



2026
Current Expense Budget
Boston Water and Sewer Commission



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Prepared by the Finance Division



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For the Fiscal Year Beginning

January 01, 2025

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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, 2025.

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.

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2026 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 2026-2028 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 2026-2028 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.

Budget Message

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 2026-2028 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
- 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
- Improvements of Information Technology
- Citywide Renewal & Rehabilitation of Drains and Sewers
- 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

Budget Message

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 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.

Budget Message

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 \$311.2 million in water distribution system improvements.

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 85 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 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

Budget Message

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, 2026 the Commission increased its water and sewer rates by an average of 1.5%. The 2026 Current Expense Budget ("CEB"), as outlined in the following pages, details \$501.0 million in anticipated revenues and expenses. This represents a 3.4% increase over the 2025 budget.

Budget Message

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 is \$9.06 per month. The stormwater charge implemented as follows: (1) Every one to six unit 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.

The Commission's fiscal priorities for 2026 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 2.7 % increase for 2026, a projected average of 3.0% for 2027 to 2030. These anticipated rate increases are based on the MWRA fiscal year, which began on July 1, 2025.

The 2026 budgeted assessment of \$268.9 million is anticipated to escalate to \$303.6 million by the year 2030. This forecast amount represents approximately 14.1% 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 1.5% for 2026 and 2.9% for 2027 & 2028, and 2.95% for 2029 & 2030.

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 2027-2030, annual household charges for the typical Commission customer are forecast into an average dollar cost increase from \$1,340 in 2026 to \$1,505 in the year 2030.

The 2026 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

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

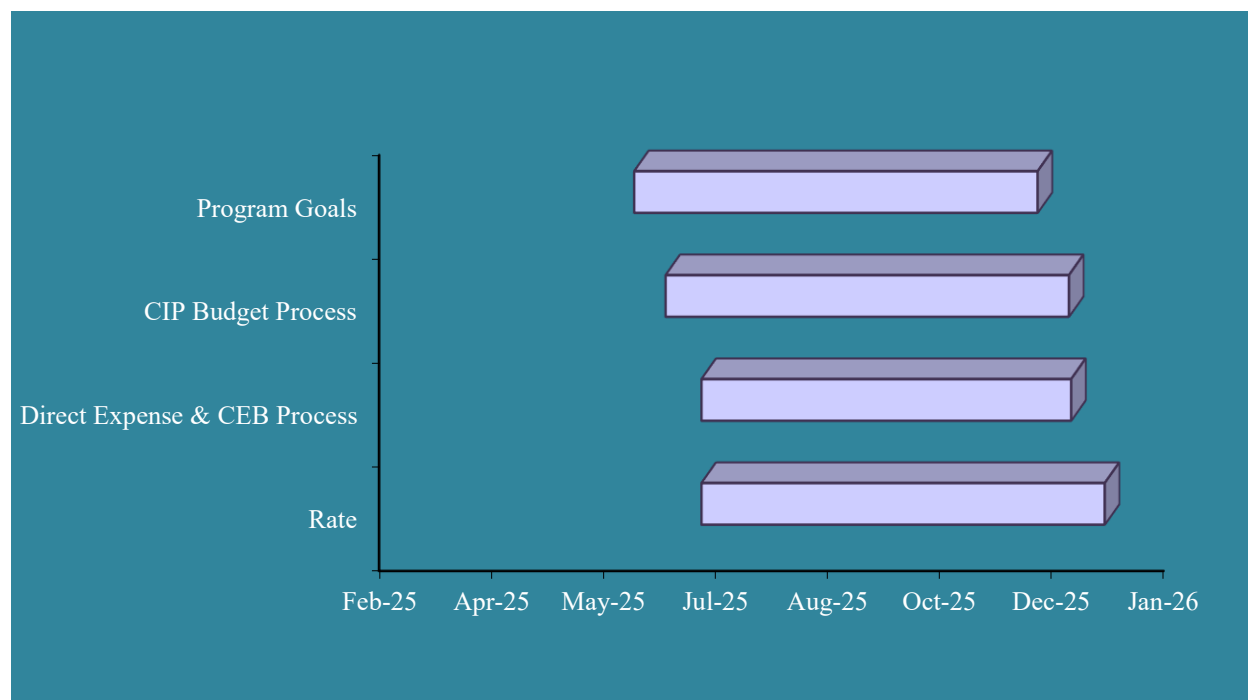
In July, the process for the Direct Expense Budget and CEB Development begins. Initially, Division Chiefs and Department Managers submit their requests for the funding necessary to fulfill the duties, responsibilities and new goals for the following fiscal year. Budget staff evaluates these requests 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 over the next four years.

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2026 BUDGET PROCESS SCHEDULE

The above chart illustrates the process, which took place in 2025 in preparation for the 2026 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,

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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

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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

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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 50% of such excess or \$50 million, but in either case, an amount not to exceed \$50 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:

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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

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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,

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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

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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.

Department heads may make any reallocations within their department's budget provided that the reallocation does not exceed their predetermined approval limit. 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.

At the close of a monthly accounting period, the Budget Department will provide the CFO's Office with the Budget Variance Reports. These reports set forth a comparison of planned revenues and expenses by accounting code and cost center for the month and the year to date. The Budget Department then distributes the Budget Variance Report to the Executive Director's Office for review.

The Finance Division is responsible for monitoring variance reports and for explaining abnormal variances between planned and actual expenditures and accruals by each account line item. The Budget Department then prepares a budget versus actual variance analysis report by cost center and by accounting code based on the written explanations derived from the financial management system variance reports.

(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 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

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- 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
- 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.

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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.

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.

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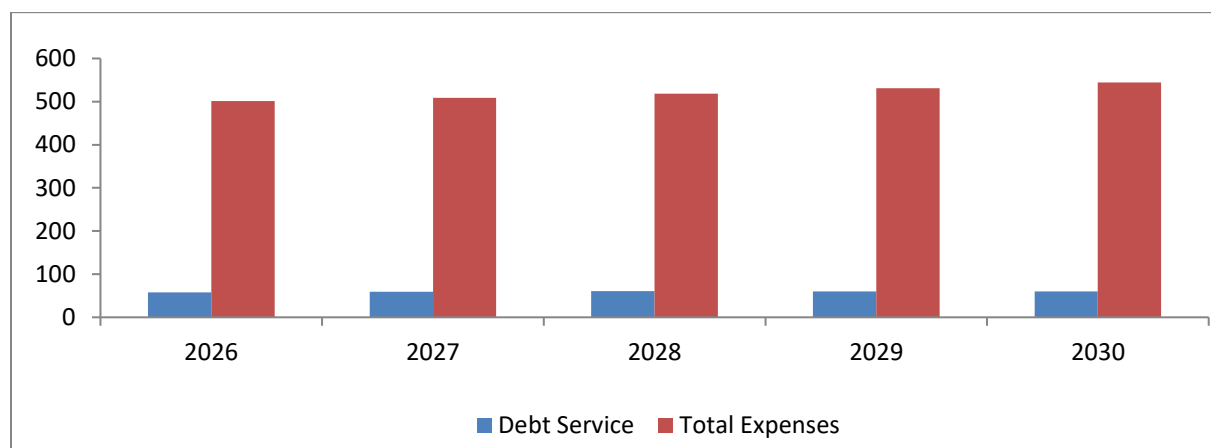
Capital Program Monitoring and Reporting

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 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 2026-2028 CIP, which totals \$389.6 million, anticipates that projects totaling \$135.3 million or 34.7% will be funded from bond proceeds. The 2026 budget for debt service is \$57.7 million, or approximately 11.5% 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.



Plans, Policies and Procedures

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
2026	\$1,340	\$154
2027	\$1,379	\$161
2028	\$1,419	\$165
2029	\$1,461	\$165
2029	\$1,504	\$166

The Commission currently has eleven series of General Revenue Bonds outstanding at the end of 2025:

\$55.0	Million	2014 Series A
\$27.6	Million	2015 Series A
\$40.6	Million	2016 Series A
\$47.6	Million	2016 Series B
\$65.4	Million	2018 Series A
\$135.0	Million	2021 Series A
\$39.7	Million	2021 Series B
\$80.3	Million	2024 Series A
\$100.0	Million	2025 Series A

The current debt plan projects that the Commission will not issue new debt in 2026.

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.

The table below presents the projected 2026-2030 debt service coverage.

Debt Service Coverage Calculation (000)

	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Cash Receipts	\$501,048	\$508,523	\$518,445	\$531,220	\$544,158
Operating Transfers	(385,446)	(397,338)	(408,761)	(419,564)	(431,993)
Net Revenues	115,602	111,185	109,684	111,656	112,165
Senior Debt Service	50,724	49,697	51,386	52,403	52,328
Total Debt Service	50,724	49,697	51,386	52,403	52,328
Debt Service Coverage Ratio	228%	224%	213%	213%	214%

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)	
2026	\$57,707
2027	\$59,184
2028	\$60,482
2029	\$60,050
2030	\$59,900

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.

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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
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			\$65,400,000	
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			General Revenue Bonds	
		(Senior Series)			(Senior Series)	
		2021 Series A			2021 Series B	
Dated		7/7/2021			7/7/2021	
Principle Due		November 1			November 1	
<u>Year</u>	<u>Amount</u>		<u>Rate</u>	<u>Amount</u>		<u>Rate</u>
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%
Total Issue Outstanding		\$135,000,000			\$39,730,000	
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.		
<u>Ratings</u>						
(Moody's/S&P)		Aa1/AAA			Aa1/AAA	

Plans, Policies and Procedures

Initial Par Issue	\$82,110,000				\$100,000,000		
	General Revenue Bonds				General Revenue Bonds		
	(Senior Series)				(Senior Series)		
	2024 Series A				2025 Series A		
Dated	3/26/2024				9/25/2025		
Principle Due	November 1				November 1		
Year	Amount		Rate		Amount		Rate
2026	2,150,000		5.000%		100,000		5.000%
2027	2,125,000		5.000%		875,000		5.000%
2028	2,250,000		5.000%		1,075,000		5.000%
2029	3,650,000		5.000%		3,150,000		5.000%
2030	3,650,000		5.000%		3,950,000		5.000%
2031	3,650,000		5.000%		4,650,000		5.000%
2032	3,650,000		5.000%		7,600,000		5.000%
2033	3,500,000		4.000%		8,500,000		4.000%
2034	3,500,000		4.000%		9,560,000		4.000%
2035	3,500,000		4.000%		7,040,000		4.000%
2036	3,500,000		4.000%		5,000,000		4.000%
2037	3,300,000		4.000%		5,000,000		4.000%
2038	3,300,000		4.000%		5,000,000		4.000%
2039	3,300,000		4.000%		4,000,000		3.750%
2040	2,900,000		4.000%		4,000,000		3.750%
2041	2,900,000		4.000%		4,000,000		3.750%
2042	2,900,000		4.000%		4,000,000		4.000%
2043	2,900,000		4.000%		4,000,000		4.000%
2044	2,900,000		4.000%		4,000,000		4.000%
2045	2,900,000		4.000%		4,000,000		4.250%
2046	2,900,000		4.000%		1,500,000		4.250%
2047	2,875,000		4.000%		1,000,000		4.250%
2048	2,375,000		4.000%		1,000,000		4.375%
2049	2,100,000		4.000%		1,000,000		4.375%
2050	1,925,000		4.000%		1,000,000		4.375%
2051	1,600,000		4.000%		1,000,000		4.000%
2052	1,370,000		4.000%		1,000,000		4.000%
2053	1,370,000		4.000%		1,000,000		4.000%
2054	1,370,000		4.000%		1,000,000		4.000%
					1,000,000		4.000%
Total Issue Outstanding		\$80,310,000				\$100,000,000	
Call Provisions	Bonds maturing after November 1, 2032 are subject to redemption at the option of the Commission, on or after November 1, 2032, 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.				Bonds maturing after November 1, 2033 are subject to redemption at the option of the Commission, on or after May 1, 2033, 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				Aa1/AAA	

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2025 Revenues and Expenses

BUDGET OVERVIEW

The 2025 year-end financial position for the Boston Water and Sewer Commission (“the Commission”) resulted in an unaudited surplus of \$2.8 million. Total Revenues equaled \$498.3 million. Expenses totaled \$495.5 million, resulting in the \$2.8 million surplus for FY25. 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 FY25 were more than originally anticipated. The total revenues equaled \$498.3 million; the budgeted amount was \$484.7 million resulting in \$13.6 million, or 2.8% more than anticipated.

Water, Sewer and Stormwater Revenues (excluding adjustments) represented 94.0% of revenues and equaled \$468.5 million, which was \$9.7 million, or 2.1% more than the budgeted amount of \$458.8 million. Water revenues totaled \$207.3 million; the budget amount equaled \$205.9 million and resulted in \$1.3 million or 0.7% more than budget. Sewer revenues totaled \$252.5 million; the budgeted amount equaled \$249.4 million resulting in \$3.1 million, or 1.2% more than anticipated. Stormwater revenues totaled \$25.5 million; the budget amount equaled \$23.1 million and resulted in \$2.4 million or 10.4% more than budget.

Miscellaneous Revenues totaled \$27.3 million. This amount realized in 2025 was \$3.9 million, or 16.5% more than the budget amount of \$23.5 million. Late Charges equaled \$2.6 million for the year and was \$0.2 million or 8.3% more than the budgeted amount. Investment Income totaled \$10.4 million and was \$2.9 million or 38.1% more than the budgeted amount of \$7.6 million. Fire Pipe Income totaled \$6.0 million and was \$0.1 or 2.2% less than the budgeted amount. The amount realized for Miscellaneous Other Income totaled \$8.2 million, and was \$0.9 million, or 12.6% more than the budgeted amount of \$7.3 million.

EXPENSES

Direct Operating Expenses for FY25 were less than originally anticipated. Direct Operating Expenses in 2025 totaled \$106.0 million, which were below the budgeted amount of \$107.6 million by \$1.7 million or 1.5%. Indirect Expenses for FY25 were more than originally anticipated. Indirect Expenses totaled \$389.5 million. The budget for the year equaled \$377.0 million resulting in an unfavorable variance of \$12.5 million or 3.3%. The unfavorable variance in Indirect Expenses was due to more than anticipated expenses for Capital Improvement and Contractual Funding Obligations. The following page illustrates the 2025 budget versus unaudited revenues and expenses.

2025 Revenues and Expenses

	2025		VARIANCE	
	UNAUDITED	BUDGET	\$	%
Water Revenues	\$ 207,275,238	\$ 205,930,660	\$ 1,344,578	0.7%
Sewer Revenues	\$ 252,459,714	\$ 249,369,195	\$ 3,090,519	1.2%
Stormwater Revenues	\$ 25,499,547	\$ 23,090,171	\$ 2,409,376	10.4%
Total	\$ 485,234,499	\$ 478,390,026	\$ 6,844,473	1.4%
Less:				
Adjustments	\$ (12,891,687)	\$ (14,351,701)	\$ 1,460,014	-10.2%
Discounts	\$ (3,806,342)	\$ (4,783,900)	\$ 977,558	-20.4%
Bad Debt	\$ (20,361)	\$ (478,390)	\$ 458,029	-95.7%
Subtotal	\$ (16,718,391)	\$ (19,613,991)	\$ 2,895,600	-14.8%
Net Billed Charges	\$ 468,516,110	\$ 458,776,035	\$ 9,740,075	2.1%
Prior Year Surplus	\$ 2,464,628	\$ 2,434,589	\$ 30,038	1.2%
Miscellaneous Revenues				
Late Charges	\$ 2,591,559	\$ 2,391,950	\$ 199,610	8.3%
Fire Pipe	\$ 6,040,732	\$ 6,177,920	\$ (137,188)	-2.2%
Investment Income	\$ 10,446,255	\$ 7,566,960	\$ 2,879,295	38.1%
Other Income	\$ 8,248,334	\$ 7,324,758	\$ 923,576	12.6%
Subtotal	\$ 27,326,880	\$ 23,461,588	\$ 3,865,293	16.5%
TOTAL REVENUES	\$ 498,307,617	\$ 484,672,212	\$ 13,635,406	2.8%
Direct Expenses				
Wages and Salaries	\$ 62,333,734	\$ 60,212,116	\$ (2,121,618)	-3.5%
Overtime	\$ 4,015,405	\$ 2,364,913	\$ (1,650,492)	-69.8%
Fringe Benefits	\$ 9,285,417	\$ 9,247,746	\$ (37,671)	-0.4%
Supplies and Materials	\$ 2,829,743	\$ 3,381,711	\$ 551,968	16.3%
Repair and Maintenance	\$ 14,590,173	\$ 16,862,329	\$ 2,272,156	13.5%
Utilities	\$ 1,957,584	\$ 2,170,740	\$ 213,156	9.8%
Professional Services	\$ 6,967,339	\$ 8,476,950	\$ 1,509,611	17.8%
Space & Equipment Rentals	\$ 191,750	\$ 241,166	\$ 49,416	20.5%
Other Services	\$ 2,225,453	\$ 2,657,239	\$ 431,786	16.2%
Insurance	\$ 1,327,761	\$ 1,494,032	\$ 166,271	11.1%
Inventory	\$ 5,656	\$ 25,000	\$ 19,344	77.4%
Capital Outlay	\$ 123,073	\$ 164,600	\$ 41,527	25.2%
Travel/Training/Seminar	\$ 67,962	\$ 132,500	\$ 64,538	48.7%
Damage Claims	\$ 54,720	\$ 200,000	\$ 145,280	72.6%
Total Direct Expenses	\$ 105,975,769	\$ 107,631,042	\$ 1,655,273	1.5%
Indirect Expenses				
MMWA Assessment	\$ 262,406,505	\$ 264,259,121	\$ 1,852,616	0.7%
Capital Improvements	\$ 51,428,157	\$ 44,320,000	\$ (7,108,157)	-16.0%
Debt Service	\$ 55,899,894	\$ 57,094,687	\$ 1,194,794	2.1%
Contractual Funding	\$ 19,604,000	\$ 11,158,239	\$ (8,445,761)	-75.7%
SDWA Assessment	\$ 209,122	\$ 209,123	\$ 1	0.0%
Total Indirect Expenses	\$ 389,547,677	\$ 377,041,170	\$ (12,506,508)	-3.3%
TOTAL EXPENSES	\$ 495,523,446	\$ 484,672,212	\$ (10,851,235)	-2.2%
	\$ 2,784,171	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 2025, the 2026 Water and Sewer rates will increase by 1.50%.

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

2026 Budget Summary

The 2026 CEB totals \$501.0 million in Revenues, which is offset by an equal amount of Expenses. The amount budgeted for FY26 is a 3.4% increase from FY25.

In the illustration below, components of Revenues and Expenses are compared from 2026 to 2025 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).

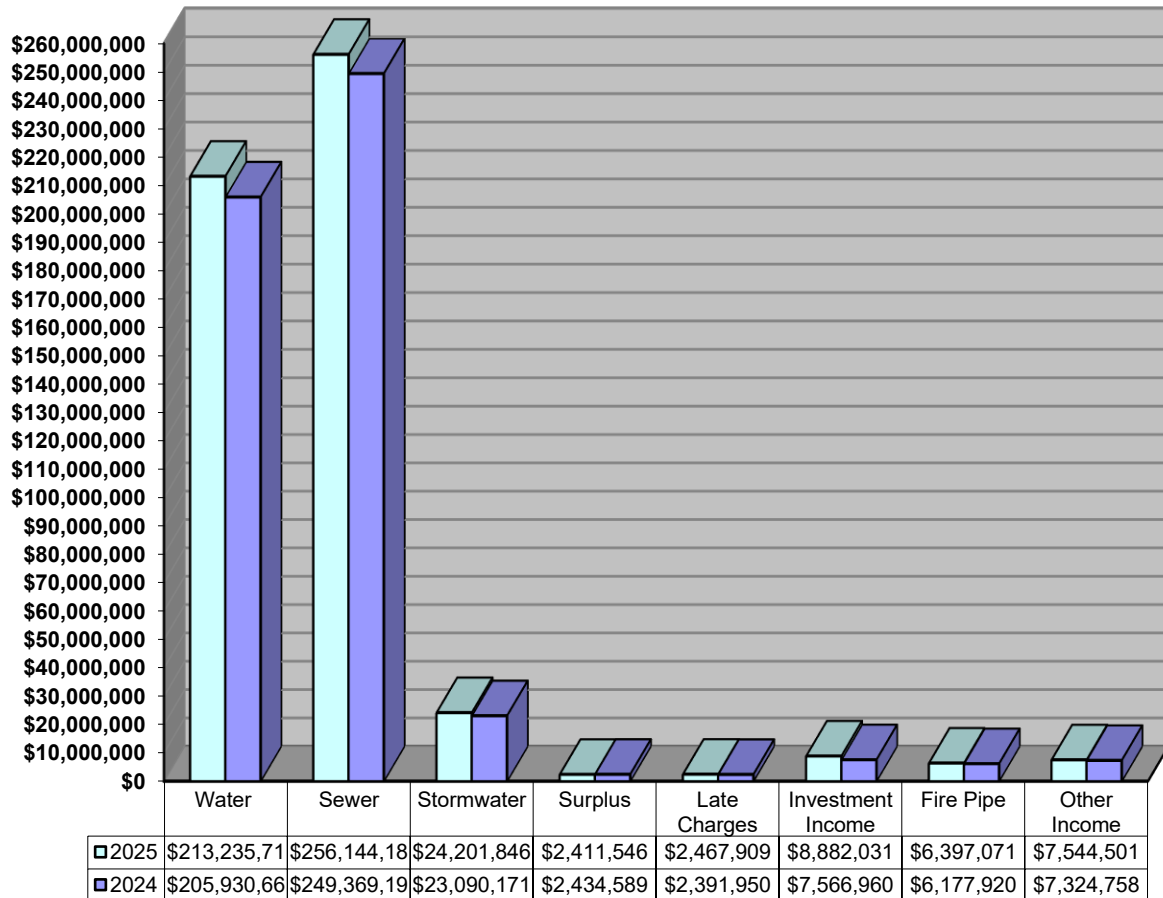
	BUDGET 2026	BUDGET 2025	VARIANCE	%
Revenues				
Water, Sewer & Stormwater Rate Revenue	\$ 493,581,742	\$ 478,390,026	\$ 15,191,716	3.2%
Less: Adjustments	\$ (14,807,452)	\$ (14,351,701)	\$ (455,751)	3.2%
Discounts	\$ (4,935,817)	\$ (4,783,900)	\$ (151,917)	3.2%
Bad Debt	\$ (493,582)	\$ (478,390)	\$ (15,192)	3.2%
Net Operating Revenues	\$ 473,344,891	\$ 458,776,035	\$ 14,568,856	3.2%
Other Income				
Prior Year Surplus	\$ 2,411,546	\$ 2,434,589	\$ (23,043)	-0.9%
Miscellaneous Income	\$ 16,409,481	\$ 15,894,628	\$ 514,853	3.2%
Investment Income	\$ 8,882,031	\$ 7,566,960	\$ 1,315,071	17.4%
Total Revenues	\$ 501,047,949	\$ 484,672,212	\$ 16,375,737	3.4%
Expenses				
Direct Expenses	\$ 108,398,988	\$ 107,631,042	\$ 767,946	0.7%
MWRA Assessment	\$ 268,942,451	\$ 264,259,121	\$ 4,683,330	1.8%
Capital Improvement	\$ 48,319,998	\$ 44,320,000	\$ 3,999,998	9.0%
Debt Service	\$ 58,358,004	\$ 57,094,687	\$ 1,263,317	2.2%
Contractual Funding Obligations	\$ 16,814,399	\$ 11,158,239	\$ 5,656,160	50.7%
SDWA Assessment	\$ 214,109	\$ 209,123	\$ 4,986	2.4%
Total Current Expenses	\$ 501,047,949	\$ 484,672,212	\$ 16,375,737	3.4%

Financial Analysis

	ACTUAL 2021	ACTUAL 2022	Actual 2023	Actual 2024	UNAUDITED 2025	BUDGET 2026
Revenues:						
Water Revenue	\$170,438,964	\$ 179,012,241	\$ 183,566,041	\$ 193,317,965	\$ 207,275,238	\$ 213,235,710
Sewer Revenue	\$232,227,292	\$ 262,396,440	\$ 267,314,891	\$ 258,140,423	\$ 252,459,714	\$ 256,144,186
Stormwater Revenue	\$ -	\$ -	\$ -	\$ 20,309,598	\$ 25,499,547	\$ 24,201,846
Subtotal	\$402,666,256	\$ 441,408,681	\$ 450,880,932	\$ 471,767,986	\$ 485,234,499	\$ 493,581,742
Less:						
Adjustments	\$ (11,827,391)	\$ (14,062,606)	\$ (12,902,529)	\$ (13,831,508)	\$ (12,891,687)	\$ (14,807,452)
Discounts	\$ (3,015,493)	\$ (3,440,140)	\$ (3,407,625)	\$ (3,600,159)	\$ (3,806,342)	\$ (4,935,817)
Bad Debt	\$ (41,375)	\$ (550,528)	\$ (101,914)	\$ (188,062)	\$ (20,361)	\$ (493,582)
Subtotal	\$ (14,884,259)	\$ (18,053,274)	\$ (16,412,068)	\$ (17,619,729)	\$ (16,718,390)	\$ (20,236,851)
Net Billed Charges	\$387,781,997	\$ 423,355,407	\$ 434,468,864	\$ 454,148,257	\$ 468,516,110	\$ 473,344,891
Prior Year Surplus	\$ 371,904	\$ 464,760	\$ 758,941	\$ 1,065,859	\$ 2,464,628	\$ 2,411,546
Miscellaneous Revenues:						
Late Charges Revenue	\$ 1,976,793	\$ 2,082,882	\$ 2,208,594	\$ 2,477,171	\$ 2,591,559	\$ 2,467,909
Investment Income	\$ 5,222,027	\$ 4,370,282	\$ 8,201,266	\$ 9,829,880	\$ 10,446,255	\$ 8,882,031
Fire Pipe Revenue	\$ 2,059,556	\$ 5,327,520	\$ 5,428,308	\$ 5,546,764	\$ 6,040,732	\$ 6,397,071
Other Income	\$ 6,780,259	\$ 7,670,726	\$ 7,169,673	\$ 7,044,170	\$ 8,248,334	\$ 7,544,501
Total Revenues	\$404,192,536	\$ 443,271,577	\$ 458,235,646	\$ 480,112,101	\$ 498,307,618	\$ 501,047,949
Direct Operating Expenses						
Salaries and Wages	\$ 49,672,729	\$ 63,762,998	\$ 61,641,458	\$ 66,048,980	\$ 62,333,734	\$ 61,310,620
Overtime	\$ 1,541,885	\$ 1,676,989	\$ 2,586,246	\$ 3,032,209	\$ 4,015,405	\$ 2,649,053
Fringe Benefits	\$ 8,828,146	\$ 8,309,345	\$ 9,087,147	\$ 8,395,125	\$ 9,285,417	\$ 9,405,644
Supplies and Materials	\$ 2,317,310	\$ 2,711,659	\$ 2,563,779	\$ 3,154,819	\$ 2,829,743	\$ 3,698,969
Repairs and Maintenance	\$ 12,958,569	\$ 12,480,425	\$ 11,863,427	\$ 12,525,602	\$ 14,590,173	\$ 16,343,045
Utilities	\$ 1,452,560	\$ 1,535,354	\$ 1,568,410	\$ 1,769,570	\$ 1,957,584	\$ 2,186,840
Professional Services	\$ 3,012,331	\$ 3,741,496	\$ 5,013,560	\$ 6,072,454	\$ 6,967,339	\$ 8,148,700
Space and Equipment Rentals	\$ 319,735	\$ 339,060	\$ 309,224	\$ 210,164	\$ 191,750	\$ 321,030
Other Services	\$ 1,543,822	\$ 1,271,151	\$ 1,643,931	\$ 1,940,362	\$ 2,225,453	\$ 2,613,429
Insurance	\$ 981,380	\$ 1,101,718	\$ 1,207,580	\$ 1,326,346	\$ 1,327,761	\$ 1,258,658
Inventory	\$ 13,540	\$ 5,848	\$ 19,158	\$ 19,027	\$ 5,656	\$ 25,000
Capital Outlay	\$ 46,492	\$ 81,320	\$ 95,103	\$ 105,250	\$ 123,073	\$ 158,000
Travel/Training/Seminar	\$ 33,995	\$ 64,899	\$ 64,318	\$ 62,927	\$ 67,962	\$ 80,000
Damage Claims	\$ 315,847	\$ 2,374,320	\$ 217,726	\$ 3,010,913	\$ 54,720	\$ 200,000
Total Direct Operating Expenses	\$ 83,038,341	\$ 99,456,582	\$ 97,881,067	\$ 107,673,748	\$ 105,975,769	\$ 108,398,988
Indirect Operating Expenses:						
MWRA Assessment	\$243,396,224	\$ 245,958,491	\$ 249,344,505	\$ 254,755,865	\$ 262,406,505	\$ 268,942,451
Capital Improvement	\$ 10,531,019	\$ 20,940,294	\$ 37,516,591	\$ 46,452,294	\$ 51,428,157	\$ 48,319,998
Debt Service	\$ 49,657,755	\$ 49,919,808	\$ 52,311,608	\$ 50,593,121	\$ 55,899,894	\$ 58,358,004
Contractual Funding Obligation	\$ 16,889,000	\$ 26,034,000	\$ 19,912,000	\$ 17,960,000	\$ 19,604,000	\$ 16,814,399
SDWA Assessment	\$ 215,437	\$ 203,461	\$ 204,016	\$ 212,447	\$ 209,122	\$ 214,109
Total Indirect Operating Expenses	\$320,689,435	\$ 343,056,054	\$ 359,288,720	\$ 369,973,727	\$ 389,547,678	\$ 392,648,961
Total Current Expenses	\$403,727,776	\$ 442,512,636	\$ 457,169,787	\$ 477,647,475	\$ 495,523,447	\$ 501,047,949
Current Year Rate Surplus	\$ 464,760	\$ 758,941	\$ 1,065,859	\$ 2,464,626	\$ 2,784,171	\$ -

Revenue Sources

The 2026 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 2026 versus 2025.



