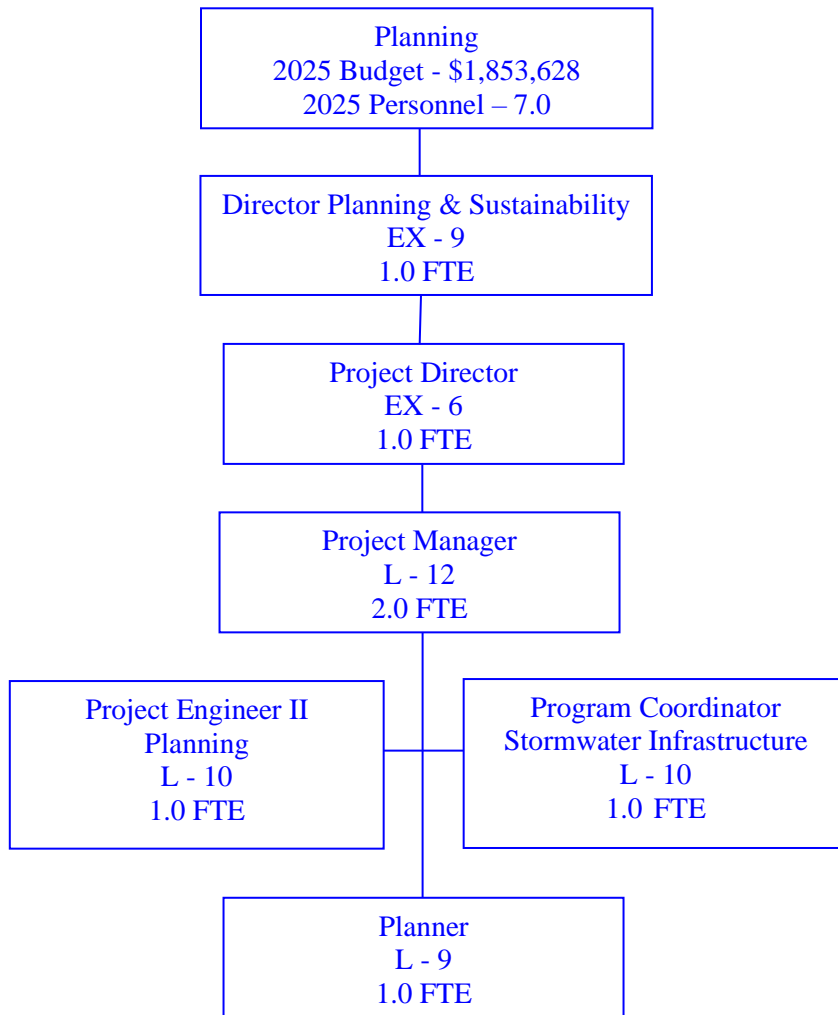
#### Department Personnel Summary

Department	2023 Approved	2024 Budget	2025 Budget	2024-2025 Variance
Office of Chief Engineer	4.0	4.0	5.0	1.0

#### Explanation of Personnel Changes

One position transferred from the Material Handling Facility.

# Planning



## Engineering Division

### Planning

#### Program Activities

- Conduct system-wide, area specific investigations and project planning
- Determine planning projects for three-year Capital Improvement Program
- Develop and coordinate Commission regulatory compliance activities
- Analyze and disseminate demographic, engineering and regulatory information
- Devise and manage consultant contracts
- Develop model capabilities
- Evaluate the impacts on Commission facilities of proposed public and private projects
- Participate in the review of MWRA projects and implementation of those assigned to BWSC

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$947,419	\$994,049	\$982,345	(\$11,704)	-1.2%
Labor Related Costs/Benefits	\$19,628	\$21,646	\$18,783	(\$2,863)	-13.2%
Supplies and Materials	\$1,359	\$2,500	\$2,500	\$0	0.0%
Professional Services	\$769,068	\$720,000	\$850,000	\$130,000	18.1%
<b>Total Direct Expenses</b>	<b>\$1,737,474</b>	<b>\$1,738,195</b>	<b>\$1,853,628</b>	<b>\$115,433</b>	<b>6.6%</b>

#### Explanation of Major Variances

The 2025 budget for the Planning Department is \$1,853,628, an increase of \$115,433 or 6.6% from 2024. The variance is due to increases in the Professional Services line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Planning	7.0	8.0	7.0	(1.0)

#### Explanation of Personnel Changes

One position transferred to Human Resources.

### 2024 Program Goal Results

Develop an information system to show the Commission's progress with achieving the goals of phosphorus removal from the BMP Implementation Plan. Brown and Caldwell began to devise a plan to automate the data transfer from the GI database to the drain model, to allow seamless integration. The model runs will provide estimates from the phosphorus removal goals.

### 2025 Program Goals and Objectives

**Goal:** Develop a program to identify areas in the City with combined sewers that cannot be separated because of hydraulic issues and/or physical restraints and prepare an investigation plan to perform a condition assessment of the combined sewer that can identify sources of infiltration entering the wastewater system.

**Objective:** Identify sewer in areas of the Commission's combined system that cannot be separated and develop an investigation program.

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

**Goal:** Reorganize and streamline the storage of Planning's digital files so they are accessible to other staff members and not stored in multiple locations.

**Objective:** Planning staff have their own personal directories and file their files in their directories. Projects and reporting can encompass several staff members. By consolidating joint files it will cut down on multiple copies of the same file and make it easier to determine the most current version of the file. In addition, with succession planning it will make it easier for current and future staff to be able to access retired staff's files.

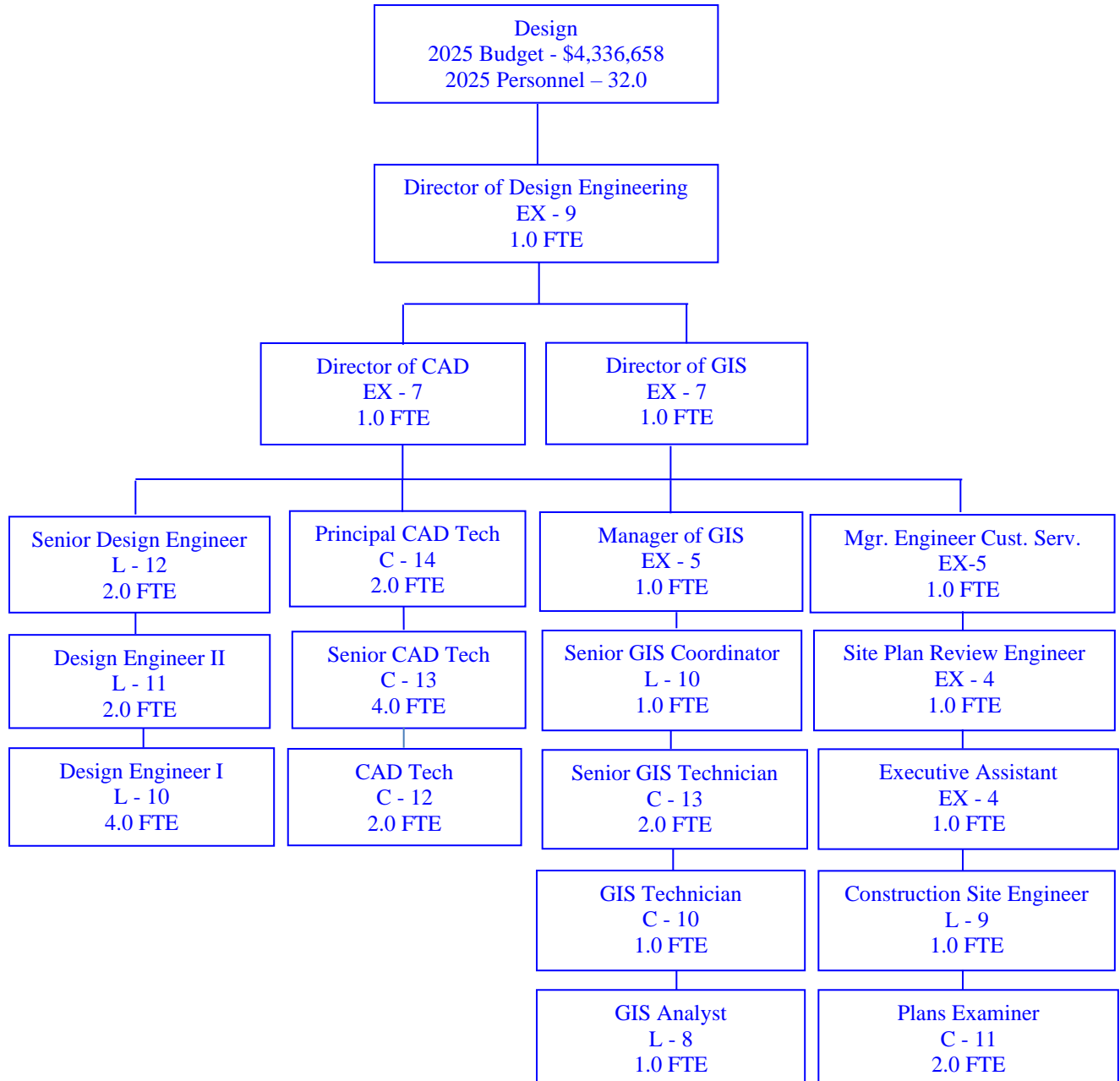
**Mission:** Increased Production or Efficiency Improvements

**Goal:** Continue conducting and investigate expanding a real-time sewer and drain level monitoring program, or smart sewer network, to advance the Commission's understanding of system function during both wet and dry weather periods. The program will continue to collect data which can be leveraged to reduce both SSO and CSO to the environment and identify operational issues early. The reduction of SSOs and CSOs will lead to both service improvement and environmental protection, and the early identification of operational issues will provide cost control.

**Objective:** To deploy and maintain a smart sewer sensor network, which can measure sewerage and stormwater levels at strategic locations city wide and transmit data real-time to be displayed on a dashboard for monitoring by Commission staff.

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

# Design



## Engineering Division

### Design

#### Program Activities

- Provide the Commission with professional engineering services for the design of water and wastewater construction projects
- Provide engineering review of outside projects that affect Commission facilities ensuring that those projects protect or enhance the Commission facilities
- Service BWSC's customers and in-house personnel by providing GIS information, research data, facility prints, water and sewer service location cards, As-Built and other relevant Street Log, Webpage, and Arcview information concerning the Commission's systems
- Schedule new water, sewer, drain installations and repair inspections and provide GIS with as built and inspector's reports for GIS input

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$1,795,430	\$3,929,449	\$4,180,053	\$250,604	6.4%
Overtime	\$10,535	\$24,317	\$24,919	\$602	2.5%
Labor Related Costs/Benefits	\$34,569	\$88,345	\$30,836	(\$57,509)	-65.1%
Supplies and Materials	\$44,427	\$51,300	\$22,950	(\$28,350)	-55.3%
Repair and Maintenance	\$0	\$7,700	\$8,400	\$700	9.1%
Professional Services	\$21,239	\$40,400	\$50,000	\$9,600	23.8%
Other Services	\$4,158	\$16,250	\$19,500	\$3,250	20.0%
<b>Total Direct Expenses</b>	<b>\$1,910,358</b>	<b>\$4,157,761</b>	<b>\$4,336,658</b>	<b>\$178,897</b>	<b>4.3%</b>

#### Explanation of Major Variances

The 2025 budget for the Design Department is \$4,336,658, an increase of \$178,897 or 4.3% from 2024. The variance is due to increases in the Wages and Salaries line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Design	31.0	32.0	32.0	0.0

#### Explanation of Personnel Changes

There was no change in position count.

### 2024 Program Goal Results

The GIS Department will work with various Commission departments to ensure the successful launch of the Stormwater Fee. Develop a procedure for Design staff to make field visits to water, sewer and drain related construction sites.

### 2025 Program Goals and Objectives

**Goal:** The GIS Department will work with various Commission departments to prepare for a move from the geometric network to the utility network.

**Objective:** In 2024 the GIS & IT Departments completed a readiness assessment for moving the water and combined spatial data sets from a geometric network to a utility network. Doing this will allow for more comprehensive tracing ability, better modeling and keep pace with industry standard. It will also allow the Commission to transition from ArcMap desktop software (which is expected to lose support in 2026) to ArcPro. This conversion will require comprehensive data cleanup as well as upgrades not only to the ESRI software, but Cityworks and possibly database applications. Additional hardware and a complete overhaul of our data maintenance process is expected. Our goal is to complete data cleanup outlined in the readiness assessment, collaborate on an RFP, select a vendor and launch the project.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** The Engineering Customer Services Department will work with the IT Department to restore the capability to close General Service Applications (GSAs) through UMax.

**Objective:** GSAs will not close through the UMax application. The upgrade to Cityworks may fix this issue.

**Mission:** Improve/Develop Policy/Procedure

**Goal:** The Engineering Customer Services Department (ECS) will scan old inspectors' reports dating back to 1999 and the GIS Department will plot and link the services.

**Objective:** To create office space in preparation of the roof repairs, ECS will scan reports that are up to 25 years old. This will also improve the Commission's asset data as well as aid in the water service inventory reporting.

**Mission:** Increased Production or Efficiency Improvements

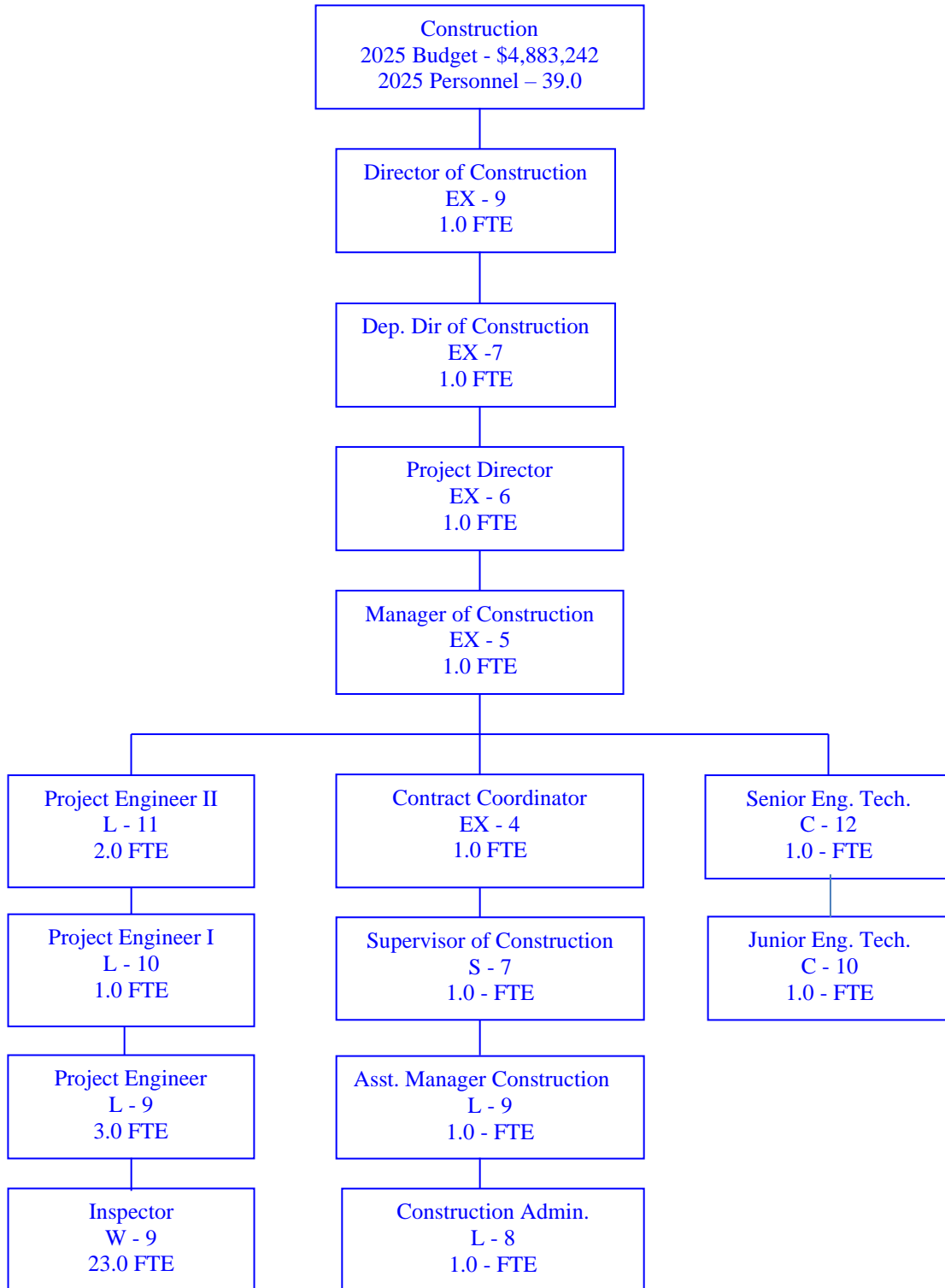
**Department Maintenance Goals**

Activity	2022 Actual	2023 Actual	2024 Actual	2025 Goal
Design contracts to replace or rehabilitate water mains.	3.23 miles	7.1 miles	6.6 miles	11 miles
Design contracts to replace or rehabilitate sewer pipes.	33,271 feet	66,000 feet	65,835 feet	47,520 feet

**Department Maintenance Goals**

Activity	2022 Actual	2023 Actual	2024 Actual	2025 Goal
Drain Layers Licenses	310	317	303	303
Water and Sewer Prints	284	257	260	260
<b>Repairs:</b>				
Fire pipe	45	42	36	36
Sanitary	325	327	350	350
Storm Drains	15	16	10	10
<b>Site Plans:</b>				
Submitted	500	546	600	600
Approved	605	508	562	562
Dye Tests	430	525	742	742
Customer Service Visits	2,460	2,364	2,580	2,580

# Construction



## Engineering Division

### Construction

#### Program Activities

- Provide construction management services for all the Commission's CIP projects and other major projects, which are undertaken by private developers or other agencies or utilities that impact our infrastructure

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$4,235,027	\$4,566,269	\$4,608,623	\$42,354	0.9%
Overtime	\$225,352	\$204,609	\$204,609	\$0	0.0%
Labor Related Costs/Benefits	\$72,031	\$88,713	\$38,010	(\$50,703)	-57.2%
Supplies and Materials	\$19,553	\$25,925	\$30,800	\$4,875	18.8%
Repair and Maintenance	\$0	\$1,200	\$1,200	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$4,551,963</b>	<b>\$4,886,716</b>	<b>\$4,883,242</b>	<b>(\$3,474)</b>	<b>-0.1%</b>

#### Explanation of Major Variances

The 2025 budget for the Construction Department is \$4,883,242, a decrease of \$3,474 or 0.1% from 2024. The variance is due a decrease in the Labor Related Costs/Benefits line item.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Construction	41.0	40.0	39.0	(1.0)

#### Explanation of Personnel Changes

One position transferred to Revenue Audit and Analysis.

### 2024 Program Goal Results

Engineers reviewed Inspector's Daily Reports Related to Contract Change Orders and identified adequate and inadequate aspects of Inspector's Daily Reports. Common inadequacies of Inspector Daily Reports covering changed conditions are being monitored for future improvements. Work with MIS, IT, and Finance to implement a new construction project management program to replace the current program, CCP. Construction Department staff have been regularly meeting with IT and consultants to test and trouble shoot proposed solutions with the intension of moving forward to beta testing of the new Kahua system in 2025. Construction Engineers have been coordinating both Request for Information responses and responses to Changed Conditions in conjunction with the Design Engineers responsible for draft Contract Documents.

### 2025 Program Goals and Objectives

**Goal:** Assign a Construction Project Engineer to review contracts at 50% design and provide constructability review.

**Objective:** This goal is designed to have the Project Engineer assume ownership of their future project at an earlier stage in the design process, as opposed to after the contract has gone out to bid. This will create an opportunity for the Project Engineer to understand the Design Engineer's intensions and therefore better manage the contract.

**Mission:** Increased Production or Efficiency Improvements.

**Goal:** In conjunction with Design develop a procedure for design engineers to review and participate in contractor request for information and claims processes.

**Objective:** To increase the Project Engineers' resources for information while managing projects, while also increasing the Design Engineer's exposure to visualize their designs being built in construction.

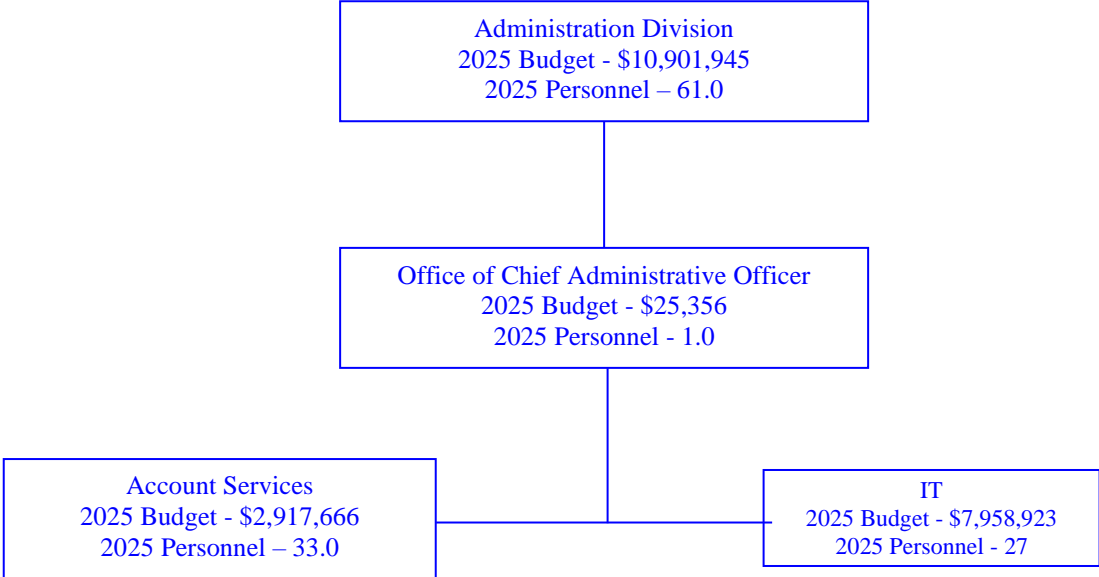
**Mission:** Increased Production or Efficiency Improvements

**Goal:** Further work with IT to further develop Kahua as the Project Management Infrastructure System (PMIS) system to replace CCP.

**Objective:** To ensure the new PMIS system the same capabilities as CCP, while also increasing the Construction Department's capability to run robust reports and queries, centralize document management and improve business processes.

**Mission:** Increased Production or Efficiency Improvements

# Administration Division



## Administration Division

### Administration Division

The Administration Division consists of the Office of Chief Administrative Officer and four other departments:

- Account Services
- Information Technology

### Division Mission

The Administration Division performs support functions for the Commission by promoting proactive personnel services; providing prompt, efficient and knowledgeable service to our customers; providing timely and accurate reading of meters and installation of new meters; coordinating all aspects of the Commission’s buildings and properties including maintenance, repairs, security, mail distribution, office supplies and furniture, records archiving, office equipment leasing and food services. The Information Technology (“IT”) Department is responsible for the preservation of the Commission’s technical infrastructure.

### Division Budget Summary

Department	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Office of Chief Administrator Officer	\$297,518	\$343,713	\$21,000	(\$322,713)	-93.9%
Meter Services	\$3,138,289	\$3,139,898	\$0	(\$3,139,898)	-100.0%
Account Services	\$699,061	\$2,841,122	\$761,288	(\$2,079,834)	-73.2%
Communications and Community Srvc	\$1,486,088	\$1,604,576	\$0	(\$1,604,576)	-100.0%
Facilities and Support Services	\$5,346,336	\$6,153,653	\$0	(\$6,153,653)	-100.0%
Information Technology	\$2,822,179	\$7,638,491	\$7,963,279	\$324,788	4.3%
<b>Total Direct Expenses</b>	<b>\$13,789,471</b>	<b>\$14,082,962</b>	<b>\$8,745,567</b>	<b>(\$12,975,886)</b>	<b>-92.1%</b>

### Explanation of Major Variances

The 2025 budget for the Administration Division is \$8,745,567, a decrease of \$13,300,674 or 94.4% from 2024. The variance is due to the increase of the Meter Services, Communications and Community Services, and Facilities Departments transferring Divisions.

## Administration Division

---

### Division Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of Chief Administrator Officer	1.0	1.0	1.0	0.0
Meter Services	29.0	29.0	0.0	(29.0)
Account Services	35.0	34.0	33.0	(1.0)
Communications and Community Service	10.0	9.0	0.0	(9.0)
Facilities and Support Services	19.0	20.0	0.0	(20.0)
Information Technology	0.0	27.0	27.0	0.0
<b>Total</b>	<b>94.0</b>	<b>120.0</b>	<b>61.0</b>	<b>(59.0)</b>

#### Explanation of Personnel Changes

##### Office of Chief Administrator Officer

There was no change to the position count.

##### Meter Services

The Meter Services department transferred to the Operations Division

##### Account Services

One position transferred to the Office of the Chief Financial Officer.

##### Communications and Community Services

The Communications and Community Services department transferred to the Executive Division.

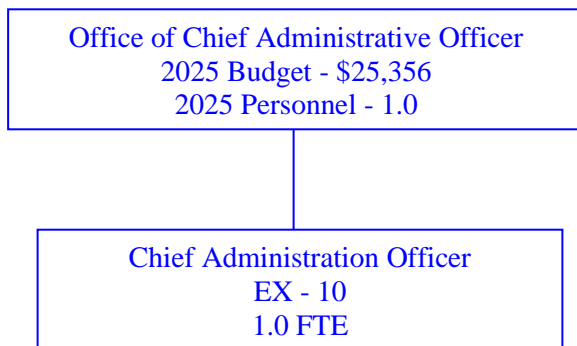
##### Facilities and Support Services

The Facilities and Support Services department transferred to the Executive Division.

##### Information Technology

There was no change in the position count.

# Office of Chief Administrative Officer



## Administration Division

---

### Office of Chief Administrative Officer

#### Program Activities

- Oversee efforts to provide outstanding service to all Commission employees and customers

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$246,207	\$230,161	\$0	(\$230,161)	-100.0%
Labor Related Costs/Benefits	\$7,576	\$62,552	\$4,356	(\$58,196)	-93.0%
Professional Services	\$39,680	\$30,000	\$0	(\$30,000)	-100.0%
Training/Seminar/Travel	\$4,056	\$21,000	\$21,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$297,519</b>	<b>\$343,713</b>	<b>\$25,356</b>	<b>(\$318,357)</b>	<b>-92.6%</b>

#### Explanation of Major Variances

The 2025 budget for the Office of the Chief Administrative Officer is set at \$25,356, a decrease of \$318,357 or 92.6% from 2024. The variance is due to a decrease in the Wages and Salaries and Labor Related Costs/Benefits line items.

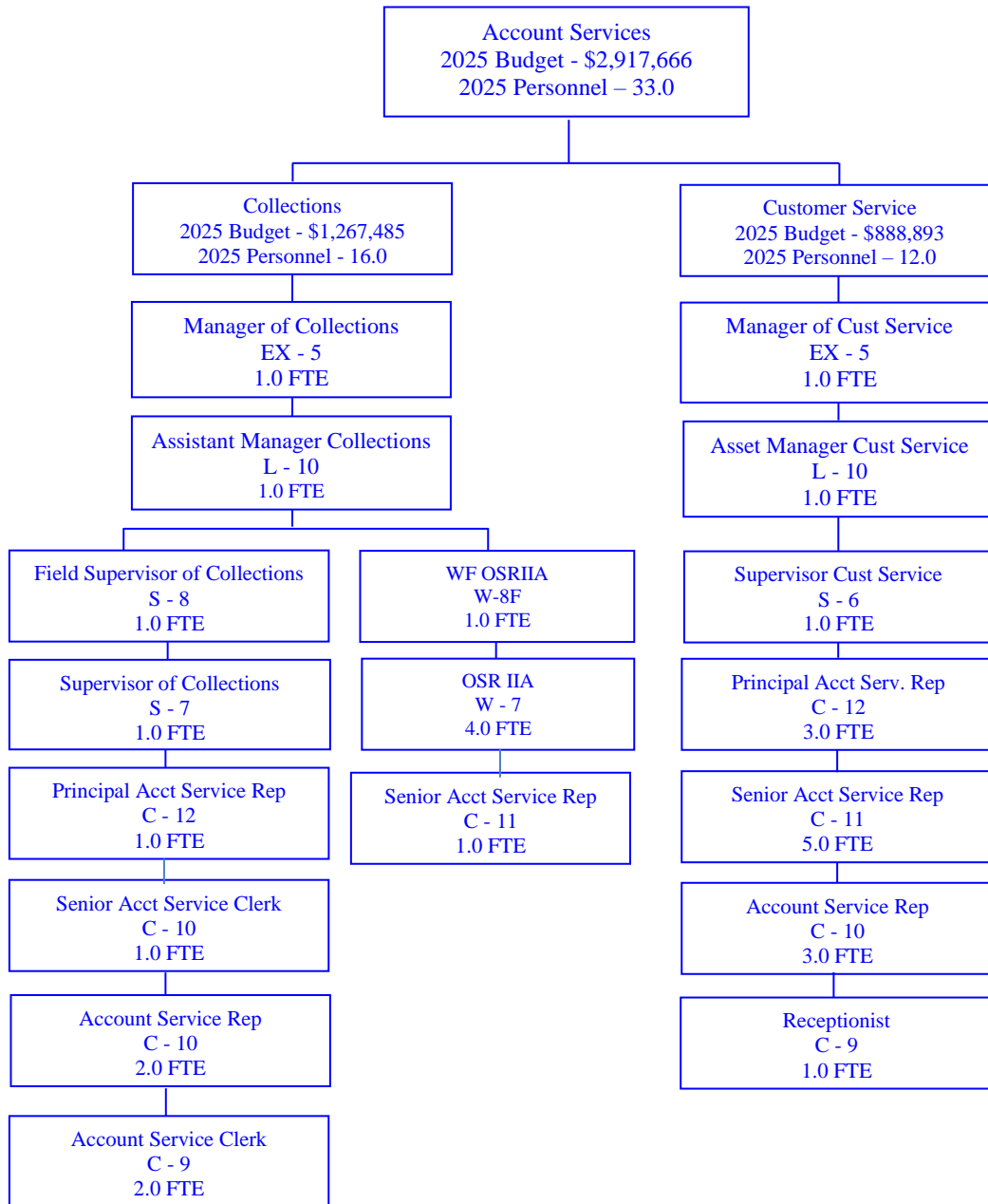
#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of Chief Administrative Officer	1.0	1.0	1.0	0.0

#### Explanation of Personnel Changes

There was no change to the position count.

# Account Services



## Administration Division

---

### Accounts Services

#### Program Activities

- Respond quickly to customer inquiries and expeditiously resolve all disputes regarding customer account balances
- Reduce outstanding dollars on delinquent accounts
- Manage the automated calling system to increase the number of outgoing and follow-up calls on delinquent accounts
- Manage the Automated Dunning System and the Commission's integrated collection activities

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$626,148	\$2,768,190	\$2,857,777	\$89,587	3.2%
Overtime	\$0	\$20,000	\$20,000	\$0	0.0%
Labor Related Costs/Benefits	\$64,891	\$37,932	\$22,889	(\$15,043)	-39.7%
Supplies and Materials	\$8,022	\$15,000	\$17,000	\$2,000	13.3%
<b>Total Direct Expenses</b>	<b>\$699,061</b>	<b>\$2,841,122</b>	<b>\$2,917,666</b>	<b>\$76,544</b>	<b>2.7%</b>

### Explanation of Major Variances

The 2025 budget for Account Services is \$2,917,666, an increase of \$76,544, or 2.7% from 2024. The variance is due to the increase of Wages and Salaries line items.

## Administration Division

---

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Account Services	4.0	6.0	5.0	(1.0)
Collections	16.0	16.0	16.0	0.0
Customer Service	15.0	12.0	12.0	0.0
<b>Total</b>	<b>35.0</b>	<b>34.0</b>	<b>33.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

#### Account Services

One position transferred to the Office of the Chief Financial Officer.

#### Collections

There was no change in the position count.

#### Customer Services

There was no change in the position count.

### 2024 Program Goal Results

We successfully integrated four new team members. While progress has been made in onboarding these individuals, it remains an ongoing effort to ensure they are well-equipped with the skills and knowledge to contribute to the team's success. We also welcomed two new trainers to our Account Services, which has not only helped cultivate a collaborative work environment but also improved employee performance. Account Services engaged in a collaborative effort with our IT and Communications departments to entice customers for signing up for autopay and e-billing. We have seen increases in the later months with this concerted effort through our social media outlets and a contest that was set up through our payment provider, Paymentus. The expectations are to see numbers continue to improve into quarter one of 2025. In conclusion this year has been marked by significant accomplishments and devoted new team members. Our proactive communication efforts focus on resolving issues swiftly have not only improved customer satisfaction but also strengthened relationships and trust. As we move forward, we remain committed to building on these successes, continuously refining our processes, and delivering exceptional services to our customers.

### 2025 Program Goals and Objectives

**Goal:** Integrate a chatbot into the Account services department to provide real- time, automated support for common queries and tasks, enhancing operational efficiency and staff productivity.

**Objectives:** Structured advanced training program focused on chatbot management and navigation. Ensure that 90% of staff complete the training and demonstrates a 20% improvement in operational efficiency and accuracy.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Establish a management- led team focused on handling intricate customer problems during a single call, leveraging their extensive experience and connections to deliver prompts and comprehensive resolutions.

**Objectives:** Initiate the deployment of the chatbot by first collaborating with the IT department to develop training materials, including sample questions and answers, to ensure the chatbot is properly configured and functional. In the subsequent phase, engage management and high-end users to refine the chatbot based on actual user requests and demands.