Revenue Sources

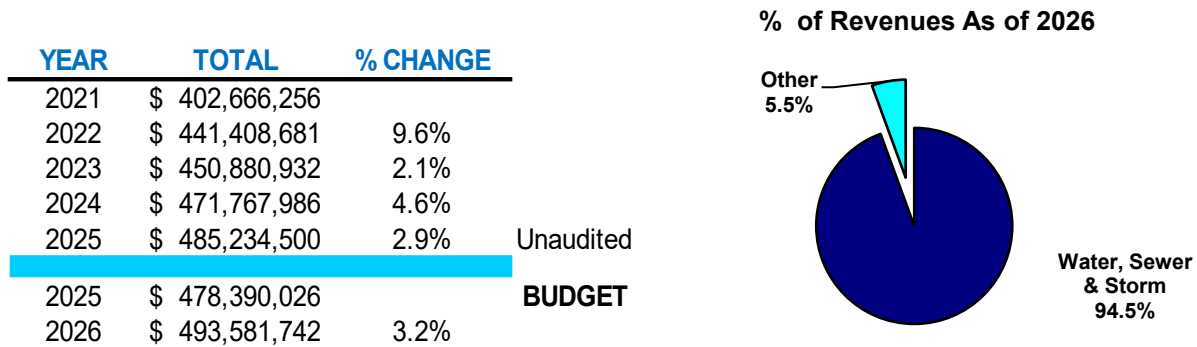
The following pages analyze each of the revenue sources in greater detail. The revenue analysis provides a brief description of each source, a five-year historical perspective and the assumptions used in preparing the 2026 budget. This information is supplemented by the utilization of various graphical displays to facilitate a better understanding of each revenue source.

The Commission's total revenues in FY26 are projected at \$501.0 million, an increase of \$16.4 million or 3.4% from FY25. The table below shows a breakdown of the revenue sources and adjustments to rate revenue. Variances from the 2026 budget to the 2025 budget are discussed on the following pages.

		BUDGET 2026		BUDGET 2025		VARIANCE	%
REVENUES							
Water	\$	213,235,710	\$	205,930,660	\$	7,305,050	3.5%
Sewer	\$	256,144,186	\$	249,369,195	\$	6,774,991	2.7%
Stormwater	\$	24,201,846	\$	23,090,171	\$	1,111,675	4.8%
SUBTOTAL	\$	493,581,742	\$	478,390,026	\$	15,191,716	3.2%
LESS:							
Adjustments	\$	(14,807,452)	\$	(14,351,701)	\$	(455,751)	3.2%
Discounts	\$	(4,935,817)	\$	(4,783,900)	\$	(151,917)	3.2%
Bad Debt	\$	(493,582)	\$	(478,390)	\$	(15,192)	3.2%
SUBTOTAL	\$	(20,236,851)	\$	(19,613,991)	\$	(622,860)	3.2%
NET BILLED CHARGES	\$	473,344,891	\$	458,776,035	\$	14,568,856	3.2%
PRIOR YEAR SURPLUS	\$	2,411,546	\$	2,434,589	\$	(23,043)	-0.9%
MISCELLANEOUS REVENUES:							
Late Charges	\$	2,467,909	\$	2,391,950	\$	75,959	3.2%
Fire Pipe	\$	6,397,071	\$	6,177,920	\$	219,151	3.5%
Investment Income	\$	8,882,031	\$	7,566,960	\$	1,315,071	17.4%
Other Income	\$	7,544,501	\$	7,324,758	\$	219,743	3.0%
SUBTOTAL	\$	25,291,512	\$	23,461,588	\$	1,829,924	7.8%
TOTAL REVENUE	\$	501,047,949	\$	484,672,212	\$	16,375,737	3.4%

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.

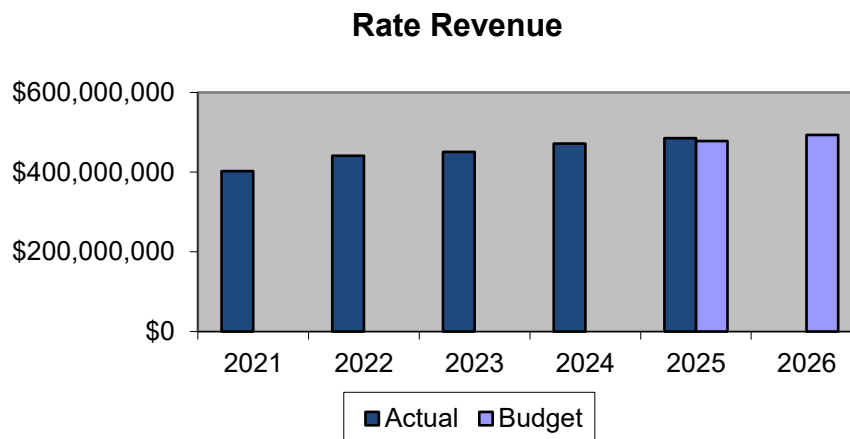


Historical Viewpoint

Due to decreasing consumption and increasing costs, the Commission was required to raise rates. There were rate increases in 2021, 2022, 2023, 2024 and 2025. Because of these past increases, Rate Revenues increased from \$402.7 million in 2021 to \$485.2 million in 2025, an increase of \$82.5 million, or 20.5%.

Funding

The Commission has increased rates in 2021, 2022, 2023, 2024 and 2025, and plans a 1.50% increase for 2026. The Commission anticipates Water and Sewer Revenues to total \$493.6 million in 2026.



Adjustments to Rate Revenue

Adjustments to rate revenue are divided into three categories:

- 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				
2021	\$	11,827,391		ACTUAL
2022	\$	14,062,606	18.9%	
2023	\$	12,902,529	-8.2%	
2024	\$	13,831,508	7.2%	
2025	\$	12,891,687	-6.8%	
				Unaudited
2025	\$	14,351,701		BUDGET
2026	\$	14,807,452	3.2%	

Unaudited

DISCOUNTS				
YEAR		TOTAL	% CHANGE	
2021	\$	3,015,493		ACTUAL
2022	\$	3,440,140	14.1%	
2023	\$	3,407,625	-0.9%	
2024	\$	3,600,159	5.7%	
2025	\$	3,806,342	5.7%	
				Unaudited
2025	\$	4,783,900		BUDGET
2026	\$	4,935,817	3.2%	

Unaudited

BAD DEBT				
YEAR		TOTAL	% CHANGE	
2021	\$	41,375		ACTUAL
2022	\$	550,528	1230.6%	
2023	\$	101,914	-81.5%	
2024	\$	188,062	84.5%	
2025	\$	20,361	-89.2%	
				Unaudited
2025	\$	478,390		BUDGET
2026	\$	493,582	3.2%	

Unaudited

Adjustments to Rate Revenue

Historical Viewpoint

Adjustments to Rate Revenue include Adjustments, Discounts, and Bad Debt. Adjustments have totaled \$11.8 million in 2021, \$14.1 million in 2022, \$12.9 million in 2023, \$13.8 million in 2024 and \$12.9 million in 2025.

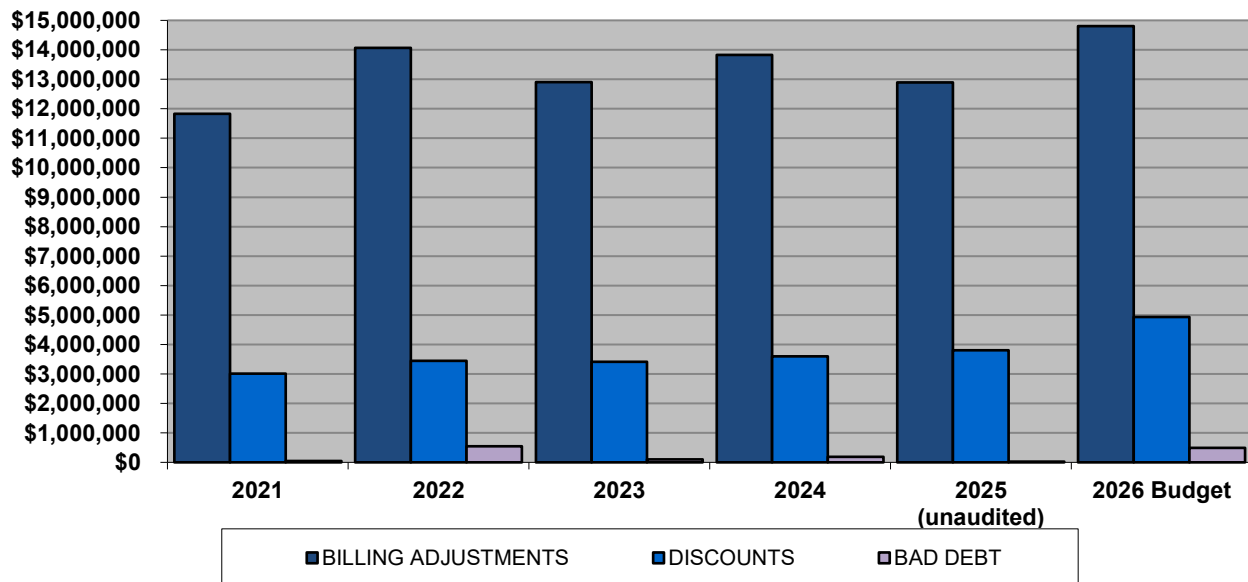
Discounts have totaled \$3.0 million in 2021, \$3.4 million in 2022, \$3.4 million in 2023, \$3.6 million in 2024 and \$3.8 million in 2025.

Bad Debt has totaled \$41,375 in 2021, \$550,528 in 2022, \$101,914 in 2023, \$188,062 in 2024 and \$20,361 in 2025.

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 2026 are Adjustments: \$14.8 million, Discounts: \$4.9 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 2026 budget reflects the actual (unaudited) surplus realized in 2025. Data and Graphs are shown below for additional information.

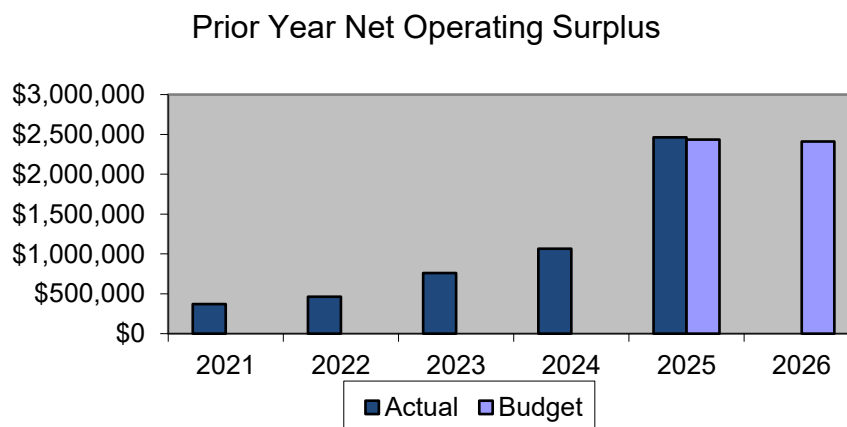
YEAR	TOTAL	% CHANGE	
2021	\$ 371,904		ACTUAL
2022	\$ 464,760	25.0%	
2023	\$ 758,941	63.3%	
2024	\$ 1,065,859	40.4%	
2025	\$ 2,464,628	131.2%	
2025	\$ 2,434,589		BUDGET
2026	\$ 2,411,546	-0.9%	

Historical Viewpoint

The Commission has experienced a prior year net operating surplus in each of the past five years presented here. In 2021, the Commission recognized \$0.4 million in prior year net operating surplus, \$0.5 million in 2022, \$0.8 million in 2023, \$1.1 million in 2024 and a prior year surplus of \$2.5 million in 2025.

Funding

The 2026 budget will utilize the 2025 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.

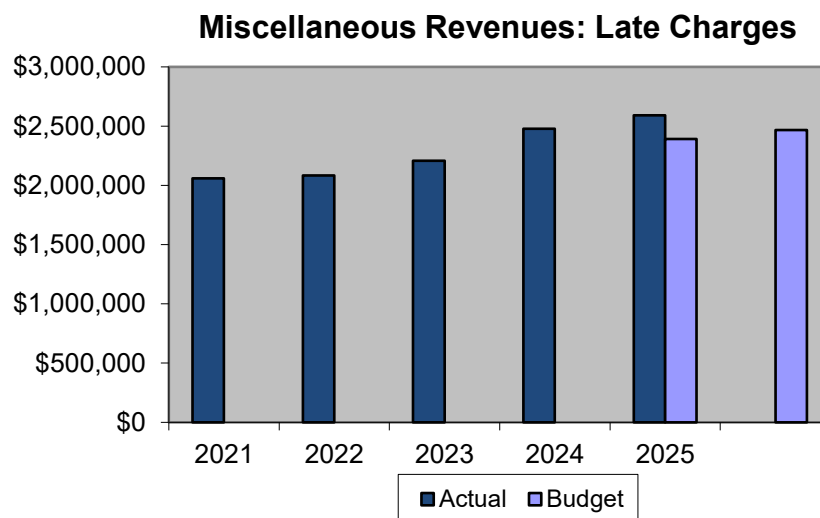
YEAR	TOTAL	% CHANGE	
2021	\$ 1,976,793		ACTUAL
2022	\$ 2,082,882	5.4%	
2023	\$ 2,208,594	6.0%	
2024	\$ 2,477,171	12.2%	
2025	\$ 2,591,559	4.6%	
			Unaudited
2025	\$ 2,391,950		BUDGET
2026	\$ 2,467,909	3.2%	

Historical Viewpoint

Late Charges have remained steady annually, which is a result of the Commission's efforts to collect outstanding balances.. In 2021, the Commission observed \$2.0 million in Late Charges, \$2.1 million in 2022, \$2.2 million in 2023, \$2.5 million in 2024 and \$2.6 million in 2025. In 2026, the Commission anticipates Late Charges to equal \$2.5 million.

Funding

In the 2026 budget, Late Charges are estimated at 0.5% of billed Water and Sewer charges. Thus, the 2026 budget accounts for \$2.5 million in Late Charges, which is \$75,959 or 3.2% more than the budgeted amount in 2025.



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.

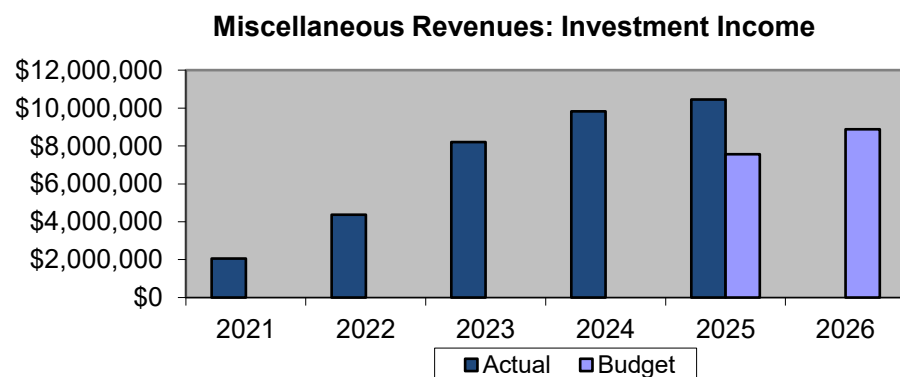
YEAR	TOTAL	% CHANGE	
2021	\$ 2,059,556		ACTUAL
2022	\$ 4,370,282	112.2%	
2023	\$ 8,201,266	87.7%	
2024	\$ 9,829,880	19.9%	
2025	\$ 10,446,255	6.3%	
			Unaudited
2025	\$ 7,566,960		BUDGET
2026	\$ 8,882,031	17.4%	

Historical Viewpoint

Investment Income \$2.1 million in 2021, \$4.4 million in 2022, \$8.2 million in 2023, \$9.8 million in 2024 and \$10.4 million in 2025. The Commission's investment income saw a downward trend in 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 2026 is budgeted for \$8.9 million, which is \$1.3 million or 17.4% less than budgeted in 2025. Due to lower interest rate yields because of COVID-19 and a cautious strategy during 2021, Investment Income was below budget, but due to rate hikes in FY23, FY24 & FY25, 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	
2021	\$ 5,222,027		ACTUAL
2022	\$ 5,327,520	2.0%	
2023	\$ 5,428,308	1.9%	
2024	\$ 5,546,764	2.2%	
2025	\$ 6,040,732	8.9%	
			Unaudited
2025	\$ 6,177,920		BUDGET
2026	\$ 6,397,071	3.5%	

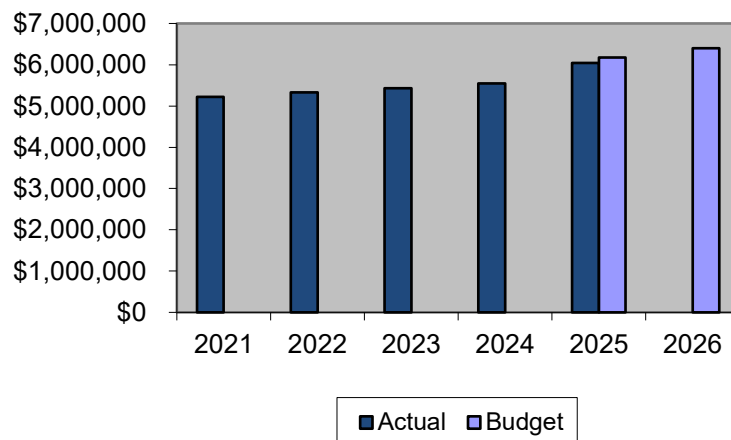
Historical Viewpoint

Fire Pipe Revenue has gradually increased since 2021. 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 2025 was \$6.0 million, the largest amount in the five-year period.

Funding

The amount budgeted for Fire Pipe Revenue in the 2026 budget is \$6.4 million, which is \$0.2 million or 3.5% more than the 2025 budget. The large variance is due to an increase to the Fire Pipe rates in 2026.

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.

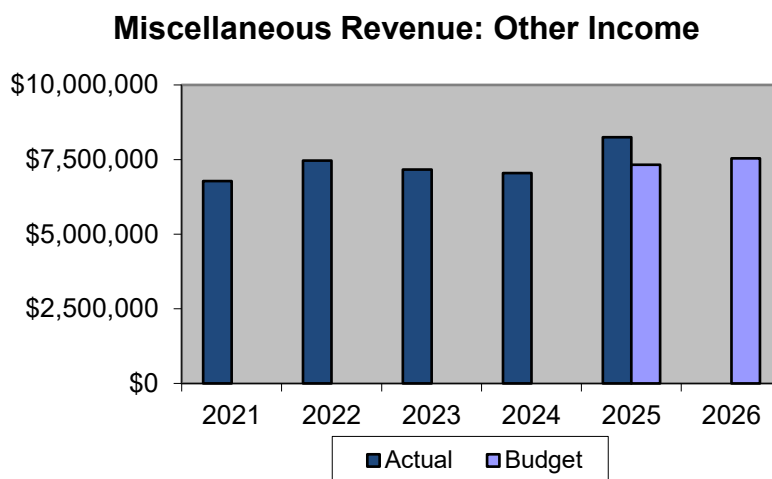
YEAR	TOTAL	% CHANGE	
2021	\$ 6,780,259		ACTUAL
2022	\$ 7,670,726	13.1%	
2023	\$ 7,169,673	-6.5%	
2024	\$ 7,044,170	-1.8%	
2025	\$ 8,248,334	17.1%	
			Unaudited
2025	\$ 7,324,758		BUDGET
2026	\$ 7,544,501	3.0%	

Historical Viewpoint

Other Income totaled \$6.8 million in 2021, \$7.7 million in 2022, \$7.2 million in 2023, \$7.0 million in 2024 and \$8.2 million in 2025, the largest amount in the five-year period. This can be attributed to an increase in many of the Special Service Fee rates in 2025.

Funding

Monies budgeted for Other Income in 2026 equal \$7.5 million, which is \$0.2 million or 3.0% more than the 2025 budget.



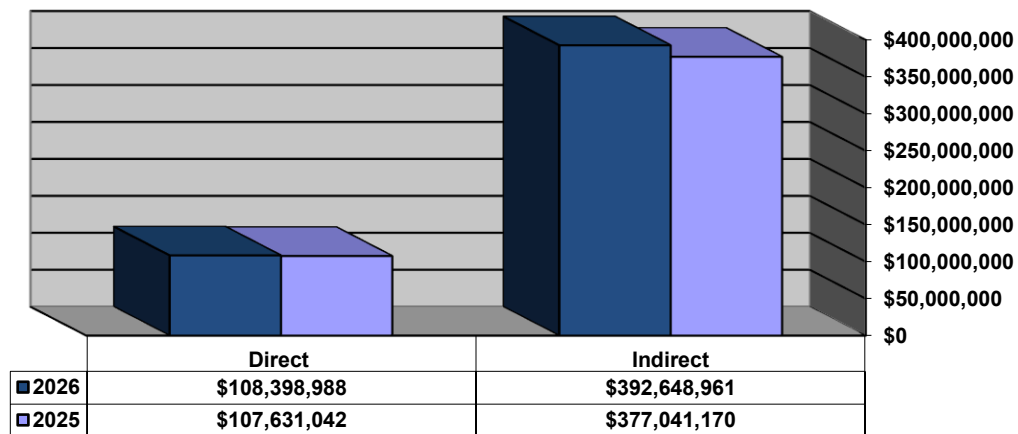
Total Expenses

The 2026 Current Expense Budget includes \$501.0 million in total expenses.

The budget includes:

- ➔ Direct Expenses - \$108.4 million
- ➔ Indirect Expenses - \$392.6 million
 - MWRA Assessment - \$268.9 million
 - Debt Service - \$58.4 million
 - Capital Improvements - \$48.3 million
 - Contractual Funding Obligations - \$16.8 million
 - SDWA Assessment - \$0.2 million

**2026 Budget vs. 2025 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 2026 totals \$108.4 million which is greater than the 2025 budget by \$0.8 million or 0.7%. 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 2026 Direct Expense budget by line item versus the 2025 budget along with the percentage change from year to year.