**Mission:** Improved Customer/Employee/Investor Relations

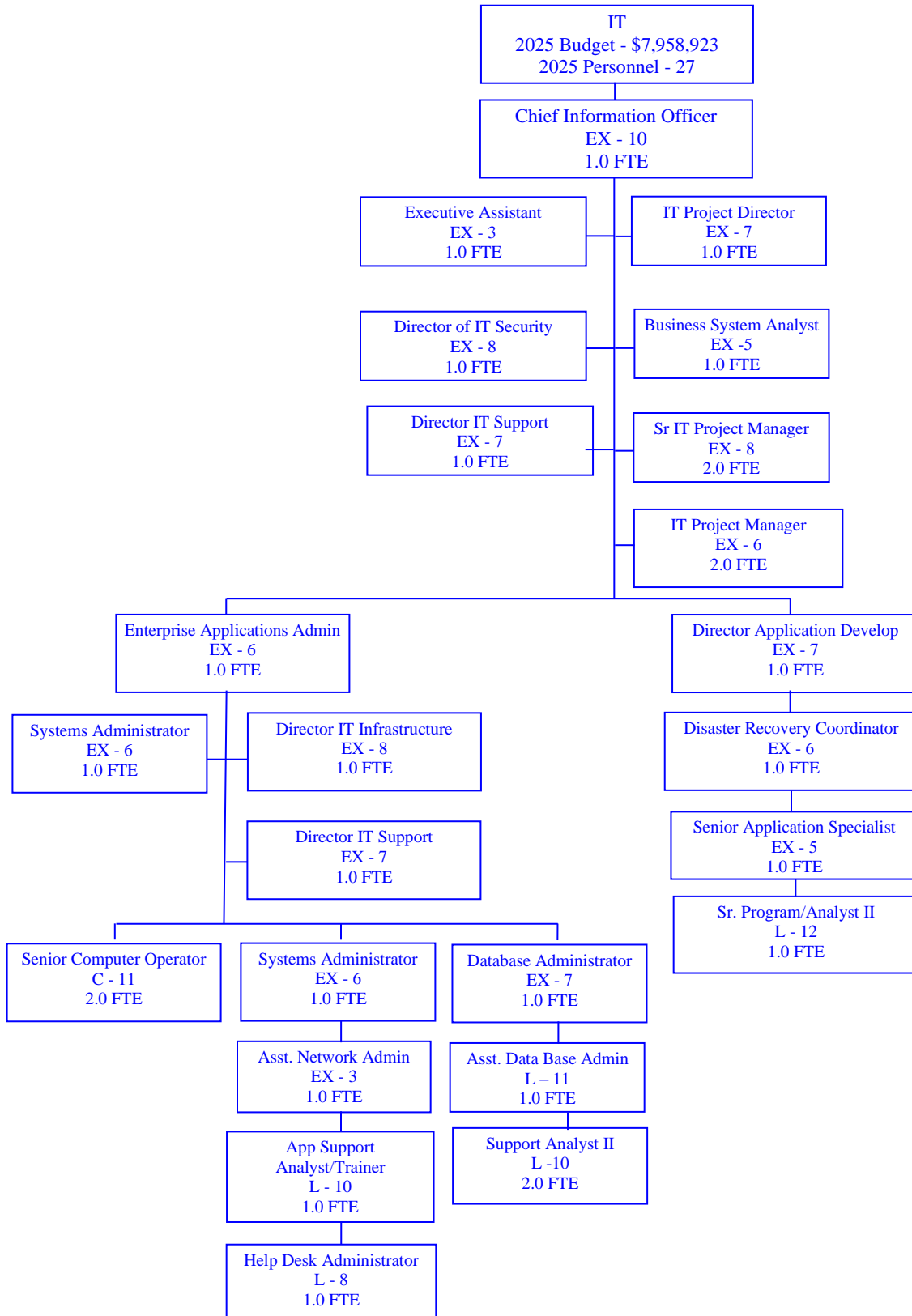
## Administration Division

---

### Department Maintenance Goals

Activity	2022 Actual	2023 Actual	2024 Actual	2024 Goal
Reduce Customer Service & Collections Calls Abandoned	2.5%	2.5%	4.5%	Less than 4.0% per month
Customer Visits	886	1,021	1,107	5,000
Dunning Letters Mailed	101,194	98,737	108,226	101,194
Payment Received	39,678	38,287	41,268	39,678

# Information Technology (IT)



## Administrative Division

### Information Technology (IT)

#### Program Activities

The mission of Information Technology (IT) is to provide support to all end users of computing resources throughout the Commission in a manner that maximizes the effectiveness of their duties while minimizing the expense to the Commission. Support is provided for the following activities:

- Billing functions
- Customer Service support
- Financial Management System support
- Human Resources System support
- Geographic Information System support
- Work order processing for Engineering and Operations
- Fleet Management System support
- Word Processing for all departments
- PC training and support
- Applications Development
- Miscellaneous computer support

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$2,778,287	\$3,714,627	\$3,795,192	\$80,565	2.2%
Labor Related Costs/Benefits	\$43,892	\$101,124	\$71,091	(\$30,033)	-29.7%
Supplies and Materials	\$0	\$60,000	\$60,000	\$0	0.0%
Repair and Maintenance	\$0	\$2,694,500	\$2,860,000	\$165,500	6.1%
Utilities	\$0	\$588,240	\$635,640	\$47,400	8.1%
Professional Services	\$0	\$330,000	\$375,000	\$45,000	13.6%
Space and Equipment Rentals	\$0	\$150,000	\$162,000	\$12,000	8.0%
Training/Seminar/Travel	\$0	\$0	\$0	\$0	N/A
<b>Total Direct Expenses</b>	<b>\$2,822,179</b>	<b>\$7,638,491</b>	<b>\$7,958,923</b>	<b>\$320,432</b>	<b>4.2%</b>

#### Explanation of Major Variances

The 2025 budget for the IT Department is \$7,958,923, an increase of \$320,432 or 4.2% from 2024. The variance is due to the increase of the Wages and Salaries and Repair line items.

## Administrative Division

---

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
IT	28.0	27.0	27.0	0.0

### Explanation of Personnel Changes

There was no change in position count.

### 2024 Program Goal Results

In February 2024, the IT Department, in partnership with Itineris, successfully migrated our Customer Information Management System (CIS) UMAX to the cloud. This modernization enhances system performance, scalability, security, and efficiency, improving billing processes, data accessibility, and disaster recovery. The transition positions BWSC for future upgrades with minimal disruption and reduces hardware dependencies. Following the UMAX migration, the IT Department executed the Stormwater Fee Go-Live in April 2024. This project involved extensive coordination across departments and external partners to implement rate structure adjustments, case workflows, reporting updates, and new data integrations. Thirty-seven change orders were processed, accommodating 10,000 new customer accounts. Rigorous testing ensured accurate billing for all 90,000 customers.

### 2025 Program Goals and Objectives

**Goal:** GIS Utility Network Upgrade

**Objective:** Upgrade to ArcGIS Enterprise 10.9.1  
Upgrade to Cityworks 23.5  
Upgrade Geometric Networks to Utility Network  
Modify GIS & Cityworks Interfaces.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Implementation of Construction Project Management System.

**Objective:** Replace CCP legacy application with a web-based COTS modern system.

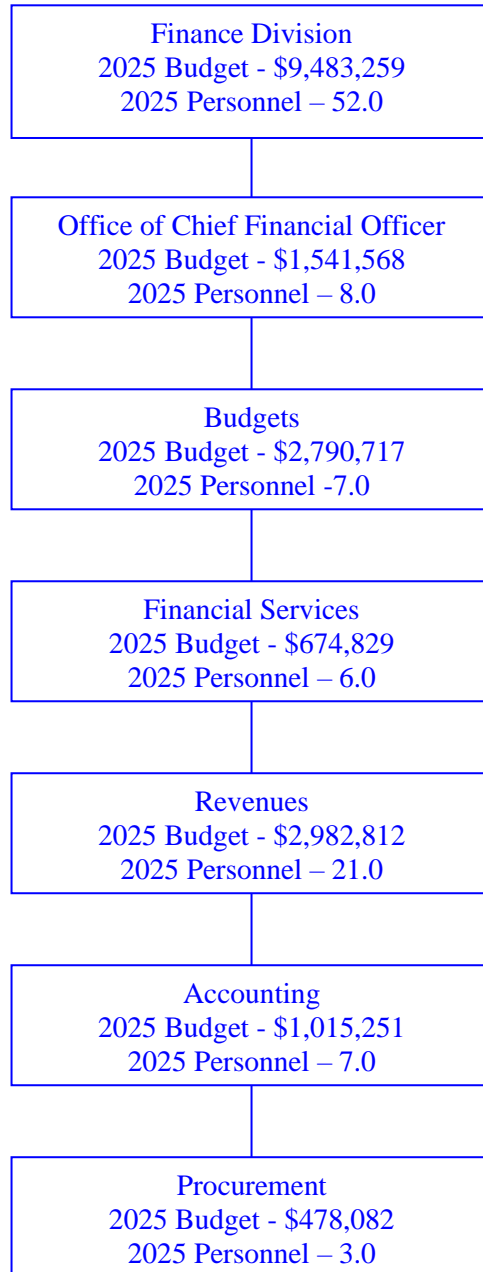
**Mission:** Increased Production or Efficiency Improvements.

**Goal:** UMAX development.

**Objective:** Implement end user requests for new functionality.

**Mission:** Increased Production or Efficiency Improvements

# Finance Division



## **Finance Division**

---

### **Finance Division Organization**

#### **Program Activities**

The Finance Division is comprised of the Office of Chief Financial Officer and the following five departments:

- **Budgets**
- **Financial Services**
- **Revenues**
- **Accounting**
- **Procurement**

#### **Division Mission**

The Finance staff is responsible for the establishment of policies to provide maintenance of a strong financial structure designed to provide the lowest possible cost of water, wastewater and storm drainage services; establish a billing methodology that is fair and equitable to all rate payers; advance security for the Commission's bondholders; design and implement an internal control structure intended to provide reasonable security for the safeguard of Commission assets. The Finance staff carries out its mission through the activities of its six Departments: Budgets, Financial Services, Revenues, Accounting, Procurement, and Safety and Training. The Finance Division is also comprised of the Commission's Safety and Training department which ensures that the Commission staff conduct themselves in a safe manner and receive the education necessary to do so. The Safety and Training department is also responsible for the management and maintenance of the Commission's automotive fleet for the entire Commission.

## Finance Division

---

### Division Budget Summary

Department	Actual	Budget	Budget	Variance	Variance
Office of Chief Financial Officer	\$660,257	\$1,654,003	\$1,541,568	(\$112,435)	-6.8%
Budgets	\$175,074	\$2,752,017	\$2,790,717	\$38,700	1.4%
Financial Services	\$167,202	\$711,698	\$674,829	(\$36,869)	-5.2%
Revenues	\$174,040	\$3,064,035	\$2,982,812	(\$81,223)	-2.7%
Accounting	\$171,330	\$1,163,026	\$1,015,251	(\$147,775)	-12.7%
Procurement	\$327,442	\$457,084	\$478,082	\$20,998	4.6%
Safety and Training	\$660,685	\$1,423,074	\$0	(\$1,873,411)	-56.8%
<b>Total Direct Expenses</b>	<b>\$2,336,030</b>	<b>\$9,801,863</b>	<b>\$9,483,259</b>	<b>(\$318,604)</b>	<b>-3.3%</b>

### Explanation of Major Variances

The 2025 budget for the Finance Division is \$9,483,259, a decrease of \$318,604, or 3.3% from 2024. The variance is attributed to the Safety and Training line item transferring divisions.

### Division Personnel Summary

#### Explanation of Personnel Changes

##### Office of Chief Financial Officer

One position transferred from Account Services.

##### Budgets

There was no change to the position count.

##### Financial Services

There was no change to the position count.

##### Revenues

One position transferred from Construction to Revenue Audit and Analysis

##### Accounting

One position transferred from General Accounting to the Office of the Executive Director.

## **Finance Division**

---

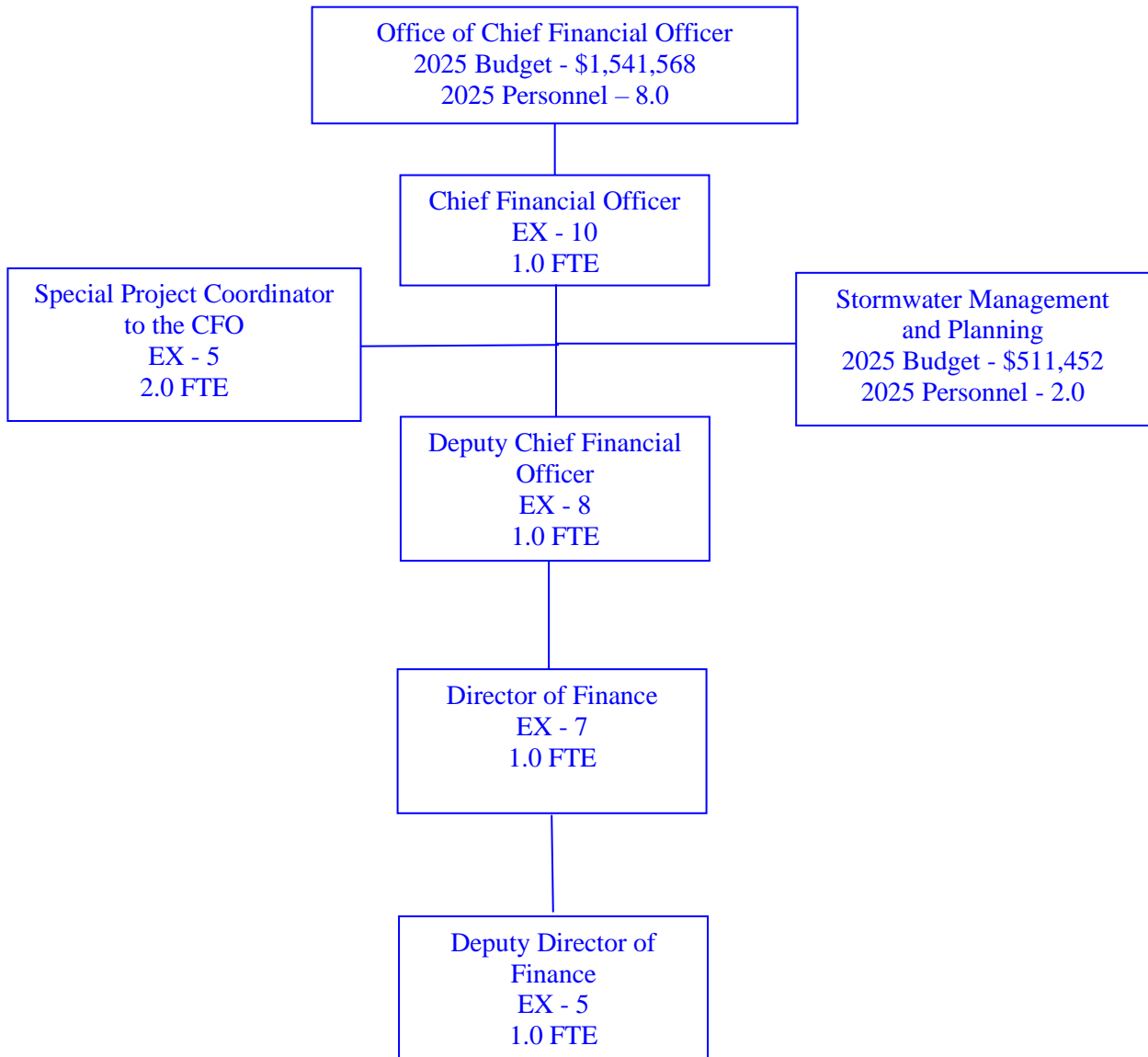
### **Procurement**

There was no change to the position count.

### **Safety and Training**

The Safety and Training Department transferred to the Finance Division. There was no change to the position count.

# Office of Chief Financial Officer



## Finance Division

### Office of Chief Financial Officer

#### Program Activities

- Oversee the integration of all financial and analytical activities enabling the Commission to improve overall operational effectiveness and control expenses
- Ensure the adequacy of resources to implement near and long range initiatives

### Department Budget Summary

Department	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$651,377	\$989,594	\$1,274,734	\$285,140	28.8%
Labor Related Costs/Benefits	\$8,680	\$9,409	\$21,834	\$12,425	132.1%
Other Services	\$0	\$0	\$240,000	\$240,000	#DIV/0!
Training/Seminar/Travel	\$200	\$5,000	\$5,000	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$660,257</b>	<b>\$1,004,003</b>	<b>\$1,541,568</b>	<b>\$537,565</b>	<b>53.5%</b>

### Explanation of Major Variances

The 2025 budget for the Office of Chief Financial Officer is \$1,541,568, an increase of \$537,565 or 53.5% from 2024. The variance is due to the increase of Other Services and Labor Related Costs/Benefits line items.

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Office of Chief Financial Officer	5.0	7.0	6.0	(1.0)
Stormwater Management and Planning	0.0	2.0	2.0	0.0
<b>Total</b>	<b>5.0</b>	<b>9.0</b>	<b>8.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

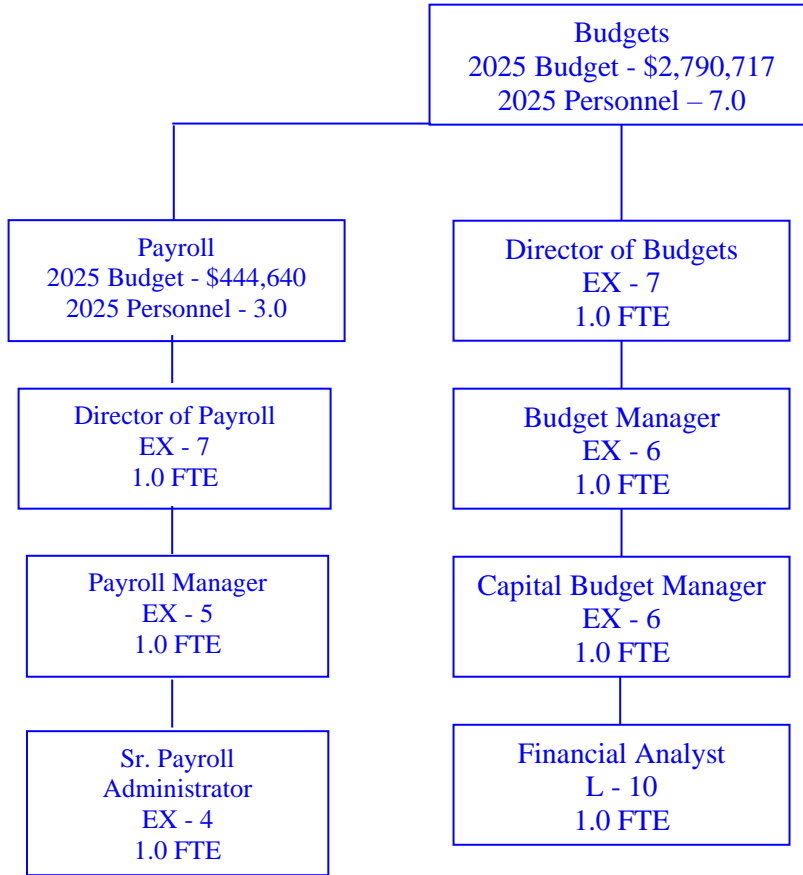
#### Office of Chief Financial Officer

One position transferred to Account Services.

#### Stormwater Management and Planning

There was no change in position count.

# Budgets



## Finance Division

### Budgets

#### Program Activities

##### Budgeting and Financial Planning

- Coordinate the development and review of program plans and resource requirements for all Commission operations and activities including capital improvement projects
- Analyze actual expenditures against authorized budgets
- Staff relating to Treasury functions, to monitor, coordinate and enhance the Commission's revenue stream in order to maximize yields and minimize cost
- Payroll is responsible for generating and distributing accurate paychecks to employees on a weekly basis
- Payroll also enforces policies and procedures as stipulated by contracts, policies and state and federal payroll laws

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$167,424	\$910,398	\$975,748	\$65,350	7.2%
Labor Related Costs/Benefits	\$7,651	\$36,535	\$25,484	(\$11,051)	-30.2%
Supplies and Materials	\$0	\$9,950	\$9,700	(\$250)	-2.5%
Professional Services	\$0	\$497,200	\$297,200	(\$200,000)	-40.2%
Insurance	\$0	\$1,297,934	\$1,482,585	\$184,651	14.2%
<b>Total Direct Expenses</b>	<b>\$175,075</b>	<b>\$2,752,017</b>	<b>\$2,790,717</b>	<b>\$38,700</b>	<b>1.4%</b>

### Explanation of Major Variances

The 2025 budget for the Budgets Department is \$2,790,717, an increase of \$38,700 or 1.4% from 2024. The variance is due to the increase of Insurance and Wages and Salaries line items.

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Director of Budgets	1.0	1.0	1.0	0.0
Budget and Financial Planning	4.0	3.0	3.0	0.0
Payroll	3.0	3.0	3.0	0.0
<b>Total</b>	<b>9.0</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>

## Finance Division

---

### Explanation of Personnel Changes

#### Director of Budgets

There was no change to the position count.

#### Budget and Financial Planning

There was no change to the position count.

#### Payroll

There was no change to the position count.

### 2024 Program Goal Results

The Budget department, in conjunction with the IT and Engineering divisions, worked together to develop a new Construction Project Management System (CPMS). The new system will streamline CIP payments by categorizing funding sources prior to the payment being submitted to Budget, and will accumulate budgeted CIP cashflows in a report to facilitate the annual CIP budgeting process.

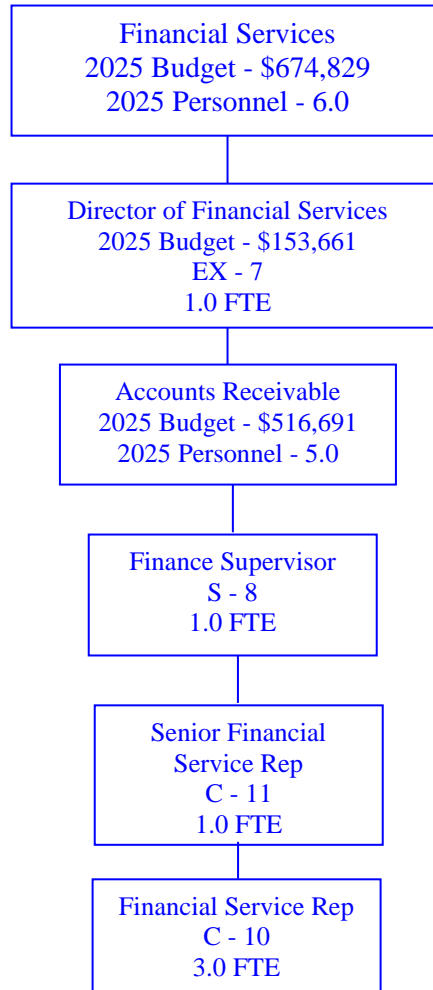
### 2025 Program Goals and Objectives

**Goal:** Work with IT on the upcoming upgrade of PeopleSoft Financial Management System.

**Objective:** Consider and potentially implement enhancements that will assist in the process of inputting annual operational and CIP budgets. Explore new reporting methods that are compatible with PeopleSoft. Ensure that the revamped system meets the needs of the Budget department's day-to-day and year-to-year operations.

**Mission:** Increased Fiscal Controls

# Financial Services



## Finance Division

### Financial Services

#### Financial Services

- Accounts Receivable staff, receives and posts, in a timely manner, all cash receipts and accurately maintains a record of the Commission's investments, while generating monthly detailed reports of investment activities

#### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$162,236	\$526,900	\$538,395	\$11,495	2.2%
Overtime	\$0	\$0	\$0	\$0	0.0%
Labor Related Costs/Benefits	\$4,966	\$4,498	\$4,134	(\$364)	-8.1%
Supplies and Materials	\$0	\$5,000	\$3,000	(\$2,000)	-40.0%
Repair and Maintenance	\$0	\$174,000	\$128,000	(\$46,000)	-26.4%
Other Services	\$0	\$1,300	\$1,300	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$167,202</b>	<b>\$711,698</b>	<b>\$674,829</b>	<b>(\$36,869)</b>	<b>-5.2%</b>

#### Explanation of Major Variances

The 2025 budget for the Financial Services Department is \$674,829, a decrease of \$36,869 or 5.2% from 2024. The variance is due to the decrease of Supplies and Materials and Repair and Maintenance line items.

#### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Director of Financial Services	1.0	1.0	1.0	0.0
Accounts Receivable	5.0	5.0	5.0	0.0
<b>Total</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>

#### Explanation of Personnel Changes

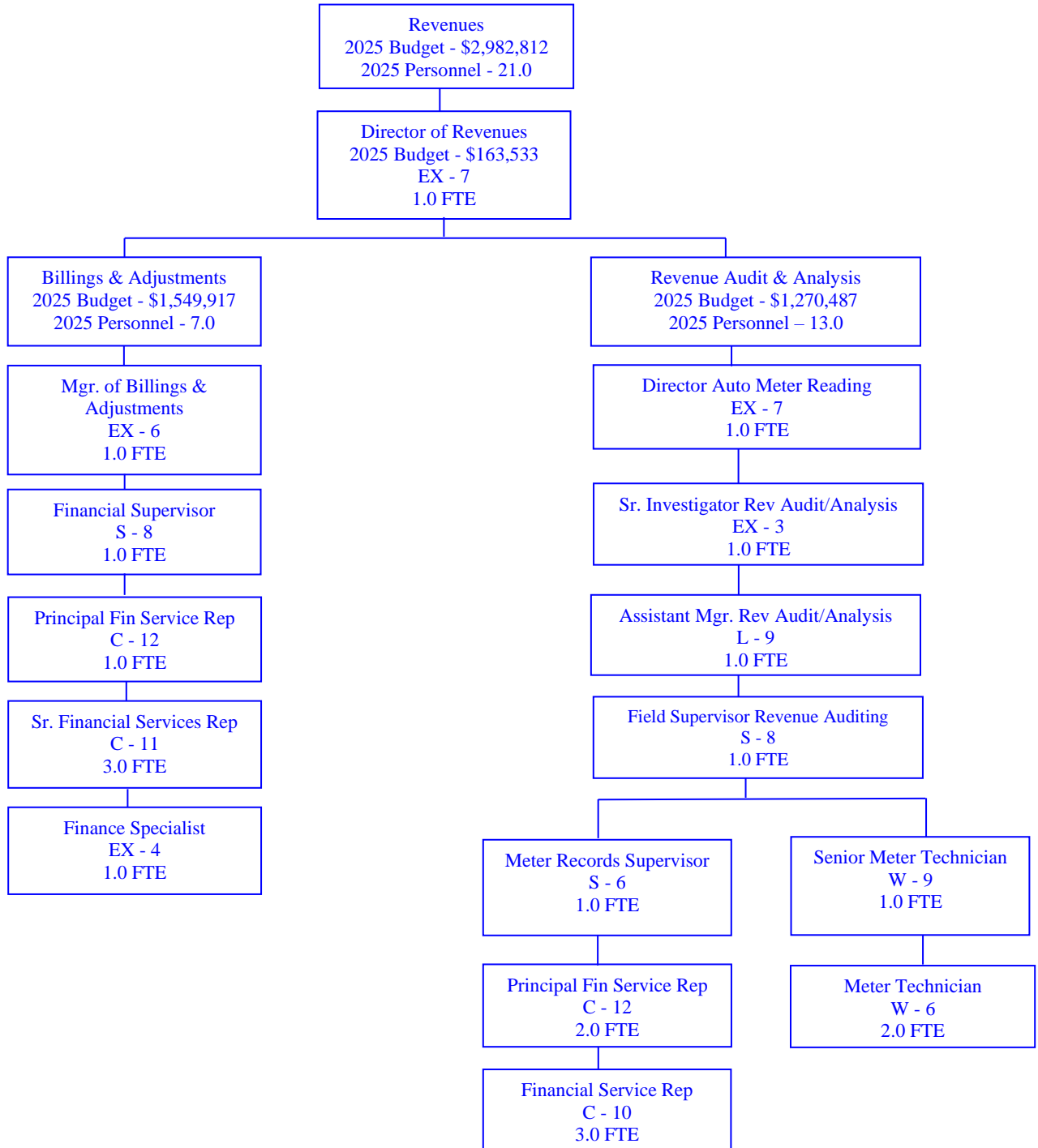
##### Director of Financial Services

There was no change to the position count.

##### Accounts Receivable

There was no change to the position count.

# Revenues



## Finance Division

---

### Revenues

#### Program Activities

##### Billings & Adjustments

- Staff provides timely and accurate billings in conjunction with processing adjustments to appropriate customers' accounts

##### Revenue Audit and Analysis

- Investigate, document and resolve all reports of erratic reads, low usage, no usage, meter tampering and illegal connections, including communicating with BWSC departments and customers during follow-up
- Maintain integrity of Aclara and UMAX records of meters and MTUs by reviewing and verifying information on replacement/repair/reprogram work orders before entering data/closing out, and by running and reviewing numerous queries/reports to identify problems and correct such problems by updating/editing or correcting UMAX and/or Aclara records as needed
- Monitor Aclara and/or UMAX processes such as processing MTU programmer files into UMAX work orders, transfer of readings from Aclara to UMAX, DCU status, report problems and follow-up with appropriate staff to resolve

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$166,389	\$2,133,050	\$2,043,869	(\$89,181)	-4.2%
Overtime	\$0	\$7,435	\$7,435	\$0	0.0%
Labor Related Costs/Benefits	\$7,651	\$29,672	\$14,024	(\$15,648)	-52.7%
Supplies and Materials	\$0	\$681,328	\$755,484	\$74,156	10.9%
Professional Services	\$0	\$60,000	\$0	(\$60,000)	-100.0%
Other Services	\$0	\$151,950	\$162,000	\$10,050	6.6%
<b>Total Direct Expenses</b>	<b>\$174,040</b>	<b>\$3,063,435</b>	<b>\$2,982,812</b>	<b>(\$80,623)</b>	<b>-2.6%</b>

### Explanation of Major Variances

The 2025 budget for the Revenues Department is set at \$2,982,812 a decrease of \$80,623 or 2.6% from 2024. The variance is due to the Labor Related Costs/Benefits and the Professional Services line items.

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Director of Revenues	1.0	1.0	1.0	0.0
Billings & Adjustments	7.0	7.0	7.0	0.0
Revenue Audit & Analysis	12.0	12.0	13.0	1.0
<b>Total</b>	<b>20.0</b>	<b>20.0</b>	<b>21.0</b>	<b>1.0</b>

### Explanation of Personnel Changes

#### Director of Revenues

There was no change to the position count.

#### Billings & Adjustments

There was no change to the position count.

#### Revenue Audit & Analysis

One position transferred to Construction.

### 2024 Program Goals Results

In 2024 the Revenue department improved the accuracy and speed of the customer billing process. The Commission migrated the UMAX billing system to the cloud environment. The UMAX billing system migration into the cloud environment presented no major problems for the Commission's current printer/mailhouse. Bills were produced, printed and mailed seamlessly all year.

### 2025 Program Goals and Objectives

**Goal:** Improve accuracy and speed of the customer billing process

**Objective:** To mitigate any complication regarding Bill Processing to improve the speed and accuracy of the billing process.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Explore combining the purchasing of billing and payment envelopes with bill printing and mailing services

**Objective:** Initiate possible cost savings measures; promote E-Billing

**Mission:** Increased Fiscal Controls

**Goal:** Promote cross-training within the department

**Objective:** Develop redundancy within the department by cross-training various tasks

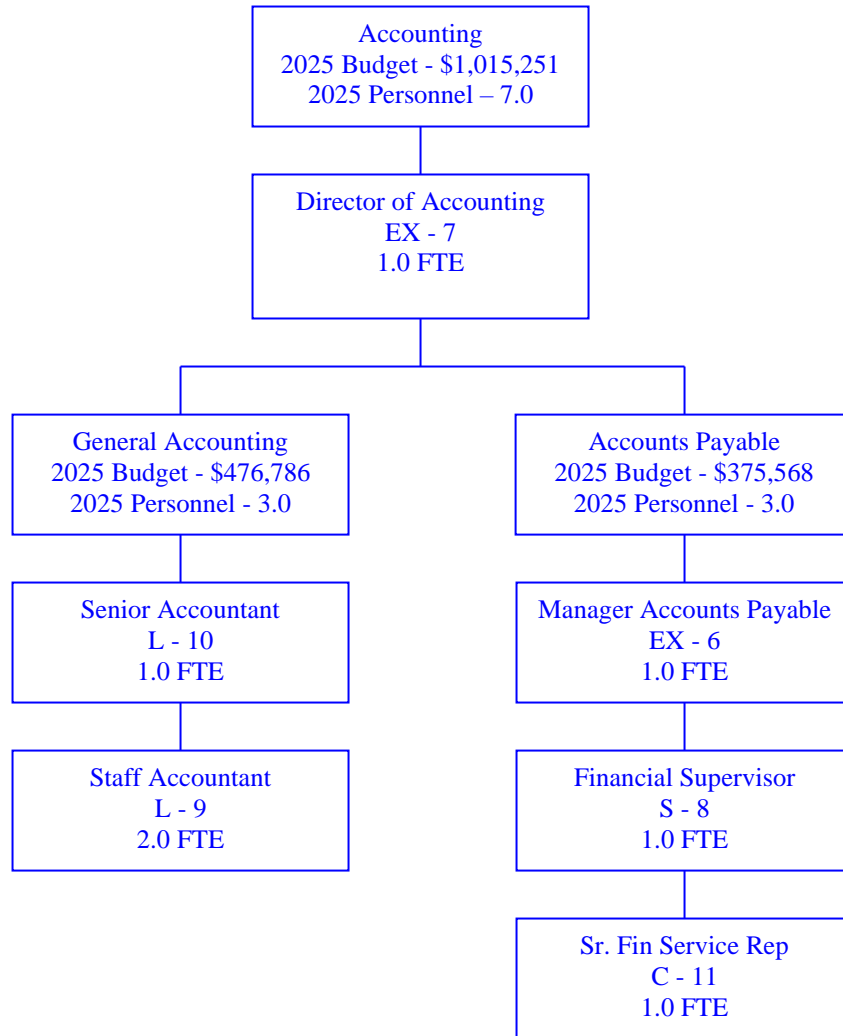
**Mission:** Provide Staff Training

**Goal:** Follow up on outstanding AclaraOne Support Tickets from Phase 1 and continue with implementation of Phases 2 and 3 of the AclaraOne upgrade project

**Objective:** Work with AclaraOne Support to test/resolve outstanding tickets from Phase 2. Work with AclaraOne and BWSC staff on completing Phases 2 and 3. Phase 2 involves implementation of Mobile Programmer (mobile device for programming MTUs in the field). Phase 3 involves migration to Databricks platform for MDM (Meter Data Management) calculations and implementation of VEE (validation, estimation and editing of readings). Aclara believes migration to Databricks and VEE implementation will improve performance in areas such as correcting consumption, which is currently a very tedious and slow function, but necessary to ensure data integrity

**Mission:** Increased Production or Efficiency Improvements

# Accounting



## Finance Division

---

### Accounting

#### Program Activities

##### General Accounting

- Produce monthly financial management reports and annual interim financial statements

##### Accounts Payable

- Efficiently handles and process all accounts payable functions

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$166,725	\$907,582	\$852,740	(\$54,842)	-6.0%
Labor Related Costs/Benefits	\$4,604	\$140,294	\$27,361	(\$112,933)	-80.5%
Supplies and Materials	\$0	\$4,400	\$4,400	\$0	0.0%
Professional Services	\$0	\$110,000	\$130,000	\$20,000	18.2%
Other Services	\$0	\$750	\$750	\$0	0.0%
<b>Total Direct Expenses</b>	<b>\$171,329</b>	<b>\$1,163,026</b>	<b>\$1,015,251</b>	<b>(\$147,775)</b>	<b>-12.7%</b>

### Explanation of Major Variances

The 2025 budget for the Accounting Department is \$1,015,251 a decrease of \$147,775 or 12.7% from 2024. The variance is due to the decrease of the Labor Related Costs/Benefits line item.

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Director of Accounting	1.0	1.0	1.0	0.0
General Accounting	4.0	4.0	3.0	(1.0)
Accounts Payable	3.0	3.0	3.0	0.0
<b>Total</b>	<b>8.0</b>	<b>8.0</b>	<b>7.0</b>	<b>(1.0)</b>

### Explanation of Personnel Changes

#### Director of Accounting

There was no change to the position count.

#### General Accounting

One position transferred to the Office of the Executive Director.

#### Accounts Payable

There was no change to the position count.

### 2024 Program Goal Results

Accounts Payable and Accounting successfully completed the conversion of essential files in shared folders from old Microsoft Office formats to new formats. Redundant files have been purged or combined to save storage space and enable quicker access. Both departments also made sure that PeopleSoft's generated reports in old formats were saved properly in new formats.

### 2025 Program Goals and Objectives

**Goal:** Clean up and organize Accounts Payable and Accounting shared folders in the network drives. Also archive physical documents that are found to be older than fiscal year 2021 in the file cabinets.

**Objective:** The objective of this goal is to reduce the number of redundant files and to avoid using files with outdated info. The goal will also help freeing up physical spaces to store more recent documents. This goal will enable faster access to files with critical data needed for financial reports.

**Mission:** Increased Production or Efficiency Improvements

**Goal:** Work with the Engineering Division and Deputy Director of Finance to manage year-end 2025 accruals.

**Goal Objective:** The objective of this goal is to ensure that all year-end estimated payments for contractors/vendors are accrued correctly based on their invoices. This goal will help reduce the variances in assets' balances when actual invoices are received and vouchered. Asset management and year-end audit will also be more efficient with a better estimation of these accruals.

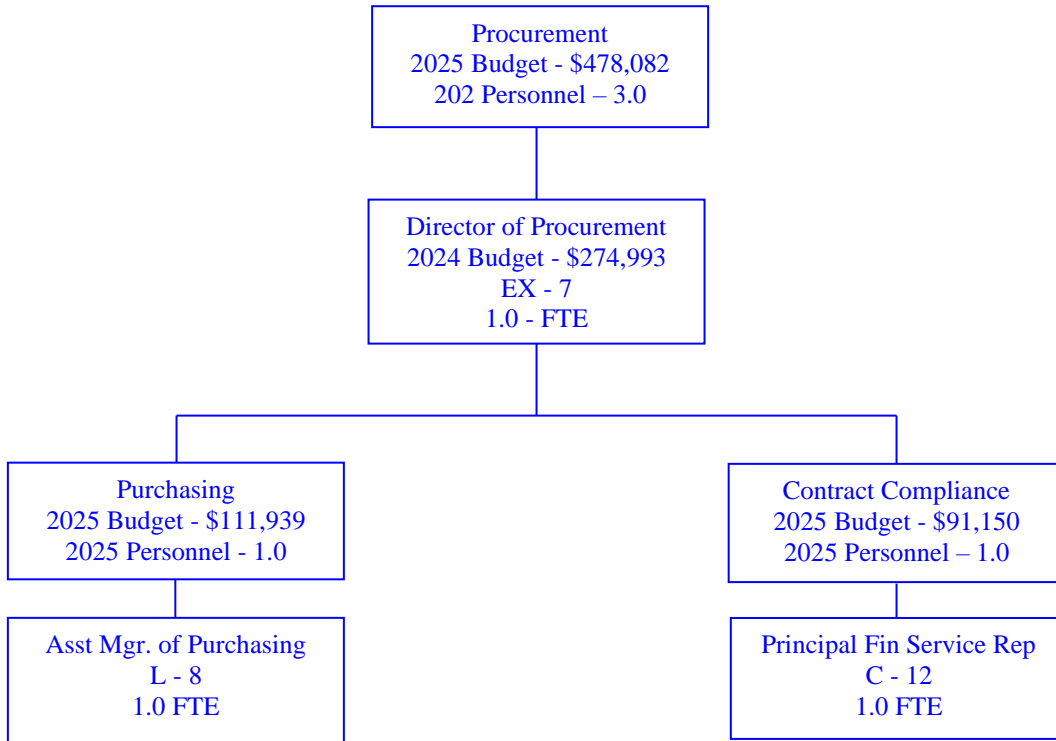
**Mission:** Increased Production or Efficiency Improvements

**Goal:** Conduct preliminary meetings with IT to discuss a possible upgrade to PeopleSoft Financial Management System.

**Goal Objective:** The objective of this goal is to evaluate if PeopleSoft Financial Management System need an upgrade to a newer version. Accounting and Budget will have meetings with IT to discuss the costs and benefits of the upgrade. If the upgrade is deemed beneficial, we will further evaluate which upgrade packages should provide the most enhancements to daily workflow.

**Mission:** Increased Production or Efficiency Improvements

# Procurement



## Finance Division

---

### Procurement

#### Program Activities

##### Purchasing

- Provide purchase and contract support services in a cost-effective manner
- Ensure fair and equitable treatment of all persons who offer to provide supplies or services
- Provide safeguards for the maintenance of the procurement system of quality and integrity and to maximize, to the fullest extent practicable, the purchasing value of public funds

##### Contract Compliance

- The Contract Compliance Officer monitors: minority/residency/women participation goals, payment of prevailing wage rates, MBE/WBE contract goals, OSHA training requirements and responds to all “Freedom of Information” requests relating to construction contractual information

### Department Budget Summary

Expense Line Item	2023 Actual	2024 Budget	2025 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$166,528	\$353,481	\$367,349	\$13,868	3.9%
Labor Related Costs/Benefits	\$0	\$11,353	\$2,933	(\$8,420)	-74.2%
Supplies and Materials	\$213	\$1,300	\$1,300	\$0	0.0%
Other Services	\$160,700	\$90,950	\$106,500	\$15,550	17.1%
<b>Total Direct Expenses</b>	<b>\$327,441</b>	<b>\$457,084</b>	<b>\$478,082</b>	<b>\$20,998</b>	<b>4.6%</b>

### Explanation of Major Variances

The 2024 budget for the Procurement Department is \$478,082, an increase of \$20,998 or 4.6% from 2023. The variance is due to the increase of Wages and Salaries and Other Services line items.

### Department Personnel Summary

Department	2023 Actual	2024 Approved	2025 Budget	2024-2025 Variance
Director of Procurement	1.0	1.0	1.0	0.0
Purchasing	1.0	1.0	1.0	0.0
Contract Compliance	2.0	1.0	1.0	0.0
<b>Total</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>

### Explanation of Personnel Changes

#### Director of Procurement

There was no change to the position count.

#### Purchasing

There was no change to the position count.

#### Contract Compliance

There was no change to the position count.

### 2024 Program Goal Results

To Advance Equity in Procurement. In conjunction with Organizational Diversity the Sheltered Market Program has been implemented and we have conducted the first successful Bid for Janitorial Services under this program.

### 2025 Program Goals and Objectives

**Goal:** Implementation of Kahua/Onindus Replacing Capital Construction Projects (CCP) Upgrade.

**Objective:** Test and implement new enhancements for Kahua/Onindus/Capital Construction Projects (CCP) Upgrade

**Mission:** Enhanced Repair and Maintenance of Water or Wastewater System

**Goal:** Assess and implement the Commission's M/WBE Shelter Market Program.

**Objective:** As a result of the City of Boston's Disparity Study, implement recommendations to enhance the Commission's M/WBE.

**Mission:** Improved Customer/Employee/Investor Relations

**Goal:** In Conjunction with the Legal Department Revise and update the Policy on Procurement

**Objective:** To revise the Commission's Policy on Procurement to include and reflect the latest updates to the procurement law and requirements.

**Mission:** Improve/Develop Policy/Procedure.

**Goal:** Provide staff training of the public procurement standards and latest revisions to the Commission's Policy on Procurement

**Objective:** Update training material of the public procurement process.

**Mission:** Improve/Develop Policy/Procedure

**THIS PAGE INTENTIONALLY LEFT BLANK**

## 2025 – 2027 Capital Improvement Program

---

The Boston Water and Sewer Commission (“the Commission” or “BWSC”) is a body politic and corporate and political subdivision of the Commonwealth created by Chapter 436 of the Acts of 1977 (“Enabling Act”). The Enabling Act abolished the water and sewer divisions within the City of Boston Public Works Department and transferred the ownership, operation and control of the water, sewer and storm drain systems to the Commission. As a public instrumentality, the Commission performs an essential public function in providing water and sewer services to the residents of the City of Boston. The Act authorizes the Commission to construct and make improvements to the water and sewer systems, establish and collect rates and charges for its services and finance its operations and improvements through revenue collections and the sale of bonds and notes payable solely from the Commission’s revenues. The Act further provides that any revenue surplus earned by the Commission in any Fiscal Year shall be credited to the next year’s rates or returned to the City of Boston. Since its inception, the Commission has generated a surplus in each year of its operations and has credited the surplus to the reduction of the next year’s rates.

The Enabling Act and the Commission’s General Revenue Bond Resolution adopted December 6, 1984 (“the Resolution”) require the Commission, on an annual basis, to develop a three-year Capital Improvement Program (“CIP”). Information generated by the Commission’s ongoing monitoring programs for the systems and from various engineering data files, together with information concerning the development needs of the City, is used to compile a list of pipes, conduits, transmission mains and other system components to be either renewed, replaced, relocated or added to the systems each year. The CIP outlines the schedule and implementation of the capital projects necessary to maintain and improve the water and sewer systems for the ensuing three-year period. Due to pace of project implementation, the actual expenditures are currently expected to occur over a longer period of time. While there can be no assurance that projections for the projects included in the 2025-2027 CIP will not be exceeded or that additional projects will not be required, the Commission believes the amounts set forth the 2025-2027 Capital Improvement Program are reasonable for such projects.

The Commission in compliance with the requirements of the Enabling Act and the Resolution, project costs of the Commission’s Capital Improvement Program from Fiscal Years 2025 through 2027 total approximately \$403.1 million.

## 2025 – 2027 Capital Improvement Program

---

### DISCUSSION OF MANAGEMENT OBJECTIVES AND ACCOMPLISHMENTS

The Commission was created to maintain and improve the long-term quality and reliability of water and sewer services for all users in the City and to assure adequate funding for operation and maintenance of the systems. For the purposes of this document, “Systems” include the water distribution system (including potable water and fire suppression facilities) and sewer system (including separate sanitary sewers, separate stormwater drains and combined sewers) and the related appurtenances and fixtures. The Commission is committed to four primary goals:

- To maintain and improve the water distribution and wastewater collection systems: The Commission is committed to various improvements to the Water Distribution and Sewer Systems, including following an aggressive renewal and replacement program, reducing unaccounted for water, encouraging conservation, and improving the environment. The Commission is also committed to meeting and exceeding the requirements of all federal and state water and wastewater laws, regulations, and technical standards.
- To establish and administer a billing and collections system that is fair and efficient: The Commission has worked to establish a rate structure that fully and fairly reflects its costs, properly distributes the financial obligation concerning its customer base and encourages water conservation. The metering, billing and collection process is a central focus of the Commission’s full management team and the Commission is committed to maintaining its strong record in that area.
- To maintain a strong financial structure: The Commission has consistently employed conservative financial projections and budgeting assumptions, maintains adequate reserves and struck a reasonable balance between debt funding and rate funding of capital expenses.
- To sustain the effectiveness of investments / compliance of regulations: The Commission is committed to complying with all its regulatory obligations under federal and state laws, including the Safe Drinking Water Act (“SDWA”) and Clean Water Act (“CWA”) with its National Pollutant Discharge Elimination System (“NPDES”) permitting obligations for both its stormwater systems and combined sewer systems. Compliance obligations also extend to meeting and exceeding the goals and requirements of the Boston Harbor Decree and the Consent Decree executed in 2012 with the Environmental Protection Agency (“EPA”) related to stormwater discharges.

In planning its CIP, the Commission balances the recognized need for ongoing renewal and replacement and preservation of its Systems with the desirability of specific improvements to accommodate development or redevelopment plans for the City. Wherever feasible, capital improvements are scheduled in cooperation with the street rebuilding and reconstruction activities of the City’s Department of Public Works, the Boston Planning Department and the Commonwealth of Massachusetts Highway Department.

## 2025 – 2027 Capital Improvement Program

The overall objectives of the Commission 2025-2027 CIP are to ensure the delivery of high-quality potable water for consumption and fire protection, as well as the efficient collection of sewage for transport and delivery to a treatment facility or for approved discharge. In addition, the CIP includes projects to improve overall efficiency of the Commission and to enhance the Commission’s ability to provide services to its customers.

The Stormwater category was created in 2017 that focuses on Stormwater management. The primary purpose of the Stormwater category in the 2025-2027 CIP is to participate in the Boston Harbor pollution abatement projects and improve the water quality of discharges to the local receiving waters. The goal is also to study existing conditions and make recommendations for placement of best management practices designed to promote improved water quality, ensure compliance with state and federal regulations, minimize flooding, and strategically manage Stormwater throughout the City of Boston.

CIP expenditures are divided into four categories: Water Distribution System projects, Sewer System projects, Support projects and Stormwater projects. Water Distribution System projects account for \$132.3 million, or 32.8% of the 2025-2027 CIP. Sewer System projects comprise \$135.8 million, or 33.7%, Support projects total \$66.8 million, or 16.6% of the expenditures outlined in the program, and Stormwater projects account for \$68.2 million, or 16.9% of the 2025-2027 CIP.

Total capital expenditures of \$151.3 million are outlined for 2025. Water Distribution projects comprise \$56.8 million, or 37.6% of the 2025 CIP. Sewer System projects account for \$42.0 million, or 27.8%; Support projects account for \$27.4 million of the 2025 amount, or 18.1%; Stormwater projects totaling \$25.0 million of the 2025 amount, or 16.6%.

### 2025-2027 Capital Improvement Program Cash Flows

<i>Program Source*</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>Water</i>	\$56,840,000	\$43,269,000	\$32,177,000	\$132,286,000
<i>Sewer</i>	\$41,978,000	\$49,823,000	\$44,030,000	\$135,831,000
<i>Support</i>	\$27,386,000	\$24,528,000	\$14,862,000	\$66,776,000
<i>Stormwater</i>	\$25,046,000	\$24,664,000	\$18,449,000	\$68,159,000
<b><i>TOTAL</i></b>	<b>\$151,250,000</b>	<b>\$142,284,000</b>	<b>\$109,518,000</b>	<b>\$403,052,000</b>

NOTE: Although expenditures decrease from periods 2025 to 2027, it is anticipated that funding for 2027 will be equal to or greater than funding presented in 2025. The decrease in 2027 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

# 2025 – 2027 Capital Improvement Program

CIP expenditures are funded by five funding sources: Bonds, Rate Revenue, the MWRA funded Local Water System Assistance Program (LWSAP), the MWRA funded I/I Local Financial Assistance Program (MWII), and the State Revolving Fund (SRF). In 2000 the MWRA instituted a new assistance program for the identification and removal of lead from water pipes. This program is called the Lead Service Line Replacement Loan Program (MWLLP). Costs for this program are associated under the MWRA Water Assistance program and SRF. Rate funded projects comprise of \$135.4 million or 33.6%; Bonds funded projects account for \$127.4 million of the 2025-2027 CIP or 31.6%; MWRA funded sewer projects account for \$50.0 million of the 2025-2027 CIP or 12.4%; SRF funded projects account for \$73.1 or 18.1% of the 2025-2027 CIP; and MWRA funded water projects total \$17.2 million of the expenditures outlined in the program or 4.3%.

Total capital expenditures of \$151.3 million are outlined for 2025. Bond funded projects comprise \$59.4 million of the 2025 amount or 39.3%; Rate funded projects account for \$44.3 million of the 2025 amount or 29.3%; I/I projects total \$16.5 million of the 2025 amount or 10.9%; and SRF account for \$23.5 million of the 2025 amount or 15.5%; and MWRA Water projects account for \$7.5 million of the 2025 amount or 5.0%.

## 2025-2027 Capital Improvement Program Funding Sources

<i>Funding Source*</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>BWSC Bonds</i>	\$59,406,000	\$41,639,000	\$26,315,000	\$127,360,000
<i>Rate Revenue</i>	\$44,320,000	\$44,222,000	\$46,832,000	\$133,874,000
<i>MWRA Water Assistance</i>	\$7,492,000	\$4,286,000	\$5,458,000	\$17,236,000
<i>MWRA I/I Assistance</i>	\$16,533,000	\$29,970,000	\$14,010,000	\$50,013,000
<i>State Revolving Fund</i>	\$23,499,000	\$22,167,000	\$16,903,000	\$73,069,000
<b><i>TOTAL</i></b>	<b>\$151,250,000</b>	<b>\$142,284,000</b>	<b>\$109,518,000</b>	<b>\$403,052,000</b>

NOTE: Although expenditures decrease from periods 2025 to 2027, it is anticipated that funding for 2027 will be equal to or greater than funding presented in 2025. The decrease in 2027 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

## 2025 – 2027 Capital Improvement Program

---

### PROJECT HIGHLIGHTS

The Commission's CIP includes projects to improve the overall efficiency of the Commission and to enhance the Commission's ability to provide services to its customers. The projects included in this CIP are intended to accomplish these objectives in the most efficient and cost-effective manner. The Commission intends to enhance Boston's water and sewer infrastructure with several targeted projects included in the 2025 – 2027 Capital Improvement Program. Some of the major projects are listed below:

- ✓ Fort Point Channel and Mystic/Chelsea Combined Sewer Overflow Control Projects
- ✓ Water Main Valve Replacement
- ✓ Rehabilitation of the New Boston Main Interceptor (NBMI)
- ✓ East Boston Sewer Separation
- ✓ South Boston Sewer Separation
- ✓ Dorchester Interceptor - Relief Sewer
- ✓ West Roxbury and Hyde Park SSES
- ✓ City-wide Illegal Connections Investigations
- ✓ Upgrades to Union Park Pumping Station & Satellite Stations
- ✓ Charlestown SSES
- ✓ Charlestown Separation
- ✓ Construction of Daisy Field Green Infrastructure
- ✓ Coastal Stormwater Impact Analysis
- ✓ Projects affiliated with the Consent Decree; includes cleaning and televising 90 miles of sewer and drains
- ✓ Improvements of Information Technology
- ✓ Citywide Renewal & Rehabilitation of Drains and Sewers
- ✓ Lead Sampling and Education Program for Schools and Childcare Facilities

## 2025 – 2027 Capital Improvement Program

---

Critical elements of these projects include:

- ✓ Assessment of the Commission’s Service Goals and other factors affecting long-term planning including changing regulatory requirements, climate change and financial conditions
- ✓ Systematic use of Risk-based tools to govern prioritization of investments in condition assessments, repairs and replacements
- ✓ Integration of Business Process needed to sustain effective Capacity, Management, Operation and Maintenance (CMOM) Programs for sanitary sewer collections systems and engineering programs
- ✓ Training and Education to embrace the use of new tools and business processes and to sustain knowledge of the system and its operations

In addition to establishing a sustainable framework for planning and management, plan projects include a broad spectrum of data collection, engineering evaluation and tool development activities.

## 2025 – 2027 Capital Improvement Program

---

### PROJECTS ASSOCIATED WITH THE CONSENT DECREE & WATER QUALITY IMPROVEMENTS

There are several projects that the Commission is currently performing and planning to undertake to fulfill and exceed recommendations of the Environmental Protection Agency (“EPA”) under the Consent Decree. The following projects will support the Commission’s goal of compliance with the Consent Decree and improved water quality discharges and the environment.

---

<b>Consent Decree</b>	<b>Water Quality Improvements</b>
<b><i>Sewer R &amp; R</i></b>	<b><i>Stormwater</i></b>
➤ Cleaning and Inspections of Sewers and Storm Drains (CMOM-Capacity Management Operations and Maintenance)	➤ Construction of Stormwater Detention Facilities PH I
<b><i>Sewer Special</i></b>	➤ CCTV of Sewers and Storm Drains (Contamination Investigation) IDDE
➤ Customization of SCREAM & CMOM	➤ Constructed Wetland in Stormwater Tributary Area
➤ Citywide Illegal Connection Investigation	➤ Green Infrastructure
	➤ Installation of Stormwater Treatment Vault on Talbot Avenue
	➤ Fort Point Channel and Mystic/Chelsea Combined Sewer Overflow Control Projects
	➤ Design of Stormwater Detention Facilities

## 2025 – 2027 Capital Improvement Program

---

Projects associated with the Plan in the Sewer System CIP include the rehabilitation or replacement of approximately 15.5 miles of newly identified deteriorated or collapsed sanitary sewers and storm drains and the television inspection of approximately 21 miles of sewer and drain pipe within the next year. Also included are drainage improvements and the replacement of faulty tide-gates and the installation of new tide-gates.

The CIP continues funding for the separation of combined sewers and for the reduction of infiltration and inflow into the sanitary system. Infiltration and inflow (I/I) are extraneous quantities of water, which enters the sanitary sewers and reduces the capacity of the system to transport sanitary sewage. Reduction of I/I also decreases the quantity of water transported to the Massachusetts Water Resource Authority (“MWRA”) wastewater treatment facilities, thereby reducing overall transportation costs, treatment costs and BWSC’s sewer assessments.

### **BACKGROUND**

The Commission was established pursuant to the Boston Water and Sewer Reorganization Act of 1977, Chapter 436 of the Acts of 1977 (“the Enabling Act”) and is governed by a three-member Board of Commissioners. Since the Commission’s inception in 1977, the Commission has set forth its Capital Improvement Plan to provide for long-term sustained capital improvements to its water distribution and sewer collection system, governed by a core commitment to prudent fiscal management. Comprehensive and well-planned water distribution system maintenance and planning has sustained superior water service for our customers and resulted in a low incidence of failure. The Commission has also led the industry in implementing effective water conservation measures, including dedication to deploying the most efficient technologies and practices enabling the Commission to maximize cost savings.

The Commission utilizes effective conservation measures through continued efforts to eliminate leaks across the system through advanced leak detection technology and proactive maintenance of the system’s water mains.

Major sewer system improvements have resulted in increased system capacity and the virtual elimination of dry weather overflows from combined sewers into Boston Harbor and the Neponset, Charles and Mystic Rivers. These improvements have also increased water quality and improved accessibility to the waterways.

In addition, the Commission completed construction of a new Materials Handling Facility in 2010 to effectively dispose of catch basin debris and sewer cleaning materials. This facility will also reduce the Commission’s costs for transportation and disposal of catch basin debris by dewatering the materials.

In 2011, the Commission completed a comprehensive water distribution study that reviewed all aspects of the Commission’s distribution system, including a prioritization of every water pipe in the system. The Commission utilizes the study’s results to prioritize capital improvements & invest in most cost-effective maintenance projects. An update to the models was completed in 2016.

Water distribution system improvements made since 1978 include the replacement of 404.8 miles of older water mains.

## 2025 – 2027 Capital Improvement Program

---

The Commission completed its Wastewater and Storm Drainage System Facilities Plan in 2015. The major objective of the plan was to develop facility plans for the operation of the Commission’s sewer and storm drains that are aligned with the Commission’s primary service goals and supported by effective operations, maintenance, and engineering practices. This plan has reviewed all aspects of the Commission Sewer System, including the Commission’s design standards, assets, mapping and operational practices and future impacts of climate change on the Commission’s facilities. The final plan has provided a detailed and efficient sewer program for the next twenty-five years.

### WATER DISTRIBUTION SYSTEM EXPENDITURES

Over the three-years of the CIP, the Commission will expend \$132.3 million on improvements to the Water Distribution System. The majority of these expenditures will occur in the replacement of water mains.

The projects scheduled for initiation in 2025 will result in the replacement of 10.7 miles of water mains.

The table below presents a summary of the 2025-2027 capital expenditures for the Water Distribution System.

#### Water Distribution System Expenditures by Program Category

<i>Program Source</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>Water Replacement</i>	\$45,294,000	\$34,486,000	\$23,041,000	\$102,821,000
<i>Water Special</i>	\$11,546,000	\$8,783,000	\$9,136,000	\$29,465,000
<b><i>TOTAL</i></b>	<b>\$56,840,000</b>	<b>\$43,269,000</b>	<b>\$32,177,000</b>	<b>\$132,286,000</b>

NOTE: Although expenditures decrease for 2025 to 2027, it is anticipated that funding for 2027 will be equal or greater than funding presented in 2025. The decrease in 2027 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

# 2025 – 2027 Capital Improvement Program

## SEWER SYSTEM EXPENDITURES

The CIP for the Sewer System includes a total of \$135.8 million for various types of system improvements. These include in-kind replacement and rehabilitation of sewer pipes, installation or replacement of sewers and storm drains that increase the overall capacity of the system, separation of combined sewers, identification and reduction of infiltration and inflow and compliance with permit requirements in the areas of combined sewer overflows and stormwater discharges.

Major sewer system improvements have resulted in increased system capacity and the virtual elimination of dry weather overflows from combined sewers into Boston Harbor and the Neponset, Charles and Mystic Rivers. These improvements have also increased water quality and improved accessibility to all waterways.

Projects associated with the Plan in the Sewer System CIP include the rehabilitation or replacement of approximately 15.5 miles of newly identified deteriorated or collapsed sanitary sewers and storm drains and the television inspection of approximately 21 miles of sewer and drain pipe within the next year. Also included are drainage improvements and the replacement of faulty tide-gates and the installation of new tide-gates.

The CIP continues funding for the separation of combined sewers and for the reduction of infiltration and inflow into the sanitary system. Infiltration and inflow (I/I) is extraneous quantities of water, which enters the sanitary sewers and reduces the capacity of the system to transport sanitary sewage. Reduction of I/I also decrease’s the quantity of water transported to the Massachusetts Water Resource Authority (“MWRA”) wastewater treatment facilities, thereby reducing overall transportation costs, treatment costs and BWSC’s sewer assessments.

The table below presents a summary of the 2025-2027 capital expenditures for the Sewer System.

**Sewer System Expenditures by Program Category**

<i>Program Source</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>Sewer R&amp;R</i>	\$33,262,000	\$44,478,000	\$39,916,000	\$117,656,000
<i>Sewer Special</i>	\$8,716,000	\$5,345,000	\$4,114,000	\$18,175,000
<b><i>TOTAL</i></b>	<b>\$41,978,000</b>	<b>\$49,823,000</b>	<b>\$44,030,000</b>	<b>\$135,831,000</b>

NOTE: Although expenditures decrease for 2025 to 2027, it is anticipated that funding for 2027 will be equal or greater than funding presented in 2025. The decrease in 2027 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

## 2025 – 2027 Capital Improvement Program

### SUPPORT PROJECT EXPENDITURES

The capital projects included in the Support category contribute to the overall efficient operation of the Commission and improve the Commission’s ability to manage/administer projects and collect revenues. Funding allocated for Support projects in the 2025-2027 CIP total \$66.8 million.

Funding budgeted in this section of the CIP are expenditures for Advanced Meter Infrastructure, Information Technology, and various Administrative Equipment.

#### Support Expenditures by Project Category

<i>Program Source</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>Metering</i>	\$1,600,000	\$2,100,000	\$2,100,000	\$5,800,000
<i>IT</i>	\$3,780,000	\$3,650,000	\$3,850,000	\$11,280,000
<i>Admin. Equipment</i>	\$22,006,000	\$18,778,000	\$8,912,000	\$49,696,000
<b><i>TOTAL</i></b>	<b>\$27,386,000</b>	<b>\$24,528,000</b>	<b>\$14,862,000</b>	<b>\$66,776,000</b>

#### Stormwater Project Expenditures

The primary purpose of the Stormwater Program is to encourage participation in the Boston Harbor pollution abatement projects and implement green infrastructure to improve the water quality of discharges to the local receiving waters. The goal is also to study existing conditions and make recommendations for placement of new best management practices designed to promote improved water quality, ensure compliance with state and federal regulations, minimize flooding and manage stormwater throughout the City of Boston. Funding allocated for Stormwater projects in the 2025-2027 CIP total \$68.2 million.

<i>Program Source</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>TOTAL</i>
<i>Stormwater</i>	\$25,046,000	\$24,664,000	\$18,449,000	\$68,159,000
<b><i>Total</i></b>	<b>\$25,046,000</b>	<b>\$24,664,000</b>	<b>\$18,449,000</b>	<b>\$68,159,000</b>

### MASSACHUSETTS WATER RESOURCES AUTHORITY (MWRA)

The Commission obtains its water supply and wastewater treatment services from MWRA. MWRA provides water services to 54 cities, towns and special purpose entities (“Local Bodies”) including the Commission and wastewater treatment to nearly half of the State’s population in 43 cities, towns and special purpose entities located throughout central and eastern Massachusetts.

#### MWRA Background

In December 1984, MWRA was created by Chapter 372 of the Acts of 1984 (“the Act”). In accordance with the provisions of the Act effective July 1, 1985 the ownership, possession and control of all property comprising the Metropolitan District Commission (“MDC”) water and sewer systems was transferred to MWRA. The Act authorizes MWRA to repair, replace, rehabilitate, modernize and extend the water delivery system and the sewage collection, disposal and treatment systems on a self-sustaining basis. The Act also allows for the issuance of bonds and notes to finance any of its corporate activities.

On January 31, 1985, a suit commonly referred to as the Boston Harbor case, was brought against the MDC, the Commonwealth, MWRA (as successor to the MDC) and the Commission alleging water pollution of and alleged illegal discharges into Boston Harbor in violation of the Clean Water Act. As the successor to the MDC, MWRA assumed responsibility for taking the Court-ordered actions to achieve and maintain compliance with the CWA. Such large-scale projects are financed through the issuance of revenue bonds, proceeds of federal and state grants and operating revenues.

#### MWRA Rates and Charges

Under the Act, MWRA was empowered to establish charges for its services and commodities. One of the basic goals achieved by the MWRA Act was the substitution of assessments, or user fees, to the member communities for the prior tax-based system of charges.

The Commission is the largest single customer for MWRA. For MWRA fiscal year 2025, the Commission will be assessed 35.3% of the water system charges and 27.6% of the sewer system charges. On a combined basis, the Commission will pay 30.4% of the total MWRA assessments.

Assessments for water services are calculated by MWRA based on the metered water use in the calendar year immediately preceding the MWRA fiscal year. The Commission’s water charges for the MWRA fiscal year 2025 total \$109.9 million based on the Commission’s calendar year 2023 metered water use.

As of fiscal year, 1995, sewer assessments were calculated by a formula using, among other things, population and population equivalents. In accordance with legislation enacted in 1993, the MWRA developed a new sewer rate methodology for calculating assessments beginning in fiscal year 1996. The new methodology allocates operating and maintenance costs based on total metered annual flow and total annual average strength, septage contributions and high strength flow loads. Septage contributions are allocated based on volume, total suspended solids (“TSS”) and biochemical oxygen demand (“BOD”) loadings. High-strength flow loads are generated by those

## 2025 – 2027 Capital Improvement Program

---

permitted entities whose flows exceed 25,000 gallons per day and whose TSS and/or BOD concentrations exceed 400 milligrams per liter.

Capital or debt service costs are allocated as follows: two-eighths based on maximum month metered flow and total annual average strength, septage and high strength flow loads; three-eighths based upon contributing (sewer) population; and three-eighths-based population. Metered wastewater flow from the immediately preceding calendar year is used in calculating assessments. The Commission's sewer assessment for the MWRA fiscal year 2025 based on calendar year 2023 data, totals \$150.0 million. Total assessments for water and sewer charges for MWRA fiscal year 2025 are \$259.9 million.

As the largest of MWRA's customers, BWSC represents 34.8 percent of the current demand on the MWRA water supply. BWSC's water comes from the Quabbin Reservoir and the Wachusett Reservoir, located about 65 miles and 35 miles west of Boston. The two reservoirs combined supplied an average of 194.7 mgd (millions of gallon per day) to consumers in 2023. The safe yield of the reservoir system is 300 mgd.

Water distributed to the Boston metropolitan area is conveyed from the reservoirs through the Cosgrove or Wachusett Aqueducts and treated at the MWRA's John J. Carroll Water Treatment Plant at Walnut Hill in Marlborough. Treatment includes ozone disinfection, pH adjustment with sodium bicarbonate and the addition of chloramines and fluoride. Water leaves the plant through the MetroWest Water Supply Tunnel and is stored in covered storage tanks, such as Norumbega Reservoir and the Loring Road Tanks, where it is held for delivery to BWSC's service networks. MWRA mains distribute water to the BWSC system at 29 metered delivery points.

Today, Boston is one of 54 customers that purchases water wholesale from MWRA. BWSC's water distribution system currently provides service to approximately 90,000 active accounts throughout the City. Boston's resident population of nearly 675,000 almost doubles each day by commuting workers and students, shoppers, tourists, conventioners, hospital patients and visitors.

MWRA has completed construction of major transmission and treatment facilities to service the Greater Boston area including the Metro West Tunnel. These improvements will ensure that Boston receives a reliable source of clean water.

### **FUNDING SOURCES AND FINANCIAL IMPACT**

Funding for the Commission's CIP is provided through five sources: Commission general revenue bonds, rate revenues, state revolving funds and two grant/loan programs provided by MWRA.

The primary funding source for the three-year capital program is the sale of Commission general revenue bonds. Over the three-year plan, general revenue bonds will comprise \$127.4 million of the total funding requirement. In 2025, bonds will make up approximately \$59.4 million of the funding required for that year.

## 2025 – 2027 Capital Improvement Program

---

As in past CIP's, the 2025-2027 program funds renewal and replacement ("R&R") work from current rate revenues. Renewal and replacement projects include water main relining, water main replacement (only replacement with the same size pipe), sewer pipe rehabilitation, and storm drain improvement. The 2025-2027 CIP outlines R&R expenditures of \$135.4 million of total expenditures over the three years of the program. In 2025, approximately \$44.3 million will be expended out of current rate revenues for CIP projects.

Each year the Commission participates in the MWRA's I/I program for Infiltration/Inflow and Separation projects. Since 1993, the Commission has received \$110.8 million in MWRA funding for various Infiltration/Inflow and Separation projects of which \$6.5 million is currently outstanding. In addition, the Commission has received grants under the I/I Grant/Loan Program totaling \$66.5 million. The Commission plans to continue to take advantage of MWRA funding over the 2025-2027 period.

The MWRA Board of Directors, by their vote on March 16, 2016, authorized the enhancement of the Local Water System Assistance Program to provide up to \$100 million in 10-year zero-interest loans to communities under the MWRA Lead Service Line Replacement Loan Program. The program will also be referenced as the "Lead Loan Program" or "LLP" for short. This interest-free loan program is designed to assist member water communities to rehabilitate or replace water service lines so that all lead pipe is fully removed. The program will help upgrade local water systems to reduce the potential for elevated lead levels at customer taps and maintain high water quality conditions throughout the system. As of December 31, 2023, the Commission has received \$3.5 million in LLP funding of which there currently is an outstanding balance of \$2.5 million.