		2025 Budget	2025 Budget	Variance %
Wages and Salaries	\$	61,310,620	\$ 63,008,463	-2.7%
Overtime	\$	2,649,053	\$ 2,364,913	12.0%
Fringe Benefits	\$	9,405,644	\$ 9,130,846	3.0%
Supplies & Materials	\$	3,698,969	\$ 3,544,511	4.4%
Repair & Maintenance	\$	16,343,045	\$ 16,411,145	-0.4%
Utilities	\$	2,186,840	\$ 2,251,640	-2.9%
Professional Services	\$	8,148,700	\$ 6,256,700	30.2%
Space & Equipment Rentals	\$	321,030	\$ 260,550	23.2%
Other Services	\$	2,613,429	\$ 2,464,689	6.0%
Insurance	\$	1,258,658	\$ 1,482,585	-15.1%
Inventory	\$	25,000	\$ 25,000	0.0%
Capital Outlay	\$	158,000	\$ 150,000	5.3%
Training/Seminar/Travel	\$	80,000	\$ 80,000	0.0%
Damage Claims	\$	200,000	\$ 200,000	0.0%
TOTAL	\$	108,398,988	\$ 107,631,042	0.7%

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

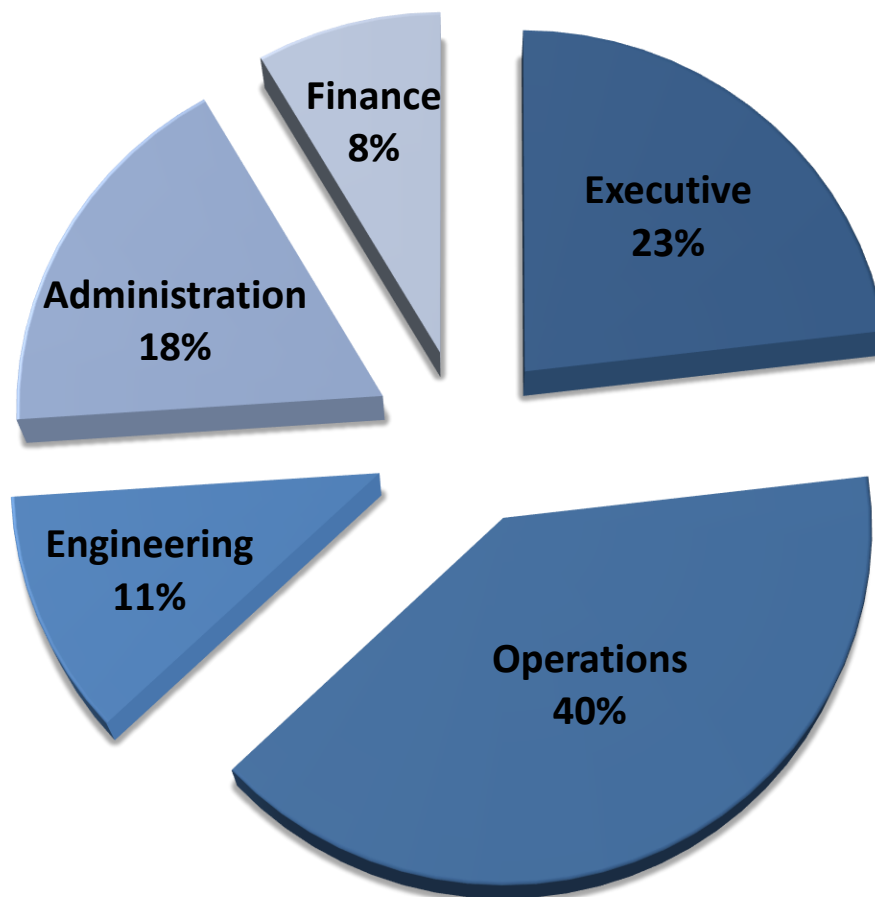
- **Wages and Salaries** – Medicare, Contract Allowances, Other Post Employee Benefits Liability, Mass Hospital Tax, and Pension
- **Overtime**
- **Fringe Benefits** – Health, Life, Dental, Workers' Compensation and Unemployment Insurance, Long Term Disability, Tuition Reimbursement

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**

2026 Direct Expense Budget by Division

	Executive	Operations	Engineering	Administration	Finance	Total
Wages and Salaries	\$ 11,858,104	\$ 23,495,235	\$ 10,396,836	\$ 9,501,341	\$ 6,059,104	\$ 61,310,620
Overtime	\$ -	\$ 2,300,000	\$ 229,778	\$ 111,775	\$ 7,500	\$ 2,649,053
Labor Related Costs/Benefits	\$ 8,858,566	\$ 170,686	\$ 126,142	\$ 133,903	\$ 116,347	\$ 9,405,644
Total Labor Costs	\$ 20,716,670	\$ 25,965,921	\$ 10,752,756	\$ 9,747,019	\$ 6,182,951	\$ 73,365,317
Supplies and Materials	\$ 75,000	\$ 2,279,879	\$ 92,925	\$ 543,725	\$ 707,440	\$ 3,698,969
Repair and Maintenance	\$ -	\$ 11,150,045	\$ 101,700	\$ 4,993,300	\$ 98,000	\$ 16,343,045
Utilities	\$ -	\$ -	\$ -	\$ 2,186,840	\$ -	\$ 2,186,840
Professional Services	\$ 3,531,500	\$ 2,777,000	\$ 1,015,500	\$ 387,500	\$ 437,200	\$ 8,148,700
Space and Equipment Rentals	\$ -	\$ 38,550	\$ -	\$ 282,480	\$ -	\$ 321,030
Other Services	\$ 544,400	\$ 692,739	\$ 25,490	\$ 915,250	\$ 435,550	\$ 2,613,429
Insurance	\$ -	\$ -	\$ -	\$ -	\$ 1,258,658	\$ 1,258,658
Inventory	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Capital Outlay	\$ -	\$ 110,000	\$ -	\$ 48,000	\$ -	\$ 158,000
Training/Travel/Seminar	\$ 12,500	\$ 17,000	\$ 24,500	\$ 21,000	\$ 5,000	\$ 80,000
Damage Claims	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Total Other Costs	\$ 4,363,400	\$ 17,090,213	\$ 1,260,115	\$ 9,378,095	\$ 2,941,848	\$ 35,033,671
Total Direct Expenses	\$ 25,080,070	\$ 43,056,134	\$ 12,012,871	\$ 19,125,114	\$ 9,124,799	\$ 108,398,988

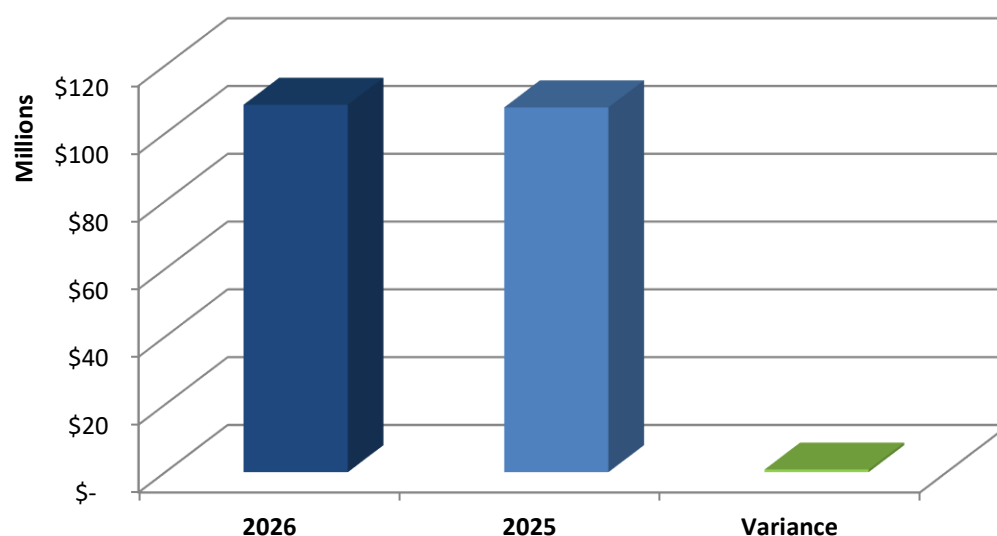


Budget Comparison by Line Item: 2026 vs. 2025

The following illustration shows the line items for Direct Expenses. The amounts from 2026 are compared to 2025, which includes the dollar and percentage variance from year to year.

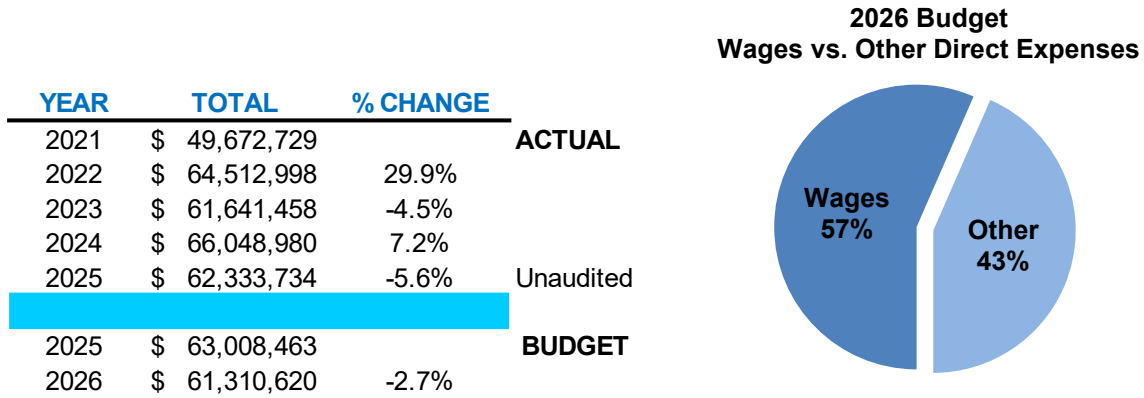
Line Item	2026 Budget	2025 Budget	Variance \$	Variance %
Wages & Salaries	\$ 61,310,620	\$ 63,008,463	\$ (1,697,843)	-2.7%
Overtime	\$ 2,649,053	\$ 2,364,913	\$ 284,140	12.0%
Labor Related Costs/Benefits	\$ 9,405,644	\$ 9,130,846	\$ 274,798	3.0%
Total Labor Costs	\$ 73,365,317	\$ 74,504,222	\$ (1,138,905)	-1.5%
Supplies and Materials	\$ 3,698,969	\$ 3,544,511	\$ 154,458	4.4%
Repairs and Maintenance	\$ 16,343,045	\$ 16,411,145	\$ (68,100)	-0.4%
Utilities	\$ 2,186,840	\$ 2,251,640	\$ (64,800)	-2.9%
Professional Services	\$ 8,148,700	\$ 6,256,700	\$ 1,892,000	30.2%
Space and Equipment Rentals	\$ 321,030	\$ 260,550	\$ 60,480	23.2%
Other Services	\$ 2,613,429	\$ 2,464,689	\$ 148,740	6.0%
Insurance	\$ 1,258,658	\$ 1,482,585	\$ (223,927)	-15.1%
Inventory	\$ 25,000	\$ 25,000	\$ -	0.0%
Capital Outlay	\$ 158,000	\$ 150,000	\$ 8,000	5.3%
Travel/Training/Seminar	\$ 80,000	\$ 80,000	\$ -	0.0%
Damage Claims	\$ 200,000	\$ 200,000	\$ -	0.0%
Total Other Cost	\$ 35,033,671	\$ 33,126,820	\$ 1,906,851	5.8%
Total Direct Expenses	\$ 108,398,988	\$ 107,631,042	\$ 767,946	0.7%

**Direct Expenses
2026 Budget vs. 2025 Budget**



Wages and Salaries

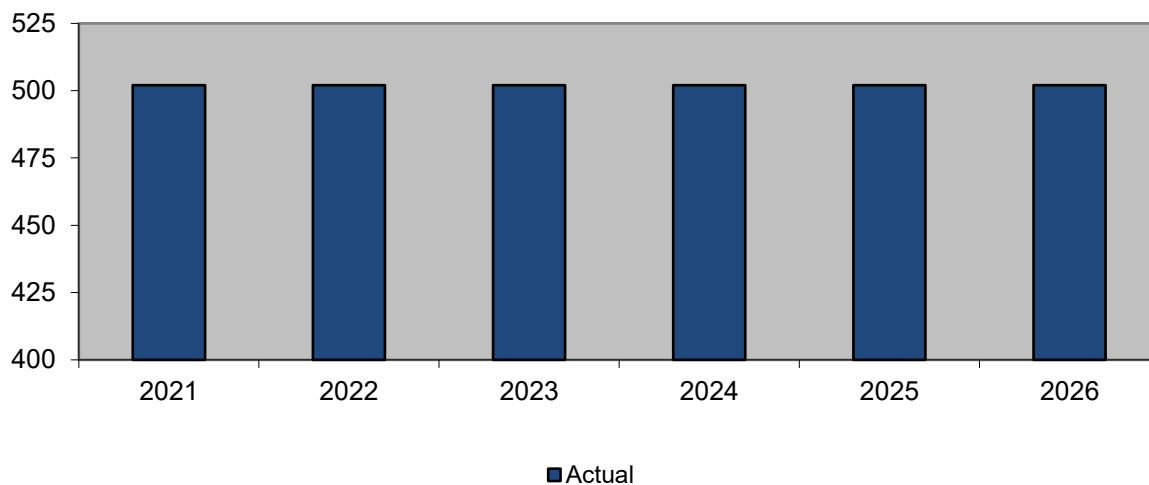
The Wages and Salaries line item provides funding for compensation paid to Commission employees. Along with full time equivalent employees, this line reflects costs of part-time employees, interns, co-op students, and the summer youth program.



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 2026 at 502 positions, unchanged from the 2025 head count.

Budgeted Number of Employees at BWSC

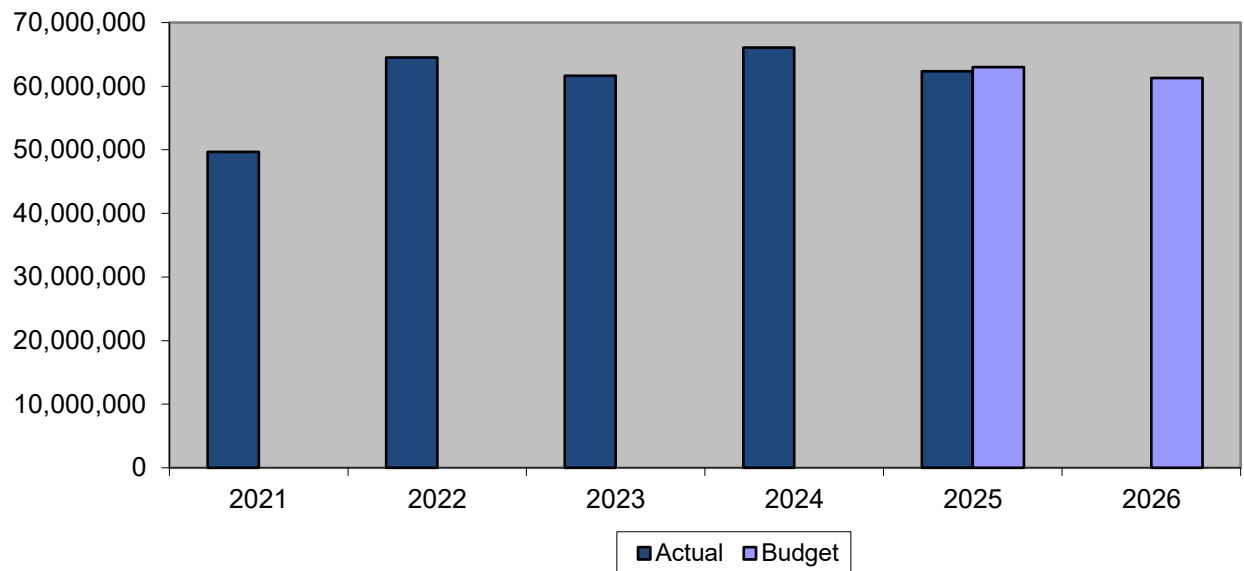


Wages and Salaries

Funding

The 2026 budget for Wages and Salaries is \$61.3 million, which is a decrease of \$1.7 million or 2.7% from the 2025 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, such as main breaks.

YEAR	TOTAL	% CHANGE	
2021	\$ 1,541,885		ACTUAL
2022	\$ 1,676,989	8.8%	
2023	\$ 2,586,246	54.2%	
2024	\$ 3,032,209	17.2%	
2025	\$ 4,015,405	32.4%	
			Unaudited
			BUDGET
2025	\$ 2,364,913		
2026	\$ 2,649,053	12.0%	

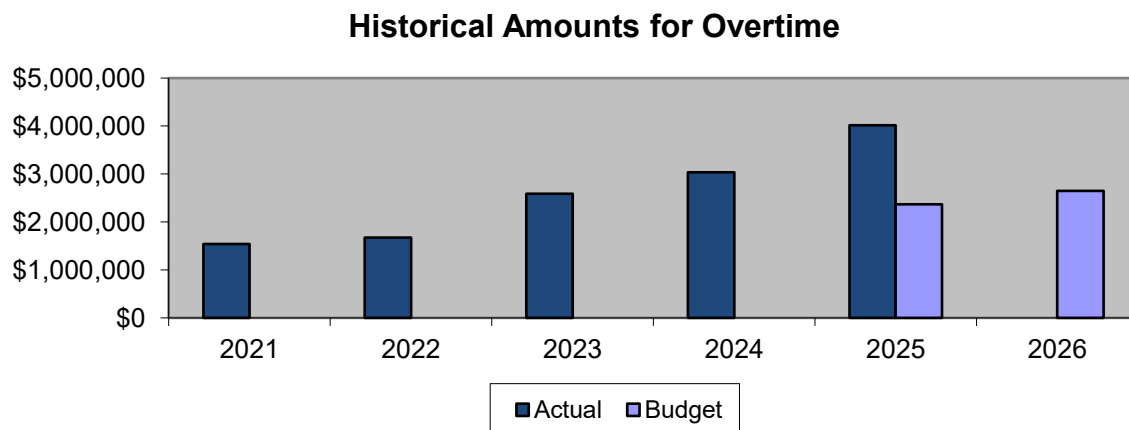
Unaudited

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 \$1.5 million in 2021, \$1.7 million in 2022, \$2.6 million in 2023, \$3.0 million in 2024 and \$4.0 million in 2025.

Funding

The amount allocated for 2026 Overtime is budgeted at \$2.6 million which is \$0.3 million greater than the 2025 budget of \$2.3 million, or 12.0%.



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	
2021	\$ 8,828,146		ACTUAL
2022	\$ 8,309,345	-5.9%	
2023	\$ 9,087,147	9.4%	
2024	\$ 8,395,125	-7.6%	
2025	\$ 9,285,417	10.6%	
			Unaudited
2025	\$ 9,130,846		BUDGET
2026	\$ 9,405,644	3.01%	

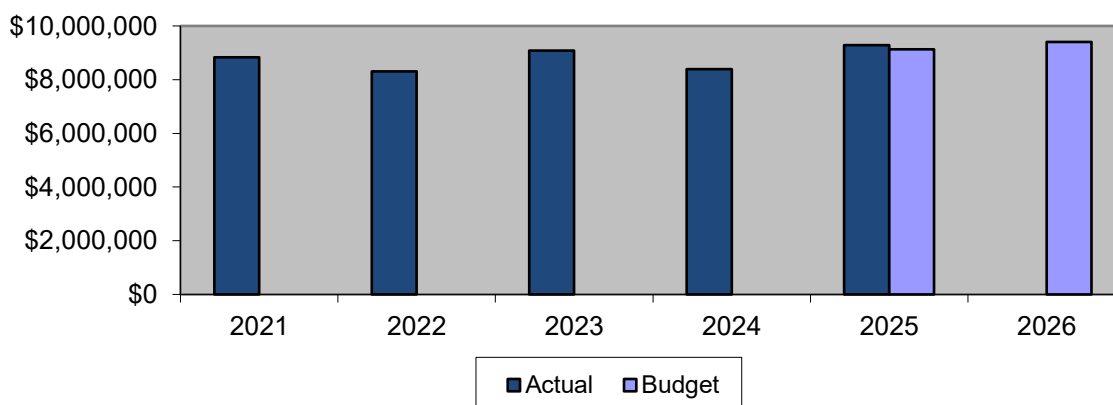
Historical Viewpoint

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 2026 budget equals \$9.4 million, which is an increase of \$0.3 million or 3.0% from the 2025 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.

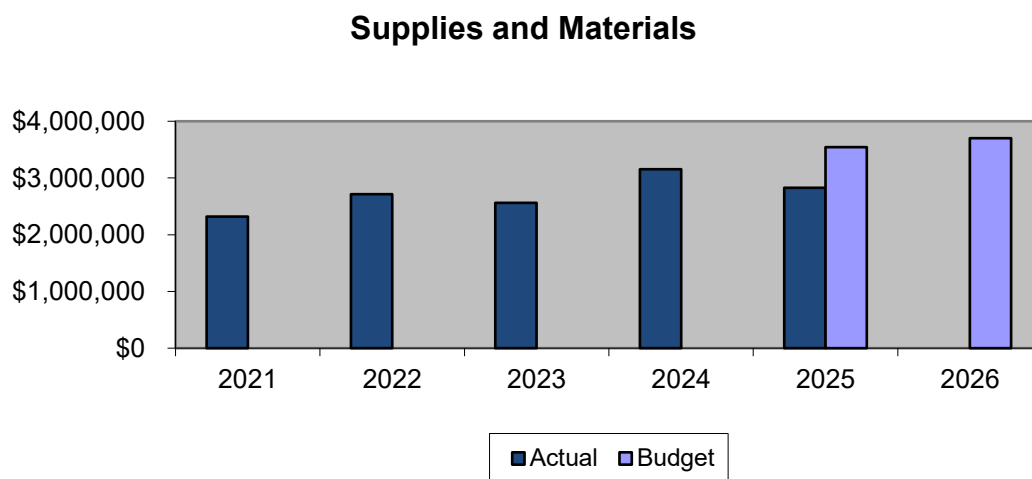
YEAR	TOTAL	% CHANGE	
2021	\$ 2,317,310		ACTUAL
2022	\$ 2,711,659	17.0%	
2023	\$ 2,563,779	-5.5%	
2024	\$ 3,154,819	23.1%	
2025	\$ 2,829,743	-10.3%	
			Unaudited
2025	\$ 3,544,511		BUDGET
2026	\$ 3,698,969	4.4%	

Historical Viewpoint

The Commission has focused on centralization for the purchasing of supplies and materials by management. Spending for supplies and materials totaled \$2.3 million in 2021, \$2.7 million in 2022, \$2.6 million in 2023, \$3.2 million in 2024 and \$2.8 million in 2025.

Funding

Supplies and Materials are budgeted for \$3.7 million in 2026, which reflects a \$0.2 million or 4.4% decrease from the 2025 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.

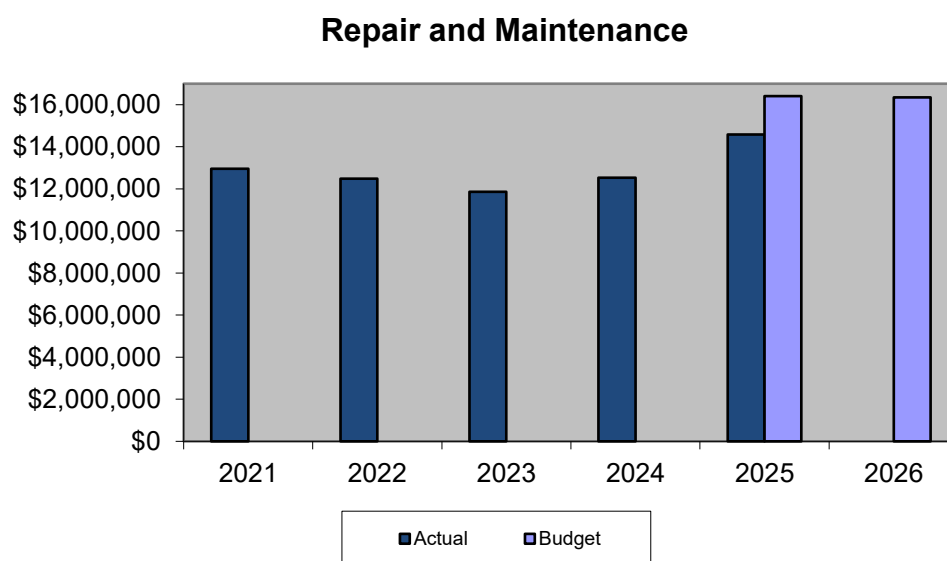
YEAR	TOTAL	% CHANGE	
2021	\$ 12,958,569		ACTUAL
2022	\$ 12,480,425	-3.7%	
2023	\$ 11,863,427	-4.9%	
2024	\$ 12,525,602	5.6%	
2025	\$ 14,590,173	16.5%	
			Unaudited
2025	\$ 16,411,145		BUDGET
2026	\$ 16,343,045	-0.4%	

Historical Viewpoint

Costs associated with Repair and Maintenance were \$13.0 million in 2021, \$12.5 million in 2022, \$11.9 million in 2023, \$12.5 million in 2024 and \$14.6 million in 2025.

Funding

Repair and Maintenance is budgeted for \$16.3 million in 2026. This amount is \$68,100 or 0.4% less than the 2025 budget amount.



Utilities

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

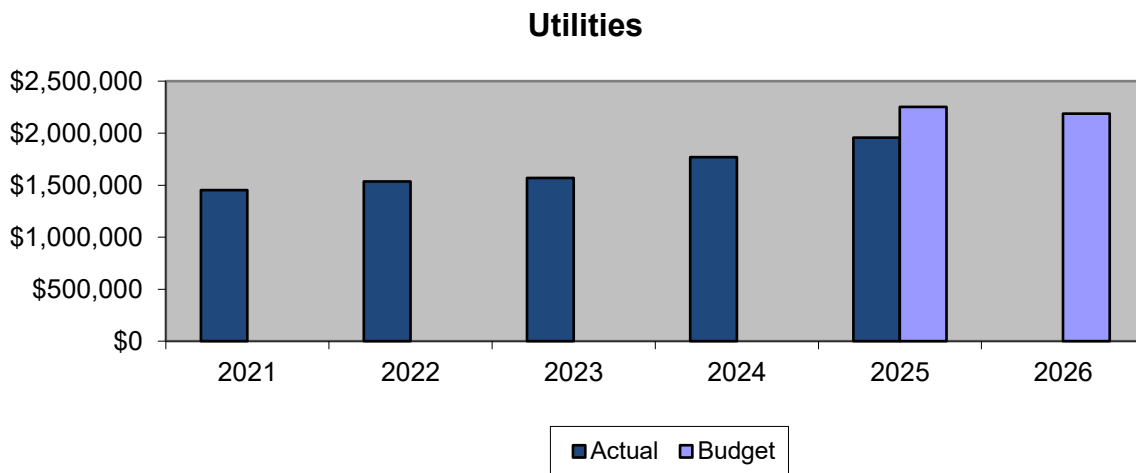
YEAR	TOTAL	% CHANGE	
2021	\$ 1,452,560		ACTUAL
2022	\$ 1,535,354	5.7%	
2023	\$ 1,568,410	2.2%	
2024	\$ 1,769,570	12.8%	
2025	\$ 1,957,584	10.6%	
			Unaudited
2025	\$ 2,251,640		BUDGET
2026	\$ 2,186,840	-2.9%	

Historical Viewpoint

The cost of Utilities have been rising over the past three years due to the higher cost of energy. Costs associated with Utilities were \$1.5 million in 2021, \$1.5 million in 2022, \$1.6 million in 2023, \$1.8 million in 2024 and \$2.0 million in 2025.

Funding

Utilities in 2026 are budgeted for \$2.1 million. The amount is a \$64,800 or 2.9% decrease from the 2025 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.

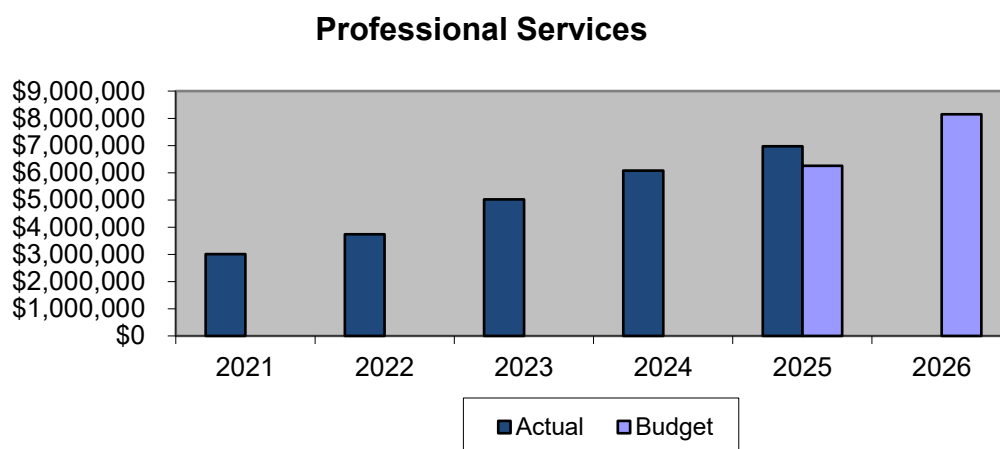
YEAR	TOTAL	% CHANGE	
2021	\$ 3,012,331		ACTUAL
2022	\$ 3,741,496	24.2%	
2023	\$ 5,013,560	34.0%	
2024	\$ 6,072,454	21.1%	
2025	\$ 6,967,339	14.7%	
			Unaudited
2025	\$ 6,256,700		BUDGET
2026	\$ 8,148,700	30.2%	

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 the largest portion of the Commission's annual expenses for Professional Services.