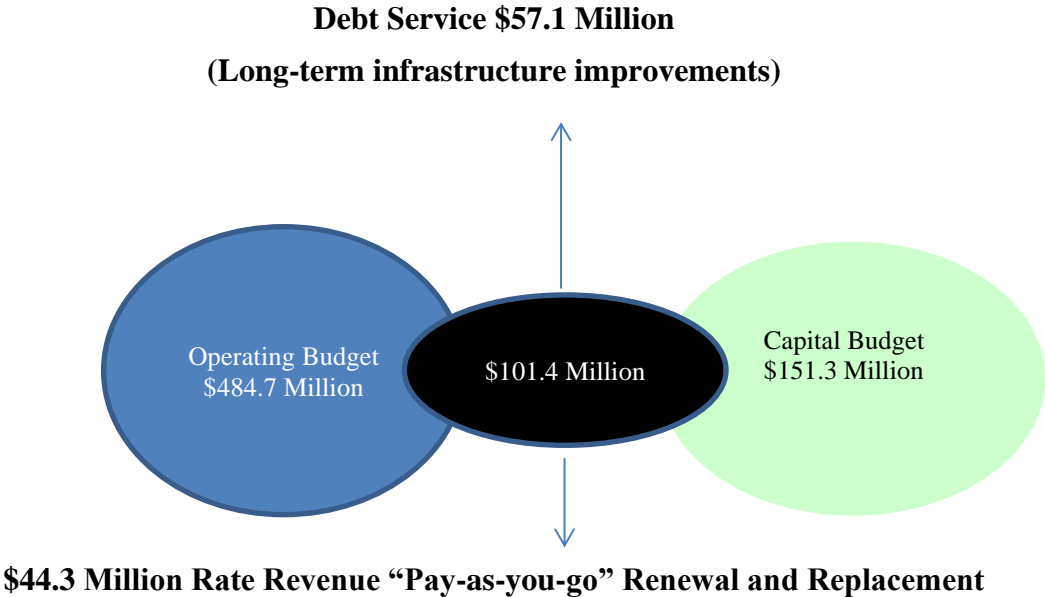
The MWRA provides support for water systems improvement projects through its Local Water System Assistance Program (LWSAP). The program offers interest-free loans payable over a ten-year period and is designed to improve water quality in local distribution systems. The MWRA has also established the Local Water System Assistance Program ("LWSAP") to assist its Local Bodies in the performance of water systems improvement projects. The program offers interest-free loans payable over a ten year period and is designed to improve water quality in local distribution systems. The amount allocated for BWSC in Phase 3 of the program is \$52.8 or approximately \$5.3 million per year. The loans will be repaid to the MWRA over a 10-year period. Loans are approved for distribution from fiscal year 2011 through fiscal year 2030. The Commission has applied for loan funding for certain water main replacement projects through the remainder of this program. MWRA's Board of Directors recently approved Phase 4 of the Local Water System Assistance Program (LWSAP) to provide an additional \$300 million in interest-free loans to member water communities for local water system improvement projects. New Phase 4 Loan funds are approved for distribution beginning in FY25 through FY34. For Boston, a total of \$16,926,136 is currently available for LWSAP loan distribution (Program Phases 3 and 4), with a new annual allocation of \$4,963,900 for Phase 4. All project costs incurred on or after January 1, 2010 have been considered for eligibility in application \$17.2 million will be funded using the LWSAP Program. In total, the commission has received \$80.0 million in LWSAP funding. As of December 31, 2023, the Commission has received \$11.0 million in LWSAP funding of which there currently is an outstanding balance of \$36.8 million.

# 2025 – 2027 Capital Improvement Program

The EPA and Commonwealth provide support for funding and financing through the State Revolving Fund (SRF). The SRF offers affordable loan options to cities and towns to improve water supply infrastructure and drinking water safety; and to help them to comply with federal and state water quality requirements that deal with wastewater treatment plants and collection systems, while addressing issues such as watershed management priorities, stormwater management, and green infrastructure. Additionally, the SRF supplies financial assistance to address communities with septic system problems. These federal-state programs offer below-market rate loans and other authorized assistance with extended loan terms typically over twenty to thirty years.

It is anticipated that in the 2025-2027 Capital Improvement Program \$73.1 million will be funded using the SRF Program.

## Impact of CIP on Current Expense Budget 2024



## 2025 – 2027 Capital Improvement Program

### WATER DISTRIBUTION SYSTEM

The system serves approximately 90,000 accounts through five major service networks: Southern Low Service, which serves City Proper, South Boston and parts of Roxbury; Northern Low Service, which serves Allston/Brighton, Charlestown and East Boston; Southern High Service, which serves City Proper, Allston/Brighton, Dorchester, Hyde Park, Roslindale and parts of Jamaica Plain, Roxbury and West Roxbury; and Southern Extra-High Service, which serves portions of Jamaica Plain, West Roxbury and Hyde Park. In addition, a relatively small area in the Orient Heights section of East Boston is served by a single connection to the MWRA Northern High Service System.

Approximately 90% of the water consumed in the city is delivered through the Southern Low Service and Southern High Service, with most of the remainder delivered through the Northern Low Service. These service networks are supplied with potable water purchased from MWRA at 29 metered delivery points. This water is drawn from the Quabbin and Wachusett Reservoirs located in western and central Massachusetts. Supply is conveyed via aqueducts from these reservoirs to the Loring Road Tanks and Norumbega Reservoirs, where it is held for delivery to the Commission's service networks.

The Commission's current water distribution system consists of the following:

APPURTENANCES		WATER MAIN CITY WIDE		PRESSURE ZONE	
Hydrants	12,823	Total Linear Feet	5,329,099	High Pressure Fire System	14 Miles
		Total Linear Miles	1,008	Northern High	4 Miles
		Water Pumping Stations	1	Northern Low	90 Miles
Gate Valves *	17,839			Southern Extra High	80 Miles
				Southern High	560 Miles
				Southern Low	260 Miles

\*Includes only facilities owned by BWSC

## **2025 – 2027 Capital Improvement Program**

---

### **OBJECTIVES**

The primary objectives of the 2025-2027 Water Distribution System CIP are:

- ✓ To ensure a continued adequate supply of high quality, potable water at adequate pressure, for consumption by the Commission's customers and for fire protection
- ✓ To reduce the amount of non-revenue producing water and to reduce the long-term maintenance costs of the system
- ✓ To improve the operability of valves and appurtenances so as to advance the efficient operation of the water system
- ✓ To reduce public inconvenience by coordinating the scheduling of system improvements with related projects of other public agencies

To ensure the above stated objectives are attained, the Commission has implemented projects of the rehabilitation and replacement water mains, the replacement of valves and hydrants and the installation or replacement of water mains associated with bridge reconstruction projects.

### **2025-2027 WATER DISTRIBUTION SYSTEM CAPITAL PROGRAM**

The Commission's 2025-2027 CIP for the Water Distribution System continues the investments necessary to maintain and improve the water distribution infrastructure. Projects are planned in the following areas: the rehabilitation or replacement of water mains, including the replacement of water pipes and the upgrade of valves and hydrants. Also included are water mains that are replaced as part of the Commission's sewer separation work. Together, these planned program activities will result in significant improvements to the water distribution system.

Three-year expenditures are projected to be \$132.3 million, of which \$56.8 million is allocated in 2025. The three-year amounts are distributed in the Water Program as follows: Replacement \$102.8 million and Special \$29.5 million.

### **WATER MAIN REPLACEMENT PROGRAM**

#### **DESCRIPTION AND JUSTIFICATION**

Funding is provided in the 2025-2027 CIP for the continuation of the Commission's Water Main Replacement Program. The program consists of the replacement of cast-iron water mains and water mains that have reached the end of their useful life.

The primary purpose of the Water Main Replacement Program is to ensure the quality and quantity of water provided by the Commission to its customers. Over long periods of time, the internal and external surfaces of water mains are subject to corrosion and deterioration. Internal corrosion of water mains can affect water quality, particularly taste, odor and color as well as reduce the hydraulic capacity of the pipe. Internal and external corrosion can also reduce the structural integrity of pipe, causing potential leakage and main breaks.

## 2025 – 2027 Capital Improvement Program

---

The largest component of the Water Distribution System CIP is the program to replace water mains. The replacement program replaces aged, undersized or structurally deteriorated pipe. The program also includes rehabilitation of pipe by structural lining.

The 2025-2027 CIP for the Water Distribution System continues programs for the replacement of water mains, the replacement of hydrants as necessary on all replacement projects, the replacement of water mains on new or reconstructed bridges and various design services, permits and paving fees associated with the capital funded projects

### **The Water Main Replacement Program accomplishes the following:**

- ✓ Reduces the occurrence of main breaks, public inconvenience, loss of water and associated costs
- ✓ Decreases water leakage
- ✓ Increases the capacity of water mains
- ✓ Reduces discolored water conditions associated with water main tuberculation
- ✓ Reduces long-term maintenance costs
- ✓ Contributes to the control of bio-film in complying with the requirements of the Safe Drinking Water Act

### **WATER MAIN REPLACEMENT PROGRAM 2025 SUMMARY**

The projects scheduled for initiation in 2025 will result in the replacement of approximately 10.7 miles of water mains.

Prior to construction, the Commission inspects sewer and drain pipes in streets where water pipes are scheduled to be replaced. All sewer and drain replacement and rehabilitation work is then performed along with the water pipe replacement. This coordination avoids disruption of the streets and saves project costs. Funding for the sewer and drain work is included in the sewer section of the CIP.

## **2025 – 2027 Capital Improvement Program**

---

### **METHODOLOGY FOR SELECTING WATER MAINS FOR REHABILITATION**

The Commission conducts an annual evaluation of its water distribution system to determine and prioritize water main replacement and rehabilitation needs. Based on this annual evaluation, staff prepares a priority list of pipes to be replaced.

Candidates are based on information and recommendations from the 2016 update of the pipe ranking system as well as water main breaks, customer complaints concerning water quality or pressure deficiency, BWSC maintenance records, pressure and fire-flow tests, machine learning artificial intelligence software and construction work planned by other agencies.

To the highest extent possible, the Commission coordinates the replacement and lining of water mains with roadway and highway construction, urban development, housing development and mass transit work planned by state or local government entities.

For example, if the City of Public Works Department (BWPD) is planning to resurface a roadway within the next few years, the Commission would make every effort to replace the older water main in that street before it is resurfaced.

The coordination of the Commission's capital programs with other infrastructure improvements minimizes temporary construction related impacts to Boston's residential neighborhoods and commercial centers.

## 2025 – 2027 Capital Improvement Program

---

### WATER SYSTEM

#### WATER REPLACEMENT

The following pages contain brief summaries of each on-going and new water replacement project included in the 2025-2027 CIP.

#### PROJECTS

**East Boston Sewer Separation Phase IV - Contract 3 26-309-002:** Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. Construction is projected to commence in August 2027 and be completed in July 2029. The total three-year budget is \$200,000.

**Engineering CCTV Contract 25-309-004:** Television inspection and cleaning of sewer and drain pipes in the City of Boston for streets where water main replacement or separation work is planned. The total three-year budget is \$675,000.

**Citywide R & R 25-309-003:** The intent of this project will be to rehab and replace water/sewers/drains where SSOs and other issues have occurred in order to mitigate future issues. This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$200,000.

**Citywide R & R 25-309-002:** Construction of new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. Construction is projected to commence in August 2025 and be completed in July 2029. The total three-year budget is \$200,000.

**South Boston Sewer Separation - Contract 5 24-309-012:** Construction of new storm drains to separate approximately 400 acres between all five (5) contracts in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction Contract No. 4 is one of five (5) planned contracts to construct new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community and to support the BPDA's initiative to foster future development along Dorchester Avenue. Construction is projected to commence in February 2026 and be completed in July 2028. The total three-year budget is \$200,000.

**Citywide R & R 24-309-002:** The intent of this project will be to rehab and replace water/sewers/drains where SSOs and other issues have occurred in order to mitigate future issues.

## 2025 – 2027 Capital Improvement Program

---

This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$100,000.

**Water Main Replacement Heath Street 24-308-002:** Relay of old water mains and associated sewers. Construction is projected to commence in April 2026 and be completed in November 2029. The total three-year budget is \$4,296,000.

**Water Relay Tremont Street 24-308-001:** Relay of old water mains and HPFS replacement. Construction is projected to commence in April 2025 and be completed in November 2026. The total three-year budget is \$13,600,000.

**South Boston Sewer Separation - Contract 4 23-309-012:** Construction of new storm drains to separate approximately 400 acres between all five (5) contracts in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction Contract No. 4 is one of five (5) planned contracts to construct new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community and to support the BPDA's initiative to foster future development along Dorchester Avenue. Construction is projected to commence in February 2026 and be completed in July 2028. The total three-year budget is \$8,147,000.

**Associated Water Work in Fenway 23-309-011:** Replacement and rehabilitation of sanitary sewer and drain pipes. The pipes in this contract have been inspected and reviewed and are found to be in poor condition. Associated water work. Pipes in this contract have been found defective and in need of repair or replacement as determined by cleaning and CCTV inspection under various programs including SSO investigations, CMOM contracts, and illegal connections inspection. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$1,376,000.

**Replacement and Rehabilitation Water Sewer and Drain Pipes in Dorchester, Mattapan Roxbury, Fenway Kenmore 23-309-005:** Replacement of aging water mains that have reached the end of their useful life and associated replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$3,391,000.

**East Boston Sewer Separation Phase IV - Contract 2 23-309-002:** Construction Contract No. 2 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. The total three-year budget is \$1,000,000.

**Water Relay Lower Roxbury 23-308-001:** Relay of old water mains. Water main breaks and age criterion. Construction is projected to commence in June 2025 and be completed in November 2028. The total three-year budget is \$6,400,000.

## 2025 – 2027 Capital Improvement Program

---

**South Boston Sewer Separation - Contract 3 22-309-012:** Construction of new storm drains to separate approximately 400 acres between all five (5) contracts in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue 38 providing the highest level of service to the community and to support the BPDA's initiative to foster future development along Dorchester Avenue. Construction is projected to commence in September 2024 and be completed in July 2026. The total three-year budget is \$9,303,000.

**Upper Roxbury R&R 22-309-003:** Replacement of failing 1800s combined sewers, installation of new storm drains, and replacement of aging water mains that have reached the end of their useful life. The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. Construction is projected to commence in January 2024 and be completed in December 2027. The total three-year budget is \$1,900,000.

**Replacement of Sewer and Drains Citywide, R&R 22-309-002:** The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. Construction is projected to commence in December 2023 and be completed in December 2025. The total three-year budget is \$1,420,000.

**Roslindale/West Roxbury Rehabilitation 22-309-001:** Rehabilitation of sewers and drains and point repairs identified by the Planning Department during the Roslindale Sanitary Sewer Evaluation Survey, conducted by CDM Smith. The objective of this project is to reduce I/I tributary to the Roslindale Interceptor. The total three-year budget is \$70,000.

**Georgetowne Neighborhood Water Main Replacement 22-308-003:** Replacement of water mains and associated sewers and drains in West Roxbury. Replacement of old CI water mains that have reached the end of their useful life citywide. Replacement of CICL or DI mains that have break history. Repair sewer and storm drain mains in the area with major structural damage. Construction is scheduled to commence in April 2025 and be completed in December 2026. The total three-year budget is \$3,000,000.

**Replacement of Water Mains Citywide 22-308-002:** Replacement of old CI water mains that have reached the end of their useful life citywide. Replacement of CICL or DI mains that have break history. The total three-year budget is \$3,540,000.

**R&R of Water Sewer and Drain in Back Bay/Beacon Hill, City Proper and Fenway/Kenmore 22-308-001:** Belvidere, Bowker, Boylston, Exeter, Harrison Streets. Construction began in August 2023 and be completed in July 2025. The total three-year budget is \$2,382,000.

**East Boston Sewer Separation Phase IV - Contract 1 21-309-002:** Construction of new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston and is a

## 2025 – 2027 Capital Improvement Program

---

continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. Construction Contract No. 1 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres in East Boston to further 39 mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. Construction is scheduled to commence in April 2025 and be completed in July 2027. The total three-year budget is \$11,550,000.

**Sewer & Storm Drain Improvements in Hyde Park 21-309-001:** Sewer and Storm Drain Improvements in Hyde Park based on the findings of the CMOM group which identified sewer and drain defects in this area. The contract also includes associated water relay for pipes within project limits that have reached the end of their lifespan. Construction is projected to commence in April 2024 and be completed in October 2026. The total three-year budget is \$356,000.

**Replacement and Rehabilitation of Water, Sewer, and Drain Pipes in City Proper 21-308-003:** Replacement of aging water mains that have reached the end of their useful life and associated replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$398,000.

**Charlestown Relay and Rehabilitation 20-309-002:** Final and Semifinal Payments in 2025. Construction commenced in June 2023 and is projected to be completed in December 2024. The total three-year budget is \$546,000.

**Replacement and Rehabilitation of Water, Sewer and Drain pipes in the South End and Dorchester 20-308-001:** Replacement of older cast iron water mains that have reached the end of their useful life. Also, associated sewers and drains that are in disrepair. Construction commenced in October 2023 and is projected to be completed in May 2025. The total three-year budget is \$3,831,000.

**Tidegates, Citywide 19-309-001:** This contract identified the need for and provided design for the installation of four tide gates on drainage systems of various sizes in City Proper, Charlestown, East Boston and South Boston (Seaport). The Design Department is worked with the Planning and Operations department to identify outfalls which may not be protected from extreme tides to prevent street flooding from surcharged drainage systems. The total three-year budget is \$77,000.

**Replacement and Rehabilitation of Water, Sewer, and Drain Pipes in Back Bay, Beacon Hill, and City Proper 19-308-004:** Replacement of aging water mains that have reached the end of their useful life and associated replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$7,582,000.

**Water Improvements in Charlestown 19-308-002:** This project will replace 8,800 feet of 8- and 12-inch water mains on Bunker Hill Street, Chelsea Street, School Street, Vine Street, and Bartlett Street in Charlestown. This contract is being programmed as a response to a request by the

## 2025 – 2027 Capital Improvement Program

---

Operations Division for Water Relay on Chelsea Street, in conjunction with break history (School Street), and pipe age/risk scoring on 1880's cast iron mains in Bunker Hill and Vine Streets. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$8,500,000.

**Water, Sewer, & Drainage Works Improvements 19-308-001:** Retainage Release and Water work in 2024. Construction commenced in April 2023 and will be completed in December 2024. The total three-year budget is \$340,000.

**Sewer and Drain Replacement and Rehabilitation (R&R) 18-309-003:** Associated water work in conjunction with replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$4,989,000.

**Water, Sewer, & Drainage Works Improvements 18-309-001:** Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. Construction commenced in October 2024. The total three-year budget is \$3,252,000.

### WATER DISTRIBUTION SYSTEM SPECIAL PROJECTS

#### DESCRIPTION AND JUSTIFICATION

Special Projects includes funding for a variety of system planning and other studies, professional services associated with the rehabilitation and operation of the water system, and for the engineering design and construction of the installation or replacement of water mains associated with bridge improvement projects undertaken by other agencies. Also included are the associated design and engineering services required for the implementation of capital projects and the permanent paving fees for ongoing and future capital improvements.

Overall, the objectives of the Water Distribution System Special Projects are to extend the useful life of water mains, reduce long-term maintenance and repair costs, reduce the occurrence of main breaks and the resulting impacts, conserve drinking water and coordinate improvements with other agencies to minimize disruptions.

#### PROJECTS

**Interceptor Cleaning Phase I 25-309-001:** Television inspection and cleaning of large storm drains and combined sewers associated with the Union Park Tributary area and the South End. The total three-year budget is \$500,000.

**Paving and Restoration 25-303-008, 25-303-009 & 25-303-012, 26-303-008, 26-303-009 & 26-303-012, 27-303-008, 27-303-009 & 27-303-012:** This project involves the permanent restoration of streets and sidewalks excavated as a result of Commission activities. Operations will be adding a second Restoration of Sidewalk Excavations in 2024, due to the increased number of lead service pipe investigations and replacements. Construction is projected to commence in January 2025 and be completed in December 2027. The total three-year budget is \$11,980,000.

**Traffic Management Services 25-206-XXX:** Professional services contract for traffic management design. In support of the capital plan, on occasion it is necessary to develop traffic management plans for construction phasing of water, sewer, and drain replacement projects. This project allows the Commission to utilize transportation engineers to develop these plans in accordance with BTM regulations. If the construction will occur on state agency roadways, the traffic plans can be produced to meet state agency requirements. The contract is scheduled to be signed in October 2025 and is scheduled to end October 2028. The total three-year budget is \$250,000.

**Roadway Restoration of Boston Water and Sewer Commission Excavations 24-309-007:** Permanent paving restoration of streets and sidewalks excavated during construction activities. The total three-year budget is \$102,000.

## 2025 – 2027 Capital Improvement Program

---

**Excavation for Identification of Water Services 24-308-005:** Work under this contract includes excavating, locating, identifying and possible relaying the water services of approximately 700 existing water services currently listed in the Commission's GIS system as being lead or unknown. Construction commences in July 2024 and be completed in June 2026. The total three-year budget is \$1,294,000.

**Replacement of Lead Services 24-308-004:** Work under this contract includes replacement of lead water services in the public way and on private property, Citywide. Construction commenced in April 2024 and be completed in December 2026. The total three-year budget is \$1,477,000.

**Replacement of Non-Lead Services 24-308-004:** The total three-year budget is \$369,000.

**Lead Sampling and Education Program for Schools and Childcare 23-206-006:** This funding will be used to develop and implement a long-term program for lead sampling of the tap water of public and private schools and licensed childcare facilities within the Commission's service area. Planning commenced in June 2023 and is projected to be completed in July 2027. The total three-year budget is \$800,000.

**Traffic Management Services 22-206-006:** Professional services contract for traffic management design. In support of the capital plan, on occasion it is necessary to develop traffic management plans for construction phasing of water, sewer, and drain replacement projects. This project allows the Commission to utilize transportation engineers to develop these plans in accordance with BTD regulations. If the construction will occur on state agency roadways, the traffic plans can be produced to meet state agency requirements. The contract was signed in October 2022 and is scheduled to end October 2025. The total three-year budget is \$47,000.

**Water Main Flushing 22-203-001:** This project involves the implementation and maintenance of a water main flushing program for the Commission's water distribution system by a qualified professional engineering consulting firm. Construction commenced in April 2024 and be completed in December 2026. The total three-year budget is \$933,000.

**Engineering Design Services 21-206-004:** Design Services to update water distribution model and perform asset management. Planning commenced in June 2022 and is anticipated to be completed in June 2026. The total three-year budget is \$160,000.

**Citywide Illicit Connection Investigation Program Stormwater Phase 5 20-206-007:** Illicit sanitary connections to storm drains are prohibited under the Commission's NPDES Stormwater Permit. Also, under the Consent Decree with EPA the Commission is required to identify and eliminate illicit connections and annually screen all of the Commission's storm drain and combined sewer outfalls. The total three-year budget is \$218,000.

**Evaluation of Water Transmission Mains:** Transmission main study to evaluate the state of the water transmission system and design the first rehabilitation contract. The total three-year budget is \$3,000,000.

## 2025 – 2027 Capital Improvement Program

---

**Citywide Illicit Connection Investigation Program Phase 6:** Illicit sanitary connections to storm drains are prohibited under the Commission's NPDES Stormwater Permit. Also, under the Consent Decree with EPA the Commission is required to identify and eliminate illicit connections and annually screen all of the Commission's storm drain and combined sewer outfalls. The total three-year budget is \$835,000.

**City of Boston-Permit Fees:** This project involves obtaining street opening permits from the City of Boston for excavation activities performed by the Commission's crews and contractors in the public way. The City of Boston Public Works Department issues the street opening permits for which the Commission reimburses the City. This service is projected to commence in January 2025 and be completed in December 2027. The total three-year budget is \$7,500,000.

<i>Streets</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2025-2027</i>
<i>Permits</i>	\$2,500,000	\$2,500,000	\$2,500,000	\$4,500,000
<i>Paving</i>	\$3,800,000	\$3,990,000	\$4,190,000	\$11,980,000
<i>Total</i>	\$6,300,000	\$6,490,000	\$6,690,000	\$19,480,000

### SEWER SYSTEM

The Commission owns and operates a system for the collection and transport of wastewater in the City of Boston.

The original backbone of the sewer system was the Boston Main Drainage System (“BMDS”). The BMDS was constructed from 1877 to 1884 under the direction of a special committee established by the City of Boston for that specific purpose. The original system consisted of five combined interceptors, the Calf Pasture pumping station and the Dorchester Bay Tunnel. Neither the pumping station, nor the tunnel is in use today. The BMDS interceptors were initially designed to carry a peak dry weather sanitary flow together with an allowance for stormwater.

In 1988, construction of the New Boston Main Interceptor and the New East Side Interceptor were completed, replacing portions of the original system. The interceptors serve the sewer needs of downtown Boston, the South End, Roxbury, Dorchester, and South Boston. These improvements have increased capacity, eliminated dry weather overflows, and decreased the occurrences and volume of wet weather overflows.

Other collection facilities provide sewer services to different parts of the City. Charlestown is served by a separated system, except for one small area. East Boston, City Proper, South Boston and Roxbury are served by combined systems; however, major portions of each area have been or are in the process of being separated. The South End has been separated under a program initiated by the City’s urban renewal program and continued by the Commission where feasible and cost effective. Allston/Brighton, Roslindale, West Roxbury, Hyde Park, Mattapan and portions of Dorchester and Jamaica Plain, all of which are in the southern part of the City, are served by separate systems.

## 2025 – 2027 Capital Improvement Program

The backbone of the Commission’s sewer is several major interceptors, which convey flows from the Commission’s system to the MWRA’s interceptors. The New East Side Interceptor, the Boston Main Interceptor completed in 1988 and the New Albany St. Interceptor completed in 1990, serve Downtown, South Boston, the South End and Dorchester. The other interceptors and the neighborhoods they serve are:

<u>Interceptor</u>	<u>Neighborhood Served</u>
Boston Main Interceptor	South End, Roxbury and North Dorchester
Dorchester Interceptor	Dorchester and Neponset
East Side Interceptor	Downtown and North End
Faneuil Street Trunk Sewer	Allston/Brighton
Roslindale Interceptor	Roslindale and West Roxbury
South Boston Interceptors	South Boston
Southwest Corridor Interceptor	Roxbury and Jamaica Plain
Stony Brook Interceptor	Roxbury
Stony Brook Valley Sewer	Roxbury and Jamaica Plain
West Side Interceptor	Back Bay, Beacon Hill and West End
Talbot Avenue High Level Sewer	Dorchester, Mattapan and Roslindale
Hyde Park Trunk Sewer	Hyde Park
East Boston Low Level Sewer	East Boston
Dorchester High Level Sewer	Mattapan and Hyde Park

The sewer system is comprised of the following:

<b>APPURTENANCES</b>		<b>SEWER PIPES CITY WIDE</b>		<b>TYPE OR DESIGNATION</b>	
Catch Basins	30,300	Total Linear Feet	8,104,270	Combined Sewer	140 Miles
Manholes	50,096	Total Linear Miles	1,535	Combined Sewer Overflow	12 Miles
Outfalls	267	Pumping Stations	9	Sanitary Sewer	713 Miles
Regulators	147			Storm Drain	668 Miles
Tide gates	200				

All wastewater collected by Commission facilities are conveyed to the MWRA’s Deer Island Treatment Plant.

### **DEDICATED INFILTRATION INFLOW 4:1 PROJECTS**

Infiltration and inflow (I/I) are extraneous quantities of water, which enter the sanitary sewer system and reduce the capacity of the system to transport sanitary sewage to a treatment plant. Infiltration is groundwater that leaks into the sanitary sewerage system through pipe joints and defects. Inflow refers to storm water that enters sewers through catch basins, sump pumps, downspouts, basement drains and defected manholes. Saltwater inflow can also enter the Sewer System through defective CSO tide gates that are subject to tidal inflow.

In 2004, the Massachusetts Department of Environmental Protection (“DEP”), in conjunction with the MWRA and its member communities implemented a program to help remove stormwater infiltration and inflow: I/I from the sewer system. Private developments may add substantial flows to the sewer collection system, requiring additional MWRA treatment.

Subsequently, at the July 28, 2005, Commission meeting, the Commission approved the establishment of a Dedicated Infiltration/Inflow (“DEDII”) account into which developers assessed a 4:1 I/I reduction requirement by the DEP would contribute funds to fulfill their requirements. These funds will be used by the Commission to fund I/I identification and reduction projects.

To date, the Commission has implemented thirteen contracts, which are funded by the 4:1 I/I Infiltration Inflow Reduction Mitigation Account. All costs are funded by the (“DEDII”) account and are 100% reimbursable; therefore, are not included in the 2025-2027 cashflow.

In 2004, the Massachusetts Department of Environmental Protection (DEP), in conjunction with the MWRA and its member communities, implemented a program to help remove stormwater infiltration and inflow (I/I) from the sewer system. Large projects that are constructed can contribute substantial additional flows to the sewer collection system and subsequently require additional MWRA treatment. In the 2004 program, the Massachusetts DEP recommended to the Massachusetts Environmental Policy Act Office, through the Executive Office of Energy and Environmental Affairs, that new developments be required to remove I/I from the sanitary sewer system, as part of the requirements by the Secretary of Energy and Environmental Affairs. A ratio of 4:1 is used for I/I removed to new wastewater added. For example, if a proposed project’s calculated new daily wastewater flow is 100,000 gallons per day (gpd), the developer must remove 400,000 gpd of I/I from the sewer system.

The Commission conducts investigations to identify sources of I/I to the Commission’s system. These projects identify both public and private sector sources of I/I. Commission staff initially planned on developing a database with locations of I/I sources which would be provided to a developer. The developer would correct sources from that list to fulfill their I/I removal requirement. However, Commission staff believed that this process would be unwieldy and unmanageable. Subsequently, at the July 28, 2005 Commission meeting, the Commission approved the establishment of a dedicated account into which developers assessed a 4:1 Infiltration/Inflow reduction requirement by the DEP could pay money to fulfill their requirements. The funds would then be used by the Commission to fund I/I identification and reduction projects.

## 2025 – 2027 Capital Improvement Program

---

In April 2014, the DEP promulgated new regulations. The Commission has a National Pollutant Discharge Elimination System (NPDES) Permit for its combined sewer overflows and is subject to these new regulations [314 CMR 12.00, section 12.04(2)(d)]. This section requires all new sewer connections with design flows exceeding 15,000 gpd to mitigate the impacts of the development by removing four gallons of I/I for each new gallon of wastewater flow. In this regard, any new connection or expansion of an existing connection that exceeds 15,000 gallons per day of wastewater shall assist in the I/I reduction effort to ensure that the additional wastewater flows are offset by the removal of I/I. Projects constructed in multiple phases may contribute 4:1 reduction 90 days before each phase comes on-line. Phased construction may include flows under 15,000 gpd. Currently, a minimum ratio of 4:1 is used for I/I removal to new wastewater flow added.

### **Process of 4:1 Infiltration Inflow Payments**

During private project design, Engineering Customer Services receives and reviews the Site Plan for conformance with the Commission's Engineering Design and Construction Standards. Engineering Customer Services will confirm if the project has been assessed a 4:1 compliance requirement by the MEPA.

Engineering Customer Service will notify the Planning Department of the most current estimated wastewater flow that has been submitted by the project developer. The developer shall coordinate with the Commission how to comply with the proposed assessment, either removing sources of I/I or making a requisite monetary contribution. The removal or contribution must be completed at least ninety days prior to the issuance of the Occupancy Permit by the Boston Inspectional Services Department. If the developer chooses to contribute monetarily to the Commission's I/I reduction program, the check is payable to the Commission. The check is submitted to the Finance Department for deposit into the Commission's dedicated I/I Reduction Account.

### **Commission Contributions Generated to Date**

Most projects fulfilled their contribution requirement by monetary means. Overall, the Commission has collected \$63,666,029, through September 2024. From January 2024 to September 2024, the Commission collected \$3,261,447.

### **Contracts**

**Engineering Design, 3 year Services 22-206-008:** The total three year budget is \$1,362,000.

**Engineering Design, 3 year Services 22-206-009:** The total three year budget is \$1,362,000.

**East Boston Sewer Separation - Phase 4 21-206-003:** The total three year budget is \$3,010,000.

## 2025 – 2027 Capital Improvement Program

---

### OBJECTIVES

The objectives of the Sewer System Capital Improvement Program for 2025-2027 are to provide uninterrupted wastewater transport and storm drainage services to the residents, businesses, and visitors of Boston and to improve water quality in Boston Harbor and its tributary waters. The 2025-2027 CIP has five major programs for the Sewer System: the sewer renewal and replacement program, the increased capacity program, the sewer separation program, the infiltration/inflow program, and sewer special program.

The primary objectives of the 2025-2027 Sewer CIP are:

- ✓ Implement and manage contracts affiliated with the Consent Decree
- ✓ Implement Green Infrastructure Projects
- ✓ Comply with the requirements of the Commission's National Pollutant Discharge Elimination System (NPDES) and Municipal permits
- ✓ Minimize Infiltration and Inflow into the sanitary system, which will increase system capacity and decrease treatment costs
- ✓ Reduce combined sewer overflows by reducing wet weather discharges and minimizing sea water intrusions
- ✓ Provide sufficient hydraulic capacity for current and projected flows
- ✓ Protect the structural integrity of the wastewater collection and storm drainage systems
- ✓ Coordinate sewer system improvements with the related projects of other public agencies

The Commission's CMOM Program utilizes closed circuit TV camera inspection equipment and software to assess the structural and maintenance condition of pipes and identify areas of excessive infiltration and inflow. The System Condition Risk Enhanced Assessment Model "SCREAM" software system is utilized to prioritize these inspection results for repair and replacement by Commission crews and under its Capital Improvement Program. The CMOM Program includes the cleaning and inspection of approximately 21 miles of sewer pipe in 2025. This along with TV inspection under other programs will result in the inspection of 90 miles of pipe in 2025 with a goal of completing the entire system over a ten-year period.

Projects included in the Sewer System CIP include repair or replacement of approximately 22.6 miles of deteriorated or failing sanitary sewers and storm drains each year.

The sewer system objectives will be carried out through the continuation of the following program activities renewal and replacement of sewer pipes, rehabilitation of sewers and drains, separation of combined sewers, improvements that will result in an increase in system capacity, an infiltration/inflow reduction program including the disconnection of downspouts and several special projects necessary to improve the efficiency and effectiveness of the sewer system.

In addition, all sewers and drains on streets where water mains are to be replaced will be inspected prior to replacement. All defective pipes will then be replaced or rehabilitated in the water main replacement contract under the 2025-2027 Sewer System Capital Program.

## 2025 – 2027 Capital Improvement Program

---

### WASTEWATER PROJECTS HIGHLIGHTS

- New Boston Main Interceptor
- South Boston Separation Contracts 3
- Design of Dorchester Interceptor - Relief Sewer
- West Roxbury and Hyde Park SSES
- Sewer Improvements in Charlestown
- Sewer R&R in Fenway
- Replacement and Rehabilitation of Sewer in Dorchester and South Boston
- Replacement and Rehabilitation of Sewers and Drains in Allston/Brighton, Fenway/Kenmore, Jamaica Plain and Roxbury
- Charlestown SSES
- Dorchester, Mattapan and Roxbury R&R

Three-year total expenditures are \$135.8 million, of which \$42.0 million is allocated in 2025.