Funding

Professional Services are budgeted for \$8.1 million in 2026, which is \$1.9 million or 30.2% more than the 2025 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	
2021	\$ 319,735		ACTUAL
2022	\$ 339,060	6.0%	
2023	\$ 309,224	-8.8%	
2024	\$ 210,164	-32.0%	
2025	\$ 191,750	-8.8%	
			Unaudited
2025	\$ 260,550		BUDGET
2026	\$ 321,030	23.2%	

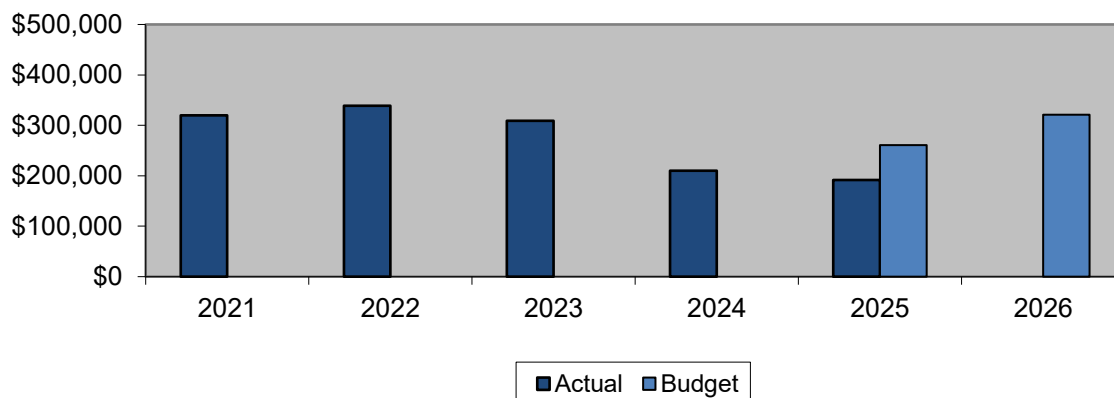
Historical Viewpoint

The Commission has seen fluctuations in Space and Equipment Rental spending over the last five years due to changing rental needs. Expenses for 2025 totaled \$191,750, a 8.8% decrease from 2024.

Funding

Space and Equipment Rentals are budgeted for \$321,030 in 2026, which is \$60,480 or 23.2% more than the 2025 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	
2021	\$ 1,543,822		ACTUAL
2022	\$ 1,271,151	-17.7%	
2023	\$ 1,643,931	29.3%	
2024	\$ 1,940,362	18.0%	
2025	\$ 2,225,453	14.7%	
			Unaudited
2025	\$ 2,464,689		BUDGET
2026	\$ 2,613,429	6.0%	

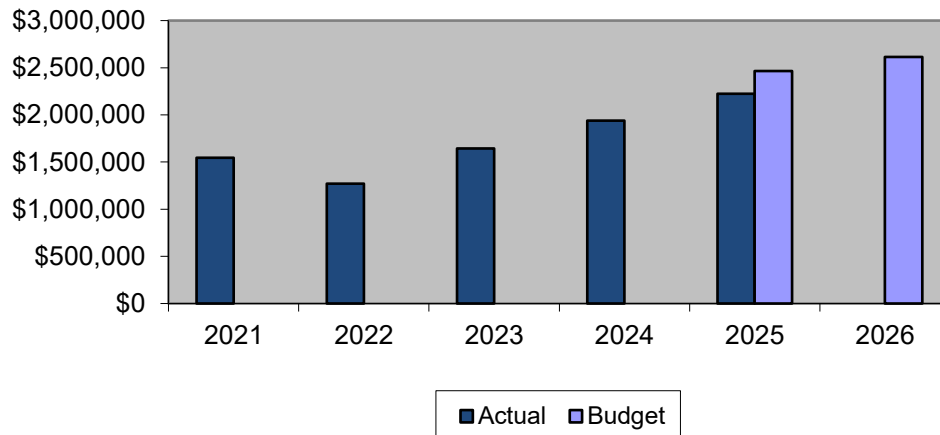
Historical Viewpoint

Expenses for Other Services have remained relatively steady over the last five years. Expenses equaled \$1.5 million in 2021, \$1.3 million in 2022, \$1.6 million in 2023, \$1.9 million in 2024 and \$2.2 million in 2025. 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 \$2.6 million in funds for Other Services in the 2026 budget, which is \$0.1 million or 6.0% more than the 2025 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
2021	\$ 981,380		ACTUAL	Excess Liabilities	23.7%
2022	\$ 1,101,718	12.3%		Employment Practices Liability	26.3%
2023	\$ 1,207,580	9.6%		Cyber	5.8%
2024	\$ 1,326,346	9.8%		Fiduciary Liability	1.8%
2025	\$ 1,327,761	0.1%		Property/Casualty	19.7%
			BUDGET	Vehicle Insurance	21.6%
2025	\$ 1,482,585			Crime Insurance	1.1%
2026	\$ 1,258,658	-15.1%		Permit/Bonding	0.0%
				Total Insurance	100.0%

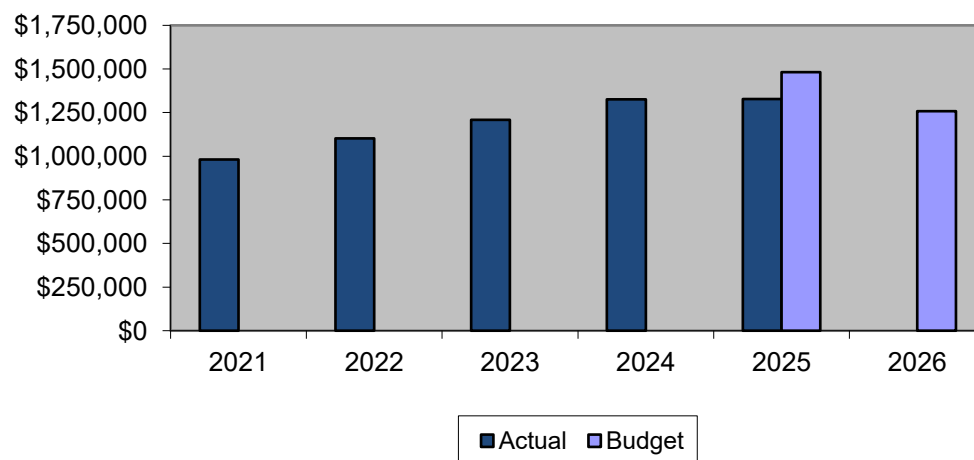
Historical Viewpoint

For Insurance over the last five years, the Commission has expensed \$981,380 in 2021, \$1,101,718 in 2022, \$1,207,580 in 2023, \$1,326,346 in 2024 and \$1,327,761 in 2025. Future costs are intended to decrease as premiums continue to fluctuate in the market.

Funding

The Insurance line item is budgeted at \$1,258,658 in 2026. The amount budgeted is \$0.2 million or 15.1% less than the previous year. The amount budgeted incorporates rates for six months of actual expenses and six months of estimated renewals, which begin in July for the next fiscal year thus creating overlapping fiscal years.

Insurance

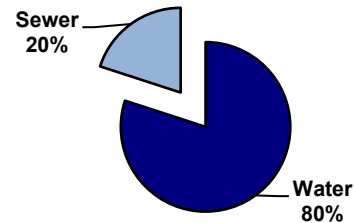


Inventory

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	
2021	\$ 13,540		ACTUAL
2022	\$ 5,848	-56.8%	
2023	\$ 19,158	227.6%	
2024	\$ 19,027	-0.7%	
2024	\$ 5,656	-70.3%	
			Unaudited
2025	\$ 25,000		BUDGET
2026	\$ 25,000	0.0%	

Inventory Fund Distribution

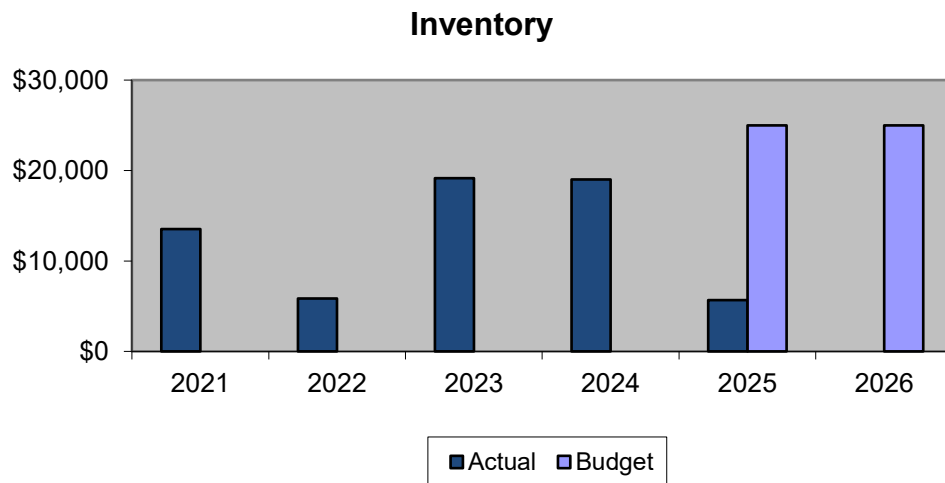


Historical Viewpoint

The Commission reclassified materials that were previously considered inventory into program supplies. Annual expenses for inventory totaled \$13,540 in 2021, \$5,848 in 2022, \$19,158 in 2023, \$19,027 in 2024 and \$5,656 in 2025. The increase in spending for 2023 and 2024 can be attributed to restocking all supplies.

Funding

Funding for inventory in the 2026 budget is \$25,000, which is level funded with the 2025 budget.

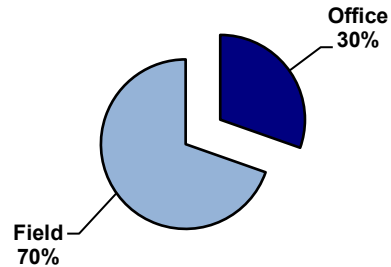


Capital Outlay

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

YEAR	TOTAL	% CHANGE	
2021	\$ 46,492		ACTUAL
2022	\$ 81,320	74.9%	
2023	\$ 95,103	16.9%	
2024	\$ 105,250	10.7%	
2025	\$ 123,073	16.9%	
			Unaudited
2025	\$ 150,000		BUDGET
2026	\$ 158,000	5.3%	

Capital Outlay Fund Distribution



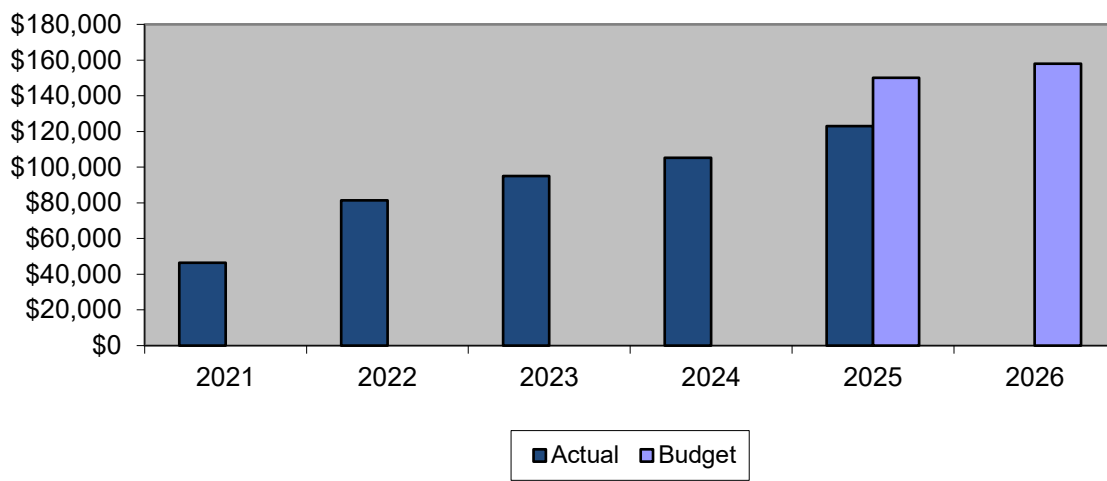
Historical Viewpoint

In prior years, the Commission purchased replacement furniture and office equipment. Annual expenses for Capital Outlay totaled \$46,492 in 2021, \$81,320 in 2022, \$95,103 in 2023, \$105,250 in 2024 and \$123,073 in 2025.

Funding

Funding for Capital Outlay in the 2026 budget is \$158,000, which is \$8,000 or 5.3% more than the 2025 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.

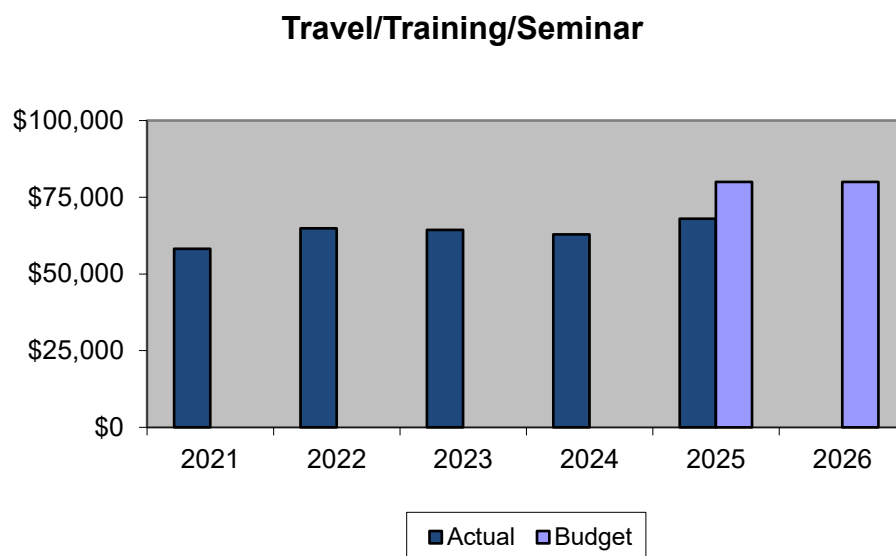
YEAR	TOTAL	% CHANGE	
2021	\$ 58,180		ACTUAL
2022	\$ 64,899	11.5%	
2023	\$ 64,318	-0.9%	
2024	\$ 62,927	-2.2%	
2025	\$ 67,962	8.0%	
			Unaudited
2025	\$ 80,000		BUDGET
2026	\$ 80,000	0.0%	

Historical Viewpoint

Travel/Training/Seminar expenditures totaled \$58,180 in 2021, \$64,899 in 2022, \$64,318 in 2023, \$62,927 in 2024 and \$67,962 in 2025. Spending for Travel/Training/Seminar has remained largely stagnant over the past five years.

Funding

Travel/Training/Seminar is funded at \$80,000 for 2026, which is level funded with the 2025 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	
2021	\$ 315,847		ACTUAL
2022	\$ 2,374,320	651.7%	
2023	\$ 217,726	-90.8%	
2024	\$ 3,010,913	1282.9%	
2025	\$ 54,720	-98.2%	
			Unaudited
2025	\$ 200,000		BUDGET
2026	\$ 200,000	0.0%	

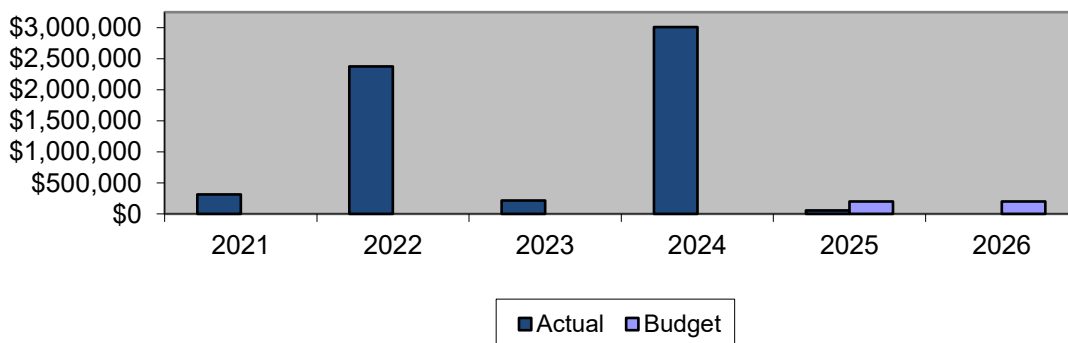
Historical Viewpoint

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 in 2022 and 2024. Expenses for Damage Claims \$315,847 in 2021, \$2,374,320 in 2022, \$217,726 in 2023, \$3,010,913 in 2024 and \$54,720 in 2025.

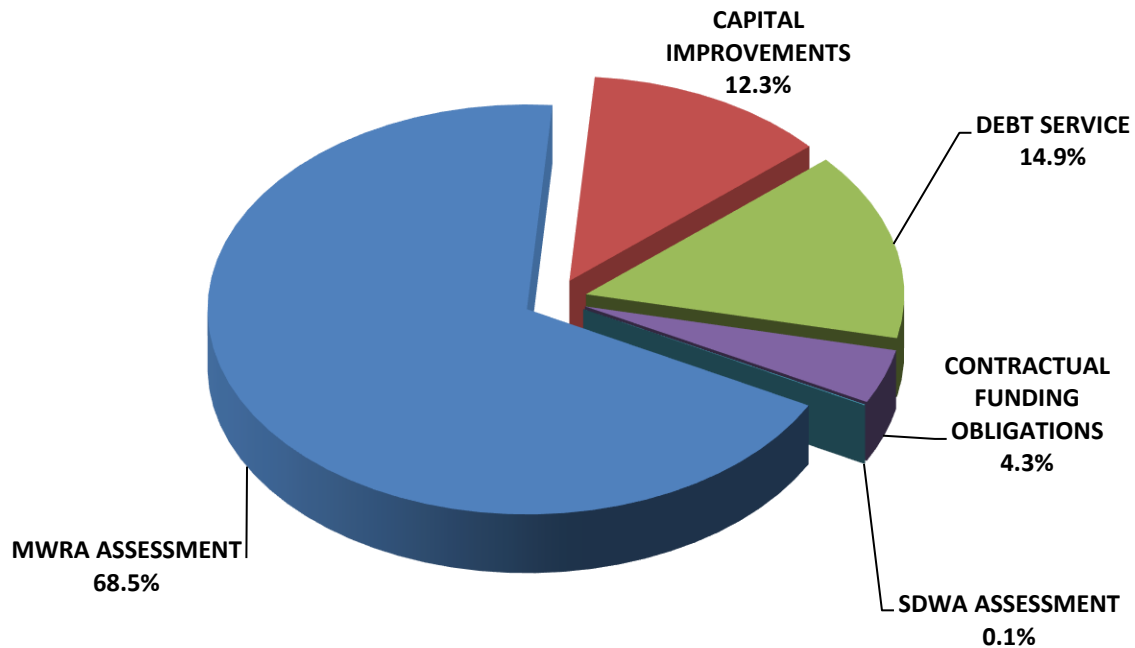
Funding

Funding for Damage Claims in the 2026 budget is \$200,000, which is level funded with the 2025 budget.

Damage Claims



INDIRECT EXPENSES FOR 2026 BUDGET



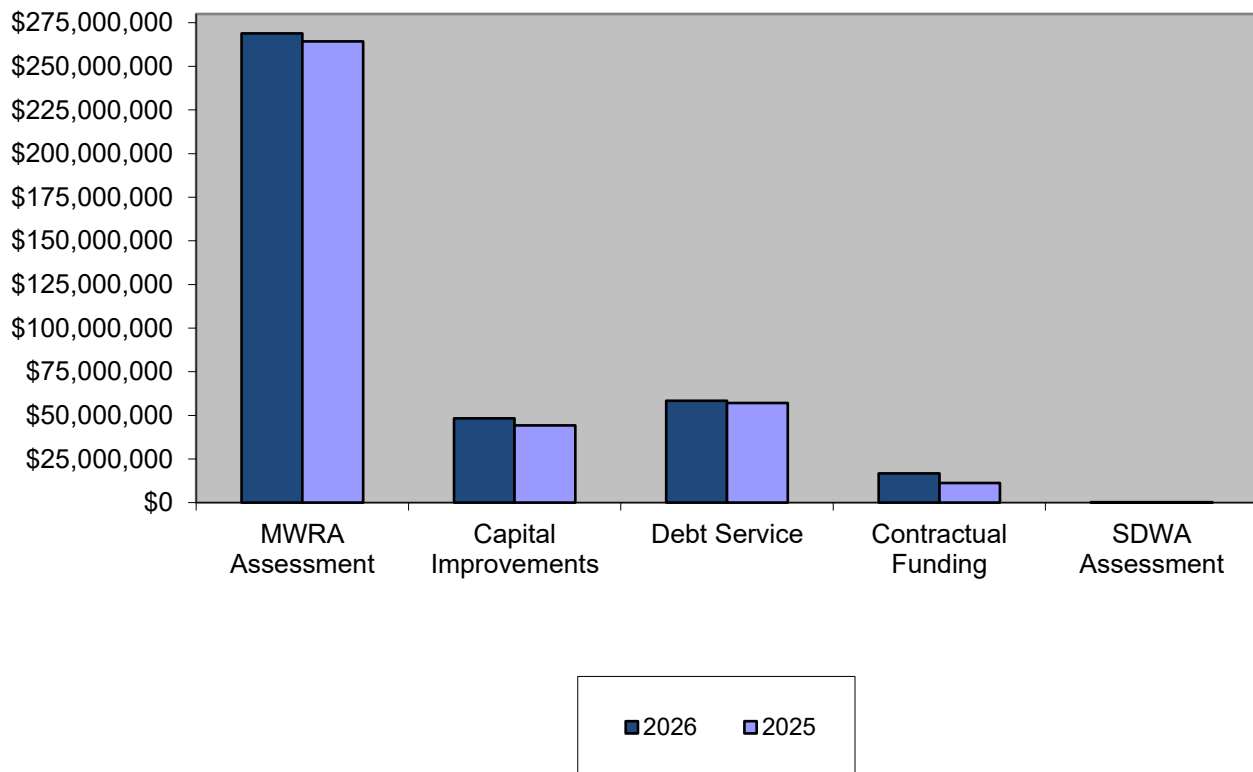
MWRA Assessment	\$	268,942,451
Capital Improvements	\$	48,319,998
Debt Service	\$	58,358,004
Contractual Funding	\$	16,814,399
SDWA Assessment	\$	214,109
Total Indirect Expenses for FY 2026		\$ 392,648,961

Indirect Expenses: 2026 vs. 2025

The table below displays the breakdown of Indirect Expenses. Variances from the 2026 to the 2025 budget are discussed in the following sections.

	2026 Budget	2025 Budget	Variance %
MWRA Assessment	\$ 268,942,451	\$ 264,259,121	1.8%
Capital Improvements	\$ 48,319,998	\$ 44,320,000	9.0%
Debt Service	\$ 58,358,004	\$ 57,094,687	2.2%
Contractual Funding	\$ 16,814,399	\$ 11,158,239	50.7%
SDWA Assessment	\$ 214,109	\$ 209,123	2.4%
TOTAL	\$ 392,648,961	\$ 377,041,170	4.1%

2026 vs 2025 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 55 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 2026, the Commission will be assessed \$115.0 million or 34.9% of MWRA total water system charges and \$153.9 million or 27.4% of the MWRA sewer system charges. On a combined basis, the Commission will pay \$268.9 million or 30.1% 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 2026 total \$112,816,245 based on the Commission’s calendar year 2024 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 2026 CEB includes funding for the MWRA Assessments totaling \$268.9 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.

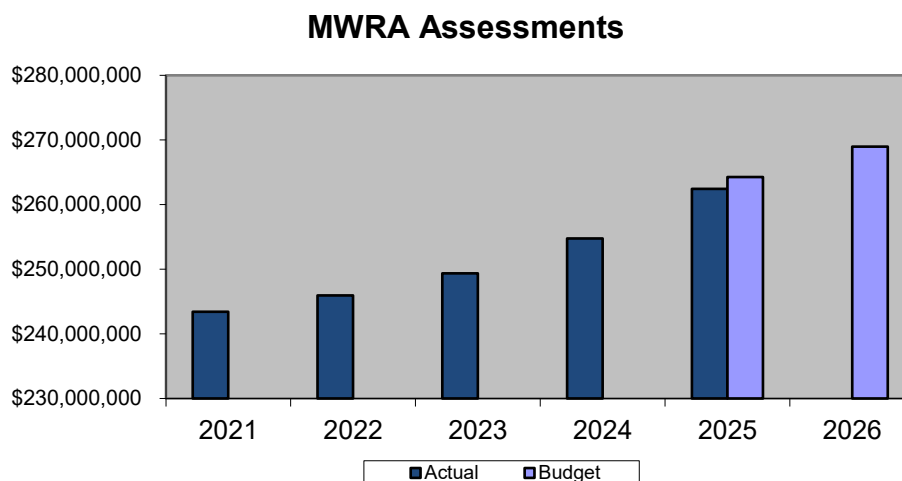
Historical Viewpoint

YEAR	TOTAL	% CHANGE	
2021	\$ 243,396,224		ACTUAL
2022	\$ 245,958,491	1.1%	
2023	\$ 249,344,505	1.4%	
2024	\$ 254,755,865	2.2%	
2025	\$ 262,406,505	3.0%	
2025	\$ 264,259,121		BUDGET
2026	\$ 268,942,451	1.8%	

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 \$243.4 million in 2021, \$246.0 million in 2022, \$249.3 million in 2023, \$254.8 million in 2024 and \$262.4 million in 2025.

Funding

The 2026 Budget for the MWRA Assessment is \$268.9 million, an increase of \$4.7 million or 1.8% from the 2025 Budget. The MWRA and Commission have different fiscal years, thus, the budget for 2026 is based on the MWRA's actual FY26 rate increase to the Commission of 1.9% and a projected MWRA FY27 rate increase to the Commission of 3.0%.



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.

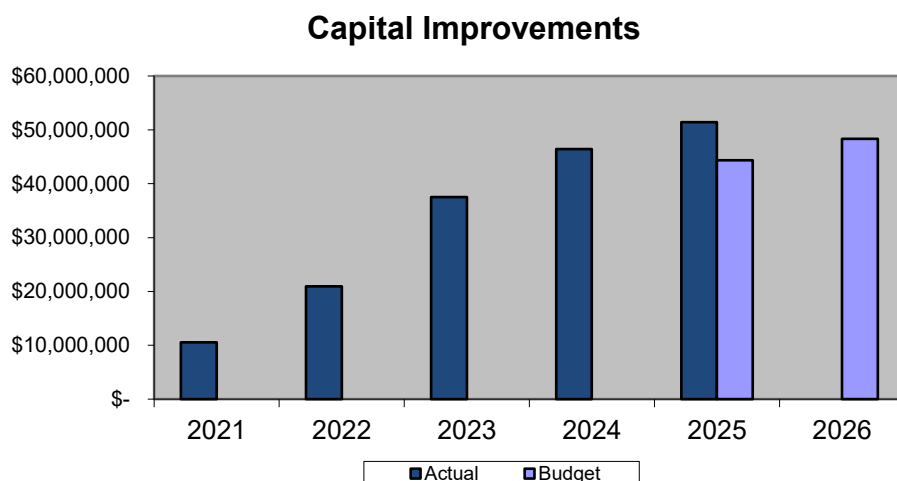
YEAR	TOTAL	% CHANGE	
2021	\$ 10,531,019		ACTUAL
2022	\$ 20,137,567	91.2%	
2023	\$ 37,516,591	86.3%	
2024	\$ 46,452,294	23.8%	
2025	\$ 51,428,157	10.7%	
			Unaudited
2025	\$ 44,320,000		BUDGET
2026	\$ 48,319,998	9.0%	

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 \$10.5 million in 2021, \$20.1 million in 2022, \$37.5 million in 2023, \$46.3 million in 2024 and \$51.4 million in 2025.

Funding

The amount budgeted in 2026 equals \$48.3 million, which is \$4.0 million or 9.0% more than 2025. The amount budgeted annually is based on project detail of new and ongoing water & sewer main and storm drain rehabilitation projects outlined in the 2026-2028 Capital Improvement Program.



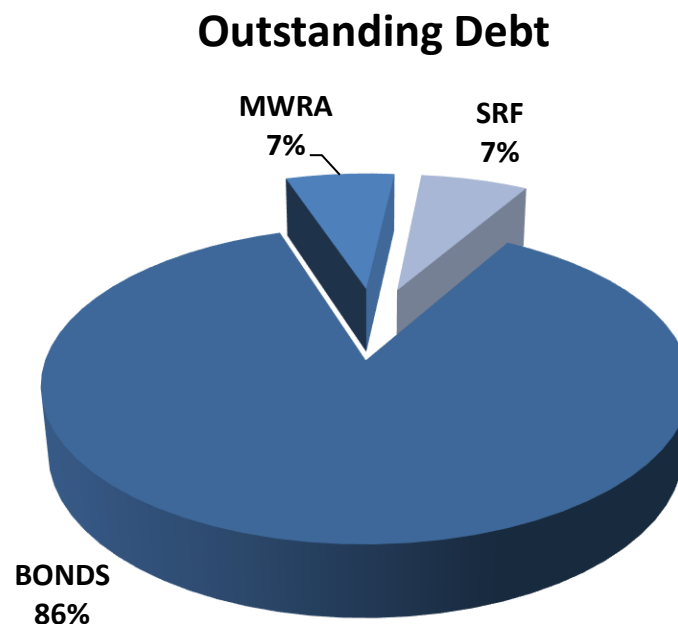
Indirect Expenses – Debt Service

The Commission issues General Revenue Bonds to finance a portion of its Capital Improvement Program. The Commission has \$591.3 million of General Revenue Bonds outstanding with different maturity dates on which there will be required principal and interest payments in 2026. 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. The Commission also has outstanding loans through the State Revolving Fund (“SRF”) with the Massachusetts Clean Water Trust that will begin to be repaid in 2026.

YEAR	TOTAL	% CHANGE	
2021	\$ 49,657,755		ACTUAL
2022	\$ 49,919,808	0.5%	
2023	\$ 52,311,608	4.8%	
2024	\$ 50,593,122	-3.3%	
2025	\$ 55,899,894	10.5%	
			Unaudited
2025	\$ 57,094,687		BUDGET
2026	\$ 58,358,004	2.2%	

Historical Viewpoint

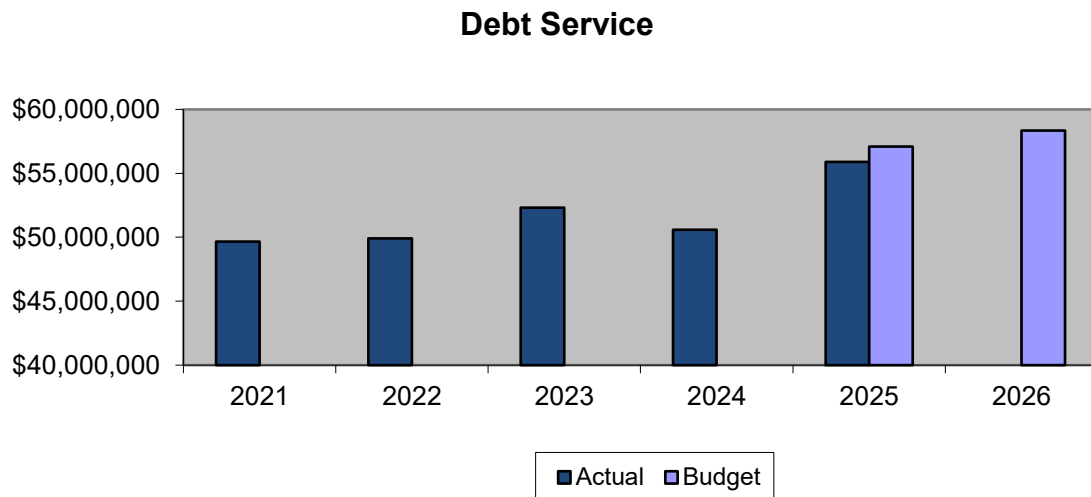
In 2025, the Commission issued \$100.0 million in general revenue bonds. The Commission does not anticipate another issuance of general revenue bonds in 2026.



Indirect Expenses – Debt Service

Funding

Funding for Debt Service is set at \$58.4 million for 2026, which is \$1.3 million or 2.2% more than 2025. The amount budgeted incorporates principal and interest payments on \$682.6 million, which consists of \$591.3 million Senior Debt, \$46.0 million MWRA loans and \$45.4 million SRF loans.



Indirect Expenses – Debt Service

Current outstanding debt includes the following General Revenue Bonds:

2014 Series A = \$55.0 million

2018 Series A = \$65.4 million

2015 Series A = \$27.6 million

2021 Series A = \$135.0 million

2016 Series A = \$40.6 million

2021 Series B = \$39.7 million

2016 Series B = \$47.6 million

2024 Series A = \$80.3 million

2025 Series A = \$100.0 million

2026 Debt Service				
	INTEREST		PRINCIPAL	TOTAL
2014 Series A (Senior)	\$ 1,993,750	\$ 5,000,000	\$ 6,993,750	
2015 Series A (Senior)	\$ 1,204,800	\$ 14,345,000	\$ 15,549,800	
2016 Series A (Senior)	\$ 1,779,800	\$ -	\$ 1,779,800	
2016 Series B (Senior)	\$ 1,429,050	\$ -	\$ 1,429,050	
2018 Series A (Senior)	\$ 2,336,750	\$ 1,500,000	\$ 3,836,750	
2021 Series A (Senior)	\$ 2,617,592	\$ 5,630,000	\$ 8,247,592	
2021 Series B (Senior)	\$ 1,518,875	\$ 485,000	\$ 2,003,875	
2024 Series A (Senior)	\$ 3,423,650	\$ 2,150,000	\$ 5,573,650	
2025 Series A (Senior)	\$ 4,632,650	\$ 100,000	\$ 4,732,650	
Total of Senior Bonds	\$ 20,936,917	\$ 29,210,000	\$ 50,146,917	
SRF Debt Service	\$ 577,556	\$ -	\$ 577,556	
MWRA I/I	\$ -	\$ 958,773	\$ 958,773	
MWRA SAP	\$ -	\$ 6,328,266	\$ 6,328,266	
MWRA LLP	\$ -	\$ 346,492	\$ 346,492	
	\$ 577,556	\$ 7,633,531	\$ 8,211,087	
Total Debt Service	\$ 21,514,473	\$ 36,843,531	\$ 58,358,004	

Indirect Expenses – Debt Service

- MWRA I/I includes two phases

	INTEREST	PRINCIPAL	TOTAL
PHASE 9	\$ -	\$ 452,264	\$ 452,264
PHASE 10	\$ -	\$ 506,510	\$ 506,510
	\$ -	\$ 958,774	\$ 958,774

- MWRA includes SAP and LLP

	INTEREST	PRINCIPAL	TOTAL
SAP	\$ -	\$ 6,328,266	\$ 6,328,266
LLP	\$ -	\$ 346,492	\$ 346,492
	\$ -	\$ 6,674,758	\$ 6,674,758

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.

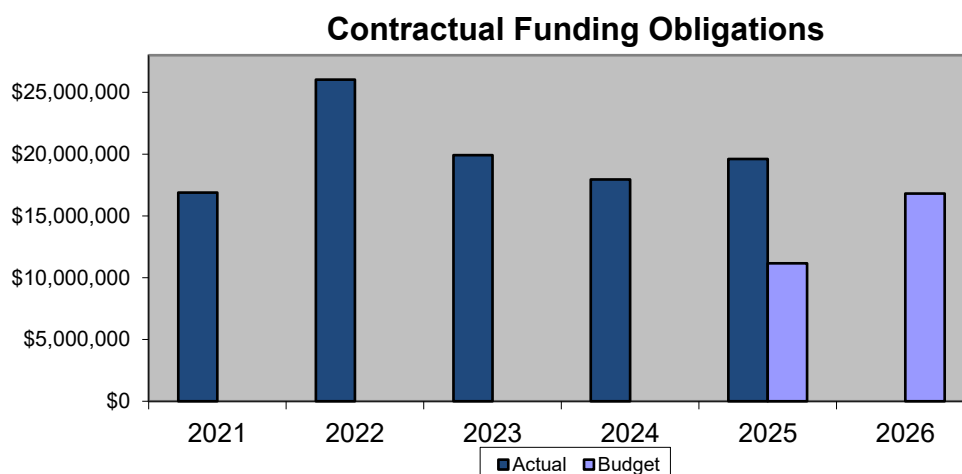
YEAR	TOTAL	% CHANGE	
2021	\$ 16,889,000		ACTUAL
2022	\$ 26,034,000	54.1%	
2023	\$ 19,912,000	-23.5%	
2024	\$ 17,960,000	-9.8%	
2025	\$ 19,604,000	9.2%	
			Unaudited
2025	\$ 11,158,239		BUDGET
2026	\$ 16,814,399	50.7%	

Historical Viewpoint

Contractual Funding Obligations have totaled \$16.9 million in 2021, \$26.0 million in 2022, \$19.9 million in 2023, \$18.0 million in 2024 and \$19.6 million in 2025. 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 2026 budget is \$16.8 million, which is an increase of \$5.7 million from the 2025 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	
2021	\$ 215,437		ACTUAL
2022	\$ 203,461	-5.6%	
2023	\$ 204,016	0.3%	
2024	\$ 212,447	4.1%	
2025	\$ 209,122	-1.6%	Unaudited
2025	\$ 209,123		BUDGET
2026	\$ 214,109	2.4%	

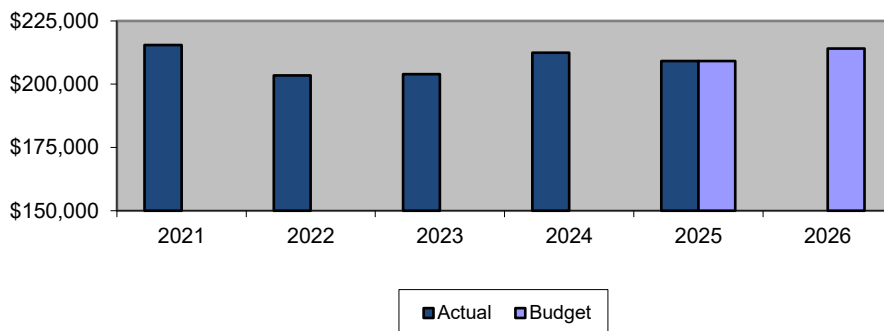
Historical Viewpoint

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 few years before increases in 2023 and 2024, realizing amounts of \$215,437 in 2021, \$203,461 in 2022, \$204,016 in 2023, \$212,447 in 2024 and \$209,122 in 2025.

Funding

The 2026 budget for the Safe Drinking Water Act Assessment is \$214,109, which is an increase of 2.4% from the 2025 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 Assement



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.

	2022	2023	2024
Current Assets	83,016,782	89,570,481	91,309,725
Capital Net Assets	1,532,236,078	1,618,787,848	1,717,623,659
Other Assets	270,886,915	283,196,811	327,171,167
Total Assets	1,886,139,775	1,991,555,140	2,136,104,551
Current Liabilities	118,498,711	170,828,641	161,380,459
Noncurrent Liabilities	609,343,054	565,588,551	605,269,906
Total Liabilities	727,841,765	736,417,192	766,650,365
Net Assets			
Invested in Capital Assets	944,498,467	1,002,874,524	1,043,511,920
Restricted Net Assets	118,764,753	124,554,152	136,063,679
Unrestricted Net Deficits	(654,698,123)	(718,859,115)	(755,919,160)
Total Net Assets	408,565,097	408,569,561	423,656,439

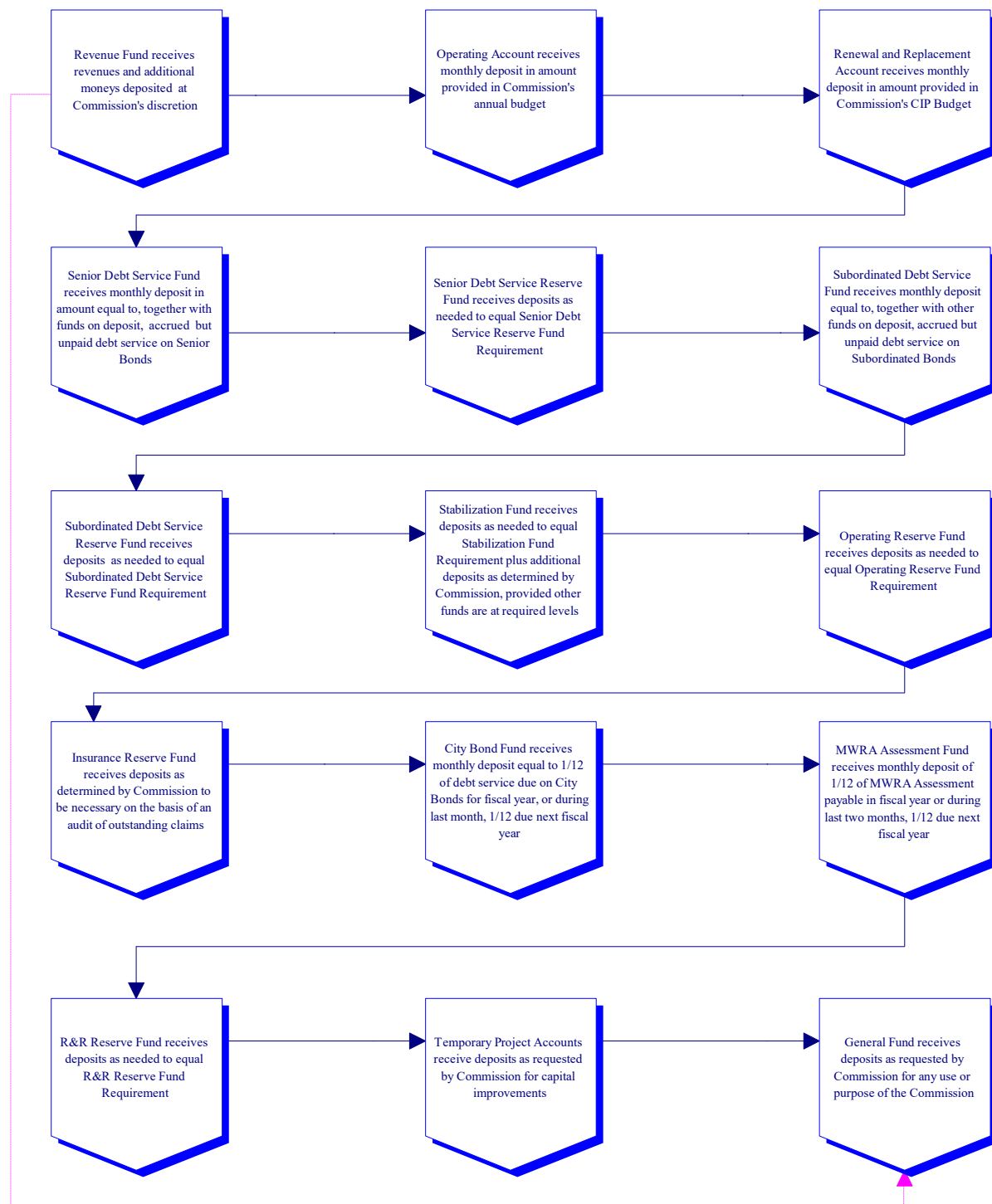
The Commission's Resolution required the establishment of the following funds and accounts shown below in the table presented. The table below illustrates historic and projected year-end balances for these funds. Further details on each individual fund follow.

Fund	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Unaudited 2025	Projected 2026
Revenue	\$ 31,766	\$ 151,261	\$ 76,706	\$ 150,603	\$ 43,324	\$ 92,360
Operating & Maintenance	\$ 6,232,562	\$ 13,950,850	\$ 32,962,733	\$ 13,885,656	\$ 13,027,209	\$ 13,027,210
Sr. Debt Service	\$ 7,413,440	\$ 7,295,266	\$ 7,367,961	\$ 8,454,936	\$ 8,375,011	\$ 8,606,407
Sr. Debt Service Reserve	\$ 44,268,957	\$ 44,302,176	\$ 44,254,181	\$ 46,725,538	\$ 50,528,418	\$ 50,498,223
Operating Reserve	\$ 55,324,454	\$ 55,879,637	\$ 59,444,980	\$ 60,502,335	\$ 62,371,485	\$ 63,239,969
Insurance Reserve	\$ 3,367,494	\$ 4,375,890	\$ 4,582,594	\$ 7,662,925	\$ 7,661,991	\$ 7,661,991
MWRA	\$ 15,051,398	\$ 21,576,679	\$ 13,632,083	\$ 20,121,521	\$ 20,983,450	\$ 21,559,494
R & R Reserve	\$ 4,685,608	\$ 6,162,676	\$ 7,539,741	\$ 10,056,089	\$ 11,217,370	\$ 12,192,630
General	\$ 2,140	\$ 2,174	\$ 2,284	\$ 2,402	\$ 147,504	\$ 2,895,504
Stabilization	\$ 58,656,386	\$ 83,545,820	\$ 97,784,414	\$ 111,639,175	\$ 123,475,509	\$ 138,158,251
Total	\$ 195,034,205	\$ 237,242,429	\$ 267,647,677	\$ 279,201,181	\$ 297,831,271	\$ 317,932,039

Flow of Funds

➔ 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 2026, \$474.3 million will be deposited and \$474.2 million will be withdrawn from the Revenue Fund. The net of these transactions will produce a year-end balance of \$0.1 million. The transactions are summarized in the table below.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 492,635,757	\$ (492,694,000)	\$ 92,360
2026	\$ 92,360	\$ 474,271,829	\$ (474,271,829)	\$ 92,360

2025 Figures are Unaudited

2026 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 2026, \$254.6 million will be deposited and \$254.6 million will be withdrawn, resulting in an ending balance of \$13.0 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ (371,364,342)	\$ 13,885,656
2025	\$ 13,885,656	\$ 380,766,648	\$ (381,625,095)	\$ 13,027,210
2026	\$ 13,027,210	\$ 254,556,739	\$ (254,556,739)	\$ 13,027,210

2025 Figures are Unaudited

2026 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 \$8.4 million in 2026. Deposits made in 2026 are projected to be \$50.4 million and amounts withdrawn are projected to total \$50.1 million, resulting in a projected ending balance of \$8.6 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 50,613,390	\$ (50,693,315)	\$ 8,375,011
2026	\$ 8,375,011	\$ 50,378,313	\$ (50,146,917)	\$ 8,606,407

2025 Figures are Unaudited

2026 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 2026 beginning balance is projected at \$50.5 million. The projected deposit for 2026 is \$1.4 million, and the projected withdrawal is \$1.4 million, resulting in an ending balance of \$50.5 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ (2,438,180)	\$ 46,725,538
2025	\$ 46,725,538	\$ 4,747,685	\$ (975,000)	\$ 50,498,223
2026	\$ 50,498,223	\$ 1,388,701	\$ (1,388,701)	\$ 50,498,223

2025 Figures are Unaudited

2026 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 \$49,696,807
- ➔ In the Reserve Fund is \$50,498,223 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 2026 is projected to be \$62.3 million. The Commission projects deposits to equal \$2.6 million and withdrawals to equal \$1.7 million resulting in a year-end balance projection of \$63.2 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 2,557,356	\$ (1,500,000)	\$ 60,502,335
2025	\$ 60,502,335	\$ 3,788,634	\$ (1,960,000)	\$ 62,330,969
2026	\$ 62,330,969	\$ 2,623,102	\$ (1,714,102)	\$ 63,239,969

2025 Figures are Unaudited

2026 Figures are Projected

- ➔ Withdrawals represent transfers of earned interest to the Revenue Fund
 - Withdrawals equals any excess reserves

- ➔ 2026 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 2026 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 2026.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 189,066	\$ (190,000)	\$ 7,661,991
2026	\$ 7,661,991	\$ 210,705	\$ (210,705)	\$ 7,661,991

2025 Figures are Unaudited

2026 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 2025 equals \$21.0 million. Deposits in 2026 are projected for \$269.5 million and the withdrawal amount is projected for \$262.4 million, resulting in an ending balance of \$21.6 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 263,268,433	\$ (262,406,505)	\$ 20,983,449
2026	\$ 20,983,449	\$ 269,521,045	\$ (268,945,000)	\$ 21,559,494

2025 Figures are Unaudited

2026 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 2026. Deposits for 2026 are projected at \$1.3 million and withdrawals at \$0.3 million resulting in an ending balance of \$12.2 million.

	<u>Begin Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
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	\$ 2,516,348	\$ -	\$ 10,056,089
2025	\$ 10,056,089	\$ 1,286,541	\$ (150,000)	\$ 11,192,630
2026	\$ 11,192,630	\$ 1,307,797	\$ (307,797)	\$ 12,192,630

2025 Figures are Unaudited

2026 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 2025 unaudited year-end balance equals \$147,504, which represents the projected 2026 beginning balance. The Commission projects an ending balance of \$2.9 million for 2026.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 1,245,102	\$ (1,100,000)	\$ 147,504
2026	\$ 147,504	\$ 3,997,056	\$ (1,249,056)	\$ 2,895,504

2025 Figures are Unaudited

2026 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 May 2025, 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 50% of such excess or \$50 million, but in either case, an amount not to exceed \$50 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 2026 year-end balance to equal \$138.2 million.

	Begin Balance	Deposits	Withdrawals	Ending Balance
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	\$ 17,424,761	\$ (3,570,000)	\$ 111,639,175
2025	\$ 111,639,175	\$ 16,791,076	\$ (4,730,000)	\$ 123,700,251
2026	\$ 123,700,251	\$ 17,859,757	\$ (3,401,757)	\$ 138,158,251

2025 Figures are Unaudited

2026 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

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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.

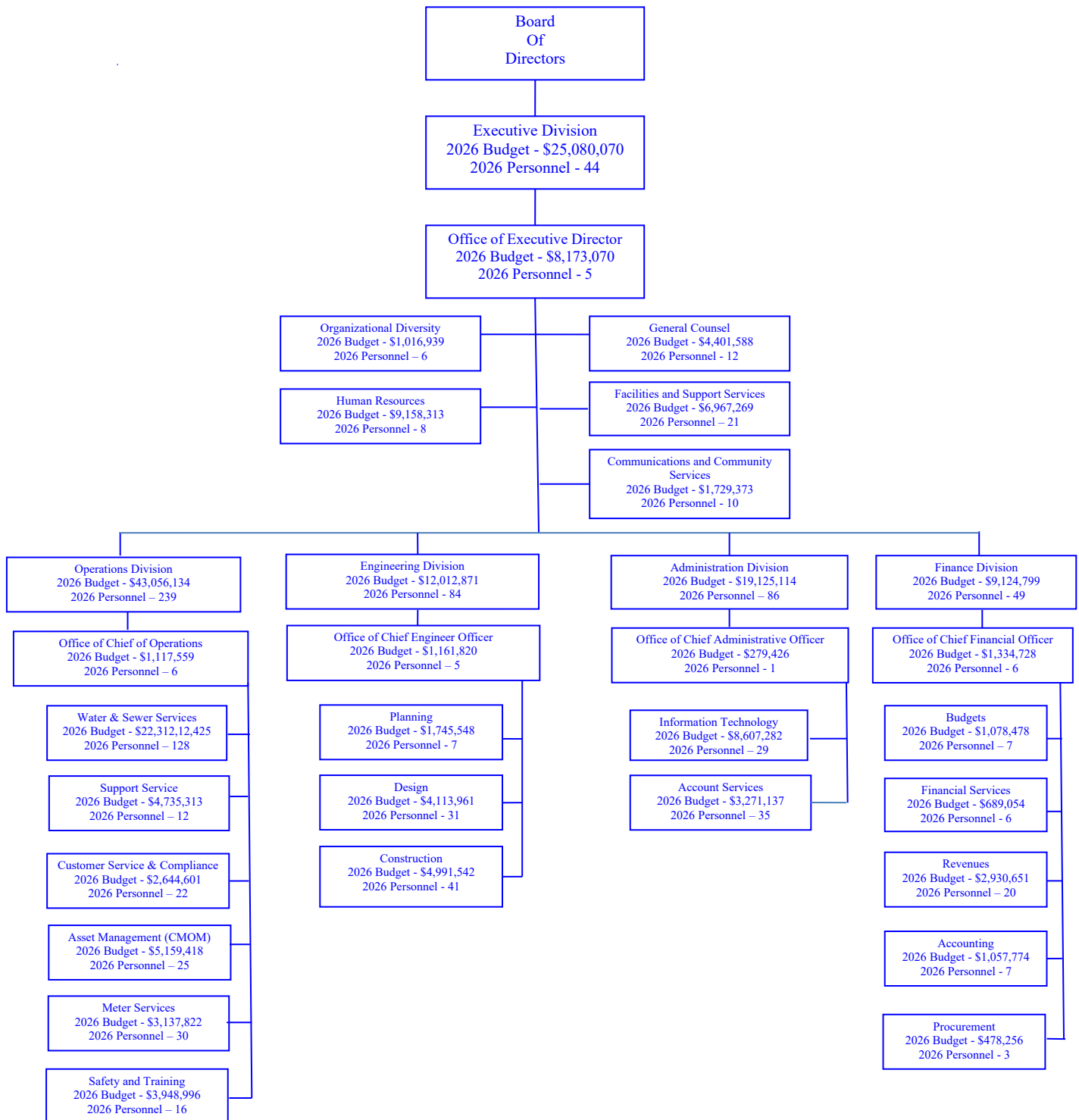
The Operations Division ensures the ongoing maintenance and emergency repairs to the Commission's water and sewer mains, service connections, hydrants and drains. The Division is also responsible for inventory control.

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

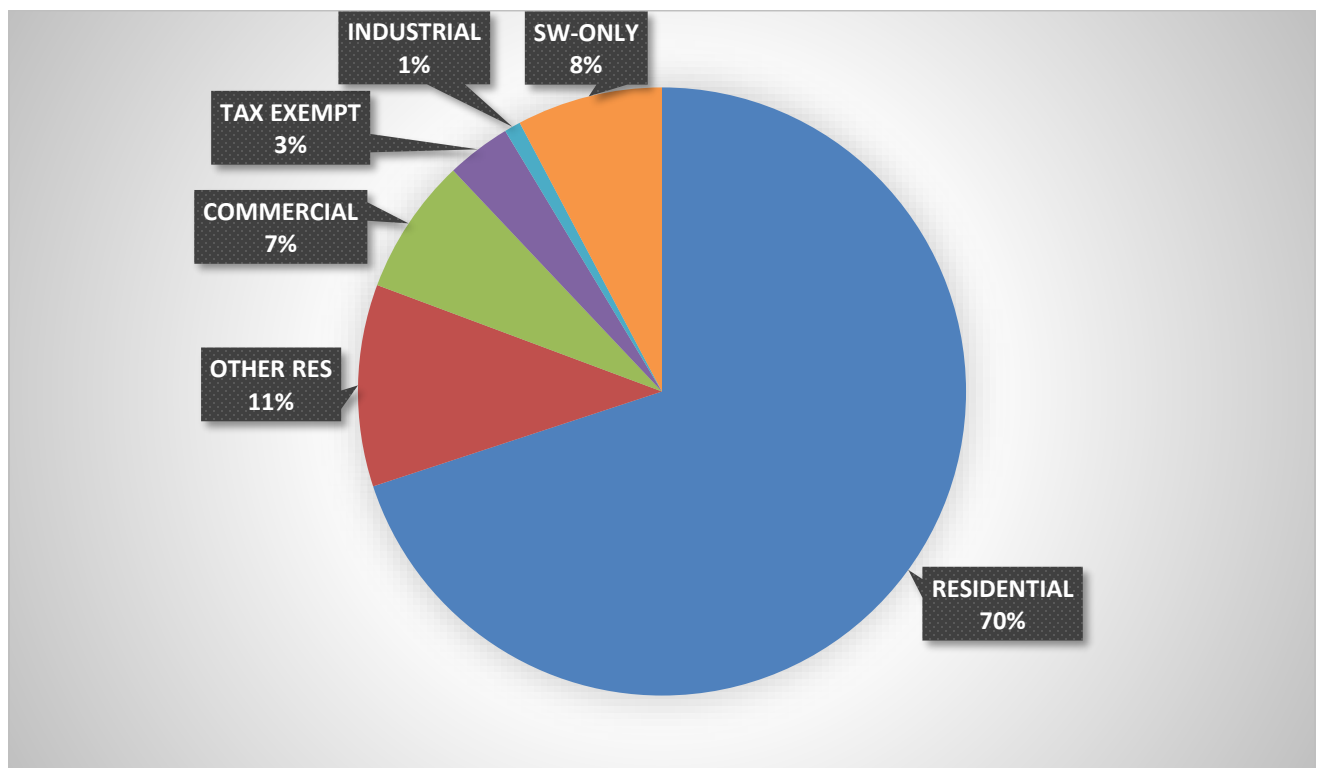


The Commission

Customer Base

The Commission provides water, sewer and stormwater services to residential, commercial, industrial, public, private and non-profit institutional properties throughout the city. The distribution of the Commission's 96,365 accounts in 2025 was as follows: 69.9% were one to three family dwellings; other residential dwellings accounted for 10.7%. Commercial customers represented 7.3%; Tax-exempt customers accounted for an additional 3.4%; Industrial customers amounted to 0.9%; the remaining 7.8% of the customer base is made of Stormwater-only accounts. 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."