## 2025 – 2027 Capital Improvement Program

---

### SEWER RENEWAL AND REPLACEMENT

#### DESCRIPTION AND JUSTIFICATION

Renewal and replacement projects involve the trenchless rehabilitation or replacement of sewers and storm drains in response to persistent malfunction, structural deterioration, excessive emergency repairs and other operation and maintenance problems.

The Commission identifies sewer and drain lines that require renewal or replacement through television inspections, sewer system evaluation surveys and routine maintenance activities. Renewal and replacement projects are coordinated with the Boston DPW's Roadway Reconstruction Program to ensure that the Commission avoids excavating newly resurfaced street, unless under emergency circumstances.

The objectives of the renewal and replacement program are to: insure the operability of sewers and storm drains, protect the structural integrity of the sewer system, reduce long-term capital and maintenance costs and minimize disruptions of service caused by sewerage back-ups or other related problems.

#### PROJECTS

**East Boston Sewer Separation Phase IV - Contract 3 26-309-002:** Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. Construction is projected to commence in August 2027 and be completed in July 2029. The total three-year budget is \$100,000.

**South Boston Sewer Rehabilitation - NBMI Phase III 25-309-005:** Rehabilitation of a portion of the 102" New Boston Main Interceptor (NBMI) on Frontage Road between Andrew Square and 15 Widett Circle, including rehabilitation of all manhole risers and two special structures. Evaluation of the siphon chambers at Andrew Square identified significant deterioration of both structures. This finding resulted in further investigations to assess conditions along the entire length of the 102" NBMI system. These investigations revealed that there was also deterioration of all pipe segments, manhole risers and large chambers, both upstream and downstream of the siphon chambers. The total three-year budget is \$14,599,000.

**Citywide R & R 25-309-003:** The intent of this project will be to rehab and replace water/sewers/drains where SSOs and other issues have occurred in order to mitigate future issues. This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$6,500,000.

## 2025 – 2027 Capital Improvement Program

---

**Citywide R & R 25-309-002:** Construction of new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. Construction is projected to commence in August 2025 and be completed in July 2029. The total three-year budget is \$6,500,000.

**South Boston Sewer Separation - Contract 5 24-309-012:** Construction of new storm drains to separate approximately 400 between all five (5) contracts acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction is projected to commence in February 2027 and be completed in July 2029. The total three-year budget is \$100,000.

**Charlestown Sewer Separation 24-309-006:** Sewer Separation in Charlestown Lost Village area to reduce CSO overflow. Construction is projected to commence in April 2025 and be completed in October 2027. The total three-year budget is \$ 1,394,000.

**Replacement and Rehabilitation of Drain and Sewer Pipes in JP and Roxbury 24-309-003:** The intent of this project will be to rehab and replace water/sewers/drains where SSOs and other issues have occurred in order to mitigate future issues. This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$150,000.

**Citywide R&R 24-309-002:** Water, Sewer and Drain Replacement and Rehabilitation Citywide. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$250,000.

**Citywide R&R 24-309-001:** Sewer and Drain Replacement and Rehabilitation Citywide. The intent of this project will be to rehab and replace sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. Construction is projected to commence in August 2024 and be completed in August 2028. The total three-year budget is \$250,000.

**Sewage Works Improvements in Mattapan 24-308-014:** Design began in September 2024 and is expected to be completed June 2025. Construction is anticipated to commence September 2025 and be completed June 2027. The total three-year budget is \$5,154,000.

**Associated Sewer Back Bay/ East Boston 24-308-003:** Design began in May 2024 and is expected to be completed May 2025. Construction is anticipated to commence August 2025 and be completed July 2027. The total three-year budget is \$7,370,000.

**East Boston Construction Oversight 24-206-001:** Construction oversight and resident engineering services during installation of new water mains, sanitary sewers and storm drains in the East Boston neighborhood. The total three-year budget is \$2,944,000.

## 2025 – 2027 Capital Improvement Program

---

**South Boston Sewer Separation - Contract 4 23-309-012:** Construction of new storm drains to separate approximately 400 acres between all five (5) contracts in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction Contract No. 4 is one of five (5) planned contracts to construct new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. Construction is projected to commence in February 2026 and be completed in July 2028. The total three-year budget is \$6,218,000.

**R & R of Sewer and Drain in Fenway 23-309-011:** Replacement and rehabilitation of sanitary sewer and drain pipes. The pipes in this contract have been inspected and reviewed and are found to be in poor condition. Associated water work. Pipes in this contract have been found defective and in need of repair or replacement as determined by cleaning and CCTV inspection under various programs including SSO investigations, CMOM contracts, and illegal connections inspection. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$1,438,000.

**Replacement and Rehabilitation Water Sewer and Drain Pipes in Dorchester, Mattapan Roxbury, Fenway Kenmore 23-309-005:** Replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$3,343,000.

**Citywide R&R 23-309-003:** Sewer and Drain Replacement and Rehabilitation Citywide. Construction is scheduled to commence in 2026 and be completed in June 2027. The total three-year budget is \$100,000.

**East Boston Sewer Separation Phase IV - Contract 2 23-309-002:** Construction of new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. The total three-year budget is \$1,000,000.

**Sewage Works Improvements in Allston/Brighton 23-309-001:** Replacement and rehabilitation of sanitary sewer and drain pipes. The total three-year budget is \$2,806,000.

**Sewer Relay Lower Roxbury 23-308-001:** Relay of old water mains and associated sewerage works. Construction began in April 2025 and is projected to be completed in November 2026. The total three-year budget is \$2,100,000.

**Construction Supervision Services - NBMI Rehabilitation Phase II and Phase III 23-103-006:** Phase II - Rehabilitation of a portion of the 102" New Boston Main Interceptor (NBMI) from Columbus Park Headworks to Preble Street at Wendeller Street, including rehabilitation of all manhole risers and 2 special structures. Phase III - Rehabilitation of a portion of the 102" New Boston Main Interceptor (NBMI) on Frontage Road between Andrew Square and 15 Widett Circle, including rehabilitation of all manhole risers and 2 special structures. The total three-year budget is \$2,019,000.

## 2025 – 2027 Capital Improvement Program

---

**Replacement of Failing and Broken Sewers and Drains 22-309-014:** Construction of new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest-level service to the community and support future development along Dorchester Avenue. Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains. Construction began in September 2024 and is projected to be completed in July 2026. The total three-year budget is \$1,509,000.

**South Boston Sewer Separation - Contract 3 22-309-012:** Construction of new storm drains to separate approximately 400 acres between all five (5) contracts in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest-level service to the community and support future development along Dorchester Avenue. Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains. Construction commenced in September 2024 and is projected to be completed in July 2026. The total three-year budget is \$7,867,000.

**Upper Roxbury R&R 22-309-003:** Replacement of failing 1800s combined sewers, installation of new storm drains, and replacement of aging water mains that have reached the end of their useful life. The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. Construction is scheduled to commence in April 2025 and is projected to be completed in December 2026. The total three-year budget is \$4,714,000.

**Replacement of Sewer and Drains Citywide, R&R 22-309-002:** The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. The total three-year budget is \$2,446,000.

**Roslindale/West Roxbury Rehabilitation 22-309-001:** Rehabilitation of sewers and drains and point repairs identified by the Planning Department during the Roslindale Sanitary Sewer Evaluation Survey, conducted by CDM Smith. The objective of this project is to reduce I/I tributary to the Roslindale Interceptor. The total three-year budget is \$3,503,000.

**Georgetowne Neighborhood Water Main Replacement 22-308-003:** Replacement of water mains and associated sewers and drains in West Roxbury. Replacement of old CI water mains that have reached the end of their useful life citywide. Replacement of CICL or DI mains that have break history. Repair sewer and storm drain mains in the area with major structural damage. Construction is scheduled to commence in April 2025 and is projected to be completed in December 2026. The total three-year budget is \$750,000.

**Replacement of Water Mains Citywide 22-308-002:** Associated Sewer work in addition to replacement of old CI water mains that have reached the end of their useful life citywide. Replacement of CICL or DI mains that have break history. The total three-year budget is \$1,200,000.

**R&R of Water Sewer and Drain in Back Bay/Beacon Hill, City Proper and Fenway/Kenmore 22-308-001:** Belvidere, Bowker, Boylston, Exeter, Harrison Ave. Construction commenced in August 2023 and will be completed in July 2025. The total three-year budget is \$82,000.

## 2025 – 2027 Capital Improvement Program

---

**South Boston Sewer Separation - Phase II Police 21-309-12P:** Funds allocated for the South Boston Sewer and Drain Separation Police Detail. The total three-year budget is \$117,000.

**South Boston Sewer Separation - Phase II 21-309-012:** Water, sewer, and drain improvements in South Boston, construction commenced in August 2023 and will be completed in June 2026. The total three-year budget is \$198,000.

**East Boston Sewer Separation Phase IV - Contract 1 21-309-002:** Construction of new storm drains to separate approximately 230 acres in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest-level service to the community. Construction Contract No. 1 is one of five (5) planned contracts. Construction commenced in April 2024 and is projected to be completed in July 2027. The total three-year budget is \$8,000,000.

**Sewer & Storm Drain Improvements in Hyde Park 21-309-001:** Sewer and Storm Drain Improvements in Hyde Park based on the findings of the CMOM group which identified sewer and drain defects in this area. The contract also includes associated water relay for pipes within project limits that have reached the end of their lifespan. Construction is projected to commence in April 2025 and be completed in October 2027. The total three-year budget is \$1,208,000.

**Replacement and Rehabilitation of Sewers and Drains in Allston/Brighton, Fenway/Kenmore, Jamaica Plain and Roxbury 20-309-007:** Includes sanitary sewer & drain replacement and rehabilitation in Allston/Brighton, Fenway/Kenmore, Jamaica Plain, and Roxbury. Construction began in April 2025 and is projected to be completed in September 2026. The total three-year budget is \$3,500,000.

**Sewer and Drain Replacement and Rehabilitation (R&R) 20-309-006:** Sewer Replacement/Rehabilitation based on findings of the CMOM group, some Water Main Replacement. Construction commence in July 2024 and is projected to be completed in December 2025. The total three-year budget is \$4,876,000.

**Charlestown Relay and Rehabilitation 20-309-002:** Final and Semifinal Payments expected in 2025. Construction commenced in June 2023 and will be completed in December 2024. The total three-year budget is \$428,000.

**Replacement and Rehabilitation of Water, Sewer and Drain pipes in the South End and Dorchester 20-308-001:** Replacement of older cast iron water mains that have reached the end of their useful life. Also, associated sewers and drains that are in disrepair. Construction commenced in April 2024 and is projected to be completed in May 2026. The total three-year budget is \$164,000.

**South Boston Sewer Separation - Construction Administration for Multiple Construction Contracts 20-206-002:** Construction administration and resident engineering services during installation of new water mains, sanitary sewers and storm drains in the South Boston

## 2025 – 2027 Capital Improvement Program

---

neighborhood abutting the Fort Point Channel. Infrastructure is being constructed to improve water quality in Fort Point Channel, reduce the volume of stormwater delivered to MWRA's Deer Island Wastewater Treatment Plant and to support future economic expansion along the Dorchester Avenue Corridor. Construction commenced in February 2024 and is projected to be completed in July 2025. The total three-year budget is \$1,918,000.

**Replacement and Rehabilitation of Water, Sewer, and Drain Pipes in Back Bay, Beacon Hill, and City Proper 19-308-004:** Construction commenced in April 2024 and will be completed in May 2026. The total three-year budget is \$900,000.

**Water Improvements in Charlestown 19-308-002:** Replacement and rehabilitation of sewers and drains in Charlestown. The total three-year budget is \$4,250,000.

**Sewer and Drain Replacement and Rehabilitation (R&R) 18-309-003:** Replacement and rehabilitation of sewers and drains. The total three-year budget is \$1,860,000.

**Water, Sewer, & Drainage Works Improvements 18-309-001:** Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. The total three-year budget is \$3,704,000.

## INCREASED CAPACITY PROJECTS

### DESCRIPTION AND JUSTIFICATION

During the 1980s, the Commission completed the construction of several new major interceptors including the New Boston Main and New East Side Interceptors. They provided increased system capacity, which reduced wet weather combined sewer overflow discharges and virtually eliminated dry weather discharges to Boston Harbor and its tributary waters.

Since their completion, the Commission has continued to make capital investments to increase system capacity in some areas and maximize the existing capacity of the system in other areas. The Commission's efforts to increase system capacity are designed to ensure sufficient hydraulic flow in all areas of the city, reduce long-term maintenance costs, minimize the frequency and volume of CSO discharges and ensure the continued structural integrity of the wastewater collection system.

## 2025 – 2027 Capital Improvement Program

---

### SEWER SYSTEM SPECIAL PROJECTS

#### DESCRIPTION AND JUSTIFICATION

The Sewer System Special Projects category provides funding for a variety of system planning and other studies and for professional services associated with the rehabilitation and operation of the sewer system.

Overall, the objectives of the Sewer System Special Projects are to extend the useful life of the Commission's wastewater facilities, comply with the requirements of the NPDES Permit regulations and plan for future sewer system projects.

#### PROJECTS

**Roadway Restoration of BWSC Excavations 25-309-007:** The total three-year budget is \$3,000,000.

**Survey Services for CIP Projects 25-206-XXX:** Professional services contract for total station surveys used to design CIP project plans. This professional services contract provides survey information utilized to produce design plans. These services augment the Commission staff surveys. The services are scheduled to begin in June 2025 and must be completed June 2028. The total three-year budget is \$250,000.

**Sewer Lateral Testing and CCTV Inspection of Sewers and Drains 24-309-015:** The new lateral testing contract will enable the Commission to continue testing sewer laterals for leakage and continue televising sewers and drains to identify illicit sanitary connections to the storm drain and structural deficiencies which may allow sewage to enter storm drains (cross contamination). Planning commenced in August 2024 and is scheduled to be completed August 2026. The total three-year budget is \$323,000.

**South Boston Sewer Separation - NBMI Phase II 24-309-005:** Rehabilitation of a portion of the 102" New Boston Main Interceptor (NBMI) from Columbus Park Headworks to Preble Street at Wendeller Street, including rehabilitation of all manhole risers and 2 special structures. Evaluation of the siphon chambers at Andrew Square identified significant deterioration of both structures. This finding resulted in further investigations to assess conditions along the entire length of the 102" NBMI system. These investigations revealed that there was also deterioration of all pipe segments, manhole risers and large chambers, both upstream and downstream of the siphon chambers. The total three-year budget is \$1,842,000.

## 2025 – 2027 Capital Improvement Program

---

**West Roxbury and Hyde Park SSES 23-206-005:** The Massachusetts Department of Environmental Protection (DEP) developed regulations requiring sewer system operators to create and implement a long term infiltration and inflow (I/I) reduction plan to remove extraneous flows from the wastewater collection system. The I/I Master Plan was completed in May of 2017. The I/I Master Plan recommends that the Commission conduct sewer system evaluation surveys in sections of the wastewater collection system exhibiting excessive flows. Design is scheduled to commence January 2026 and be completed July 2026. This project is intended to identify sources of extraneous flows in the wastewater collection system serving West Roxbury and Hyde Park. The total three-year budget is \$1,912,000.

**Depictions of Sewer Special Structures - Phase II 23-206-003:** Produce animated three-dimensional (3D) interactive renderings for up to 50 sewer regulators and other sewer structures. Planning commenced in January 2023 and will be completed in April 2025. The total three-year budget is \$129,000.

**Charlestown SSES 23-206-001:** This project will entail an Infiltration and Inflow Sewer System Evaluation Survey (SSES) to identify sources of extraneous flow in the Commission's wastewater collection system. The SSES will include flow monitoring, manhole inspection, smoke testing, dye testing and television inspection of sewer pipes. Findings will be provided to the Commission in a report with recommendations for capital improvements to eliminate sources of extraneous flows. The total three-year budget is \$569,000.

**Sewer Drain Model Update 22-206-011:** The purpose of this project is to update and recalibrate the Commission's Sewer and Drain model. The model has not been updated and calibrated since 2016. Utilizing models that are up to date and are representative of the Commission's infrastructure is critical to long term planning goals and to meet regulatory milestones. The total three-year budget is \$704,000.

**Survey Services for CIP Projects 22-206-003:** Professional services contract for total station surveys used to design CIP project plans. This professional services contract provides survey information utilized to produce design plans. These services augment the Commission staff surveys. The services began in June 2022 and must be completed June 2025. The total three-year budget is \$76,000.

**Dorchester Interceptor - Relief Sewer Construction Monitoring:** This project involves engineering services in connection with monitoring construction of the Dorchester Interceptor Relief Sewer. Construction is projected to commence in January 2025 and be completed in October 2027. The total three-year budget is \$100,000.

**Dorchester Interceptor - Relief Sewer Construction:** This project is for engineering services for construction of the Dorchester Interceptor Relief Sewer. The total three-year budget is \$500,000.

## 2025 – 2027 Capital Improvement Program

---

**Dorchester Interceptor Storage Tank Design:** This project entails engineering services for design and preparation construction document suitable for public bidding. The engineering firm will prepare bid documents include plans, specification, and cost estimates for construction of a tank and appurtenances for the temporary storage excess wastewater flows that occur in Dorchester Interceptor during extreme storm events. The total three-year budget is \$500,000.

**Roxbury SSES:** This project will entail an Infiltration and Inflow Sewer System Evaluation Survey (SSES) to identify sources of extraneous flow in the Commission's wastewater collection system. The SSES will include flow monitoring, manhole inspection, smoke testing, dye testing and television inspection of sewer pipes. Findings will be provided to the Commission in a report with recommendations for capital improvements to eliminate sources of extraneous flows. After the Commission approves the recommendations, Contract Documents for Bid will be produced. The total three-year budget is \$2,500,000.

**CCTV Inspections for Tidal Infiltration:** This project involves CCTV inspections of sanitary sewer and combined sewer in sections of the city with high groundwater level resulting from tide water levels. This modified SSES project will identify sources of extraneous flow in the wastewater system by closed circuit television inspection of sewers and combined sewer. Defects may include cracked or broken pipe that allow groundwater to enter the sewer system. The defects found will be evaluated and included in a capital improvements design project to rehabilitate or replace the cracked and broken pipe. The total three-year budget is \$1,200,000.

**Sewer Drain Sensor Deployment Phase 2:** The purpose of this project is to continue the real-time sewer and drain level monitoring program currently deployed in Commission's system. The monitoring program tracks water levels in 75 sewer and drain pipes across the city and displays the data on a web-based dashboard. The dashboard and data are used to inform operation and planning objectives. This project will expand the number of sensors deployed in the sewer and drain system from 75 to 125. The total three-year budget is \$672,000.

**Owner Correction of Illicit Connections:** Funds will be used to reimburse owners who must pay to install ejector pumps or redirect internal building sewers in order to correct illicit connections. The total three-year budget is \$23,000.

**Inundation Model Update and Maintenance:** The purpose of this program is to utilize the updated Commission's Sewer and Drain Models to update the inundation model, add new LIDAR data and coastal sea level and storm surge data and rerun the updated inundation model to determine what areas of the city may experience inundation with the implementation of the City's flood barriers, implementation of the Coastal Stormwater discharge recommendations and stormwater detention recommendations. Planning commenced in August 2024 and be completed in July 2027. The total three-year budget is \$720,000.

**Iron Frame and Cover Castings:** Supply of Iron Frame and Cover Castings. The total three-year budget is \$1,025,000.

**Summer Street Pump Station:** Pump/Equipment Up-Grades; Building/Roof Upgrades; Flood Protection. Construction commenced in January 2024 and be completed in December 2026. The total three-year budget is \$300,000.

## 2025 – 2027 Capital Improvement Program

---

**Union Park Pump Station:** Pump/Equipment Up-Grades; Building/Roof Upgrades; Flood Protection. Construction commenced in January 2024 and be completed in December 2026. The total three-year budget is \$1,500,000.

**Trilling Way Pump Station:** Pump/Equipment Up-Grades; Building/Roof Upgrades; Flood Protection. Construction commenced in January 2024 and be completed in December 2026. The total three-year budget is \$330,000.

## **2025 – 2027 Capital Improvement Program**

---

### **SUPPORT PROJECTS**

Various Support Projects are included in the 2025-2027 CIP, which the Commission firmly believes will improve the overall efficiency of Commission's functions and enhance its ability to collect revenues and track information. Funds are also allocated for software licenses and upgrades, hardware and peripheral equipment, metering, and vehicles.

### **OBJECTIVES**

The primary objectives of the Support category for 2025-2027 are as follows:

- ✓ Upgrade of Automatic Meter Reading System Data Base
- ✓ Replacement of HVAC System of Commission Headquarters
- ✓ Rooftop Upgrade Replacement
- ✓ Replacement of Commission Vehicles

Support Projects are divided into three sections. These sections are:

- ✓ Metering
- ✓ Information Technology
- ✓ Administrative Equipment

Support Projects in the 2025-2027 Capital Improvement Program total \$66.8 million, of which \$27.4 million is allocated for 2025.

## 2025 – 2027 Capital Improvement Program

---

### METERING

#### DESCRIPTION AND JUSTIFICATION

Metering programs include meter downsizing, which involves the replacement of large meters with smaller meters, where hydraulically feasible. On an annual basis, the Meter Service Department repairs, replaces tests and installs water meters and automatic reading devices and maintains all field components of the Commission's Automatic Meter Reading system. All meters that are removed are tested on and fully equipped test bench, which was purchased in 2009. Meters 3" and larger are field tested, based on size, at intervals of: every year (6" to 10", every other year (4") and every three years (3"), in accordance with American Water Works Association standards. In addition, usage is evaluated utilizing the AMR system and recommendations are made to downsize identified meters to more accurately account for low flow.

### PROJECTS

**MTU and DCU Maintenance/Repair/Replacements and Upgrades:** Having completed the upgrade of its AMR infrastructure in 2018, efforts will focus on quickly addressing any system issues with the intent of preserving the elimination of estimated bills which the system has achieved. In conjunction with Aclara, the Commission will update the current star programmer which will no longer be supported after May 1, 2024, to mobile wireless programmer. At the end of 2024 and into 2025 the commission will explore the feasibility of adding another analytics module to AclarOne that automatically adjusts bad reads and estimates read based on historical trends. In addition, the Commission will explore a pilot for a different automated meter reading system. This is projected to be awarded January 2024 and be completed in April 2024. The three-year budget is \$2,500,000.

**Large Meter Work (Water):** The Commission closely follows AWWA recommendations and tests all large meters in accordance with AWWA parameters. In the course of its large meters work, the Commission prioritizes the repair/replacement of any malfunctioning parts and/or replaces large meters, as necessary. Wherever feasible, the Commission downsizes large meters to improve accuracy of registration. The three- year budget for this project is \$1,800,000.

**Residential Metering (Water):** The residential metering program is an ongoing project to replace approximately 4,000 residential meters sizes 5/8" through 2" annually. The three- year budget for this project is \$1,500,000.

### INFORMATION TECHNOLOGY

Effective use of the right technologies enables BWSC to provide more efficient and high-quality water and sewer services to the City of Boston. Strategic planning, careful selection of technological tools, and effective use of such tools has enabled BWSC to continue to improve the level of service associated with emergency responses, preventative maintenance, infrastructure improvements, and most importantly, quality customer service. Providing staff with appropriate training and utilizing the right mix of hardware and software is something BWSC continues to assess and act upon as new technologies continue to evolve.

A number of mission critical software applications are utilized to support BWSC's daily operations and provide for emergency response services 24 hours a day, 7 days a week. BWSC is actively upgrading and replacing various systems. The following are projects that have been completed to date and projects projected to be completed during the next several years.

- Implement new Project Management Information System
- Move Customer Information System to the Cloud
- Implement new Geographic Information System Viewing Application
- Upgrade Virtualization Hardware

Cybersecurity: BWSC adheres to the NIST (National Institute of Standards and Technology) Cybersecurity Framework (the "NIST Framework"). As the Cybersecurity landscape evolves so does the NIST Framework. The only way to accelerate detection and response to sophisticated threats is to understand the behavior of all individual components of an attack across your organization. BWSC has selected security products from different vendors which integrate to offer an overlapping layered approach to security with multiple levels of protection. In the event of a breach BWSC has multiple levels of backups in place to mitigate data loss. Most of the deployed security products are now cloud based and rely on analysis of datasets to identify threats based on patterns. These products also include remote monitoring and response. BWSC has deployed security products to cover each functional level of the NIST Framework: Identify, Protect, Detect, Respond and Recover. BWSC has recently completed a cybersecurity assessment, which is compliant with the AWIA Cybersecurity and Resilience assessment requirement.

### PROJECTS

**Server / Network Hardware & Peripheral Equipment:** New Server/Network Hardware is used to upgrade and add to the Commission's Computing Infrastructure, which provides sufficient capacity and performance to support computing activities including: billing, HRIS, payroll, financials, work order system and GIS. The total three-year budget for this project is \$1,450,000. Hardware and upgrades consist of the following:

- Backup disk/tape
- Communications/Networking
- Server Upgrades
- Disaster Recovery Hardware
- Replace/Upgrade PC's
- Tablets/Ipads/Phones
- Laptops
- Peripherals (cables, adapters, cases etc.)

**Server/Network Software Licenses and Upgrades:** Funding is included for software upgrades and additions to the Commission's Computer Infrastructure. Software and related upgrades to support Commission computing activities include: Billing, HRIS, Payroll, Financials, Work Order system, GIS, Document Management and Construction Management System. The total three-year budget for this project is \$ \$8,210,000. Software and upgrades consist of the following:

- Workorder Mgt. System (Cityworks)
- CIS
- Database Software
- Application Development Tools
- Construction Management Software
- Website
- GIS Software/Upgrade
- Management Dashboard
- Information Security
- Disaster Recovery Software & Services
- AutoCAD & Design Software/upgrades
- Peoplesoft Upgrade

Total three-year expenditure is \$10.9 million, of which \$25.0 million is allocated for 2024.

### ADMINISTRATIVE EQUIPMENT

#### DESCRIPTION AND JUSTIFICATION

The projects contained in the administrative equipment category provide funding for improvements to administrative facilities and equipment. The Fleet department manages and coordinates all activities required for the efficient operation and maintenance of the Commission's fleet of vehicles including heavy equipment. To minimize fleet total cost of ownership (operating and capital cost) and ensure the ability to provide required customer services using reliable transportation and equipment, vehicles should be replaced at regular intervals, derived from optimal replacement cycle analyses. Vehicle replacement cycles provide the basis for long-term replacement plans for year-to-year replacement earmarking and budgeting. A recent study of the Commission's fleet by a professional management consulting firm has determined that optimum replacement cycles for all classes of vehicles range from 7 to 12 years with a weighted average replacement cycle of 8.8 years for all vehicle.

#### PROJECTS

**BWSC Parking Garage – Construction:** Construction of New Parking Garage at BWSC Headquarters is scheduled to commence in March 2026. The total three-year budget is \$2,000,000.

**Phase II of the Replacement of the Internal HVAC System at BWSC Headquarters:** Completion of repairs/replacement of internal HVAC system components that have failed or beyond their useful life. Construction is scheduled to commence in April 2025 and the anticipated complete date of April 2026. The total three-year budget is \$3,000,000.

**New Solar Array:** Construction of a New Solar Array on Parking Garage at BWSC Headquarters . Design is anticipated to begin January 2025. Construction is scheduled to commence in March 2026. The total three-year budget is \$2,730,000.

**BWSC Parking Garage - Design:** Design and Construction Services for New Parking Garage at BWSC Headquarters commenced in October 2024. Design is anticipated to be completed October 2025. The total three-year budget is \$1,000,000.

**Replacement of the Roof and HVAC Roof Units at BWSC Headquarters:** The replacement of 980 Harrison Avenue roof and HVAC rooftop equipment. The total three-year budget is \$19,206,000.

**Gas Pumps Roof Replacement:** The total three-year budget is \$1,000,000.

**Office Furniture:** For the funding of replacement office furniture and installation of modular office space. Planning is projected to commence in January 2024 and be completed in December 2026. The total three-year budget is \$3,600,000.

## 2025 – 2027 Capital Improvement Program

---

**First Floor Garage Repairs:** For the funding of repairs to defective areas of first floor garage. This project will repair compromised areas of the 980 Harrison Avenue first floor garage, protecting Commission vehicles and reducing injury risk to employees. The total three-year budget is \$180,000.

**Electrical Hardware Upgrades:** The components of the existing electrical system at 980 Harrison Avenue are original to the building's online date of 2001. The replacement of electrical circuits and subpanels would enhance overall performance capability and provide the flexibility to accommodate future electrical needs. The total three-year budget is \$250,000.

**Second Floor Garage Fire Suppression Installation:** The Commission has added a fleet of electric vehicles which are stationed on the second floor garage. These vehicles pose a unique fire risk that was not a known accounted for during the building's original design about 25 years ago. This project will allow the Commission to install a fire suppression system in this area best able to protect Commission assets and employees. The total three-year budget is \$3,110,000.

**Commercial Garage Sweeper:** The Commission houses two parking garages at its 980 Harrison Avenue Headquarters Building. A commercial garage sweeper is an asset needed to maneuver tight spaces and provide cleanliness to the garage floors. The total three-year budget is \$1,500,000.

**Owner's Project Management (OPM):** For the funding of Owner's Project Management (OPM) professional services, Contract No. 20-201-005A, for public building projects exceeding \$1,500,000.00 and complex smaller projects. Owner's Project Management (OPM) is required for public building projects exceeding a contract value of \$1,500,000 such as the Roof Replacement and HVAC project. It can also be utilized for smaller projects complex in nature. Planning began in January 2024 and be completed in December 2026. The total three-year budget is \$1,000,000.

**Replacement of Variable Air Volume (VAV) Boxes:** This is for the replacement of Variable Air Volume (VAV) boxes for all three floors of 980 Harrison Avenue. Variable Air Volume (VAV) boxes are critical to the Headquarters HVAC system as they offer more precise temperature control, reduce compressor wear and lower energy consumption by system fans. This project will replace the existing VAV boxes at 980 Harrison Avenue which are original to the building's online date of 2001. Construction is scheduled to commence September 2025 and is anticipated to be completed October 2027. The total three-year budget is \$2,500,000.

**Third Floor Carpet Tile & Stairwell Treading Replacement:** The total three-year budget is \$620,000.

**Fleet Vehicle Maintenance and Replacement:** Replacement of Commission Vehicles; Vehicle Repairs; Equipment Purchases; Bulk Fluid Transfer Dispensing System Upgrade. The total three-year budget is \$8,000,000.

Total three-year expenditure for administrative equipment is \$49.7 million, of which \$22.0 million is allocated for 2025.

### STORMWATER/GREEN INFRASTRUCTURE/LOW IMPACT DEVELOPMENT PROJECTS

#### DESCRIPTION AND JUSTIFICATION

Funding is provided in the 2025-2027 CIP for the implementation of the Commission's Stormwater Program. This program consists of studies of existing and new drainage infrastructure, best management practices and implementation of programs designed to improve water quality, the environment and manage stormwater resources.

The primary purpose of the Stormwater Program is to participate in the Boston Harbor pollution abatement projects, implement green infrastructure/low impact development to improve the water quality of discharges to the local receiving waters and promote public awareness of stormwater quality issues. The goal is also to study existing conditions and make recommendations for placement of new best management practices designed to promote improved water quality, ensure compliance with state and federal regulations, minimize flooding and manage stormwater throughout the City of Boston.

The Green Infrastructure/Low Impact Development ("GI/LID") category provides funding for ("GI/LID") projects as needed in collaboration with public improvements in the City of Boston.

The Commission was required by its Consent Decree with the U.S. EPA to develop a stormwater model to identify pollutant loadings (including phosphorus) from land areas that contribute stormwater runoff to the Commission's storm drain system. The Commission is under an obligation to meet the Phosphorus Total Maximum Daily Load ("TMDL") for the Lower Charles River Basin by reducing elevated levels of phosphorus discharged from its stormwater outfalls. In addition, the Commission prepared a Best Management Practice ("BMP") Recommendations Report in compliance with the terms of the Consent Decree, which was approved by EPA October 23, 2018. The BMP Recommendations Report provides a scheduled plan for implementation of structural BMPs, Green Infrastructure and Low Impact Development ("LID") to reduce pollutant loadings discharged to the twenty-seven sub-watersheds of the City of Boston.

The BMP Recommendations Report provides a plan for the Commission's whole stormwater collection system. According to the interim findings, the cost to implement this plan could be substantial. The purpose of this program is to make available funding to implement GI/LID projects (in collaboration with other city departments and/or private landowners) in the City of Boston as they become available. This program will further the Commission's goal of compliance with the Consent Decree.

As a result of the aforementioned Consent Decree, the commission began charging for stormwater on April 1, 2024. The stormwater charge is a charge to all parcels in the City of Boston with greater than 400 square feet of impervious (hard/impermeable) surface. The stormwater charge is charged based on Equivalent Residential Unit (ERU). Each ERU is equal to 2,164 square feet of impervious surface which represents the average amount of impervious area on one to six unit residential properties in the City of Boston. The rate per ERU will be \$8.98 per month. The stormwater charge implemented as follows: (1) Every one to six unit

## 2025 – 2027 Capital Improvement Program

---

residential properties are charged only one ERU per month, (2) all other parcels are charged per ERU based on the amount of square feet of impervious area. The total amount of impervious area is divided by 2,164 and rounded to the next whole number to calculate the number of ERUs a parcel will be charged.

Stormwater is water from rain or other precipitation. Stormwater runoff is stormwater that does not soak into the ground. Stormwater flows off hard surfaces, like streets, parking lots, construction sites, and rooftops during heavy rainstorms and when the snow melts. The water then goes into BWSC's stormwater system. As stormwater flows over these hard surfaces, it collects trash, sediment, and pollutants like motor oil and fertilizer. Most of the City's storm drains take that water directly to our brooks and streams without treatment. The City of Boston lies within the Charles, Neponset, and Mystic River watersheds, which means that our city's streams ultimately drain into Boston Harbor. Managing stormwater helps prevent pollution in our waterways.

The Commission's separation projects involve the replacement of combined sanitary and storm sewers with two separate systems, one for sanitary sewage and one for stormwater. The purpose of the separation program is to reduce the frequency and volume of wet weather CSO discharges and ensure the continued compliance with state and federal permits. Combined systems will be separated where it is appropriate and cost effective to do so. Sewer separation work most often involves converting the combined sewer to a separate sanitary sewer and constructing a new storm drain.

Since 1996, the Commission has spent approximately \$300 million on sewer separation projects. Projects were designed with the intent of eliminating combined sewer overflow ("CSO") discharge, improving water quality in Boston Harbor and its tributaries and diverting stormwater from environmentally sensitive areas. The Commission's ability to remove extraneous flow from its sewers will result in a reduction in its metered wastewater flow and wholesale sewer charges. Thus far, these projects have reduced annual discharge of CSO by 124.3 million gallons.