2025 Distribution of Customers by Account



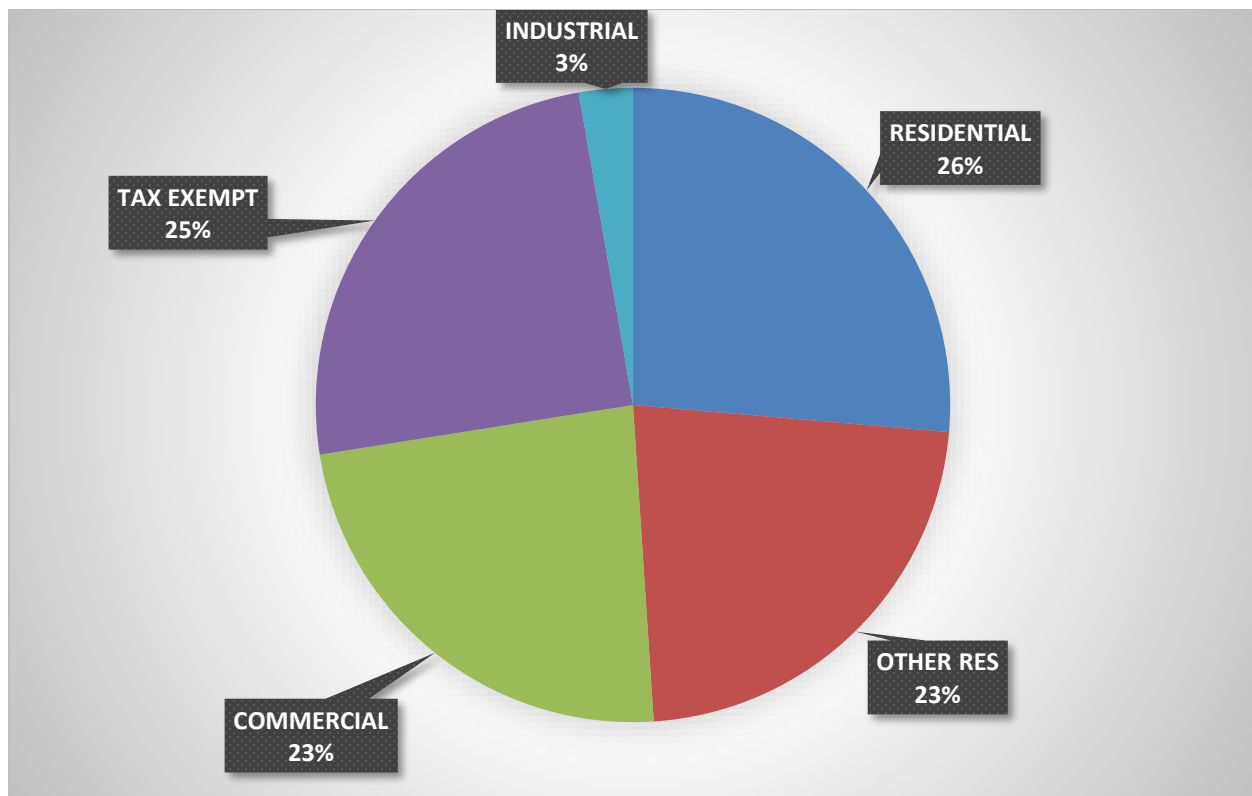
Account Type by Land Code	Number of Accounts	% of Total Accounts
Residential	67,406	69.9%
Other Residential	10,353	10.7%
Commercial	6,996	7.3%
Tax Exempt	3,300	3.4%
Industrial	840	0.9%
Stormwater Only	7,740	7.8%
Total by Land Code	96,365	100.00%

The Commission

In the above table and graph, one to three family dwellings have accounted for 69.9% of the total accounts. The actual consumption for residential accounts is much lower, using only 26.4%. Other residential customers accounted for an additional 22.6%. Tax Exempt organizations, which include hospitals, universities, religious institutions and government agencies, accounted for 24.8%. The commercial and industrial customers consumed 26.3% with 23.5% and 2.7% 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 11.6% of customer accounts generated 51.0% 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

2025 Distribution of Customers by Consumption



Account Type by Consumption	Sales in Cubic Feet (000)	% of Total Consumption
Residential	667,060	26.4%
Other Residential	571,775	22.6%
Commercial	595,651	23.5%
Tax Exempt	626,585	24.8%
Industrial	69,340	2.7%
Total by Consumption	2,530,411	100%

2025 Commission Results

The Commission established 78 tactical and strategic goals and core program functions for 2025, 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 2025 program goal but deserving of recognition. These achievements include:

2025 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.

2024 Achievement for Excellence in Financial Reporting

BWSC received the Government Finance Officers Associations (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the 2024 fiscal year. This award recognized that the Commission’s Annual Comprehensive Financial Report met the GFOA program criteria as a financial report. The award is the highest form of recognition in governmental accounting and financial reporting.

2025 National Recognition Award in Engineering Excellence Awards

BWSC and its “Boston Green Infrastructure Handbooks” have won a National Recognition Award in the American Council of Engineering Companies (ACEC) 2025 Engineering Excellence Awards competition. The national honor also gives testimony as to how Boston is tackling climate change and its impacts – including water quality, flooding, sea level rise, and urban heat island effect – with creative and innovative approaches.

2025 Best of Best Tasting Tap Water in New England

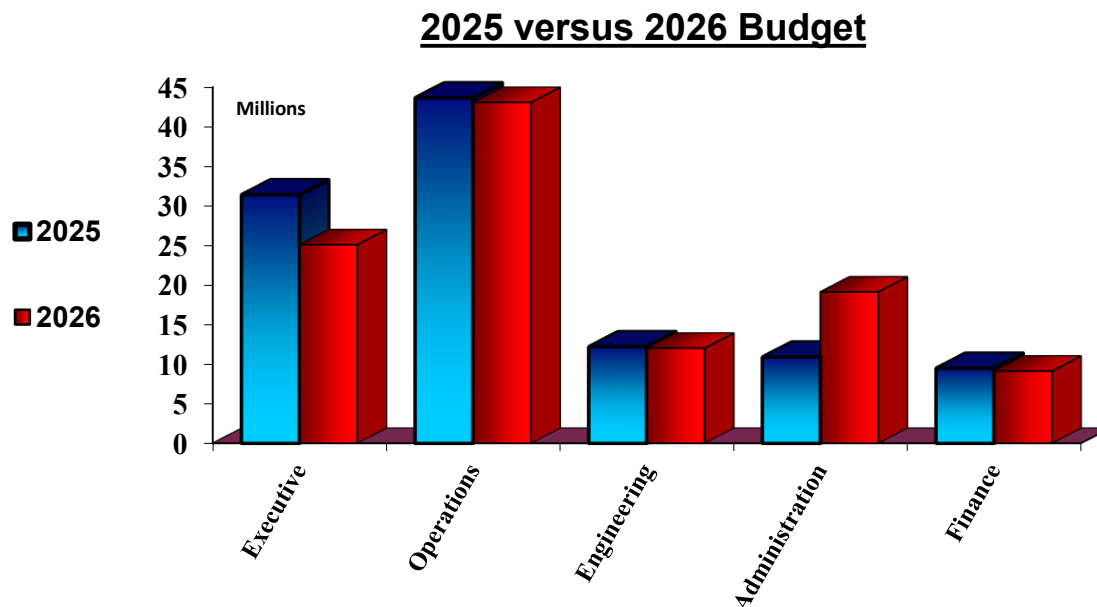
The City of Boston’s tap water has been judged best tasting in all New England following a taste test held by the New England Section of the American Water Works Association (NE-AWWA).

Commission Budget Summary

Division	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Executive	\$22,445,989	\$31,397,176	\$25,080,070	(\$6,317,106)	-20.1%
Operations	\$36,303,955	\$43,641,347	\$43,056,134	(\$585,213)	-1.3%
Engineering	\$11,611,309	\$12,207,315	\$12,012,871	(\$194,444)	-1.6%
Administration	\$21,721,453	\$10,901,945	\$19,125,114	\$8,223,169	75.4%
Finance	\$13,351,579	\$9,483,259	\$9,124,799	(\$358,460)	-3.8%
Total Direct Expenses	\$105,434,285	\$107,631,042	\$108,398,988	\$767,946	0.7%

Explanation of Major Variances

The Commission consists of five divisions: Executive, Operations, Engineering, Administration and Finance. The Commission's current expense budget for 2026 is \$108,398,988 which is a 0.7% increase from the 2025 budget. The large variances in Executive and Administration can be attributed to the Facilities department moving from the Executive division to the Administration Division.



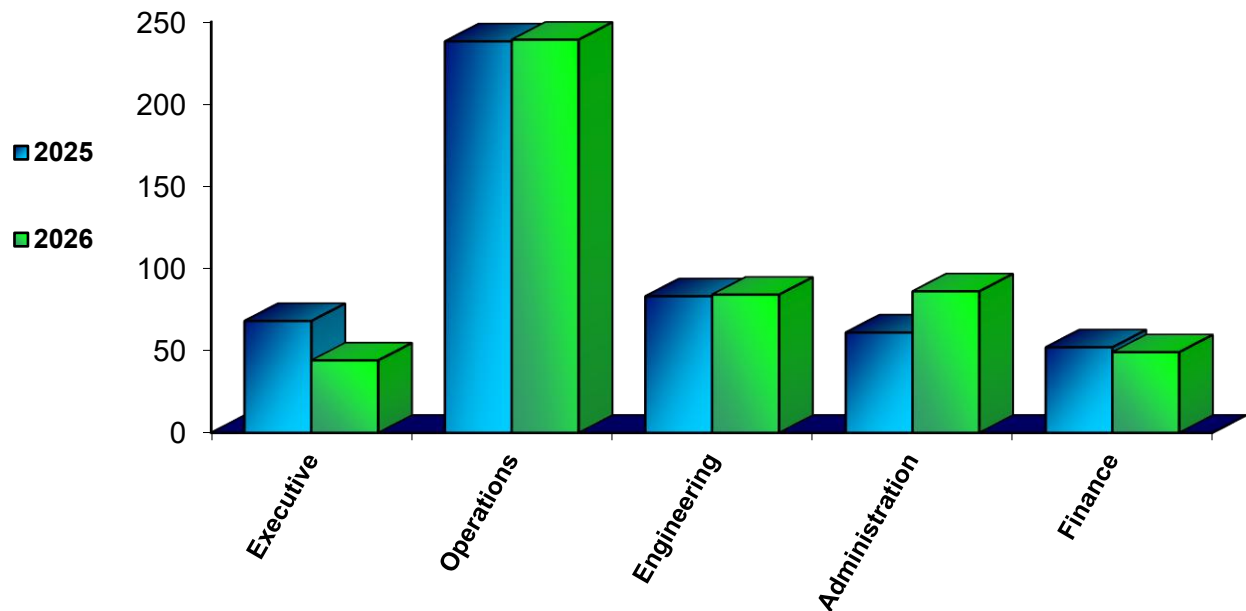
Commission Personnel Summary

Division	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Executive	35.0	68.0	44.0	(24.0)
Operations	198.0	238.0	239.0	1.0
Engineering	84.0	83.0	84.0	1.0
Administration	120.0	61.0	86.0	25.0
Finance	65.0	52.0	49.0	(3.0)
Total Budgeted Positions	502.0	502.0	502.0	0.0

Explanation of Personnel Changes

The Commission's 2026 position count is 502.0 FTE, there was no change from the 2025 approved position count. The large variances in Executive and Administration can be attributed to the Facilities department moving from the Executive division in 2025 to the Administration Division in 2026. Other minor personnel changes are explained in the following pages with the breakdowns of each department.

2025 versus 2026 Personnel

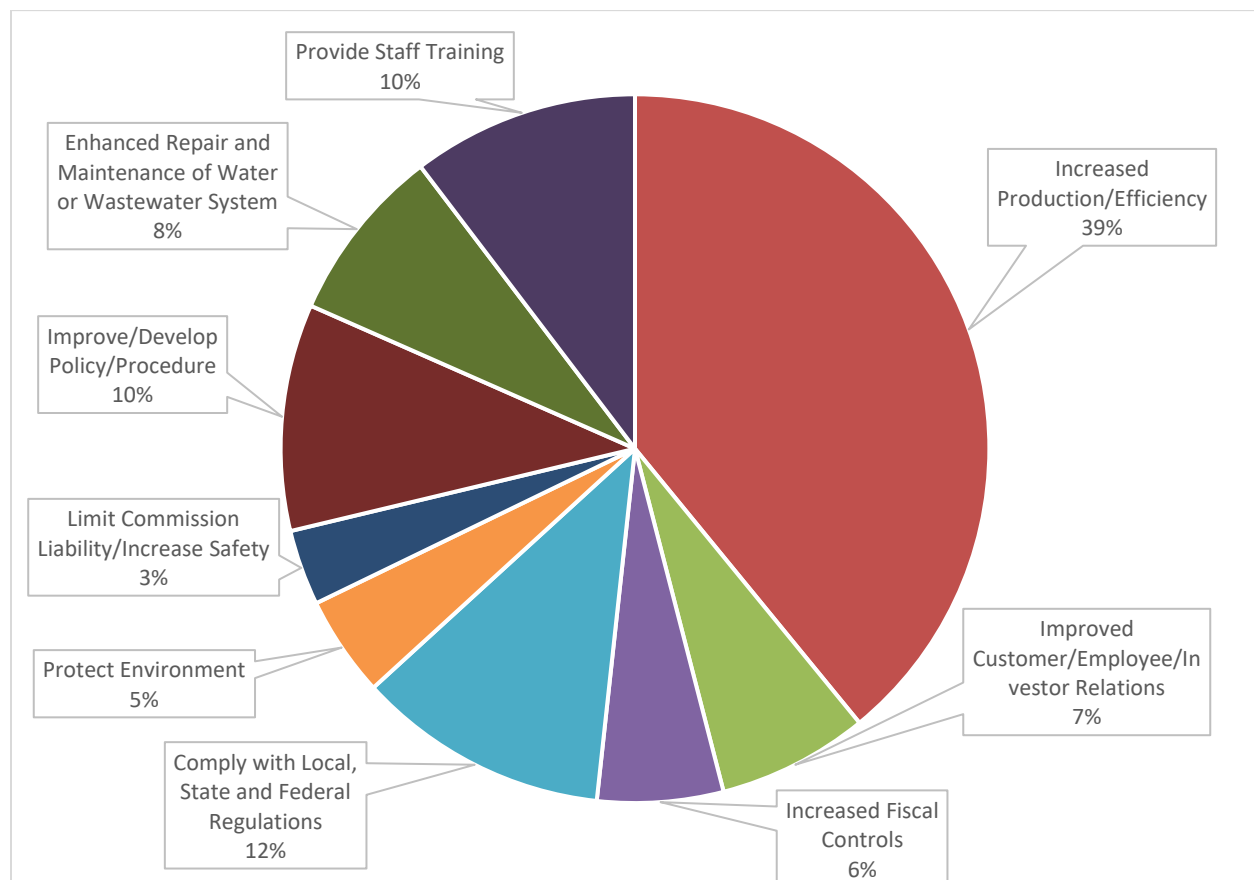


The 2026 Commission Goals

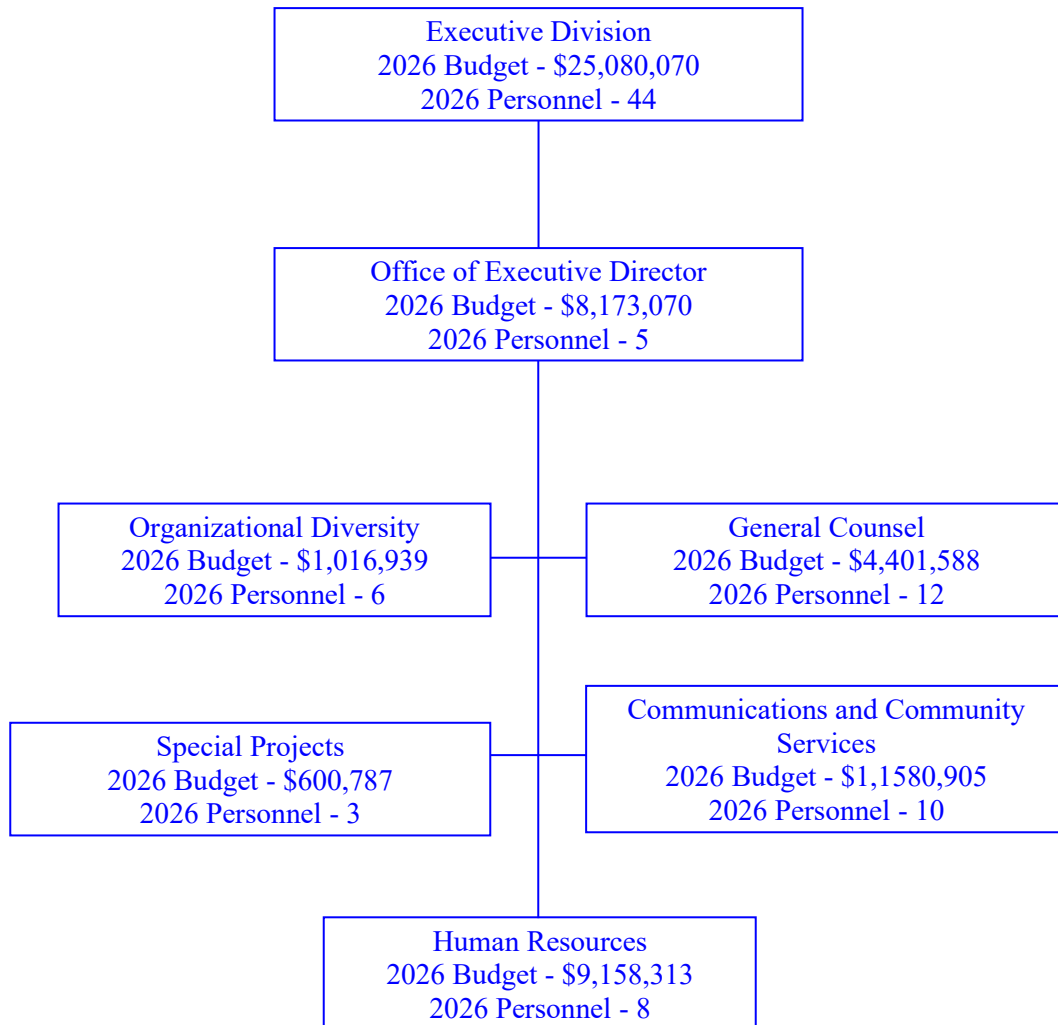
Boston had the first public water supply in the colonies and one of the first water distribution systems providing water to every home. When originally built, Boston's water distribution and wastewater collections systems were state of the art. In light of evolving technologies and today's stringent 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 74 strategic and tactical goals to accomplish in 2026. 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 2026 goals by mission.

2026 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**
- **Special Projects**

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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2024-2025 Variance
Office of Executive Director	\$5,856,197	\$6,242,984	\$8,173,070	\$1,930,086	30.9%
Organizational Diversity	\$1,002,287	\$1,009,168	\$1,016,939	\$7,771	0.8%
General Counsel	\$5,007,992	\$4,938,950	\$4,401,588	(\$537,362)	-10.9%
Human Resources	\$10,579,513	\$10,771,854	\$9,158,313	(\$1,613,541)	-15.0%
Facilities & Support Services	\$0	\$6,853,315	\$0	(\$6,853,315)	-100.0%
Communications	\$0	\$1,580,905	\$1,729,373	\$148,468	9.4%
Special Projects	\$0	\$0	\$600,787	\$600,787	
Total Direct Expenses	\$22,445,989	\$31,397,176	\$25,080,070	(\$6,317,106)	-20.1%

Explanation of Major Variances

The 2026 budget for the Executive Division is \$25,080,070 a decrease of \$6,317,106 or 20.1% from 2025. The variance is due to the transfer of the Facilities & Support Services Department to the Administration Division.

Division Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Executive Director	4.0	5.0	5.0	0.0
Organizational Diversity	5.0	6.0	6.0	0.0
General Counsel	16.0	17.0	12.0	(5.0)
Human Resources	10.0	11.0	8.0	(3.0)
Facilities and Support Services		20.0		(20.0)
Communications and Community Services		9.0	10.0	1.0
Special Projects			3.0	3.0
Total Budgeted Positions	35.0	68.0	44.0	(24.0)

Explanation of Personnel Changes**Office of Executive Director**

There was no change in position count.

Organizational Diversity

There was no change in position count.

General Counsel

Three positions transferred to Collections in Account Services. Two positions transferred to Safety & Training.

Human Resources

Three positions transferred to Special Projects.

Facilities and Support Services

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

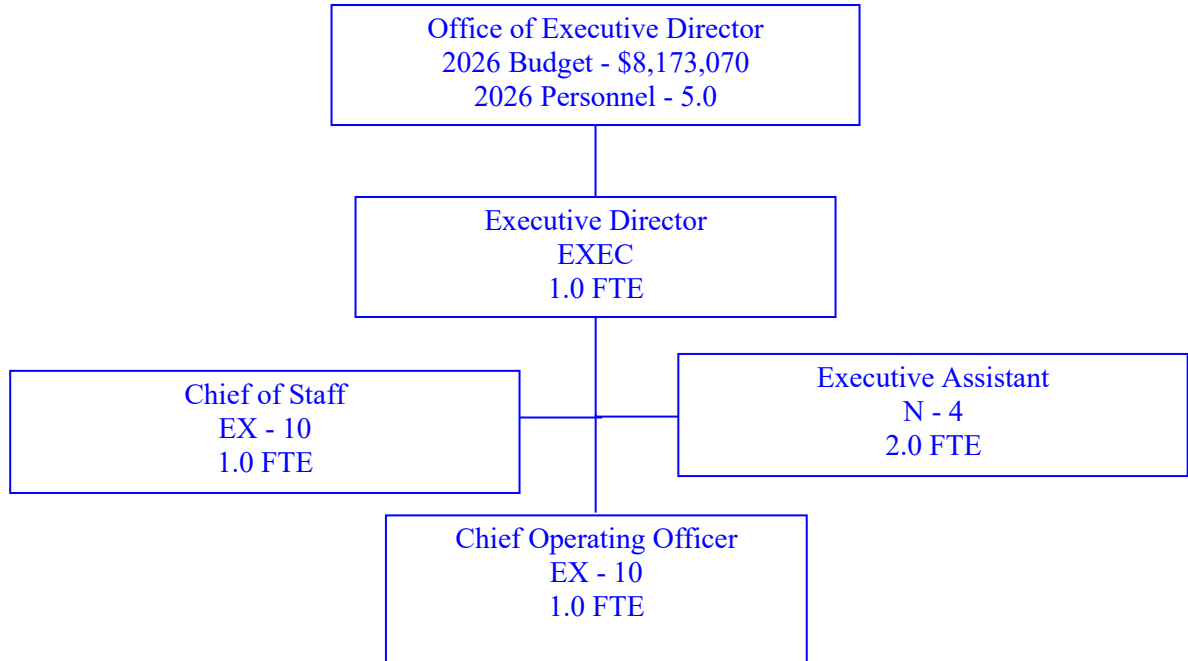
Communications and Community Services

One position transferred from Revenues.

Special Projects

Three positions transferred from Human Resources to create new department.

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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$5,427,896	\$5,766,411	\$5,796,519	\$30,108	0.5%
Labor Related Costs/Benefits	\$43,801	\$47,073	\$56,551	\$9,478	20.1%
Supplies and Materials	\$4,500	\$4,500	\$10,000	\$5,500	122.2%
Professional Services	\$225,000	\$270,000	\$2,000,000	\$1,730,000	640.7%
Other Services	\$150,000	\$150,000	\$305,000	\$155,000	103.3%
Training/Seminar/Travel	\$5,000	\$5,000	\$5,000	\$0	0.0%
Total Direct Expenses	\$5,856,197	\$6,242,984	\$8,173,070	\$1,930,086	30.9%

Explanation of Major Variances

The 2026 budget for the Office of the Executive Director is \$8,173,070 an increase of \$1,930,086 or 30.9% from the budgeted amount for 2025. The variance is due to increase of Professional Services and Other Services line items.

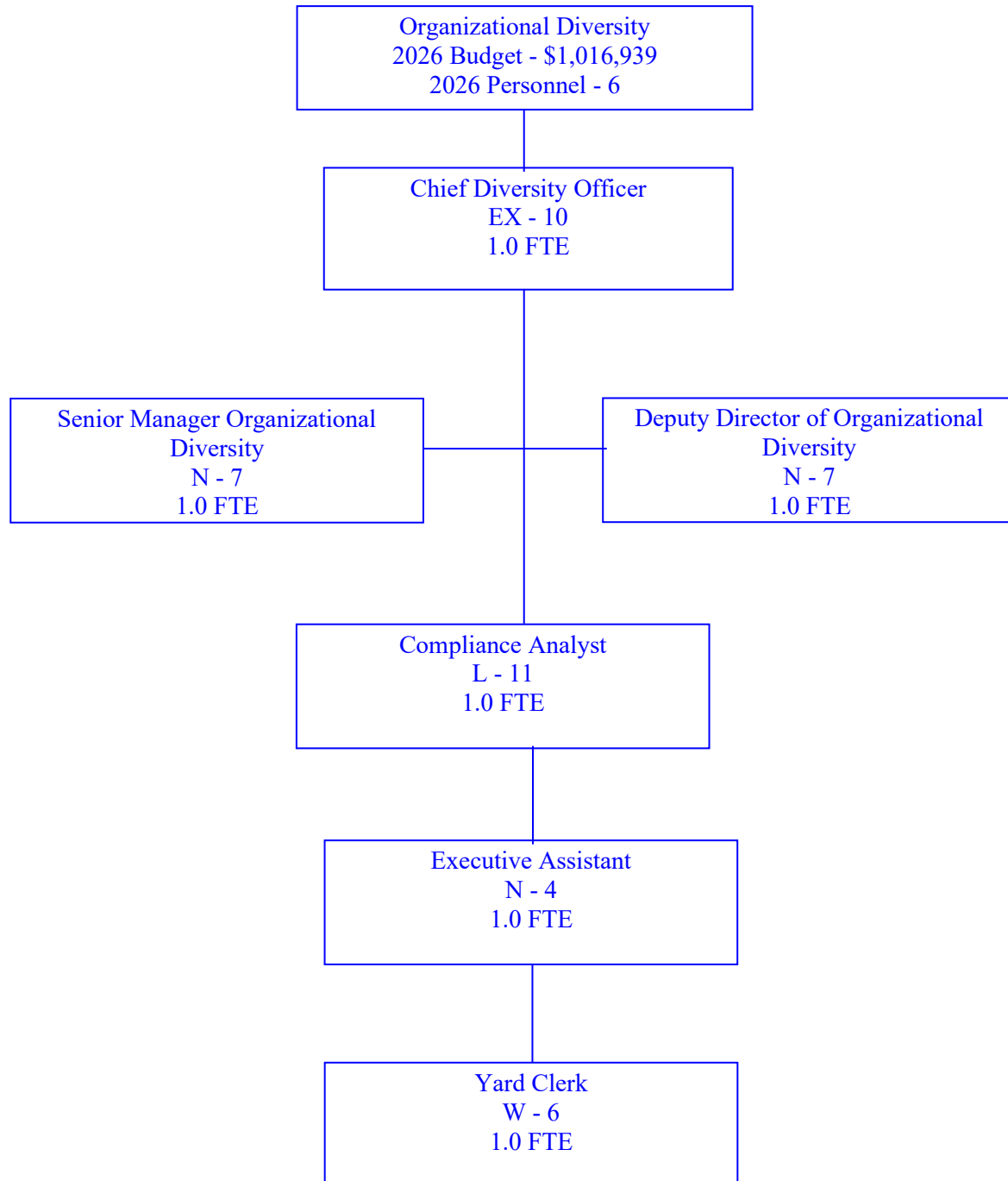
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of the Executive Director	4.0	5.0	5.0	0.0

Explanation of Personnel Changes

There was no change in position count.

Organizational Diversity



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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$700,975	\$845,524	\$894,065	\$48,541	5.7%
Labor Related Costs/Benefits	\$86,312	\$73,644	\$82,874	\$9,230	12.5%
Supplies and Materials	\$2,500	\$2,500	\$2,500	\$0	0.0%
Professional Services	\$210,000	\$85,000	\$35,000	(\$50,000)	-58.8%
Training/Seminar/Travel	\$2,500	\$2,500	\$2,500	\$0	0.0%
Total Direct Expenses	\$1,002,287	\$1,009,168	\$1,016,939	\$7,771	0.8%

Explanation of Major Variances

The 2026 budget for Organizational Diversity is \$1,016,939 an increase of \$7,771, or 0.8% from the budgeted amount for 2025. The variance is due to an increase of Wages and Salaries and Labor Related Cost/Benefits line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Organizational Diversity	5.0	6.0	6.0	0.0

Explanation of Personnel Change

There was no change in position count.

2025 Program Goal Performance Results

The number of regular (fulltime) Commission employees for the quarter ending December 31, 2025, was 434, of which 154 were white (or Caucasian) males and 39 were white females, thus bringing the white total to 193 or 44%. BIPOC (Black, Indigenous, People of Color) males numbered 165 while BIPOC females numbered 76, bringing the total BIPOC count to 241 or 56% by the quarter's end. The population of the workforce is BIPOC majority, i.e., 44% white and 56% BIPOC. This represents a huge milestone in the Commission's goal of achieving a diverse workforce.

2026 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: Work with Departments to publicize the revised Policy on the Utilization of Minority Business Enterprises/Women Business Enterprises (MBE/WBE) that supports the Commission's use of various race and gender-neutral and race and gender conscious measure to meet the MBE/WBE aspirational goals.

Objective: To utilize MBE/WBE to meet the Commission's aspirational goals.

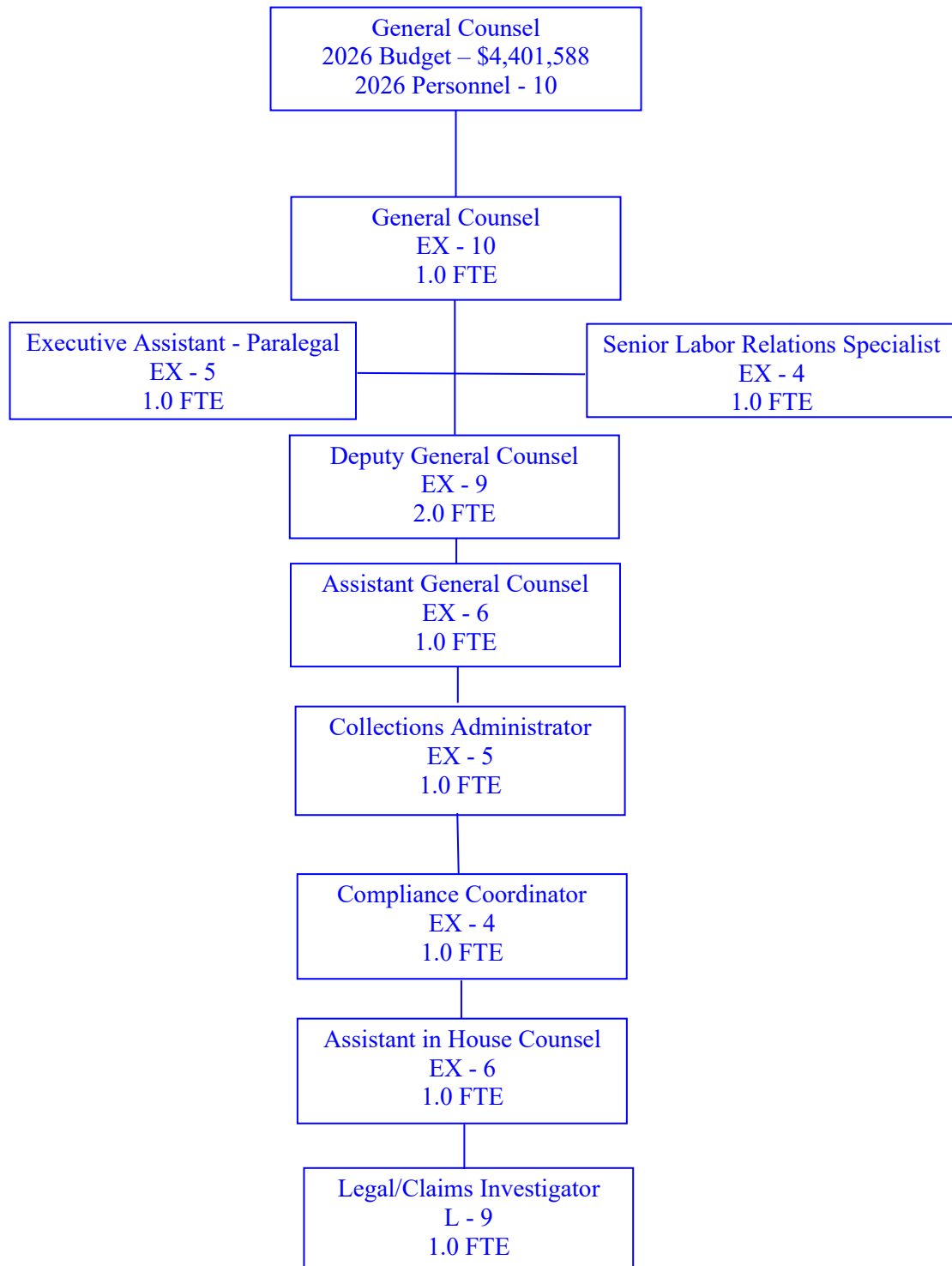
Mission: Comply with Local, State and Federal Regulations

Goal: Work on the design and development of leadership and personnel development training. We have identified three subject matter areas that we will be presenting the instruction on. (1) Manager and Supervisor Training (2) Leadership Training (3) Time Management Training.

Objective: Present training that will enhance employee skills and improve their work performance.

Mission: Provide Staff Training

General Counsel



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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$2,170,143	\$2,547,246	\$1,811,756	(\$735,490)	-28.9%
Labor Related Costs/Benefits	\$896,849	\$970,704	\$993,832	\$23,128	2.4%
Supplies and Materials	\$1,000	\$1,000	\$1,000	\$0	0.0%
Professional Services	\$1,725,000	\$1,205,000	\$1,375,000	\$170,000	14.1%
Other Services	\$10,000	\$10,000	\$15,000	\$5,000	50.0%
Insurance	\$0	\$0	\$0	\$0	N/A
Training/Seminar/Travel	\$5,000	\$5,000	\$5,000	\$0	0.0%
Damage Claims	\$200,000	\$200,000	\$200,000	\$0	0.0%
Total Direct Expenses	\$5,007,992	\$4,938,950	\$4,401,588	(\$537,362)	-10.9%

Explanation of Major Variances

The 2026 budget for General Counsel is \$4,401,588 a decrease of \$537,362 or 10.9% from the budgeted amount for 2025. The variance is due to a decrease of the Wages and Salaries line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
General Counsel	16.0	17.0	12.0	(5.0)

Explanation of Personnel Changes

Three positions transferred to Collections in Account Services. Two positions transferred to Safety & Training.

2025 Program Goal Performance Results

The Legal Department created a Comprehensive 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.

The Legal Department's negotiations with both IAMAW, LL100, AFSCME, C 93, Local 804 and OPEIU, Local 6 were successfully completed and implemented. Legal also finalized a Request for Proposal (RFP) process for a Third-Party Administrator for Workers Compensation Services, with a deal in place with a qualified vendor for three years, with an option to extend for two more.

2026 Program Goals and Objectives

Goal: Negotiate and implement a successor union contract with SEIU and Local 888 (set to expire in 2026), while ensuring a smooth transition and continuity of terms for all parties involved while strengthening the position of the Commission.

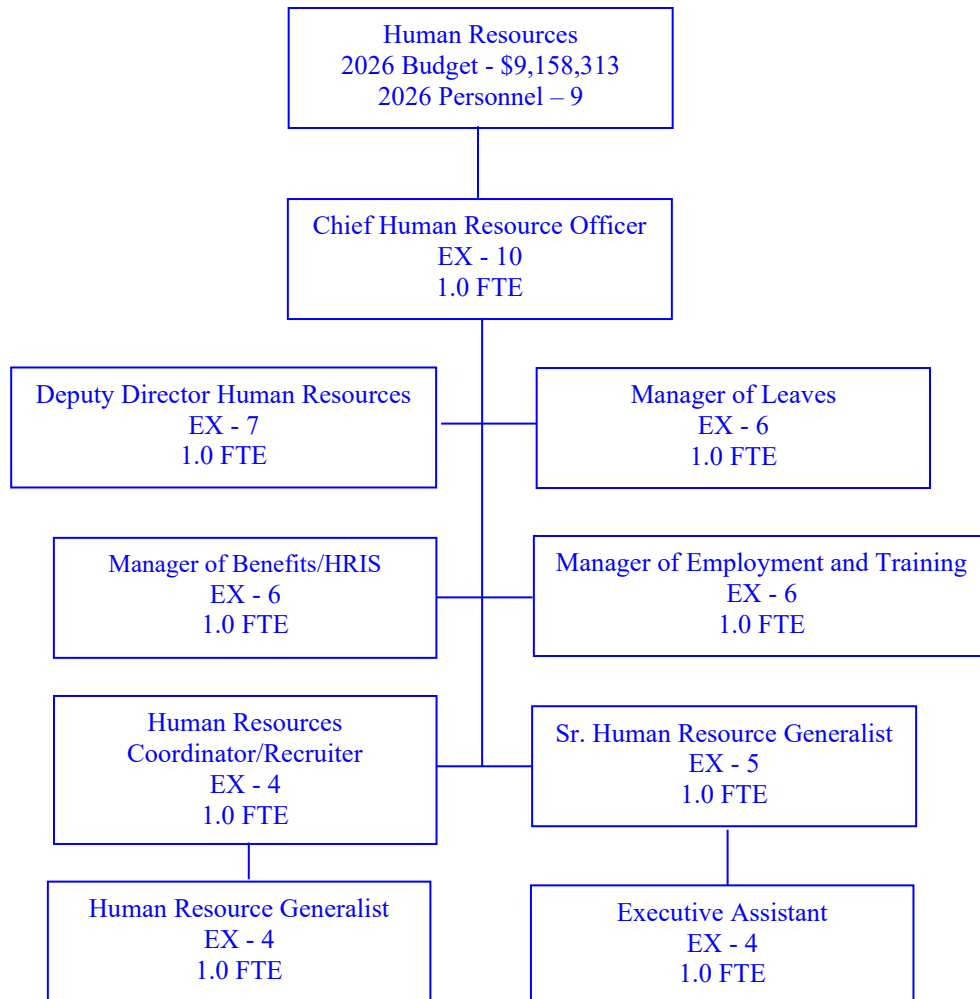
Objective: Implement agreements with these groups in accordance with Massachusetts laws governing public sector collective bargaining. These negotiations will present distinct challenges due to the different bargaining groups' compositions, including salaried employees and a wide range of job titles.

Mission: Comply with Local, State and Federal Regulations.

Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Goal
Small Claims Cases	1801	1710	1810	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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$1,943,351	\$3,102,090	\$1,321,383	(\$1,780,707)	-57.4%
Labor Related Costs/Benefits	\$8,525,162	\$7,530,264	\$7,705,930	\$175,666	2.3%
Supplies and Materials	\$15,000	\$15,000	\$11,500	(\$3,500)	-23.3%
Professional Services	\$75,000	\$80,000	\$75,000	(\$5,000)	-6.3%
Other Services	\$21,000	\$44,500	\$44,500	\$0	0.0%
Total Direct Expenses	\$10,579,513	\$10,771,854	\$9,158,313	(\$1,613,541)	-15.0%

Explanation of Major Variances

The 2026 budget for Human Resources is \$9,158,313, a decrease of \$1,613,541 or 15% from the budgeted amount for 2025. The variance is due to a decrease of the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Human Resources	10.0	11.0	8.0	(3.0)

Explanation of Personnel Changes

Three positions transferred to Special Projects.

2025 Program Goal Performance Results

Human Resources in 2025 focused on placement of qualified candidates for vacant positions while continuing to develop a succession plan for the retiring workforce. This goal ensured qualified candidates for vacant positions are hired and addressed the critical issue on how to retain industry knowledge and experience from long-tenured key-employees as they retire.

2026 Program Goals and Objectives

Goal: To scan all HR Documents on Doc Record so that HR documents are accessible electronically for easy access and to reduce paper.

Objective: The primary objectives of using scanned documents are to enhance data security through encrypted, offsite storage, improve operational efficiency by allowing fast, simultaneous access for multiple users, and ensure long-term preservation by protecting physical records from damage. Scanning facilitates creating a paperless office, reducing storage costs, and ensuring compliance

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.

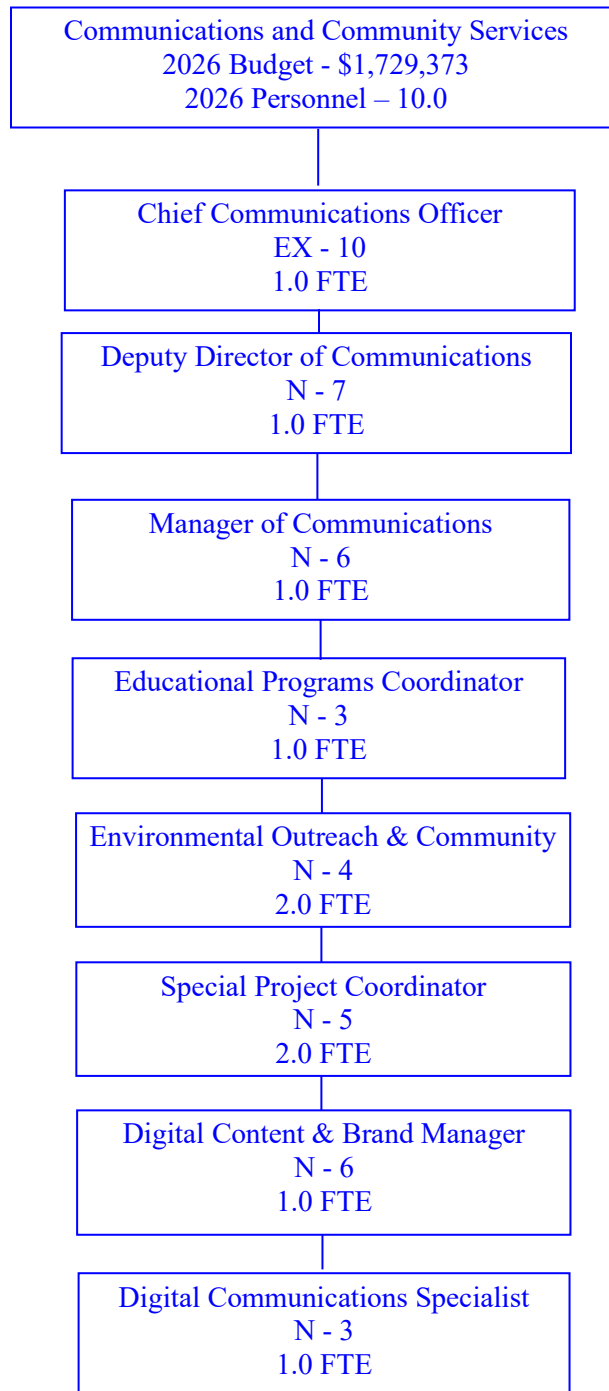
Mission: Increased Production or Efficiency Improvements

Goal: Decrease the turnover rate by 10% through improved career pathing and recognition.

Objective: Retain the Commission's best talent and avoid them leaving to outside companies, while also succession planning through in-house talent.

Mission: Provide Staff Training and Improved Customer/Employee/Investor Relations.

Communications and Community Services



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	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$1,196,134	\$1,260,334	\$1,439,094	\$178,760	14.2%
Labor Related Costs/Benefits	\$29,042	\$16,671	\$13,879	(\$2,792)	-16.7%
Supplies and Materials	\$50,000	\$50,000	\$50,000	\$0	0.0%
Professional Services	\$120,500	\$45,000	\$46,500	\$1,500	3.3%
Other Services	\$208,900	\$208,900	\$179,900	(\$29,000)	-13.9%
Total Direct Expenses	\$1,604,576	\$1,580,905	\$1,729,373	\$148,468	9.4%

Explanation of Major Variances

The 2026 budget for Communications and Community Services is \$1,729,373 a increase of \$148,468 or 9.4% from 2025. The variance is due to the increase of the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2025 Budget	2025-2026 Variance
Communications and Community Services	9.0	9.0	10.0	1.0

Explanation of Personnel Changes

One position transferred from Revenues.

2025 Program Goal Performance Results

One key Communications Department accomplishment of 2025 was meeting all Department of Environmental Protection notification requirements for the Commission's Lead Replacement Program. The department also educated consumers over the phone, by mail, with paid advertisements in local papers, and with our attendance at the Harborview Neighborhood Association meeting in response to the mailing. The department also ran a sweepstakes to encourage customers to use the Commission's electronic payment platform, during which an email blast was sent out to 53,000 customers. Communications continued to market their campaigns of Don't Dump, Keep Wipes out of Pipes, Scoop the Poop, and FOG. In addition, they highlighted information about the Commission's Green Infrastructure Program. The team also focused on creating short videos for social media platforms. Topics included: Smoke Test, Lead PSA, Bioswale. The Smoke Test (1,023 views), Bioswale, (673 views) and Storm Prep (663 views) videos all garnered high interest.

2026 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 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 involves conducting targeted inspections of properties with known lead service lines and updating PSAs in multilingual platforms.

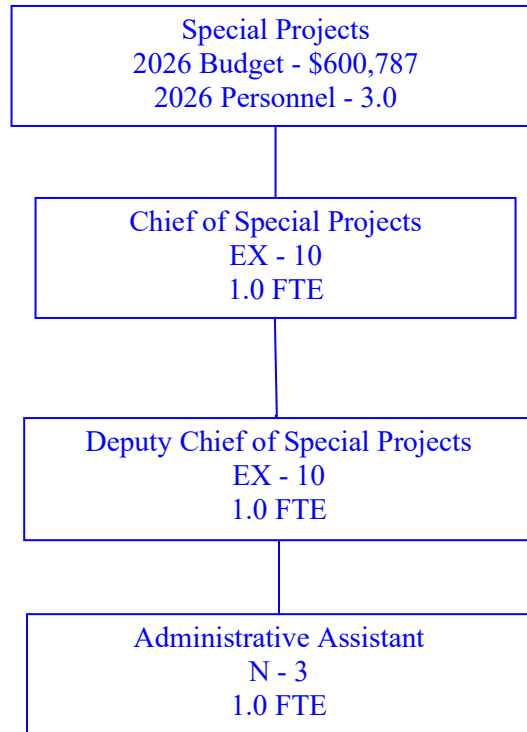
Mission: Comply with Local, State and Federal Regulations.

Goal: Implement increased educational information about BWSC through use of expanded social media platforms.

Objective: Develop messages for consumers to learn about BWSC programs, projects, and environmental outreach activities through social media platforms and the BWSC website.

Mission: Protect Environment

Special Projects



Executive Division

Special Projects

Program Activities

- Oversee large projects within the Commission, such as the replacement of the roof and HVAC system at the Commission's headquarters at 980 Harrison Ave.

Department Budget Summary

Expense Line Item	2024 Budget	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$0	\$0	\$600,787	\$600,787	
Labor Related Costs/Benefits	\$0	\$0	\$0	\$0	
Supplies and Materials	\$0	\$0	\$0	\$0	
Professional Services	\$0	\$0	\$0	\$0	
Other Services	\$0	\$0	\$0	\$0	
Training/Seminar/Travel	\$0	\$0	\$0	\$0	
Total Direct Expenses	\$0	\$0	\$600,787	\$600,787	

Explanation of Major Variances

The 2026 budget for Special Projects is \$600,787 an increase of \$600,787 or 100.0% from the budgeted amount for 2025. The variance is due to the new department being created midyear in 2025 and budgeted for 2026.

Department Personnel Summary

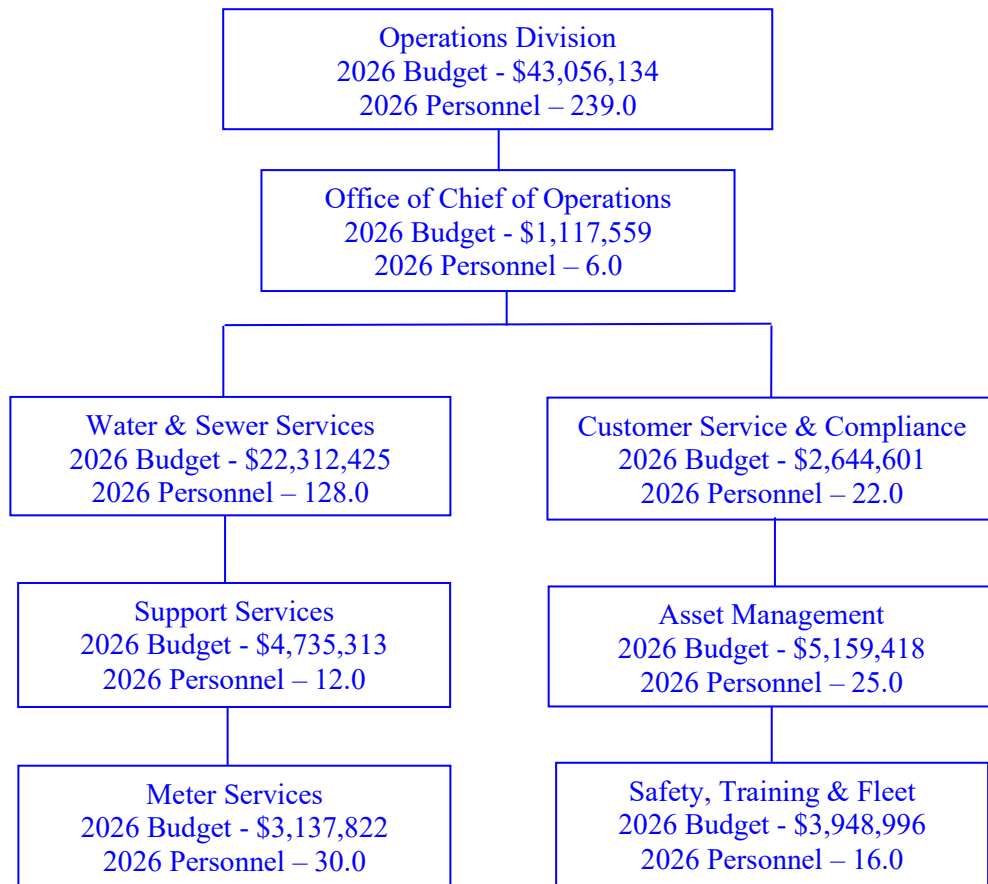
Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Special Projects	0.0	0.0	3.0	3.0

Explanation of Personnel Changes

Three positions transferred from Human Resources to create new department.

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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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Office of Chief of Operations	\$906,554	\$675,513	\$1,117,559	\$442,046	65.4%
Water & Sewer Services	\$22,015,190	\$22,613,118	\$22,312,425	(\$300,693)	-1.3%
Support Services	\$3,335,439	\$4,767,441	\$4,735,313	(\$32,128)	-0.7%
Customer Service & Compliance	\$3,574,760	\$3,690,544	\$2,644,601	(\$1,045,943)	-28.3%
Asset Management	\$4,895,734	\$5,108,457	\$5,159,418	\$50,961	1.0%
Metering	\$0	\$3,125,828	\$3,137,822	\$11,994	0.4%
Safety & Training	\$0	\$3,660,446	\$3,948,996	\$288,550	7.9%
Total Direct Expenses	\$34,727,677	\$43,641,347	\$43,056,134	(\$585,213)	-1.3%

Explanation of Major Variances

The 2026 budget for the Operations Division is \$43,056,134 a decrease of \$585,213 or -1.3 from the budgeted amount for 2025. The variance is attributed to the Water & Sewer Services and Customer Service & Compliance line items.

Operations Division

Division Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Chief of Operations Services	5.0	5.0	6.0	1.0
Water & Sewer Services	121.0	121.0	128.0	7.0
Support Services	11.0	11.0	12.0	1.0
Customer Service & Compliance	32.0	33.0	22.0	(11.0)
Asset Management	28.0	27.0	25.0	(2.0)
Metering	0.0	28.0	30.0	2.0
Safety & Training	0.0	14.0	16.0	2.0
Total Personnel	197.0	197.0	239.0	42.0

Explanation of Personnel Changes

Office of Chief of Operations

One position transferred from Design.

Water & Sewer Services

Eleven positions transferred from Enforcement with the Work Order Customer Service department moving subdivisions. Two positions transferred to Support Services and two positions transferred to Meter Services.

Support Services

Two positions transferred from Water and Sewer Services.

Customer Service & Compliance

Eleven positions transferred to Water and Sewer Services with the Work Order Customer Service department moving subdivisions.

Asset Management

Two positions transferred to Construction.