In addition to addressing CSO concerns, the Commission is identifying sanitary sewage that is being discharge into the storm drain system. In 2023, the Commission eliminated illicit discharges at 15 locations, thereby eliminating the discharge of an estimated 2,320 gallons per day (gpd) of wastewater to the drainage system and receiving waters. Between 1986, when the Commission first began correcting illicit discharges, and the end of 2023, the Commission removed 1,947 illicit discharges, thereby eliminating the discharge of an estimated total of 875,192 gallons of wastewater per day to the storm drainage system and receiving waters.

The Commission regularly inspects, cleans, and maintains its catch basins citywide. Cleaning restores the effective capacity of catch basins, thereby allowing for greater solids removal from stormwater flows. Hoods and traps are replaced on catch basins as needed. The Commission's site plan review process has been upgraded and enhanced in recent years. The Commission now exercises greater control over non-stormwater discharges and ensures that construction sites and new development projects conform to its requirements, as well as state and federal requirements for stormwater management.

## 2025 – 2027 Capital Improvement Program

---

### PROJECTS

**Green Infrastructure at Daisy Field in Jamaica Plain:** A large subsurface gravel filter is proposed at Daisy Field in Jamaica Plain in conjunction with park improvements programmed by the Boston Parks and Recreation Department. This green infrastructure feature will treat stormwater runoff from a drainage area of approximately 70 acres to improve the water quality of the Charles and Muddy rivers. The total three-year budget is \$1,500,000.

**East Boston Sewer Separation Phase IV - Contract 3 - 26-309-002:** Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. Construction is projected to commence in August 2025 and be completed in July 2029. The total three-year budget is \$100,000.

**Tidegates, Citywide 25-309-006:** Replacement of existing tidegates, the Design Department is worked with the Planning and Operations department to identify outfalls which may not be protected from extreme tides to prevent street flooding from surcharged drainage systems. Design is scheduled to commence in January 2025. Construction is scheduled to start April 2026. The total three-year budget is \$1,000,000.

**Citywide R & R 25-309-003:** The intent of this project will be to rehab and replace storm drains where SSOs and other issues have occurred in order to mitigate future issues. This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$500,000.

**Citywide R & R 25-309-002:** Construction of new storm drains to separate approximately 230 acres in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. The total three-year budget is \$500,000.

**Interceptor Cleaning Phase I 25-309-001:** Television inspection and cleaning of combined sewer and drainpipes in the South End included in the Union Park tributary area. Design is scheduled to commence in January 2025. Construction is anticipated to commence July 2025. The total three-year budget is \$500,000.

**Sewer Lateral Testing and CCTV Inspection of Sewers and Drains 24-309-015:** The new lateral testing contract will enable the Commission to continue testing sewer laterals for leakage and continue televising sewers and drains to identify illicit sanitary connections to the storm drain and structural deficiencies which may allow sewage to enter storm drains (cross contamination). Planning commenced in August 2024 and is scheduled to be completed August 2026. The total three-year budget is \$138,000.

**South Boston Sewer Separation - Contract 5 - 24-309-012:** Construction of new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester

## 2025 – 2027 Capital Improvement Program

---

Avenue. Construction is projected to commence in February 2026 and be completed in July 2029. The total three-year budget is \$100,000.

**Charlestown Sewer Separation 24-309-006:** Sewer Separation in Charlestown Lost Village area to reduce CSO overflow. Construction is projected to commence in April 2025 and be completed in October 2025. The total three-year budget is \$364,000.

**Replacement and Rehabilitation of Drain and Sewer Pipes in JP and Roxbury 24-309-003:** Water, Sewer and Drain Replacement and Rehabilitation Citywide on an as needed basis. The intent of this project will be to rehab and replace water/sewers/drains where SSOs and other issues have occurred in order to mitigate future issues. This will be on an as needed basis due to receiving emergency design requests from the Chief Engineer and OPS during year after CIP is developed. Construction is projected to commence in April 2025 and be completed in November 2027. The total three-year budget is \$473,000.

**Citywide R&R 24-309-002:** Construction of new storm drains to separate approximately 230 acres in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. Construction is projected to commence in April 2025 and be completed in November 2025. The total three-year budget is \$250,000.

**Citywide R&R 24-309-001:** Sewer and Drain Replacement and Rehabilitation Citywide. The intent of this project will be to rehab and replace sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. Construction is projected to commence in August 2024 and be completed in August 2028. The total three-year budget is \$250,000.

**Sewage Works Improvements in Mattapan 24-308-014:** Design began in September 2024 and is expected to be completed June 2025. Construction is anticipated to commence September 2025 and be completed June 2027. The total three-year budget is \$100,000.

**Associated Sewer Back Bay/ East Boston 24-308-003:** Design began in May 2024 and is expected to be completed May 2025. Construction is anticipated to commence August 2025 and be completed July 2027. The total three-year budget is \$160,000.

**On-Call Green Infrastructure Design Services 24-206-004:** Professional services contract for the design of green infrastructure / stormwater management structures citywide. The total three-year budget is \$1,000,000.

**South Boston Sewer Separation - Contract 4 23-309-012:** Construction of new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester Avenue. Construction Contract No. 4 is one of five (5) planned contracts to construct new storm

## 2025 – 2027 Capital Improvement Program

---

drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community and to support the BPDA's initiative to foster future development along Dorchester Avenue. Construction is projected to commence in February 2025 and be completed in July 2028. The total three-year budget is \$7,075,000.

**R & R of Sewer and Drain in Fenway 23-309-011:** Replacement and rehabilitation of sanitary sewer and drain pipes. The pipes in this contract have been inspected and reviewed and are found to be in poor condition. Associated water work. Pipes in this contract have been found defective and in need of repair or replacement as determined by cleaning and CCTV inspection under various programs including SSO investigations, CMOM contracts, and illegal connections inspection. Construction is projected to commence in April 2025 and be completed in November 2026. The total three-year budget is \$2,314,000.

**Separation of Sanitary House Laterals 23-309-008:** Replacement and Rehabilitation of Water, Sewer, and Drain Pipes in Charlestown. The total three-year budget is \$249,000.

**Replacement and Rehabilitation Water Sewer and Drain Pipes in Dorchester, Mattapan Roxbury, Fenway Kenmore 23-309-005:** The intent of this project will be to rehab and replace sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. The project also includes the rehabilitation and replacement of water mains that are at the end of their useful life. The total three-year budget is \$1,419,000.

**East Boston Sewer Separation Phase IV - Contract 2 23-309-002:** Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. The total three-year budget is \$2,000,000.

**Sewage Works Improvements in Allston/Brighton 23-309-001:** Replacement and Rehabilitation of Sewers and Manholes. The total three-year budget is \$ 2,806,000.

**Replacement of Failing and Broken Sewers and Drains 22-309-014:** Construction of new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest-level service to the community and support future development along Dorchester Avenue. Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains. Construction began in February 2024 and is projected to be completed in July 2025. The total three-year budget is \$1,287,000.

**South Boston Sewer Separation - Contract 3 22-309-012:** Construction of new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community and support future development along Dorchester

## 2025 – 2027 Capital Improvement Program

---

Avenue. Construction Contract No. 3 is one of five (5) planned contracts to construct new storm drains to separate approximately 400 acres in South Boston along the Dorchester Avenue Corridor. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community and to support the BPDA's initiative to foster future development along Dorchester Avenue. Construction commenced in February 2024 and is projected to be completed in July 2025. The total three-year budget is \$7,656,000.

**Upper Roxbury R&R 22-309-003:** Replacement of failing 1800s combined sewers, installation of new storm drains, and replacement of aging water mains that have reached the end of their useful life. The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. Construction commenced in January 2024 and is projected to be completed in December 2025. The total three-year budget is \$ 4,370,000.

**Replacement of Sewer and Drains Citywide, R&R 22-309-002:** Citywide R&R of Sewers and Storm Drains. The intent of this project will be to rehab and replace sewers/drains where SSOs have occurred in order to mitigate future overflows. Construction commenced in December 2023 and is projected to be completed in December 2025. The total three-year budget is \$1,383,000.

**Sewer Drain Model Update 22-206-011:** The purpose of this project is to update and recalibrate the Commission's Sewer and Drain model. The model has not been updated and calibrated since 2016. Utilizing models that are up to date and are representative of the Commission's infrastructure is critical to long term planning goals and to meet regulatory milestones. The total three-year budget is \$469,000.

**South Boston Sewer Separation - Phase II 21-309-012:** Water and sewer improvements in South Boston, Construction commenced in August 2023 and is projected to be completed in June 2026. The total three-year budget is \$ 2,396,000.

**East Boston Sewer Separation Phase IV - Contract 1 21-309-002:** Construction of new storm drains to separate approximately 230 acres between all five (5) contracts in East Boston and is a continuation of sewer separation work that has been implemented in the neighborhood over the last 20 years. The project also includes upgrades of the sanitary sewer and water main systems to continue to provide the highest level service to the community. Construction Contract No. 1 is one of five (5) planned contracts to construct new storm drains to separate approximately 230 acres in East Boston to further mitigate CSOs and improve water quality. The project also includes upgrades of the sanitary sewer and water main systems to continue providing the highest level of service to the community. Construction commenced in August 2024 and is projected to be completed in July 2026. The total three-year budget is \$8,500,000.

**Sewer & Storm Drain Improvements in Hyde Park 21-309-001:** Sewer and Storm Drain Improvements in Hyde Park based on the findings of the CMOM group which identified sewer and drain defects in this area. The contract also includes associated water relay for pipes within project limits that have reached the end of their lifespan. Construction commenced in April 2024 and is projected to be completed in October 2026. The total three-year budget is \$214,000.

## 2025 – 2027 Capital Improvement Program

---

**Replacement and Rehabilitation of Sewers and Drains in Allston/Brighton, Fenway/Kenmore, Jamaica Plain and Roxbury 20-309-007:** Includes sanitary sewer & drain replacement and rehabilitation in Allston/Brighton, Fenway/Kenmore, Jamaica Plain, and Roxbury. Construction commenced in October 2023. The total three-year budget is \$2,500,000.

**Sewer and Drain Replacement and Rehabilitation (R&R) 20-309-006:** Sewer Replacement/Rehabilitation based on findings of the CMOM group, some Water Main Replacement. Construction is projected to commence in July 2024 and be completed in December 2025. The total three-year budget is \$1,529,000.

**Sewerage & Drainage Works Improvements 20-309-004:** Sewer and Storm Drain Improvements City wide. These improvements are based on the findings of the CMOM group which identified sewer and drain defects in this area. Construction commenced in September 2023. The total three-year budget is \$126,000.

**Replacement and Rehabilitation of Water, Sewer and Drain Pipes in the South End and Dorchester 20-308-001:** The total three-year budget is \$56,000.

**Citywide Illicit Connection Investigation Program Stormwater Phase 5 20-206-007:** Funds will be used to continue the fifth phase of the Citywide Illicit Connection Investigation Program. In this Program illicit sanitary sewer connections and other sources of sewage contamination to storm drains are identified using manhole inspections and sandbagging, water quality sampling, and dye testing of buildings and pipes. The Program includes wet and dry weather outfall screening to prioritize drainage sub-catchments for investigation. Construction commenced in August 2020 and is projected to be completed in December 2024. The total three-year budget is \$218,000.

**Coastal Stormwater Impact Analysis 20-206-004:** The purpose of this project to conduct an analysis of areas along the coast in Boston that will be unable to discharge stormwater due to potential higher tides and develop a strategy for addressing the impact. Planning commenced in November 2020 and is projected to be completed in December 2024. The total three-year budget is \$50,000.

**Tidegates, Citywide 19-309-001:** Tide gate installations and repair at 5 locations along coastal drainage systems to resist tidal inundation of drain conduits. It is anticipated that access and permitted work schedule near the coastal and marine resource areas may delay construction and project cash flow. Construction commenced in March 2024 and projected to be completed in December 2024. The total three-year budget is \$3,981,000.

**Replacement and Rehabilitation of Water, Sewer, and Drain Pipes in Back Bay, Beacon Hill, and City Proper 19-308-004:** The total three-year budget is \$900,000.

**Water Improvements in Charlestown 19-308-002:** This project will replace 8,800 feet of 8- and 12-inch water mains on Bunker Hill Street, Chelsea Street, School Street, Vine Street, and Bartlett Street in Charlestown. This contract is being programmed as a response to a request by the Operations Division for Water Relay on Chelsea Street, in conjunction with break history (School

## 2025 – 2027 Capital Improvement Program

---

Street), and pipe age/risk scoring on 1880's cast iron mains in Bunker Hill and Vine Streets. Construction commenced in April 2024 and be completed in November 2026. The total three-year budget is \$2,784,000.

**Sewer and Drain Replacement and Rehabilitation (R&R) 18-309-003:** Replacement and rehabilitation of sewers and drains. The total three-year budget is \$1,000,000.

**Water, Sewer, & Drainage Works Improvements 18-309-001:** Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. The total three-year budget is \$1,467,000.

**Citywide Illicit Connection Investigation Program Stormwater Phase 6:** Funds will be used to continue the sixth phase of the Citywide Illicit Connection Investigation Program. In this Program illicit sanitary sewer connections and other sources of sewage contamination to storm drains are identified using manhole inspections and sandbagging, water quality sampling, and dye testing of buildings and pipes. The Program includes wet and dry weather outfall screening to prioritize drainage sub-catchments for investigation. The total three-year budget is \$835,000.

**Sewer Drain Sensor Deployment Phase 2:** The purpose of this project is to continue the real-time sewer and drain level monitoring program currently deployed in Commission's system. The monitoring program tracks water levels in 75 sewer and drain pipes across the city and displays the data on a web-based dashboard. The dashboard and data is used to inform operation and planning objectives. This project will expand the number of sensors deployed in the sewer and drain system from 75 to 125. The total three-year budget is \$672,000.

**Owner Correction of Illicit Connections:** Funds will be used to reimburse owners who must pay to install ejector pumps or redirect internal building sewers in order to correct illicit connections. The total three-year budget is \$23,000.

**Inundation Model Update and Maintenance:** The purpose of this program is to utilize the updated Commission's Sewer and Drain Models to update the inundation model, add new LIDAR data and coastal sea level and storm surge data and rerun the updated inundation model to determine what areas of the city may experience inundation with the implementation of the City's flood barriers, implementation of the Coastal Stormwater discharge recommendations and stormwater detention recommendations. The project will also prepare conceptual designs for locations inland to address potential inland inundation. The total three-year budget is \$1,680,000.

**Supply of Fire Hydrants:** The total three-year budget is \$1,315,000.

Three-year total expenditures are \$68.2 million, of which \$25.0 million is anticipated to be spent in 2025.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Long Range Forecast

---

As part of the annual financial planning process, the Commission develops a five-year forecast of revenues, expenses and required rates. In assembling these projections, the Commission must estimate the level of expenditures required in each of the following years to operate and maintain the systems, provide basic services and meet all its financial obligations. In addition, estimates of water demand, based on recent actual trends, are made to calculate water and sewer rate revenue. Utilizing a computerized financial model, the Commission can develop various scenarios reflecting current and proposed program goals and objectives. Upon final review, the Commission decided to institute a 3.40% rate increase for 2025, and forecast a 3.75% increase for the years 2026 & 2027, and a 3.00% increase for the years 2028 & 2029.

### Financial Modeling Results

#### MWRA Assessment

Since the MWRA Assessment is the largest single expense in the CEB, the annual increase in the assessment has a significant impact on the rate projections of the Commission. Federal mandates require the MWRA to invest heavily in water system improvements. These extensive capital projects along with the operation and maintenance of the regional water distribution and wastewater collection systems have caused the MWRA's funding requirements to increase significantly. Consequently, rate increases are expected to continue while these projects are in progress. Again, in developing future rate projections, the Commission must utilize the most current rate projections, which have been issued by the MWRA. The MWRA projections listed below are based on the MWRA fiscal year, which begins July 1, 2024.

The line chart on the following page shows historical results of the MWRA Assessment for the years 2020 through 2024 and the projections for 2025 through 2029. Based on the above forecast increases, the MWRA Assessment is projected to experience an average compounded annual increase of 3.3% in the years 2025 & 2026, and an increase of 3.4% in the years 2028 & 2029. The 2024 actual assessment of \$254.8 million is anticipated to escalate to \$301.6 million by the year 2029. This forecast amount would represent approximately 56.4% of the total expenses of the Commission for that year.

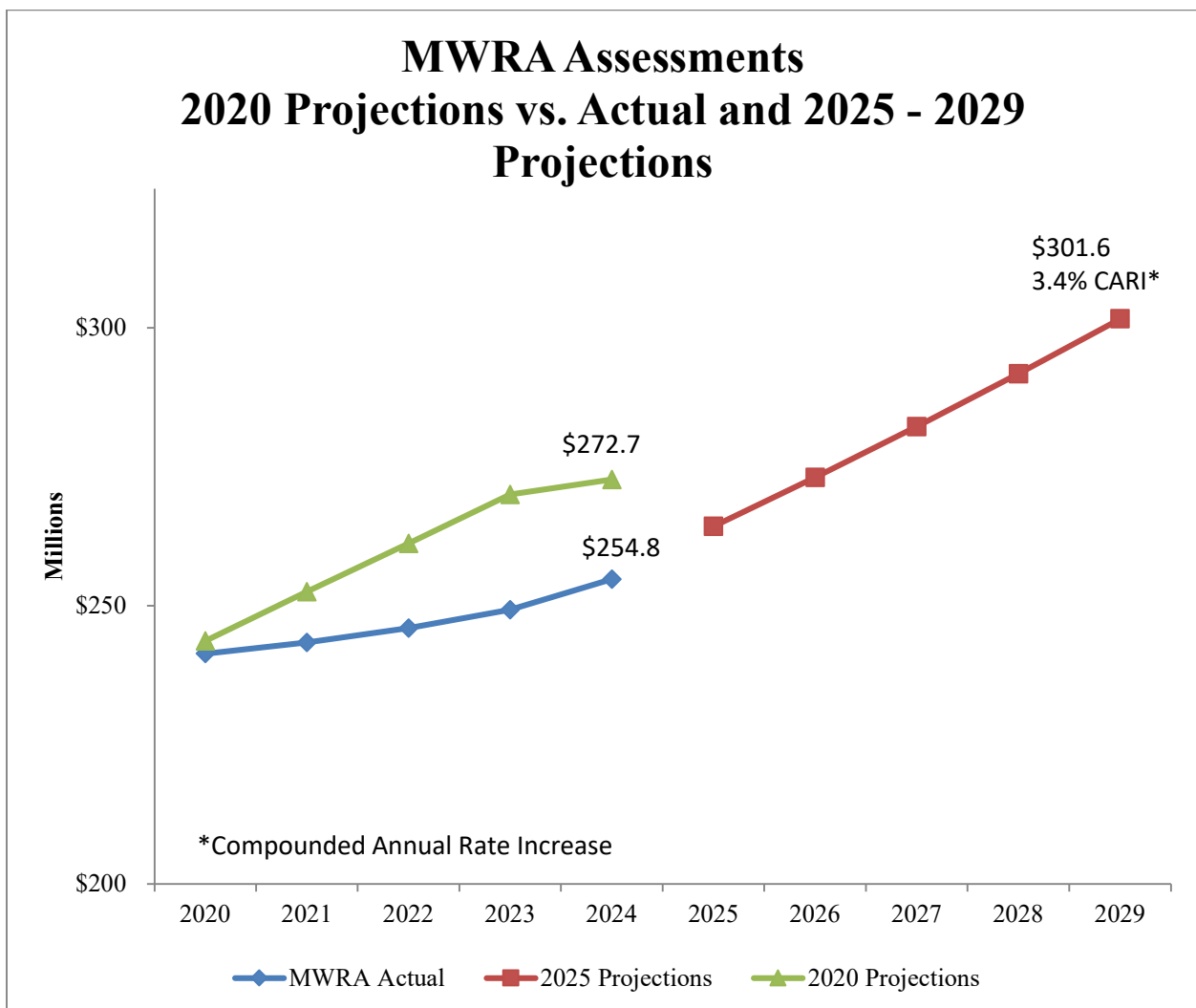
In an effort to minimize the impact of the MWRA Assessment increases, the Commission began an aggressive program to update and improve the water system in 1978. The program included replacing old, ineffective water mains and aggressive leak detection and repair. These efforts, which continue today, combined with the inclining rate structure, have had the net effect of reducing the overall level of water purchased by the Commission from 146.1 MGD in 1977 to 61.9 MGD in 2024. In addition to reducing the level of water purchases from the MWRA, the Commission continues to pursue increasing billable consumption through its ongoing meter replacement and meter downsizing programs. All of these efforts have combined to reduce the level of unbilled water from 48% in 1977 to 16.6% in 2024.

## Long Range Forecast

The past success that the Commission has realized in reducing purchases, maximizing billings and reducing unaccounted-for-water, resulted in a reduced level of rate increases to be passed on to the customer.

### Forecasted MWRA Rate Increases

2025	2026	2027	2028	2029
3.7%	3.3%	3.3%	3.4%	3.4%



## Long Range Forecast

### Forecast Assumptions

Revenue and expense forecast assumptions used in setting the 2025 CEB and rates are detailed below. (\$000)

	2025	2026	2027	2028	2029
Fire Pipe Charges (% of Water)	3.00	3.00	3.00	3.00	3.00
Elderly Discount (% of Billed Chgs.)	1.00	1.00	1.00	1.00	1.00
Late Payment (% of Billed Chgs.)	0.50	0.50	0.50	0.50	0.50
Adjustments (% of Billed Chgs.)	3.00	3.00	3.00	3.00	3.00
Bad Debt (% of Billed Chgs.)	0.10	0.10	0.10	0.10	0.10
Interest on Fund Balances	3.75%	2.75%	2.75%	2.75%	2.75%
Increase in Direct Operating Expenses	3.00%	3.00%	3.00%	3.00%	3.00%
Increase in MWRA Rate Revenue Requirement – MWRA FY					
Water	3.9%	3.9%	3.9%	3.9%	3.9%
Sewer	1.8%	2.9%	2.9%	2.9%	3.0%
Estimated MWRA Rate Revenue Requirement – MWRA FY					
Water	311,379	323,611	336,260	349,506	363,217
Sewer	544,109	560,037	576,257	592,933	610,557
BWSC Share of MWRA Expense					
Water	35.2%	35.3%	35.3%	35.3%	35.3%
Sewer	27.9%	27.6%	27.6%	27.6%	27.6%
Annual MWRA Assessment to BWSC					
Water	112,026	116,415	120,984	125,740	130,670
Sewer	152,233	156,666	161,201	165,930	170,881
Total	264,259	273,081	282,185	291,670	301,550
Stabilization Fund					
Discretionary Deposits	6,813	4,881	2,157	2,601	1,658
Discretionary Withdrawals	0	0	0	0	0

## Long Range Forecast

### Financial Projections

The table below illustrates the Commission's pro forma financial projections for the years 2025 to 2029. This table details the estimated revenues and expenses for the period and the corresponding rate increases required allowing the Commission to meet all its financial obligations.

#### Pro Forma Financial Projections (\$000)

	<i>Unaudited</i>					
	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>
REVENUES						
Water and Sewer Revenue	\$471,536	\$478,390	\$491,606	\$505,189	\$517,871	\$530,872
LESS:						
Adjustments	(14,032)	(14,352)	(14,748)	(15,156)	(15,536)	(15,926)
Discounts	(3,607)	(4,784)	(4,916)	(5,052)	(5,179)	(5,309)
Bad Debt	(205)	(478)	(492)	(505)	(518)	(531)
NET BILLED CHARGES	453,692	458,776	471,450	484,477	496,639	509,106
Prior Year Surplus	1,066	2,435	0	0	0	0
Late Charges	2,495	2,392	2,458	2,526	2,589	2,654
Miscellaneous Income	22,590	21,070	21,749	22,282	22,736	23,313
SUBTOTAL	26,151	25,896	24,207	24,808	25,325	25,967
<b>TOTAL REVENUE</b>	<b>\$479,843</b>	<b>\$484,672</b>	<b>\$495,657</b>	<b>\$509,284</b>	<b>\$521,964</b>	<b>\$535,073</b>
EXPENSES						
Direct Operating Expenses	\$110,445	\$107,631	\$110,716	\$113,893	\$117,166	\$120,537
MWRA Assessment	254,756	264,259	273,081	282,185	291,670	301,550
Renewal/Replacement	43,876	44,320	44,223	46,832	45,125	47,381
Debt Service	50,157	57,095	59,489	60,213	62,398	59,872
Contractual Funding Obligations	17,961	11,158	7,941	5,956	5,401	5,530
SDWA Assessment	212	209	207	205	204	203
<b>TOTAL OPERATING EXPENSES</b>	<b>\$477,408</b>	<b>\$484,672</b>	<b>\$495,657</b>	<b>\$509,284</b>	<b>\$521,964</b>	<b>\$535,073</b>
NET INCOME	\$2,435	\$0	\$0	\$0	\$0	\$0
Average Combined Rate (\$/1000gal)	\$24.64/\$23.47	\$24.35	\$25.27	\$26.21	\$27.00	\$27.81
Annual Increase (%)	1.4%	3.4%	3.8%	3.8%	3.0%	3.0%
Typical Household Bill	\$1,282	\$1,318	\$1,367	\$1,418	\$1,461	\$1,505

\*\$24.64 for 1/1-3/31 and \$23.47 for 4/1-12/31

## Long Range Forecast

---

### Reserve Fund Levels

Deposits will be made to the reserve funds to comply with the Commission’s Bond Resolution. A description of the Commission’s Reserve Funds and current balances are shown in the Budget Overview section of this document. Boston Water and Sewer Commission rate projections for the year’s 2025 – 2029 are outlined on the following page. These rate projections are based on the best data available during the 2025 Financial Planning Process.

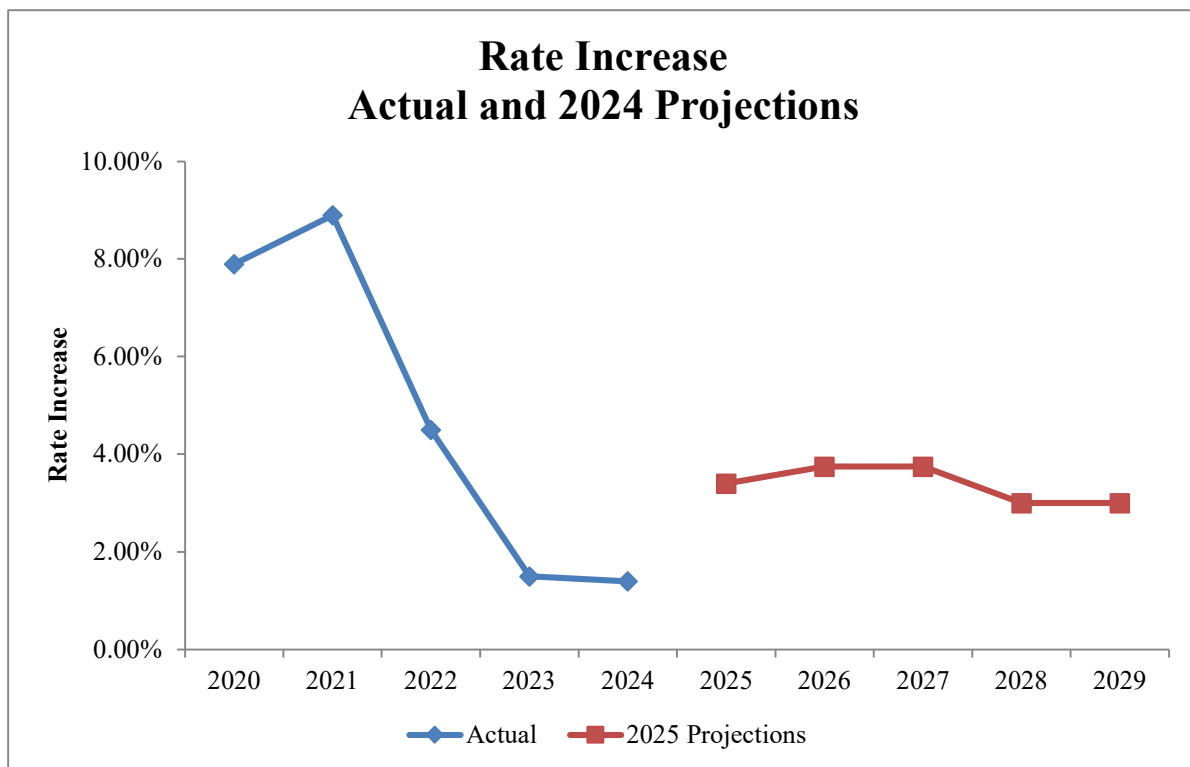
## Long Range Forecast

---

### BWSC Rate Increases

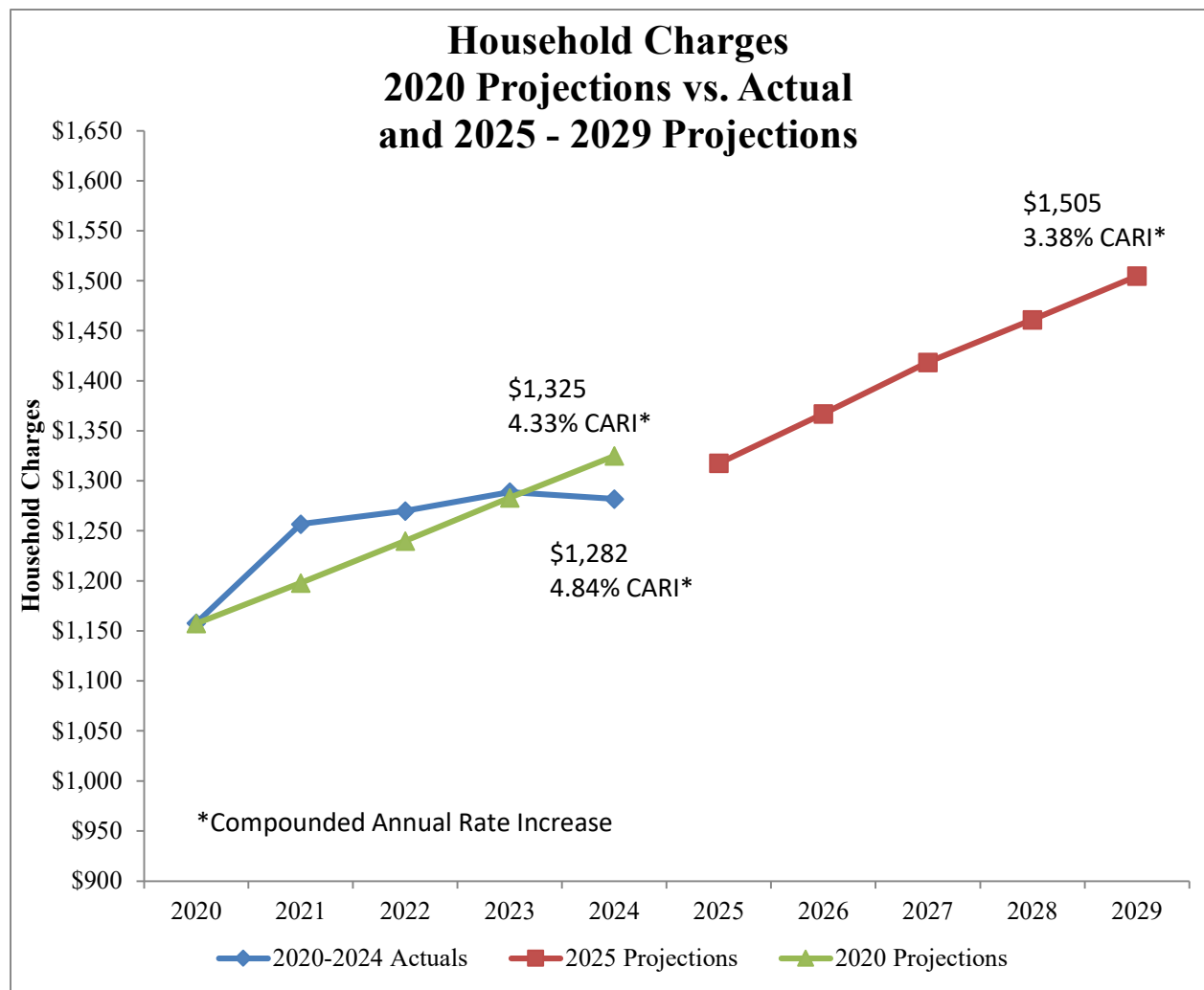
2025	2026	2027	2028	2029
1.40%	3.70%	3.70%	3.70%	3.70%

The current increase for 2025 is 3.40%, an 3.75% increase for the years 2026 & 2027, and a 3.00% increase for the years 2028 & 2029. The graph below illustrates the actual rate increases occurring during the years 2020 through 2024. The Commission was able to do this by effectively controlling costs and utilizing the Stabilization Fund withdrawals.



Household Charges

The Commission approved a rate increase of 3.40% for 2025 and projects an 3.75% increase for the years 2026 & 2027, and a 3.00% increase for the years 2028 & 2029. This rate increase translates into an average household dollar cost to increase from \$1,318 in 2025 to \$1,505 in the year 2029. This is depicted below in the graph, which also shows the actual household charges for the years 2020 - 2024 versus projections made during the same period. The variance between the actual and projected household charges is directly attributed to lower than anticipated wholesale water and sewer rate increases experienced between 2020 and 2024.



**THIS PAGE INTENTIONALLY LEFT BLANK**

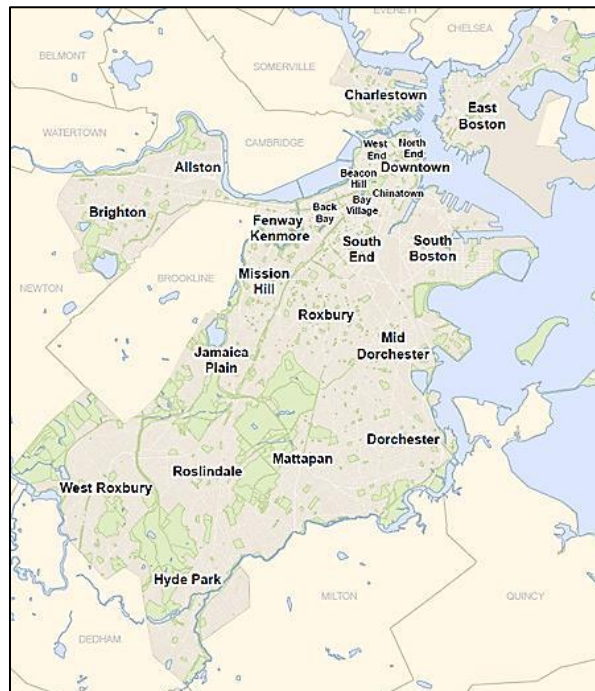
### City of Boston Overview

The first settler in what would become Boston was Reverend William Blackstone, an Anglican clergyman, who built a cottage on what is now Beacon Hill in 1625. He was drawn by the considerable accessibility of fresh water and vast open land. Subsequently, Governor John Winthrop of the Massachusetts Bay Company and a group of Puritan Englishmen who followed Reverend William, formally founded Boston in 1630.

The city is named for a port in Lincolnshire, England, which received its name in honor of a Benedictine monk called Botolph (“bot” meaning boat and “ulph” meaning “helper” in Old English). “Bot Ulphs” Town became Bottleston and ultimately Boston. As most of the Puritan settlers came from the Lincolnshire district of England, they honored their English hometown by transporting the name Boston to the New World.

The City of Boston is the economic heart of the Commonwealth of Massachusetts and the entire New England region, a hub for professional, business, governmental, financial, advanced educational, medical, transportation, communicative, technological, cultural and entertainment services. Additionally, research and development, bio-technology, manufacturing and wholesale distribution also significantly contribute to the economy of the City and the surrounding suburbs.

Boston’s population reached 675,647 according to the 2020 U.S Census Bureau, registering a 9.4% gain since the Census of 2010, the third consecutive decade in which the city’s population has grown. Below is a simplistic version of a map of Boston.



## Unemployment

### Neighborhood Population by Race – City Boston 2024

	White Alone	Black/ African American	Hispanic	Asian alone	Other Races
Boston	320,496	132,187	131,545	82,440	44,868
Allston	16,003	1,683	4,063	7,860	1,903
Back Bay	13,754	717	1,255	2,515	835
Beacon Hill	7,489	258	526	630	371
Brighton	34,639	2,547	5,627	9,269	3,008
Charlestown	13,813	987	2,050	1,660	759
Chinatown	1,910	261	455	3,526	186
Dorchester	27,507	42,783	24,969	13,523	13,356
Downtown	9,777	630	1,092	3,723	602
East Boston	17,048	1,525	23,142	2,091	2,406
Fenway	21,781	2,708	4,483	10,204	2,516
Hyde Park	7,596	15,237	7,922	714	1,771
Jamaica Plain	22,973	4,852	9,223	3,307	2,413
Longwood	2,818	551	1,214	546	419
Mattapan	1,534	16,583	4,037	494	1,490
Mission Hill	7,156	2,617	3,644	4,758	855
North End	9,220	139	501	435	377
Roslindale	13,979	5,731	7,096	974	1,481
Roxbury	7,687	23,306	16,963	3,530	5,053
South Boston	31,289	1,603	4,175	2,269	1,333
South Boston Waterfront	6,053	241	472	685	457
South End	19,577	3,611	4,453	5,613	1,565
West End	5,923	429	756	1,699	484
West Roxbury	20,970	3,188	3,427	2,415	1,228

Population growth within the City of Boston is projected to increase in the ensuing years. The table below displays the historical population and the increase for the year 2020.

Population	1980	1990	2000	2010	2020
Total	562,994	574,283	589,141	617,594	675,647
Growth Rate	-12.2%	2.0%	2.6%	4.8%	9.3%

## Unemployment

---

### Age and Sex

	Boston, MA	United States
Persons under 5 years, percent	4.6%	5.6%
Persons under 18 years, percent	15.2%	21.7%
Persons 65 years and over, percent	12.7%	17.3%
Female persons, percent	51.9%	50.4%

Source: July 2024 Census

The World economy as well as the National Economy has had some drastic and fundamental Shifts in the last three decades. In the U.S. as a whole and Boston in particular the industrial and manufacturing sectors of the economy have drastically declined due to such forces as rising gains in worker productivity assisted by Information Technology and growing levels of automation and off-shoring of jobs to low wage nations.

But Greater Boston has with its unique concentration of institutions of higher education that has helped anchor the growing economic sectors of the innovative economy attracting research and venture capital funding, with multiplier effects across other sectors such as health care and financial services. From 2009 through 2010 the Metro Boston economy grew by 4.8% topping all U.S. large metros and since 2002, the Milken Institute has ranked Massachusetts #1 on its Science & Technology State Index, which is conducted every other year. The study also ranked the Boston Metro Area third in the country in overall educational achievement during that same time period. Furthermore, economic growth in Metropolitan Boston is trending up. In 2014, there was a net gain in jobs of 2.3%.

The economy of Boston is more specialized in the financial, business, professional services, medical, and educational sectors than the suburban economy which is more specialized in high technology and the defense industry. According to a 2013 report by the BRA, Boston regained all but 1,000 of the jobs lost between 2008 and 2010. Shown in the table on the following page is the breakdown of Boston Employment by Industry for the years 2013, 2014 and 2015.

# Unemployment

## Five Largest Public & Private Companies in Massachusetts Ranked by Revenue

Public Company	Industry	2023 Revenue
General Electric Co.	Electronics/Lighting	\$67,950,000,000.00
The TJX Cos. Inc	High Technology	\$54,220,000,000.00
Thermo Fisher Scientific Inc.	High Technology	\$42,860,000,000.00
BJ's Wholesale Club Holdings Inc.	Warehouse Club Operator	\$19,970,000,000.00
Global Partners LP	Adaptive distribution energy company	\$16,490,000,000.00
Private Company	Products/Service	2022 Revenue
Liberty Mutual	Insurance Products and Services	\$49,400,000,000
Massachusetts Mutual Life Insurance Co.	Financial Services/Insurance	\$38,000,000,000
Fidelity Investments	Financial Services	\$28,200,000,000
EG America	Convenience store retailers	\$8,960,000,000.
Demoulas Super Market Inc.	Supermarket Operator	\$7,300,000,000.

\*2024 Book of Lists, Boston Business Journal, Ranked by Revenue

## Unemployment

### City of Boston Employment by Industry for 2024

Area and Industry	June 2023	June 2024(p)	Net change	Percent change
Total nonfarm	1,940.60	1,957.10	16.5	0.9%
Mining, logging, and construction	79.7	80.5	0.8	1%
Manufacturing	78.2	76.3	-1.9	-2.4%
Trade, transportation, and utilities	241.3	239	-2.3	-1%
Information	65.5	62.4	-3.1	-4.7%
Financial activities	156.6	156.9	0.3	0.2%
Professional and business services	416	412.6	-3.4	-0.8%
Educational and health services	440.4	449.5	9.1	2.1%
Leisure and hospitality	194.6	205.4	10.8	5.5%
Other services	69.5	72	2.5	3.6%
Government	198.8	202.5	3.7	1.9%

U.S. Bureau of Labor Statistics 2024 - Boston-Cambridge-Newton, MA division

The unemployment rate for the Boston area in 2024 increased to 3.9%, below Massachusetts at 4.10% and the national rate of 4.10%. The table and following bar graphs show the unemployment trends of Boston versus the United States, and Massachusetts.

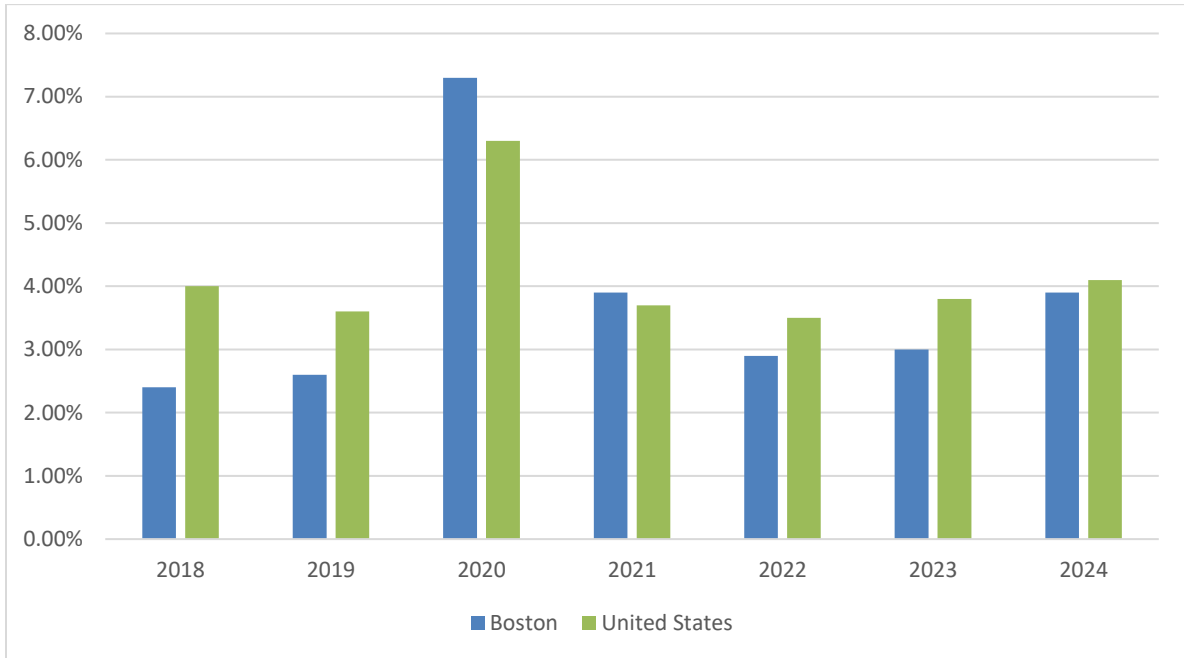
### Unemployment Rates

Unemployment	2018	2019	2020	2021	2022	2023	2024
Boston	2.40%	2.60%	7.30%	3.90%	2.90%	3.00%	3.90%
Massachusetts	3.30%	2.90%	7.40%	3.90%	3.70%	3.70%	4.10%
United States	4.00%	3.60%	6.30%	3.70%	3.50%	3.80%	4.10%

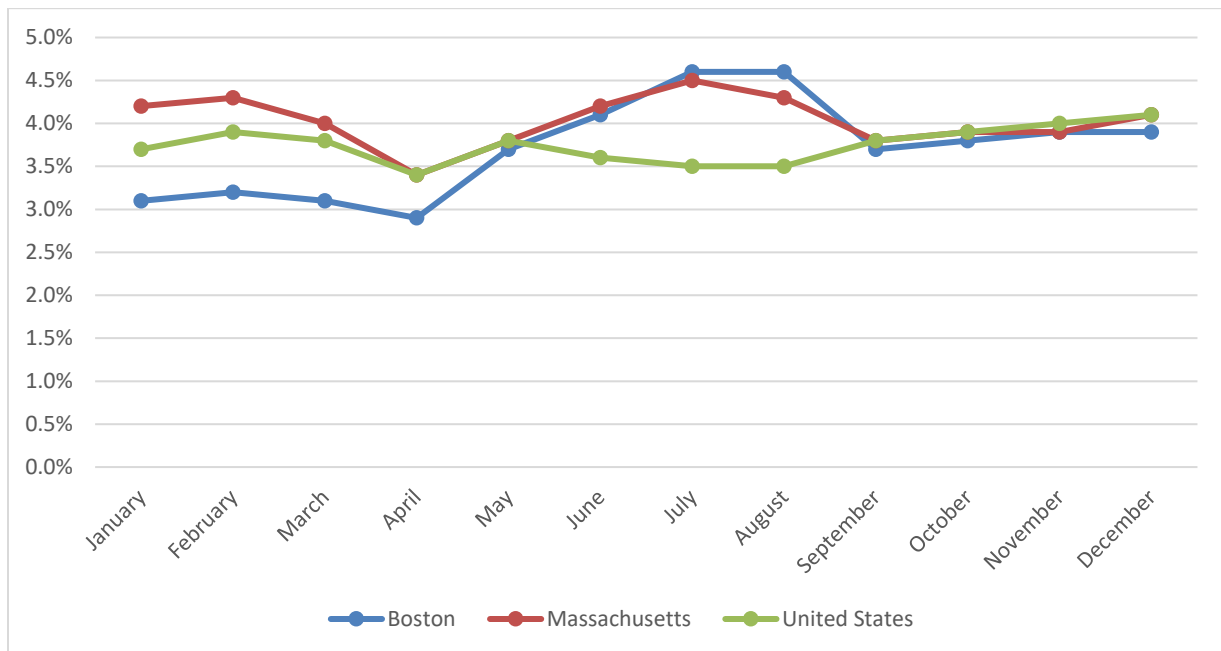
Source: Bureau of Labor Statistics for Boston, United States, and Massachusetts.

# Unemployment

## Unemployment Rate for Boston and United States for the Years 2018 – 2024



## Unemployment Rate for Boston & Massachusetts in Comparison to the United States 2024



Source: U.S. Bureau of Labor Statistics.

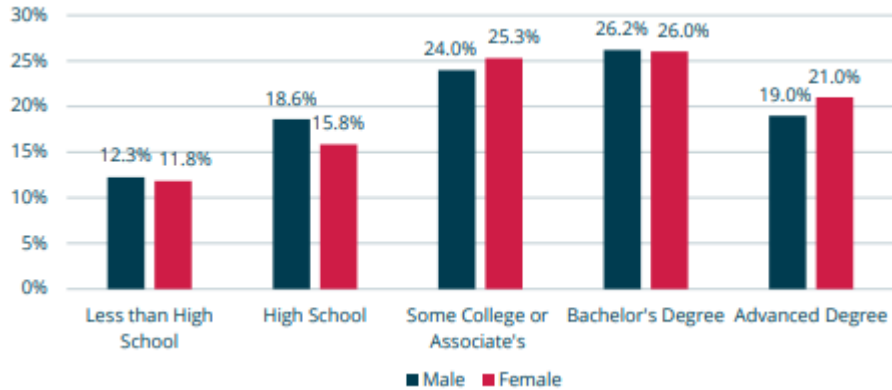
**Largest Employers in Boston**  
**(With 1,000+ employees, listed alphabetically)**

Mass General Brigham1	Cambridge Health Alliance28
Beth Israel Lahey Health2	Boston College27
University of Massachusetts3	Liberty Mutual Insurance25
Demoulas Super Markets Inc.6	Sanofi26
Harvard University4	Moderna Inc.32
The TJX Cos. Inc.5	Thermo Fisher Scientific Inc.*
The Stop & Shop Supermarket Co. LLC7	Massachusetts Mutual Life Insurance Co.33
UMass Memorial Health8	Bank of America34
Massachusetts Institute of Technology9	Vertex Pharmaceuticals35
RTX Corp.11	Cape Cod Healthcare*
Tufts Medicine10	MathWorks39
Boston University12	Encore Boston Harbor37
Boston Medical Center Health System13	Point32Health536
State Street*	EG America*
Southcoast Health15	Blue Cross Blue Shield of Massachusetts38
Dana-Farber Cancer Institute16	Deloitte LLP40
The Kraft Group14	Wayfair*
Northeastern University19	John Hancock42
National Grid17	UG247
Fidelity Investments20	Cushman & Wakefield41
Takeda18	Citizens46
Tufts University21	EMD Serono, MilliporeSigma and EMD Electronics729
Verizon23	Analog Devices Inc.48
Fresenius Medical Care31	Santander US45
Eversource30	The Herb Chambers Cos.50

Source: Boston Business Journal, 2024.

## Education

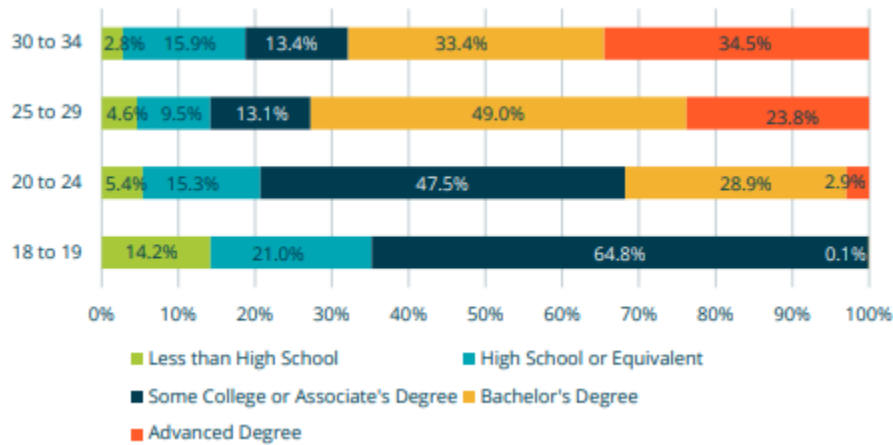
### Educational Attainment of Boston Residents by Gender (Age 18+)



3

Source: U.S. Census Bureau, 2018 1-year American Community Survey, BPDA Research Division Analysis

### Educational Attainment of Young Adults 2018



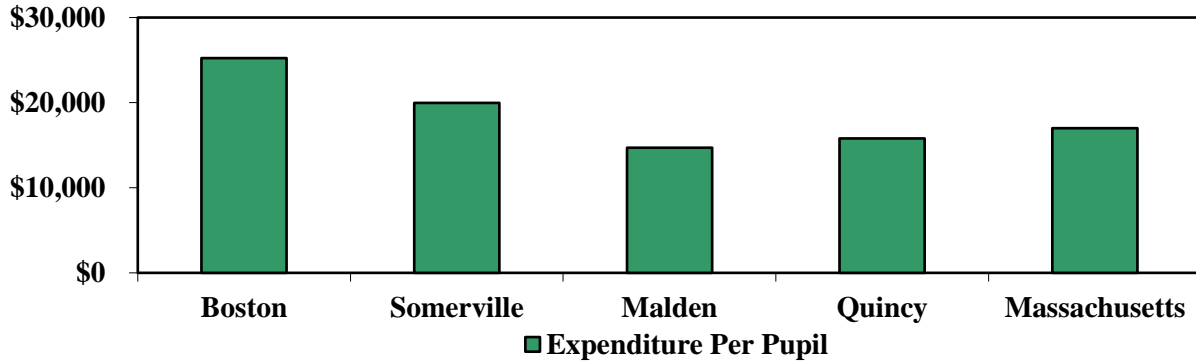
Source: U.S. Census Bureau, 2018 1-year American Community Survey, BPDA Research Division Analysis

### Expenditures Per Pupil 2021 School Year

<b>Boston</b>	\$26,589.17
<b>Somerville</b>	\$22,729.93
<b>Malden</b>	\$16,747.63
<b>Quincy</b>	\$18,338.85
<b>Massachusetts</b>	\$19,062.20

Source: Massachusetts Department of Education Website

**Expenditures Per Pupil**  
**Boston vs. Somerville, Malden, Quincy & Massachusetts**



**Boston Consumer Price Index, 2018 – 2025**

Category	2018	2019	2020	2021	2022	2023	2024	2025
All Items	275.800	281.000	284.300	293.500	320.700	328.400	338.512	343.486
Food	266.000	269.400	283.300	292.300	327.200	349.400	353.910	356.345
Shelter	336.000	348.200	358.100	365.500	340.100	413.400	437.445	445.645
Fuel and Utilities	294.600	293.600	280.400	309.800	474.900	407.000	269.335	268.837
Transportation	196.000	193.000	183.700	206.700	232.300	233.400	231.265	237.571
Medical	651.600	678.600	699.900	698.400	745.000	723.400	758.008	761.429

Source: United States Consumer Bureau of Labor Statistics (2018-Jan 2025)

## Consumer Spending

Boston’s consumer price index for the period of 2018 – 2025 can be compared to the United States consumer price index for the same goods and services. The table below provides data for such purpose.

### U.S. Consumer Price Index, 2018 – 2025

Category	2018	2019	2020	2021	2022	2023	2024	2025
All Items	255.700	258.800	271.000	271.000	296.800	300.800	310.326	319.082
Food	249.200	268.900	277.800	277.800	316.800	320.600	327.731	336.274
Shelter	310.800	318.900	334.600	334.600	366.900	372.500	393.906	410.635
Fuel and Utilities	214.700	195.400	260.540	260.540	274.900	281.700	289.546	280.143
Transportation	337.800	327.600	230.700	230.700	373.600	382.800	420.850	445.910
Medical	544.800	574.800	525.300	525.300	602.400	598.800	605.162	623.392

Source: United States Consumer Bureau of Labor Statistics

### Per Capita Personal Income Comparison, 1970, 1980, 1990, 2000, 2010, 2020

Year	United States	Massachusetts	Boston*
1970	\$4,196	\$4,575	\$4,794
1980	\$10,150	\$10,693	\$11,138
1990	\$19,584	\$23,074	\$24,669
2000	\$30,587	\$38,430	\$42,085
2010	\$40,144	\$51,487	\$55,548
2020	\$63,444	\$78,458	\$85,724

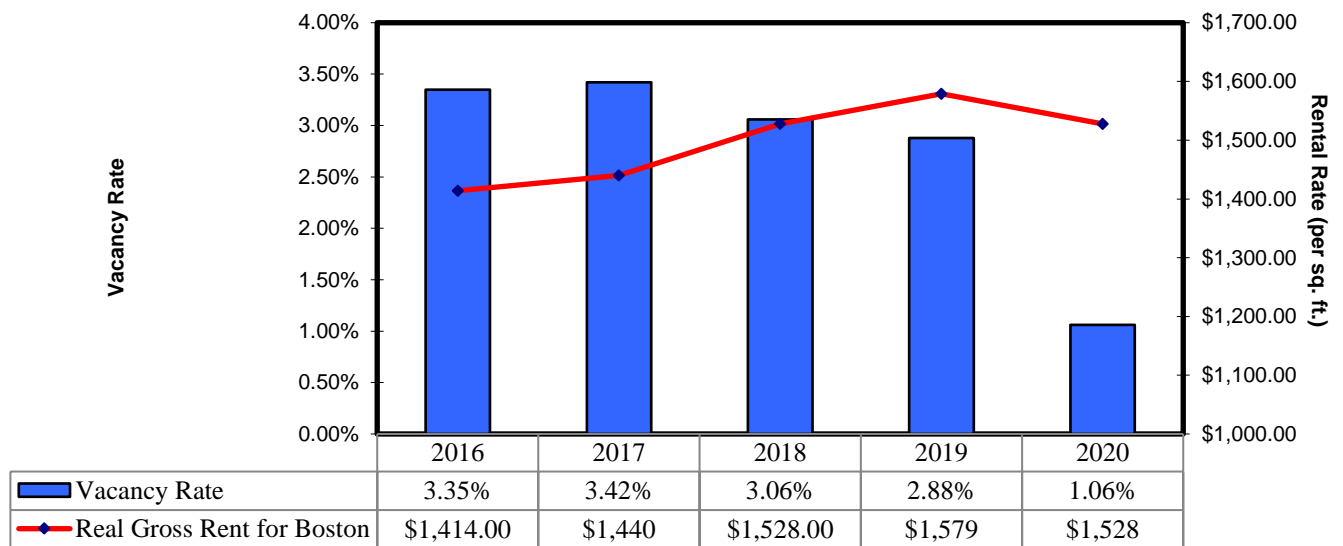
\*Boston-Cambridge-Newton, MA-NH (Metropolitan Statistical Area)

Source: Bureau of Economic Analysis

## Commercial Market

The Boston Office Market contains over 63.9 million square feet of office space in eight submarkets: The Financial District, Back Bay, Charlestown, Crosstown, Fenway/Kenmore, North Station, Seaport District and South Boston. In 2015 the Boston office space vacancy rate declined to approximately 8.90% from 10.90% in 2014. From 2011 - 2013 the Seaport District had significant leasing activity with two to three the rate relative to its market share. But in 2014, the Financial District regained its dominance in terms of market share. Furthermore, rents appear to be steadily rising, reflecting the declining vacancy rate, as this trend continued in 2017 as well.

**Boston Vacancy Rate versus Real Gross Rent for the Period 2016 - 2020**



### Boston's 2020 Most Valuable Taxable Businesses

<b>Owner</b>	<b>Taxable Assessed Value</b>
<b>Boston Properties (NYSE: BXP)</b>	\$4,110,000,000
<b>Eversource Energy (NYSE: ES)</b>	\$2,510,000,000
<b>Oxford Properties</b>	\$1,880,000,000
<b>Tishman Speyer Properties</b>	\$1,420,000,000
<b>TIAA</b>	\$1,350,000,000
<b>Fort Hill Association</b>	\$1,150,000,000
<b>'MetLife Real Estate Investment</b>	\$1,090,000,000
<b>Rockpoint</b>	\$1,010,000,000
<b>John Hancock Financial</b>	\$936,000,000
<b>Morgan Stanley (NYSE: MS)</b>	\$863,000,000
<b>Senior Housing Properties Trust</b>	\$819,000,000
<b>National Grid</b>	\$756,000,000

**Median Sales Price, Single-Family Homes-Boston**  
**For the period 2018-2024**

<b>Year</b>	<b>Median Sales Price</b>	<b>Percent Change</b>
2019	\$650,000	5.69%
2020	\$690,000	6.15%
2023	\$799,300	15.8%
2024	\$845,000	5.72%

Redfin, 2024

**City of Boston Property Tax Recap 2019 – 2021**

<b>Class</b>	<b>Total Value</b>	<b>FY21 Tax Rate</b>	<b>Value Percent</b>
Residential	\$127,136,166,756	\$10.67	66.7%
Commercial	\$54,632,351,855	\$24.55	28.7%
Industrial	\$1,251,386,403	\$24.55	0.7%
Personal	\$7,633,024,951	\$24.55	4.0%
<b>Total</b>	<b>\$190,652,929,965</b>		

<b>Class</b>	<b>Total Value</b>	<b>FY20 Tax Rate</b>	<b>Value Percent</b>
Residential	\$115,818,106,832	\$10.56	66.7%
Commercial	\$51,958,596,980	\$24.92	28.7%
Industrial	\$1,153,868,704	\$24.92	0.7%
Personal	\$7,268,332,238	\$24.92	4.1%
<b>Total</b>	<b>\$176,198,904,754</b>		

<b>Class</b>	<b>Total Value</b>	<b>FY19 Tax Rate</b>	<b>Value Percent</b>
Residential	\$107,628,598,330	\$10.54	65.7%
Commercial	\$4,9035,301,302	\$25.00	29.8%
Industrial	\$1,206,341,032	\$25.00	0.7%
Personal	\$6,643,880,066	\$25.00	4.0%
<b>Total</b>	<b>\$164,514,120,730</b>		

**Monthly Advertised Rent in Boston Neighborhoods for 2018 vs. 2024**

<b>Neighborhood</b>	<b>2018</b>	<b>2024</b>
Allston/Brighton	\$2,466	\$3,489
Back Bay	\$3,853	\$4,314
Beacon Hill	\$3,819	\$4,045
Charlestown	\$3,158	\$3,476
Dorchester	\$2,368	\$3,450
East Boston	\$2,748	\$3,404
Fenway/Kenmore	\$2,795	\$3,996
Jamaica Plain	\$3,177	\$3,328
Mattapan	\$2,231	\$2,618
Roslindale	\$2,169	\$3,142
Roxbury	\$2,425	\$3,135
South Boston	\$3,702	\$4,151
South End	\$3,965	\$4,133
West Roxbury	\$2,246	\$2,670
<b>Citywide (avg)</b>	<b>\$2,937</b>	<b>\$3,525</b>

RentCafe, 2024

## Tourism

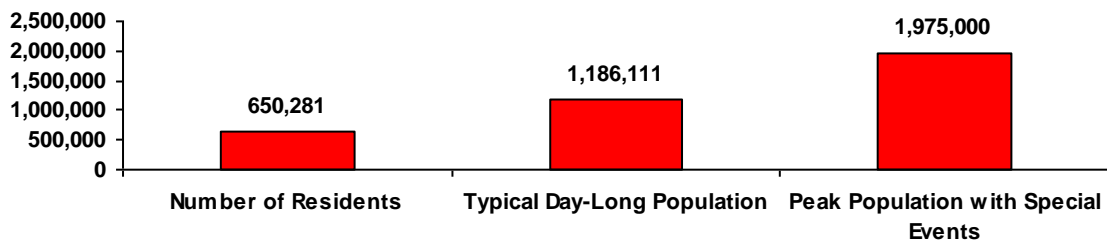
Boston continues to be a city that offers a variety of tourist attractions and is well known as an inviting destination for conventions, concerts, circuses, ice shows, theatrical performances, along with other entertainment and sporting events. In addition to being one of the few major cities that generates more jobs than it has residents, Boston attracts hundreds of thousands of additional visitors who come to shop and visit historic sites. On days when special events are held in Boston, like Sail Boston, or annual events like the Boston Marathon, Fourth of July Esplanade Celebration, or the Head of the Charles Regatta, the city’s population can approach two million people. Regularly scheduled and special events can add from 50,000 to 800,000 visitors to Boston on a single day. Boston is also recognized as a great professional sports city and attendance is generally high for each of the three teams regardless of their record. Last season, the Boston Red Sox drew 2,917,678 fans to Fenway Park. At the Bank North Garden, the Boston Bruins drew 720,165 fans and Boston Celtics drew 760,690 fans for each of their seasons. Based upon the average attendance for all three teams and the total number of home dates, sporting events attract 27,108 people to Boston on game days. In 2015, Faneuil Hall Marketplace was ranked the seventh most-visited tourist attraction in the world with approximately eighteen million visitors per year.

Listed in the following table are the most frequent tourist attractions in Boston.

### Tourist Attractions – City of Boston

Tourist Attraction	Description
Faneuil Hall Marketplace	Historic Marketplace with stores, restaurants and pubs 2016 Attendance 18,000,000.00
The Freedom Trail	Walking tour of Boston’s historical sites
Museum of Science	Science education exhibits and exploration museum 2016 Attendance: 1,500,00
The New England Aquarium	Marine exhibition/research facility 2016 Attendance: 1,390,000
Museum of Fine Arts, Boston	New England’s largest art museum 2016 Attendance: 1,181,657
Boston Duck Tours	Amphibious sightseeing tour
Old North Church	American history museum 2016 Attendance: 578,000
Boston Children’s Museum	Children’s museum 2016 Attendance: 492,105
Black Heritage Trail Afro-American History	Black history museum and tour

Boston Statistics and Reports



**Most Popular Boston Restaurants\***

Bostonia Public House	1	Mooo.... Beacon Hill	6
Theo's Cozy Corner Restaurant	2	Tresca	7
Boston Sail Loft	3	Carmelina's	8
Cafe Bonjour	4	Yvonne's Boston	9
James Hook & Co	5	Sweet Cheeks Q	10

\*Trip Advisor 2025

**Largest Hotels in Boston 2024**

Company	Rooms	Room Rates
Boston Marriot Copley Place	1,145	\$179-\$6,000
Hilton Boston Park Plaza3	1,060	\$199-\$1,500
Omni Boston Hotel at the Seaport	1,054	\$179-\$6,000
The Westin Copley Place, Boston	803	\$219-\$6,500
Westin Boston Seaport District Hotel	793	\$349-\$3,500
Sheraton Boston Hotel	792	\$149-\$2,500
Encore Boston Harbor	671	N/A
Hilton Boston Logan Airport	604	\$159-\$1,500
Omni Parker House	551	\$199-\$2,499
Hyatt Regency Boston	502	\$200-\$2,000

\*Boston Business Journal 2023-2024

## **Commission Background**

---

The Commission was created on July 18, 1977 pursuant to a “home rule” petition enacted by the Massachusetts Legislature as the Boston Water and Sewer Reorganization Act of 1977, Chapter 436 of the Acts of 1977 (“the Enabling Act”). The Enabling Act created the Commission as “...a public instrumentality, a body politic and corporate, a political subdivision of the Commonwealth, separate and apart from the City...” In August of that year ownership of and responsibility for the water distribution system and the wastewater collection and storm water drainage system (collectively known as the sewer system) was transferred to the Commission from the City of Boston’s Department of Public Works (“DPW”).

### **Water Distribution and Sewer Systems**

The Commission's water distribution system serves approximately 90,000 active accounts throughout the City of Boston. Service is provided to the City's schools, hospitals, residential population, businesses, and industries and public and private institutions. In addition to the resident population of nearly 650,281, the daytime population of Boston is increased by approximately 375,590 commuting workers, 52,000 shoppers, 44,530 commuting students, 13,940 overnight guests in hotels and homes, 11,600 tourists, 67,480 combined for conventions, trade shows and sporting events, and 31,830 hospital patients and visits.

The Commission currently owns and operates a system for the distribution of potable water to customers throughout the City of Boston. The Commission purchases finished water (fluoridated and disinfected) from the MWRA. The MWRA is the wholesale provider of water to 54 communities in the metropolitan Boston area.

Boston’s early settlers relied on water from cisterns and underground wells, but the quality was poor and the supply inadequate. The first attempt to provide an alternative came from a private company. In 1796, the Aqueduct Corporation began delivering water from Jamaica Pond through a system of wooden pipes.

In 1848, the City of Boston obtained its first municipal water supply from Lake Cochituate via the Cochituate Aqueduct and the Brookline Reservoir. In order to meet the growing needs of Boston and the necessary system expansion, construction began in 1866 on the Chestnut Hill Reservoir and construction of reservoirs on the Sudbury River to feed the Chestnut Hill Reservoir through the Sudbury Aqueduct soon followed. The Metropolitan Water District was formed in 1895 and by 1908 the Wachusett Dam, Reservoir and Aqueduct were completed.

By the early 1900s, it was apparent that the Boston metropolitan area required additional water supplies and a more comprehensive plan to ensure its delivery. The MDC Water Supply Division was created in 1926 as a solution to this problem and was responsible for building many MDC facilities, among them Quabbin Reservoir, the Quabbin Aqueduct and the Hultman Aqueduct.

On July 1, 1985, legislation was enacted which transferred the possession, control and operation of the MDC Water and Sewerage Divisions to the newly created MWRA. However, the MDC remains responsible for the operation and maintenance of the watershed at the Quabbin and Wachusett Reservoirs, the expenses of which are reimbursed to the MDC by the MWRA.

## Commission Background

---

Currently, the MWRA is authorized to provide water supply services to 54 cities, towns, and special purpose entities located in central and eastern Massachusetts. The Commission is the MWRA's largest single customer for both water and sewer services, and MWRA charges represent the largest single component of the Commission's operating expenses. For the Commission's 2025 fiscal year beginning January 1, 2025, the MWRA assessment is projected to be approximately \$264.3 million, or 54.5% of total expenses projected to be approximately \$484.7 million.

The Commission's current water distribution system consists of approximately 1,008 miles of pipes with diameters ranging from 4 to 48 inches; 17,839 valves; 12,823 hydrants; and 14 miles of high-pressure fire pipe.

The system serves approximately 90,000 accounts through five major service networks: Southern Low Service which serves the City proper, South Boston and parts of Roxbury; Northern Low Service which serves Allston, Charlestown and East Boston; Southern High Service which serves Brighton, Dorchester, Hyde Park, Roslindale, parts of Jamaica Plain, parts of Roxbury and parts of West Roxbury; and Southern Extra-High Service which serves portions of Jamaica Plain, West Roxbury and Hyde Park. In addition, a relatively small area in the Orient Heights section of East Boston is served by a single connection to the MWRA Northern High Service System. Approximately 90% of the water consumed in the city is delivered through the Southern Low Service and Southern High Service, with most of the remainder delivered through the Northern Low Service. These service networks are supplied with potable water purchased from the MWRA at 29 metered delivery points. This water is drawn from the Quabbin and Wachusett Reservoirs located in western and central Massachusetts.

Supply is conveyed via aqueducts from these reservoirs to the Weston and Norumbega Reservoirs, where it is held for delivery to the Commission's service networks.

A number of services in conjunction with the water distribution system are provided by the BWSC. These include mandatory cross connection inspections, meter installation, meter testing on demand, flow testing to determine adequate service line size, fire flow testing, grease trap inspections, water service shut offs and let on's. The Commission also provides assistance for customers in the form of providing construction plan drawings, providing hydrant meters for access to hydrant water, and also the licensing of individuals to ensure properly qualified contractors. A contestant schedule of water sample testing in conjunction with the MWRA is also maintained to ensure safe and desirable water.

The Commission owns and operates a system for the collection and transport of wastewater and storm drainage in the City of Boston. The original backbone of the sewer system was the Boston Main Drainage System ("BMDS"). The BMDS was constructed from 1877 to 1884 under the direction of a special committee established by the City of Boston for that specific purpose. The original system consisted of five combined interceptors, the Calf Pasture pumping station and the Dorchester Bay Tunnel (neither the pumping station nor the tunnel is now in use). The BMDS interceptors were initially designed to carry a peak dry weather sanitary flow together with an allowance for stormwater.

## Commission Background

---

In 1988, construction of the New Boston Main Interceptor and the New East Side Interceptor was completed, replacing portions of the original system. These interceptors serve the sewer needs of downtown Boston, the South End, Roxbury, Dorchester and South Boston. They increase capacity and virtually eliminate dry weather overflows. The volume of wet weather overflows has been reduced as well.

Other collection facilities provide sewer services to different parts of the City. Charlestown is served by a separated system, except for one small area. East Boston, South Boston and Roxbury are served mainly by combined systems; however, major portions of each area have been or are in the process of being separated. The South End has been partially separated under a program initiated by the City's urban renewal program and continued by the Commission where feasible and cost effective. Allston/Brighton, Roslindale, West Roxbury, Hyde Park, Mattapan and portions of Dorchester and Jamaica Plain, all of which are located in the southern part of the City, are served by separate systems.

The Commission's Sewer System collects wastewater and stormwater in the City. The Sewer System consists of approximately 1,535 miles of sewers, including 713 miles of sanitary sewers, 668 miles of storm drains and 140 miles of combined sewers. Sanitary sewers range in size from six-inch clay pipes to 20ft by 15 ½ft reinforced concrete interceptors. The overall sewer system includes 147 regulators and 200 tide-gates. Separate sanitary sewers and storm drains serve approximately 35 square miles, or 83 percent of the City. There are 267 stormwater outfalls. Other facilities include 9 pumping stations and 2 gatehouses. All wastewater collected by the Commission facilities is conveyed to the MWRA's Deer Island Treatment plant.

## Commission Background

### Water Consumption Total 2019-2024 Consumption by Land Use Code (cubic ft.) – Boston Water and Sewer Commission

Codes	2019	2020	2021	2022	2023	2024
<b>A</b>	289,987,676	296,078,854	295,078,992	299,792,917	299,690,607	301,943,019
<b>AH</b>	6,774,917	7,043,969	5,917,351	7,076,053	7,031,092	7,338,580
<b>C</b>	444,564,707	324,913,129	347,021,103	408,742,703	419,715,454	435,083,439
<b>C3</b>	18,045,108	19,194,587	18,967,848	18,586,090	18,639,969	18,661,349
<b>CC</b>	16,824,994	13,490,657	14,008,477	14,895,236	15,428,911	16,116,281
<b>CD</b>	6,889,002	6,843,730	7,064,630	7,673,478	8,185,124	9,163,265
<b>CL</b>	9,557,940	7,687,051	7,555,401	2,023,735	811,280	307
<b>CM</b>	157,759,584	157,170,048	154,496,339	152,915,741	150,464,751	150,418,679
<b>E</b>	613,415,136	549,360,699	551,174,393	589,710,271	569,781,625	595,274,400
<b>EA</b>	14,943,713	15,016,589	14,789,563	13,504,937	12,043,439	11,810,768
<b>I</b>	75,202,150	64,835,207	66,079,512	72,073,235	67,325,810	70,034,580
<b>R1</b>	200,904,494	218,961,099	206,235,640	204,855,057	196,837,666	200,672,134
<b>R2</b>	205,049,599	216,053,907	207,279,516	201,741,411	201,116,743	204,604,795
<b>R3</b>	254,772,490	266,543,327	257,036,867	250,782,639	254,105,710	257,490,021
<b>R4</b>	66,570,061	64,379,694	62,794,229	61,938,511	63,454,959	64,105,584
<b>RC</b>	164,573,942	158,066,124	168,632,687	179,080,999	183,978,303	185,560,333
<b>RL</b>	3,149,239	3,373,440	3,881,296	1,616,008	1,832,952	0
<b>TOTAL</b>	<b>2,548,984,752</b>	<b>2,389,012,111</b>	<b>2,388,013,844</b>	<b>2,487,009,021</b>	<b>2,470,444,395</b>	<b>2,528,277,534</b>

#### Legend for Codes

<b>A</b> = Apartment Building-7 Units or More	<b>EA</b> = Clause 121A Exempt
<b>AH</b> = Agricultural/Horticultural	<b>I</b> = Industrial
<b>C</b> = Commercial	<b>R1</b> = One Family
<b>C3</b> = Condo 3 Units	<b>R2</b> = Two Family
<b>CC</b> = Commercial Condo	<b>R3</b> = Three Family
<b>CD</b> = Condominium Unit	<b>R4</b> = Four to Six Units
<b>CL</b> = Commercial Land	<b>RC</b> = Residential Commercial
<b>CM</b> = Condominium Master	<b>RL</b> = Residential Land
<b>E</b> = Exempt	

## Commission Background

---

### Water Consumption Percent by Category 2024

	ACCTS	%ACCTS	CONS	%CONS
<b>RESIDENTIAL</b>	67,369	70.1%	662,766,950	26.2%
<b>OTHER RES.</b>	10,333	10.7%	570,270,285	22.6%
<b>COMMERCIAL</b>	14,323	14.9%	610,781,971	24.2%
<b>TAX EXEMPT</b>	3,287	3.4%	614,423,748	24.3%
<b>INDUSTRIAL</b>	840	0.9%	70,034,580	2.8%
<b><u>TOTAL</u></b>	<b>96,152</b>	<b>100%</b>	<b>2,528,277,534</b>	<b>100%</b>

## Sources

---

- Boston.com
- 2021 Boston Apartment Rental Market Report
- Boston Business Journal
- Boston Municipal Research Bureau
- Boston Planning and Development Agency
- Boston Redevelopment Authority – Boston’s Economy
- Boston Statistics and Reports
- City of Boston Department of Neighborhood Development
- CLR search.com
- Colliers International
- Federal Reserve Bank of Boston - Indicators
- Jumpshell.com
- Massachusetts Department of Education
- Massachusetts Office of Tourism
- Rent Jungle
- United States Census Bureau
- United States Bureau of Economic Analysis
- United States Bureau of Labor Statistics Report

# The Commission

## Overview

Bargaining Unit	Code	Number of Grades	Number of Position Titles	Number of Budgeted Positions	Weekly Salary Ranges
Executive	EX	10	121	137	\$1,038.93 - \$6,302.13
Local 6	L	5	41	64	\$1,250.00 - \$2,692.30
Local 888	C	6	20	60	\$1,000.00 - \$1,923.08
Council 93	S	4	16	32	\$1,153.85 - \$2,250.00
Local Lodge 100	W	8	26	209	\$1,145.85 - \$2,021.46

## Executive Detail

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
<b>X02</b>			<b>\$1,038.93</b>	<b>\$1,543.08</b>
X02	Administrative Assistant	1		
<b>X03</b>			<b>\$1,194.77</b>	<b>\$1,774.55</b>
X03	Assistant Manager of Fleet	1		
X03	Assistant Manager Revenue Protection	1		
X03	Executive Assistant	2		
X03	Facilities Administrator	2		
X03	Human Resource Generalist	1		
X03	Mobile Device Administrator	1		
X03	Operations Administrator	1		
X03	Safety Coordinator	1		
X03	Sr. Investigator Revenue Audit & Analysis	1		
X03	Senior Investigator/Revenue Protect	1		
X03	Special Project Coordinator	1		
<b>X04</b>			<b>\$1,373.99</b>	<b>\$2,040.73</b>
X04	Compliance Coordinator	1		

## The Commission

X04	Contract Coordinator	1		
X04	Educational Programs Coordinator	1		
X04	Environmental Outreach & Communications Coordinator	1		
X04	Environmental Outreach Coordinator	1		
X04	Executive Assistant	5		
X04	Exec. Asst. to the Chief Engineer Officer	1		
X04	Exec. Asst. to the Chief Financial Officer	1		
X04	Exec. Asst. to the Director of Operations	1		
X04	Finance Specialist	1		
X04	Internal Communications Manager	1		
X04	Human Resources Coordinator/Recruiter			
X04	Labor Relations Specialist	1		
X04	Manager of Enforcement Compliance	1		
X04	Manager of Inventory Control	1		
X04	Manager of Operations	2		
X04	Safety Compliance Specialist	1		
X04	Senior Payroll Administrator	1		
X04	Senior Human Resource Generalist	1		
<b>X05</b>			<b>\$1,580.08</b>	<b>\$2,346.84</b>
X05	Business Systems Analyst			
X05	Collections Administrator	1		
X05	Communications Program Manager	1		
X05	Manager of Benefits/HRIS	1		
X05	Manager of Collections	1		
X05	Manager of Construction	1		
X05	Manager of Customer Service	1		
X05	Manager of Enforcement	2		
X05	Manager of Engineering Customer Service	1		
X05	Manager of Facilities/Nights	1		

## The Commission

X05	Manager of Field Engineering	1		
X05	Manager of GIS	1		
X05	Manager of Operations	1		
X05	Manager of Payroll	1		
X05	Manager of Safety	1		
X05	Manager of Support Services	1		
X05	Night Manager Fleet/Storeroom	1		
X05	Project Director Emergency Preparedness	1		
X05	Senior Application Specialist	1		
X05	Sr. Coordinator of Employment and Comp	1		
X05	Training Manager	1		
<b>X06</b>			<b>\$1,817.10</b>	<b>\$2,698.86</b>
X06	Assistant General Counsel	3		
X06	Asst. Gen. Counsel/Dir. of Health & Safety	1		
X06	Capital Budget Manager	1		
X06	Deputy Director of Facilities	1		
X06	Enterprise Applications Administrator	1		
X06	IT Project Manager	2		
X06	Manager of Accounts Payable	1		
X06	Manager of Billing & Adjustments	1		
X06	Manager of Budget	1		
X06	Manager of Computer Operations	1		
X06	Manager of Enforcement and Compliance	1		
X06	Manager of Fleet	1		
X06	Manager of Leaves	1		
X06	Manager of Meter Projects	1		
X06	Manager of Meter System	1		
X06	Manager of Operations	3		
X06	Project Director	2		

## The Commission

X06	Project Director Asset Management	1		
X06	Senior Manager Organizational Diversity	1		
X06	Systems Administrator	3		
<b>X07</b>			<b>\$1,944.29</b>	<b>\$2,887.78</b>
X07	Database Administrator	1		
X07	Deputy Director Communications			
X07	Deputy Director Construction	1		
X07	Deputy Director Organizational Diversity	1		
X07	Deputy Superintendent Field Operations	1		
X07	Director of Accounting	1		
X07	Director of Application Development	1		
X07	Director of Automatic Meter Reading	1		
X07	Director of Budget	1		
X07	Director of CAD	1		
X07	Director of Facilities and Security	1		
X07	Director of Financial Services	1		
X07	Director of GIS	1		
X07	Dir. of IT Support and Comm. System	1		
X07	Director of Payroll	1		
X07	Director of Procurement	1		
X07	Director of Revenues	1		
X07	Director of Special Projects	1		
X07	Director of Special Projects	1		
X07	Director of Strategic Planning	1		
X07	IT Project Director	1		
X07	Manager of Meter Services	2		
X07	Senior Manager of Operations	1		
<b>X08</b>			<b>\$2,138.72</b>	<b>\$3,176.56</b>
X08	Deputy Director of Account Services	1		
X08	Deputy General Counsel	1		

## The Commission

X08	Director of Finance	1		
X08	Director of Human Resources	1		
X08	Director of IT Infrastructure	1		
X08	Director of IT Security	1		
X08	Senior IT Project Manager	1		
X08	Director of Meter Services	1		
X08	Superintendent AM//CMOM Director	1		
X08	Superintendent Enforcement & Comp	1		
X08	Superintendent Support Service	1		
X08	Superintendent Water & Sewer	1		
<b>X09</b>			<b>\$2,459.53</b>	<b>\$3,653.04</b>
X09	Deputy Gen. Counsel/Chief of Compliance	1		
X09	Director of Communications	1		
X09	Director of Construction	1		
X09	Director of Engineering	1		
X09	Director of Planning & Sustainability	1		
X09	Director of Operations	1		
X09	Director of Organizational Diversity	1		
<b>X10</b>			<b>\$2,828.46</b>	<b>\$4,201.00</b>
X10	Chief Administrative Officer	1		
X10	Chief Financial Officer/Treasurer	1		
X10	Chief Information Officer	1		
X10	Chief of Operations	1		
X10	General Counsel	1		
<b>EXC</b>			<b>\$3,252.73</b>	<b>\$6,302.13</b>
EXC	Chief Engineer Officer	1		
EXC	Executive Director	1		

## The Commission

### Local 6 Detail

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
<b>L08</b>			<b>\$1,250.00</b>	<b>\$1,756.16</b>
L08	Admin Assistant/Account Services	1		
L08	Assistant Manager Purchasing	1		
L08	CMOM Data Coordinator	1		
L08	Collections Investigator	2		
L08	Community Project & Events Officer	1		
L08	Community Relations Officer	1		
L08	Construction Administrator	1		
L08	Evaluation & Compliance Coordinator	1		
L08	Financial Analyst	3		
L08	GIS Analyst	1		
L08	Help Desk Administrator	1		
L08	Legal/Claims Investigator	1		
L08	Staff Accountant	3		
L08	Stock Control Operator	1		
<b>L09</b>		1	<b>\$1,456.30</b>	<b>\$1,856.15</b>
L09	Assistant Manager Construction			
L09	Asst. Mgr. Revenue Audit & Analysis	1		
L09	Construction Site Engineer	1		
L09	Field Service Engineer	7		
L09	Planner	1		
L09	Project Engineer	3		
<b>L10</b>		1	<b>\$1,648.30</b>	<b>\$1,980.77</b>
L10	Application Support Analyst/Trainer	1		
L10	Assistant Manager Collections	1		
L10	Assistant Manager Customer Service	1		

## The Commission

L10	Design Engineer I	4		
L10	Proj. Coord. Stormwater Infrastructure	5		
L10	Project Engineer I	1		
L10	Project Engineer II Planning	1		
L10	Project Engineer I	1		
L10	Senior Accountant	1		
L10	Senior Financial Analyst	2		
L10	Senior GIS Coordinator	1		
L10	Senior GIS Programmer/Analyst	1		
L10	Senior Programmer/Analyst	1		
L10	Site Plan Review Engineer	1		
L10	Support Analyst II	2		
L10	System Engineer	1		
<b>L11</b>			<b>\$1,782.61</b>	<b>\$2,307.69</b>
L11	Assistant Database Administrator	1		
L11	Design Engineer II	3		
L11	Project Engineer II	1		
L11	SSO/Project Manager - Operations	1		
<b>L12</b>			<b>\$1,936.15</b>	<b>\$2,692.30</b>
L12	Project Manager	3		
L12	Senior Design Engineer	2		
L12	Senior Programmer Analyst II	1		

### Local 888 Detail

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
<b>C09</b>			<b>\$1,000.00</b>	<b>\$1,346.15</b>
C09	Account Service Clerk	1		
C09	Facilities Representative	6		

## The Commission

C09	Receptionist	1		
<b>C10</b>			<b>\$1,080.00</b>	<b>\$1,442.42</b>
C10	Account Service Representative	10		
C10	Financial Services Representative	6		
C10	GIS Technician	1		
C10	Junior Engineering Technician	2		
C10	Senior Account Service Clerk	1		
<b>C11</b>			<b>\$1,160.00</b>	<b>\$1,634.62</b>
C11	Buyer	1		
C11	Meter Services Representative	2		
C11	Plans Examiner	2		
C11	Senior Computer Operator	2		
C11	Senior Financial Services Rep	4		
<b>C12</b>			<b>\$1,240.00</b>	<b>\$1,730.77</b>
C12	CAD Technician	2		
C12	Principal Account Service Rep	8		
C12	Principal Financial Services Rep	3		
C12	Senior Engineer Technician	1		
<b>C13</b>			<b>\$1,300.00</b>	<b>\$1,826.92</b>
C13	Senior CAD Technician	3		
C13	Senior GIS Technician	2		
<b>C14</b>			<b>\$1,360.00</b>	<b>\$1,923.08</b>
C14	Principal CAD Technician	2		

### Council 93 Detail

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
<b>S07</b>			<b>\$1,153.85</b>	<b>\$2,115.38</b>
S07	Meter Records Supervisor	1		

## The Commission

S07	Supervisor Collections	1		
S07	Supervisor Customer Service	1		
S07	Supervisor Meter Installation	2		
S07	Supervisor Water & Sewer	2		
<b>S08</b>			<b>\$1,250.00</b>	<b>\$2,173.00</b>
S08	Field Supervisor/Collections	1		
S08	Field Supervisor Revenue Auditing	1		
S08	Financial Supervisor	3		
S08	Supervisor Adjustments	1		
S08	Supervisor of Construction	1		
S08	Supervisor Water & Sewer	13		
S08	Supervisor Hydrant Maint Repair	1		
S08	Work Order Systems Supervisor	1		
<b>S09</b>			<b>\$1,346.15</b>	<b>\$2,250.00</b>
S09	Meter Services Supervisor	1		
S09	Supervisor Buildings & Grounds	1		

## Local Lodge 100 Detail

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
<b>W04</b>			<b>\$1,145.85</b>	<b>\$1,427.96</b>
W04	Apprentice/Ops Svc Repairperson	6		
W04	Ops Service Repairperson I	15		
<b>W05</b>			<b>\$1,192.62</b>	<b>\$1,486.21</b>
W05	Building Maint Tech	2		
W05	Senior Storekeeper	2		
<b>W06</b>			<b>\$1,241.13</b>	<b>\$1,546.67</b>
W06	Building Maint Tech II	4		
W06	Maint Mechanic Mason	1		

## The Commission

W06	Meter Technician	11		
W06	Ops Service Repairperson II	2		
W06	Yard Clerk	10		
<b>W07</b>			<b>\$1,291.47</b>	<b>\$1,609.43</b>
W07	Ops Service Repairperson II	1		
W07	Ops Svc Rep IIA	42		
<b>W08</b>			<b>\$1,349.25</b>	<b>\$1,681.42</b>
W08	Field Service Technician	8		
W08	Fleet Mechanic	3		
W08	Principal Storekeeper	2		
W08	Spec Heavy Motor Equip Oper I	8		
<b>W8F</b>			<b>\$1,397.30</b>	<b>\$1,741.31</b>
W8F	WF Bldg. Maint Tech	1		
W8F	WF Fleet Mechanic	2		
W8F	WF Oper Service Repairperson	16		
<b>W09</b>			<b>\$1,477.82</b>	<b>\$1,841.63</b>
W09	Enforcement Inspector	17		
W09	Inspector	26		
W09	Regulating Inspector	1		
W09	Senior Field Service Technician	5		
W09	Senior Meter Technician	5		
W09	Spec Heavy Motor Equip Oper II	14		
<b>W10</b>			<b>\$1,622.12</b>	<b>\$2,021.46</b>
W10	Licensed Electrician	2		
W10	Maint Mechanic Lic Plumber	6		

### Glossary of Financial and Operating Terms

**Accrual Budgeting:** An accrual method whereby monthly deposits to all appropriate funds are made in an amount sufficient to equal the total projected level of accrued expenditures for each fund thus enabling the Commission to have sufficient funds available to meet scheduled payments of all financial obligations when due.

**Attrited:** To lose (personnel) by attrition.

**Average Household:** A residential customer with average water consumption of 180 gallons per day.

**Board of Commissioners:** The three-member, non-salaried governing board of the Commission, appointed by the Mayor subject to the approval of the City Council. Commissioners serve for a term of four years.

**Bond:** A certificate of debt issued by a government or corporation guaranteeing periodic payments of interest and return of original investment on specified future dates.

**Bond Resolution:** A document that contains terms and conditions relating to the issuance and sale of Bonds and sets forth the Commission's legal obligations to bondholders.

**Boston Harbor Cleanup Project:** An extensive plan of activities, which the MWRA developed and is implementing in response to a federal court order to comply with the provisions of the U.S. Clean Water Act.

**BESS (Business and Engineering Support System):** The Commission has customized computer programs, which provide the Commission with billing, collection, and service information about its customers.

**BWSC:** The Boston Water and Sewer Commission.

**CEB (Current Expense Budget):** A financial plan, which estimates the revenues and expenses, associated with the Commission's operations for a fiscal year.

**CIP (Capital Improvement Program):** A plan which identifies and estimates the nature, schedule, cost, priority and financing of long-term assets that the Commission intends to build, rehabilitate or acquire during a specific period.

**Cleaning and Lining:** A process to improve unlined but structurally sound, older cast iron mains. The mains are cleaned and lined with cement, while still in place to improve hydraulic capacity and extend useful life.

**Collection System:** The pipes, conduits, pumping stations, and appurtenances involved in the collection and transportation of wastewater and stormwater.

**Contractual Funding Obligations:** The incremental deposits into the various reserve accounts so that the Commission may meet the minimum funding requirements of its General Bond Resolution.

## Glossary

---

**Combined Sewer:** A sewer designed to receive both sanitary sewage and stormwater.

**CMOM (Capacity, Maintenance, Operations, and Management):** A Self-assessment study in 2012 that analyzed all aspects of the Commission's sanitary sewer and storm drainage facility operations and maintenance.

**CSO (Combined Sewer Overflow):** The discharge from combined sewers which collect both sanitary sewage and storm water runoff for wastewater treatment. During rainstorms, the system becomes overloaded and the excess is discharged directly into neighboring waterways from CSO outlets. In the City of Boston, there are 37 permitted combined sewer overflow outlets.

**Debt Service:** In a given fiscal year, the amount of money necessary to pay interest and principal on outstanding instruments of indebtedness.

**Debt Coverage Requirement:** The Commission is required to set rates and charges at levels sufficient so that total net revenues equal at least 125% of the Bond Debt Service Requirement during such Fiscal Year with respect to all Bonds Outstanding as of the first day of such Fiscal Year.

**DEP (Department of Environment Protection):** The Massachusetts agency that regulates water pollution control, water supplies, and waterways and dispenses federal and state grant funds to support these activities.

**Direct Expenses:** Expenses directly associated with providing water and sewer services, or of a division, department or operating unit.

**Division:** A major organizational unit within the Commission, encompassing the activities and resources for providing a major service or function. A Division is further divided into departments, units, and programs.

**Drain:** A pipe or conduit, which conveys wastewater or stormwater.

**Enabling Act:** Chapter 436 of the Acts of 1977, the legislation, which established the Commission and defined its purpose and responsibilities as of August 5, 1977.

**EPA (Environmental Protection Agency):** The federal government agency responsible for promulgation and enforcement of environmental regulations and investigation and prosecution of infractions of non-compliance with regulations.

**Expenditures:** Actual payment for goods and services received.

**Financial Statement:** A set of summary documents which pertain to financial information that consist of the following: Balance Sheet, Statement of Operation, Statement of Equity, Statement of Cash Flows, Notes of Financial Statements and, in the Commission's case, Supplements, Schedules of Revenues and Expenses - Rate Basis.

**Fiscal Year:** A twelve-month period for which an organization plans the use of its resources. The Commission's fiscal year is January 1 through December 31.

## Glossary

---

**Fund:** An account established under the Commissions General Bond Resolution into which deposits and withdrawals for specific purposes are made or held.

**Full-Time Equivalent (FTE):** Full-time Employee, who works 40 hours per week and is benefited, coded as 1.0 FTE.

**General Revenue Bonds:** Bonds, which are obligations of the issuer on which revenues received from operations, are pledged for the payment of the principal and interest thereon.

**Goal:** general statements of a desired state, condition, or situation to be achieved, which may be stated from a short or long term perspective.

**Hydrant:** A device connected to a public water main for the purpose of providing water for firefighting or other authorized purposes.

**Independent Auditor:** External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

**Indirect Expenses:** Those costs including expenditures and accrued costs, which are not directly associated with providing services or performing activities.

**Infiltration/Inflow:** Infiltration is groundwater that leaks into the sewerage system through pipe joints and defects. Inflow refers to water that enters sewers from improperly connected catch basins, sump pumps, and land and basement drains and defective manholes. Inflow also enters through improperly closed or defective harbor CSO tide gates when the tide is high.

**Interceptors:** The large pipes or culverts that convey wastewater from the localized collection system to the treatment plant. The Commission's largest interceptors are 20 foot by 15-1/2 foot concrete box culverts.

**Investment Income:** Income derived by investing certain fund balances in interest-yielding securities in compliance with the provisions of the Commission's General Bond Resolution and Investment Policy.

**Inventory:** A product either purchased as a replacement part or as new equipment, costing more than \$100.00 and having a useful life greater than three years.

**Labor Costs:** Direct costs of employing permanent and temporary personnel, including wages, salaries, overtime pay, benefits, and workers' compensation insurance.

**MBE/WBE:** Minority Business Enterprise/Women Business Enterprise.

**Meter:** An instrument for measuring the flow of water.

**Meter Pit:** An underground vault enclosing a meter.

**MGD:** Million gallons per day.

## Glossary

---

**MH:** Manholes.

**Mission:** A description of the fundamental purpose and major activities of a division, department, or other operational unit.

**MWRA (Massachusetts Water Resources Authority):** An agency created by the enactment of Chapter 372 of the Acts of 1984. The MWRA is responsible for providing potable water and wastewater collection, transport, delivery, and treatment services to 60 user communities in Eastern Massachusetts.

**MWRA Assessment Fund:** A fund which receives monthly deposits equal to one twelfth of the annual MWRA Assessment of the Commission which is used to pay the Commission's wholesale water and sewer liability.

**NPDES (National Pollutant Discharge Elimination System) Permit:** A permit issued by EPA in conjunction with DEP to govern discharges into waterways.

**Objective:** (1) A statement defining the result-oriented activities necessary to achieve a stated goal, quantify work output or measure the quality of service; (2) a statement describing continuing targets, long and short term to achieve improvements in efficiency or productivity or establish long range plans.

**OPEB:** Other Post-Employment Benefits Liability (GASB 43 and GASB 45)

**Operating Account:** An account in the Operating and Maintenance Fund which is used as a depository for funds to meet the ensuing months operating liabilities.

**Operating Reserve Fund:** A fund established by the Commission's General Bond Resolution to provide a reserve for operating contingencies. The Operating Reserve Fund is required by the Commission's bond resolution to be funded at not less than one-sixth of its annual operating expenses including the assessments from the MWRA.

**Potable Water:** Water fit for human consumption in conformance with the regulations of the Environmental Protection Agency and Massachusetts Department of Environmental Protection.

**Program:** (1) A sub-unit of a department which is organized as a separate administrative or functional unit; (2) an organized group of activities and the resources to carry them out, aimed at achieving related goals.

**Public Water Main:** The piping and associated valves, hydrants, and appurtenances installed in a public way, Commission-owned easement or private way open to public travel, for the purpose of supplying water to one or more customers or for public fire protection.

**Rate Revenue:** Income received during a specific period from user charges for providing water and sewer services.

**Rate Revenue Requirement:** The amount of revenue necessary to equal total expenses, plus revenue adjustments, less other revenues.

## Glossary

---

**Reserves:** Funds not appropriated for payment of expenditures or that are designated for specific use.

**Residential Meter:** A meter two inches in size or smaller used to measure the flow of water to predominantly residential properties.

**Sanitary Sewage:** Liquid and water-carried human and domestic wastes from buildings, exclusive of ground, storm and surface water.

**Sanitary Sewers:** In a separated system, pipes that carry only domestic or commercial sanitary sewage as opposed to rainwater runoff.

**Sewer:** A pipe or conduit that carries wastewater, either sanitary sewage or storm or surface water runoff, or both.

**Sewer System:** The combined Wastewater System and Storm Drainage System.

**SHEMO:** Special Heavy Equipment Machine Operator.

**Stabilization Fund:** A fund established by the Commission's Bond Resolution to mitigate the impact of extraordinary costs. The Resolution requires minimum funding of the Stabilization Fund in an amount equal to 4% of the aggregate principal amount of the Commission's outstanding variable rate bonds.

**State Revolving Fund (SRF):** See Water Pollution Abatement Trust.

**Storm Drain:** A pipe or conduit designed to carry stormwater or surface water runoff.

**Storm Drainage System:** Storm drains, tide gates, flow regulators, catch basins, stormwater pumping stations and appurtenant facilities.

**Storm Sewers:** Storm drains or storm drainage system.

**Stormwater:** Any water resulting from rainfall or other precipitation that runs off surfaces during or after a storm.

**Strategic Goal:** The long range plans and direction of each division, department or program of the Commission.

**Tactical Goal:** A one-time improvement and/or enhancement to a technical or service oriented process.

**Unaccounted for Water:** Difference between amount of water purchased from the MWRA and the amount of water sold. The difference is caused by system losses, leakage, unbilled public usage, and water used during construction projects.

**Variance:** The dollar and/or percentage difference between two sets of figures.

## Glossary

---

**Wastewater:** The spent water of a community, which may be a combination of the liquid and water-carried domestic or industrial wastes from buildings, together with any groundwater and stormwater that may be present.

**Wastewater System:** The totality of the devices, equipment or works used in transportation, pumping, storage, treatment, recycling, or reclamation of wastewater or in the disposal of the effluent.

**Water Demand:** A projection of aggregate water usage for the City of Boston, which is expressed in million gallons per day.

**Water Pollution Abatement Trust:** A funding mechanism created to administer the Water Pollution Abatement Revolving Fund (State Revolving Fund) established by the Commonwealth of Massachusetts to provide funding for water pollution abatement projects in Massachusetts, incorporating federal and state loans to local governmental units.

**Water Service Pipe:** The connection, piping and associated valves and appurtenances that extend from a public water main to a building or property for the purpose of supplying water.

**Weir:** A dam built to raise, regulate, or divert water.

## **Index**

---

### **A**

Additional Bonds & Refunding Bonds	38
Adjustments to Rate Revenue	54
Administration Division	191

### **B**

Budget Allocations	30
Budget Comparison by Line Items	65
Budget Message	11
Budget Overview	45
2023 Financial Position	45
2023 Revenues and Expense	45
2023 Budget Summary	49
Budget Process Schedule	22
Budget Revenues Sources	51
Budget Summary	49
Budget Variance Monitoring And Analysis	30
Budgeting & Accounting Basis	48

### **C**

Capital Improvement Program (CIP)	233
CIP Cash Flow	236
CIP Funding Sources	237
Administrative Equipment	280
Funding Sources and Financial Impact	245
Project Highlights	237
Projects Associated with the Consent Decree & Water Quality Improvements	239
Information Technology Systems	278

Management Objectives and Accomplishments	232
Metering	277

Capital Improvement Program Budget Development	19
---	----

Capital Improvement Program Process	31
Development	32
Capital Project Funding	33
Capital Budget Amendments	34
Capital Budget Reallocations	34
Capital Program Monitoring and Reporting	34

Commission Budget Summary	110
---------------------------	-----

Commission Goals for 2023	112
---------------------------	-----

Commission Results for 2022	109
-----------------------------	-----

Commission Organization	105
-------------------------	-----

Commission-Wide Organization Chart	106
------------------------------------	-----

Commission Personnel Summary	111
------------------------------	-----

Current Expense Budget Process	29
--------------------------------	----

Customer Base	107
---------------	-----

### **D**

Debt Plan	35
-----------	----

Demographics	299
--------------	-----

Direct Expense Budget	63
-----------------------	----

Direct Expense Budget Comparison	62
----------------------------------	----

Direct Expense and CEB Development	20
------------------------------------	----

# Index

---

## E

Engineering Division .....	176
Executive Division.....	113

## F

Finance Division.....	210
Financial Planning Process .....	19
Financial Policies .....	23
Banking .....	24
Commercial Banking .....	23
Funding and Utilization	
of Reserve Funds.....	24
Operating.....	25
Insurance.....	25
Renewal and Replacement.....	25
Stabilization .....	25
Departmental Program	
Plans & Budgets.....	26
Development, Monitoring &	
Amendments of the CEB .....	27
Development, Monitoring &	
Amendments of the CIP .....	27
Establishment of Water and Sewer	
Rates, Fees and Other Charges ...	27
Investment of BWSC Funds .....	23
Other Commission Policies.....	28
Fund Balances .....	92

## G

General Fund.....	102
Glossary .....	331
Goal Setting Process .....	19

## H

Historical Financial Analysis.....	50
------------------------------------	----

## I

Impact of CIP on CEB.....	247
Increased Capacity Projects.....	272
Index .....	337

Indirect Expenses .....	81
Information Technology Systems .....	278
Insurance Reserve Fund .....	99

## L

Long Range Forecast.....	291
--------------------------	-----

## M

Management Objectives .....	12
Miscellaneous Revenue.....	57
MWRA .....	244
MWRA Assessment Fund.....	100
MWRA Five Year Rate Forecast .....	17

## O

Operations Division.....	135
Operating and Maintenance Fund .....	95
Operating Reserve Fund.....	98

## P

Personnel Summary.....	321
Plans, Policies, and Procedures .....	19
Prior Year Net Operating Surplus .....	56
Program Based Budgeting.....	19

## **Index**

---

Program Goals and Budgets.....105

### **R**

Rate Increase.....296

Rate Revenue .....53

Rate Setting Process.....21

Renewal and Replacement Fund.....101

Requirements and Future Impacts .....47

Revenue and Expense .....45

Revenue Fund .....94

Revenue Sources.....51

### **S**

Senior Debt Service Fund .....96

Senior Debt Service Reserve Fund.....97

Sewer Renewal & Replacement.....265

Sewer System.....257

Sewer System Capital Program.....265

Sewer System Expenditures.....241

Sewer System Special Projects .....273

Stabilization Fund .....103

Stormwater/Green Infrastructure/Low  
Impact Development Projects .....283

Stormwater Project Expenditures .....243

Support Projects .....276

Support Projects Expenditures .....243

### **T**

Total Expenses ..... 61

### **W**

Water Distribution System ..... 247

Water Distribution System  
Capital Program..... 248

Water Distribution System  
Expenditures ..... 247

Water Distribution System  
Special Projects ..... 255

Water Main Replacement Program ..... 249

Water Main Replacement Summary.....250

Water Replacement ..... 251

Water System ..... 251

### **Y**

Year End Financial Position..... 45

**THIS PAGE INTENTIONALLY LEFT BLANK**



Boston Water and Sewer Commission

980 Harrison Avenue

Boston, MA 02119

[www.bwsc.org](http://www.bwsc.org)