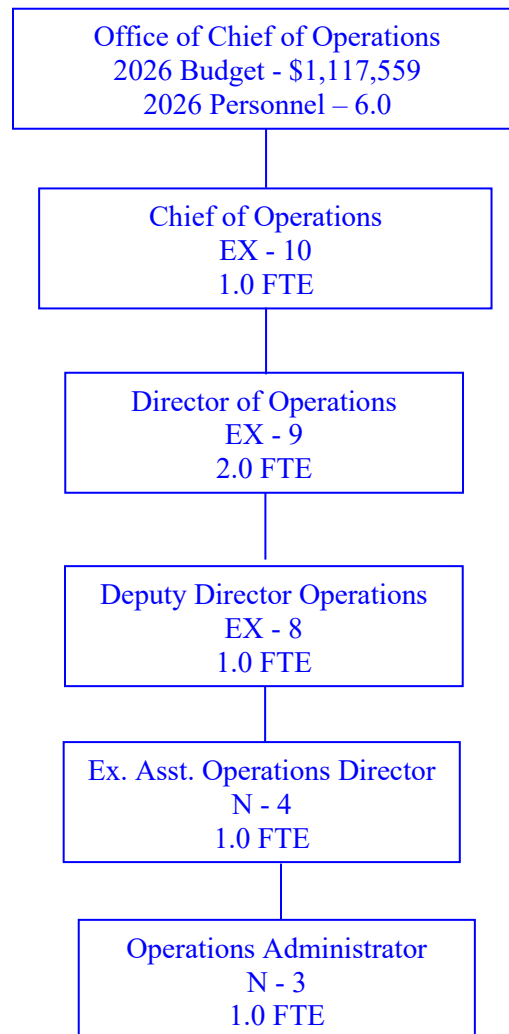
Meter Services

Two positions transferred from Water and Sewer Services.

Safety and Training

Two positions transferred from General Counsel.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$840,431	\$637,332	\$1,081,516	\$444,184	69.7%
Labor Related Costs/Benefits	\$29,123	\$21,181	\$19,043	(\$2,138)	-10.1%
Professional Services	\$20,000	\$0	\$0	\$0	0.0%
Training/Seminar/Travel	\$17,000	\$17,000	\$17,000	\$0	0.0%
Total Direct Expenses	\$906,554	\$675,513	\$1,117,559	\$442,046	65.4%

Explanation of Major Variances

The 2026 budget for the Office of Chief Operations is \$1,117,559 an increase of \$442,046 or 65.4% from the budgeted amount for 2025. The variance is due to the Wages and Salaries line items.

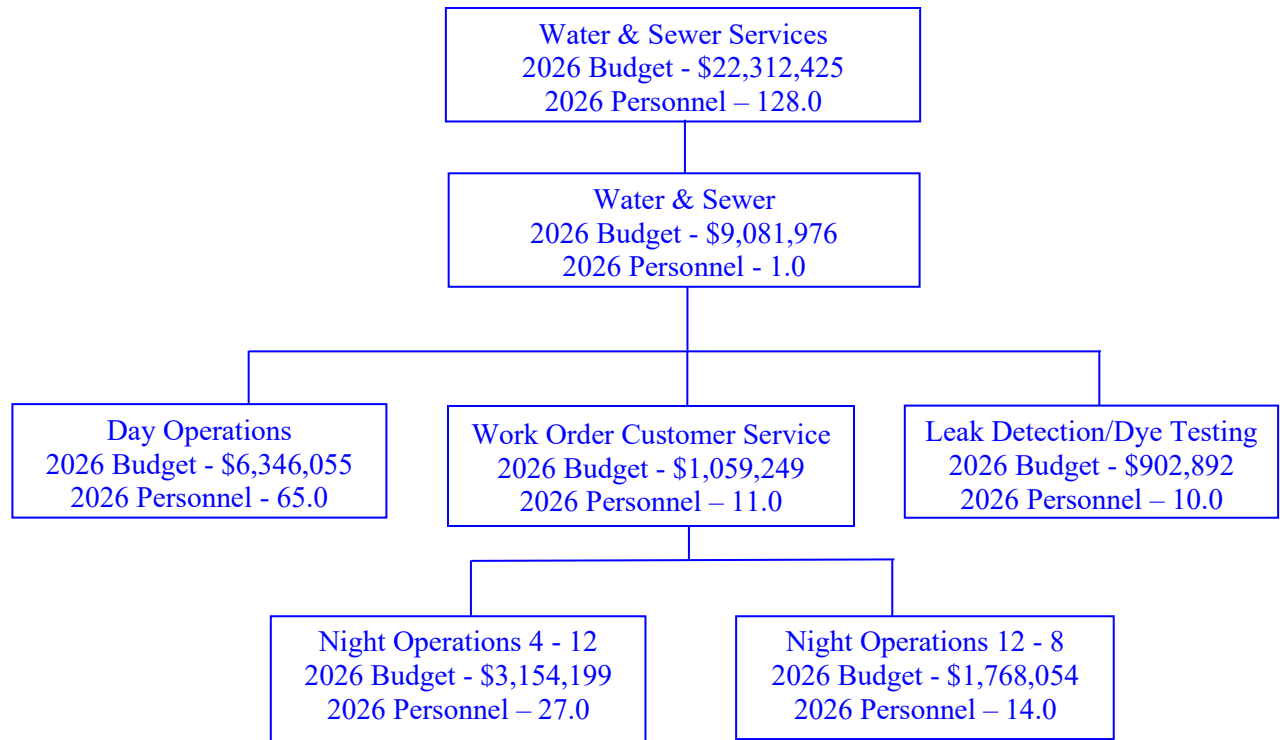
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Operations Director	5.0	5.0	6.0	1.0

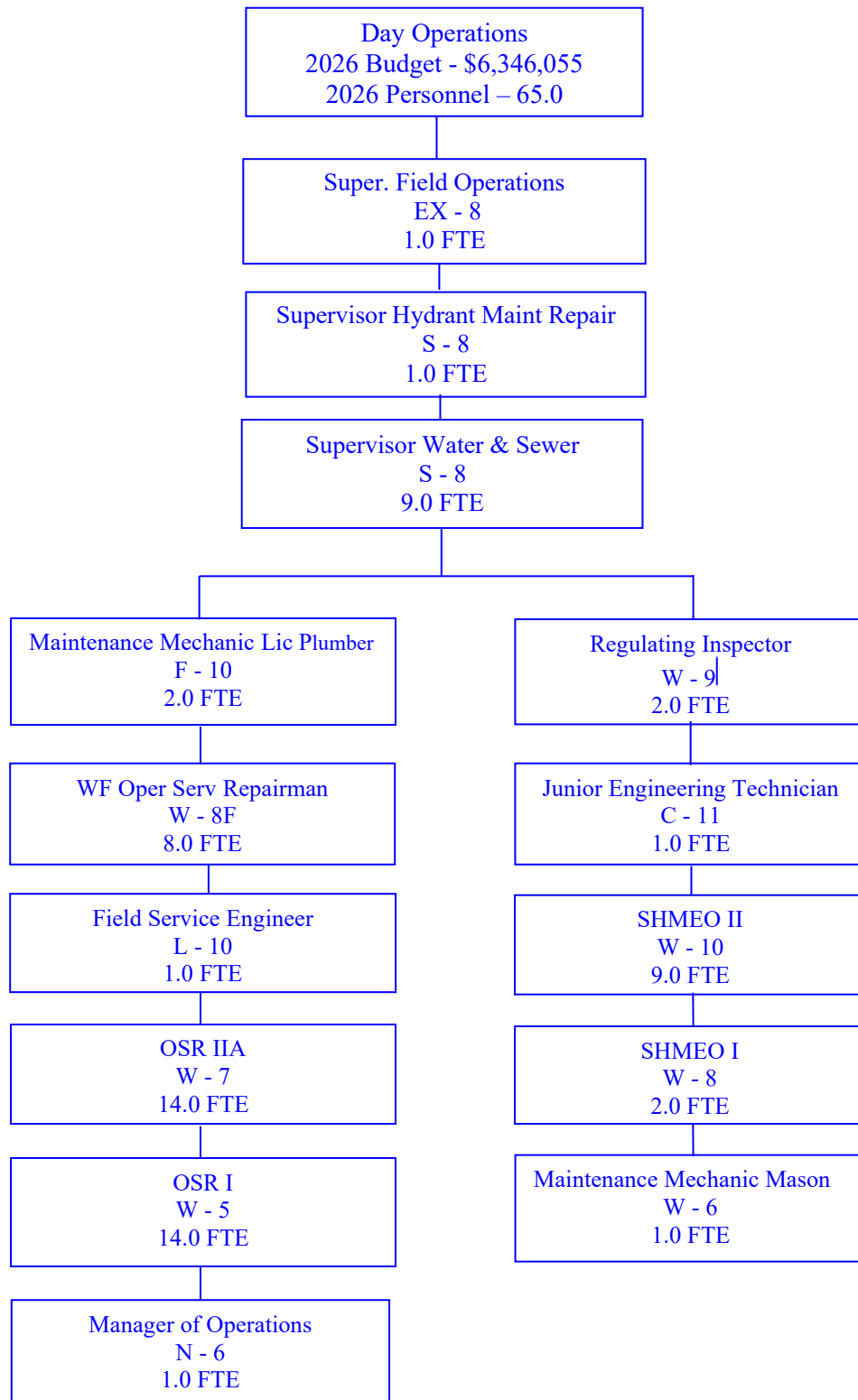
Explanation of Personnel Changes

One position transferred from Design.

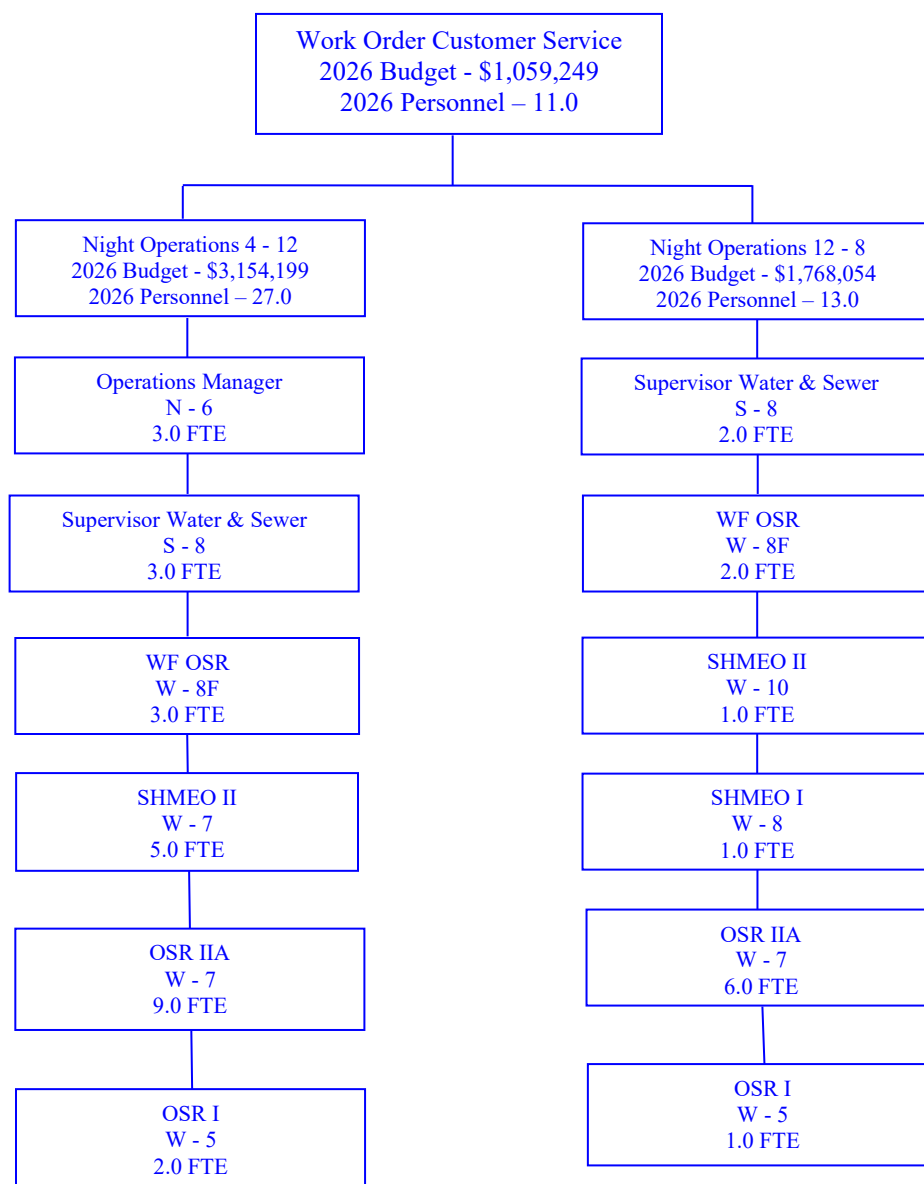
Water & Sewer Services



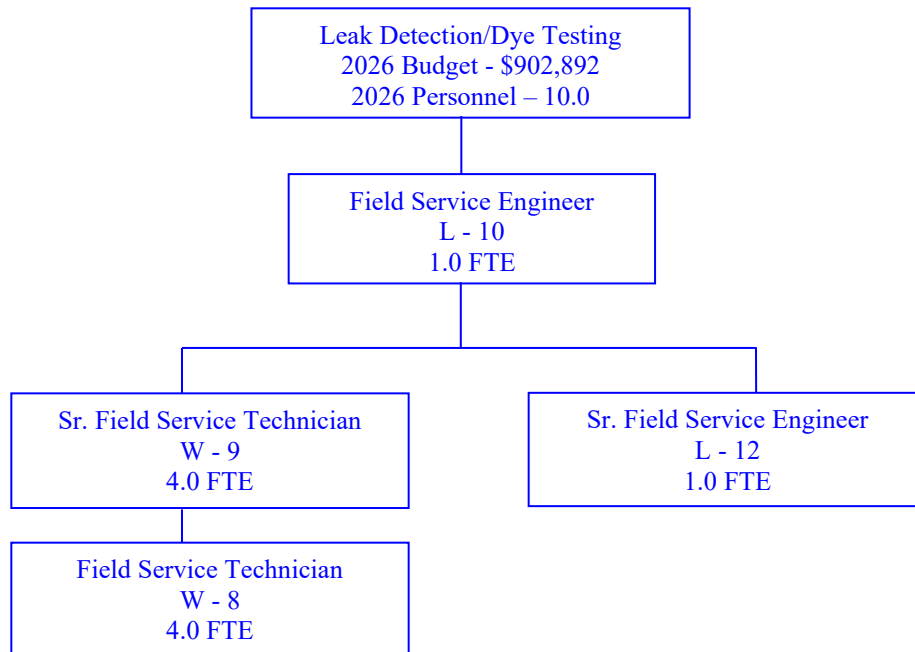
Day Operations



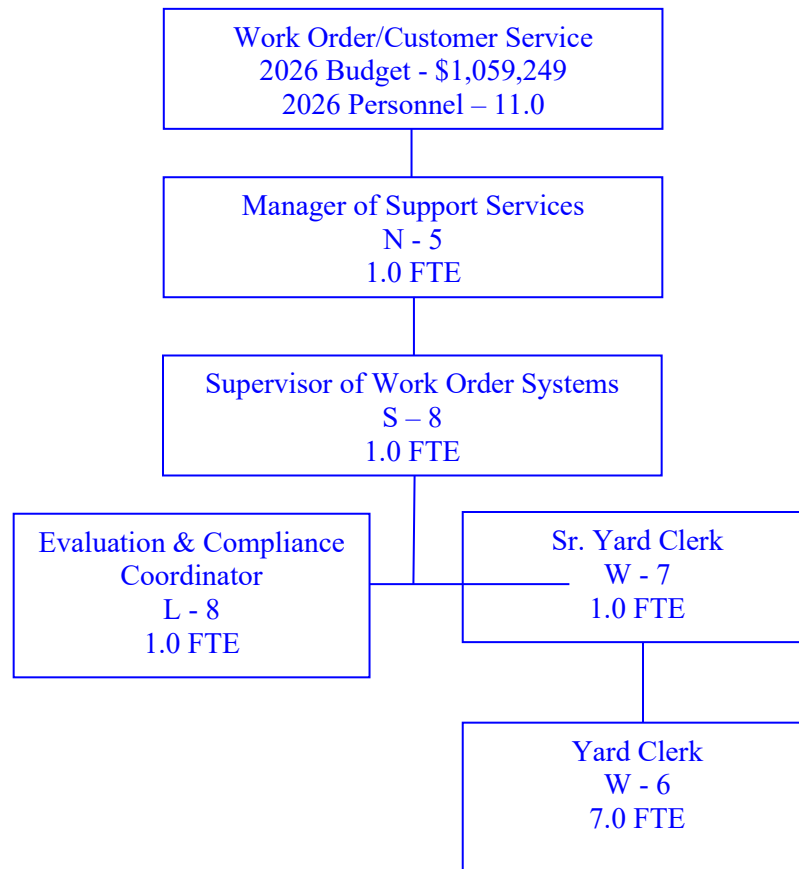
Night Operations



Leak Detection/Dye Testing



Work Order/Customer Service



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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$10,832,098	\$11,328,222	\$11,327,304	(\$918)	0.0%
Overtime	\$1,448,938	\$1,717,817	\$2,057,515	\$339,698	19.8%
Labor Related Costs/Benefits	\$86,015	\$48,940	\$49,467	\$527	1.1%
Supplies and Materials	\$950,000	\$800,000	\$960,000	\$160,000	20.0%
Repair and Maintenance	\$7,805,000	\$7,933,000	\$7,133,000	(\$800,000)	-10.1%
Other Services	\$750,139	\$650,139	\$650,139	\$0	0.0%
Inventory	\$23,000	\$25,000	\$25,000	\$0	0.0%
Capital Outlay	\$110,000	\$110,000	\$110,000	\$0	0.0%
Total Direct Expenses	\$22,005,190	\$22,613,118	\$22,312,425	(\$300,693)	-1.3%

Explanation of Major Variances

The 2026 budget for the Water & Sewer Services Department is \$22,312,425 a decrease of \$300,693 or -1.3% from the 2025 budget. The variance is due to Repair and Maintenance line items.

Operations Division

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Water & Sewer Services	1.0	1.0	1.0	0.0
Day Operations	71.0	70.0	65.0	(5.0)
Night Operations	39.0	40.0	41.0	1.0
Leak Detection/Dye Testing	11.0	10.0	10.0	0.0
Work Order Customer Service	0.0	0.0	11.0	11.0
Total Personnel	122.0	121.0	128.0	7.0

Explanation of Personnel Changes

Water & Sewer Services

There was no change to the position count.

Day Operations

One position transferred to Night Operations.
Two positions transferred to Support Services.
Two positions transferred to Meter Services.

Night Operations

One position transferred from Day Operations.

Leak Detection/Dye Testing

There was no change to the position count.

Work Order Customer Service

Department transferred from Enforcement subdivision.

2025 Program Goal Performance Results

As a preventative measure for main breaks, the Water & Sewer Services subdivision surveyed approximately 100 miles of water mains for leaks in the City of Boston by hydrant loggers. As a safety measure, Water & Sewer Services painted over 1,500 hydrants in 2025. In addition Water and Sewer Services continued their effort to identify and remove publicly and privately-owned lead services in the City of Boston. In 2025, the Commission inspected over 1,000 services and Water and Sewer Services replaced 348 services that were found to have lead.

2026 Program Goals and Objectives

Goal: The Operations Department aims to continue streamlining crew organization by evaluating current workflows and reallocating resources to maximize productivity. In addition, the department will develop and implement comprehensive equipment training programs to ensure all staff are proficient in the safe and effective use of both existing and newly acquired machinery, ultimately improving overall efficiency and job performance.

Objectives: The Operations Department plans to fully utilize its current workforce by optimizing staffing assignments and enhancing skill development. At the same time, the department will begin evaluating and testing the capabilities of newly acquired equipment to expand the range and complexity of tasks that each crew can perform, increasing overall job coverage and effectiveness per unit.

Mission: Increased Production or Efficiency Improvements

Goal: The Operations Department plans to intensify its efforts to identify leaks within the Commission's water infrastructure. This includes expanding leak detection activities, improving investigative techniques, and utilizing advanced technologies to proactively locate and address system vulnerabilities

Objectives: The department will prioritize efforts to achieve full staffing levels in order to expand the number of active leak detection crews deployed in the field. By increasing personnel dedicated to this task, the Commission can enhance its ability to quickly identify and respond to leaks, reducing water loss and improving system reliability.

Mission: Decrease Water Purchase, Increased Production or Efficiency Improvements

Goal: The Operations Department personnel will paint 2,000 hydrants throughout the city of Boston.

Objectives: To enhance and maintain the hydrants in the City of Boston.

Mission: Enhanced Repair and Maintenance of Water or Wastewater System

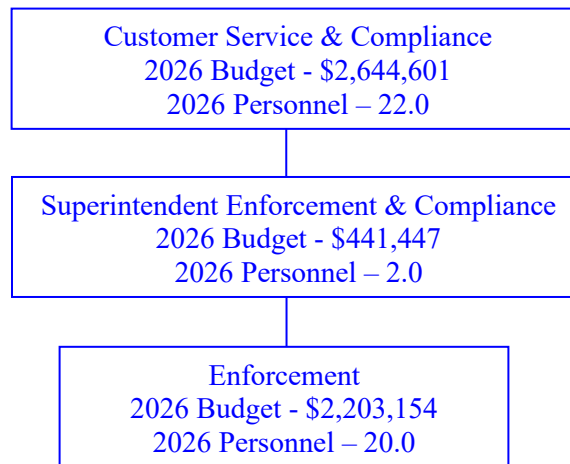
Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual
<u>Investigations:</u>			
Sewer Lateral	285	300	322
Hydrant	1,439	1,695	1245
Leak	640	634	27
Service Pipe	111	135	710
Frozen Pipe	61	11	139
Water Entering	234	179	17
Lead	456	827	144
Rusty Water	265	356	1019
Leak Up To Owner (LUTO)	62	49	172
Catch Basin	709	931	40
Sewer/Drain	3,255	3,285	974
CSO Regulator	988	967	2,754
Tide Gate	772	775	951
Backflow Device	27,618	24,913	772
Hazardous & Oil Spill	2	3	25,724
Illegal Connection	2	0	4
SSO's Reported to DEP	65	46	0
Hydrant Illegal Opening	2	6	24
<u>Water & Sewer Main Breaks/Repair:</u>			
Water Mains	28	26	30
Sewer Mains	45	43	33
Hydrant Replacement	31	44	49
Hydrant Repair	343	319	324
<u>Permits:</u>			
Engineering Permits	103	258	204
Operations Permits	356	785	1,064
General Services	993	937	1,082
<u>Preventative Maintenance:</u>			
Vactored Meter Box	4	17	12
Vactored Gate Box	54	95	60
Cement Sidewalks	848	295	335
Valve Repack	6	2	4
LUTO Repair	72	60	53
Plate Handling	50	64	57
Waste Sediment Disposed/Recycled (tons)	2,449	3,045	2,932
Gallons Pumped Union Park (millions)	42	39.29	21

Operations Division

Activity	2023 Actual	2024 Actual	2025 Actual
<u>Preventive Maintenance:</u>			
Main Pipe Flush (miles)	219	225	250
Hydrants Painted	1,832	1,520	1,921
Frame Reset (Water)	31	12	14
Frame Reset (Sewer)	356	676	501
Control Located	97	101	131
Control Reset	78	101	103
Mark Outs of Water and Sewer Infrastructure (Emergencies)	1,396	1,234	1,556
Excavation	852	997	960
Exercising of System Gates (Survey)	134	724	635
Hydrant Flush	398	342	175
Sewer Lines Jetted/Vectored (ft.)	384,151	326,156	258,141
Sewer Lines Rodded (ft.)	150	1,263	1,034
Bacteria Treatment	1,359	39	35
Service Pipe Repair	45	83	52
Service Pipe Relay	95		

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$3,317,689	\$3,454,550	\$2,425,484	(\$1,029,066)	-29.8%
Overtime	\$81,365	\$73,988	\$58,430	(\$15,558)	-21.0%
Labor Related Cost/Benefits	\$32,306	\$18,506	\$14,687	(\$3,819)	-20.6%
Supplies and Materials	\$20,000	\$20,000	\$22,000	\$2,000	10.0%
Repair and Maintenance	\$118,400	\$118,500	\$119,000	\$500	0.4%
Professional Services	\$5,000	\$5,000	\$5,000	\$0	0.0%
Total Direct Expenses	\$3,574,760	\$3,690,544	\$2,644,601	(\$1,045,943)	-28.3%

Explanation of Major Variances

The 2026 budget for the Customer Service & Compliance Department is \$2,644,601, a decrease of \$1,045,943 or -28.3% from 2025. The variance is due to the decrease in the Wages and Salaries line items.

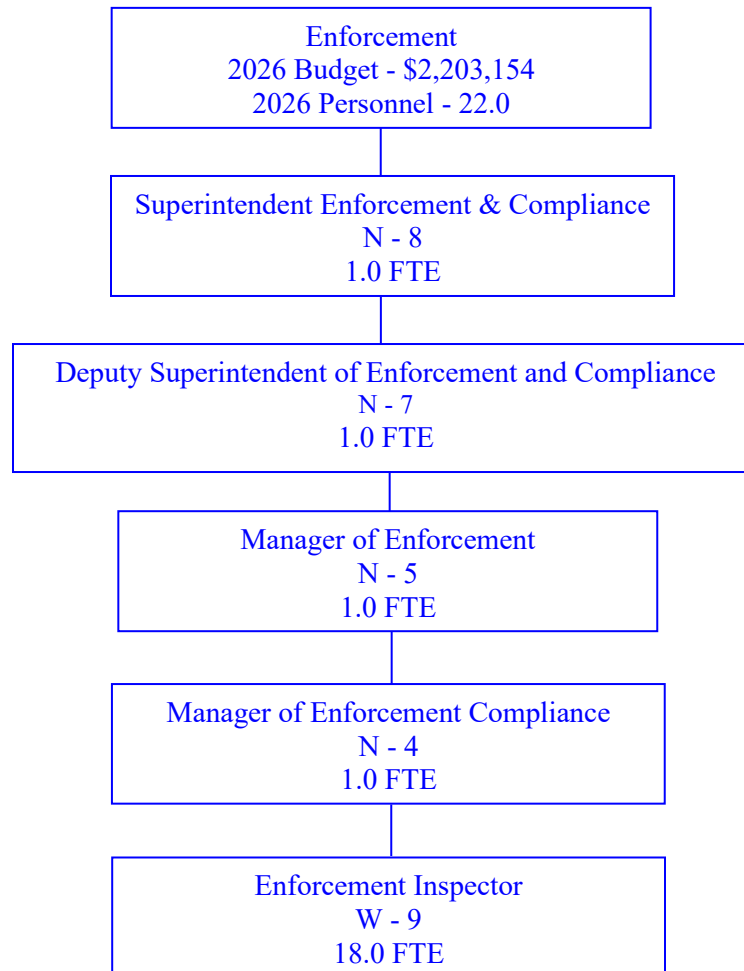
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Customer Service & Compliance	32.0	33.0	22.0	(11.0)

Explanation of Personnel Changes

Eleven positions transferred to Water and Sewer Services with the Work Order Customer Service department moving subdivisions.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$2,049,751	\$2,161,548	\$2,135,353	(\$26,195)	-1.2%
Overtime	\$45,518	\$35,131	\$58,430	\$23,299	66.3%
Labor Related Costs/Benefits	\$14,160	\$9,544	\$9,371	(\$173)	-1.8%
Total Direct Expenses	\$2,109,429	\$2,206,223	\$2,203,154	(\$3,069)	-0.1%

Explanation of Major Variances

The 2026 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	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Enforcement	19.0	20.0	20.0	0.0

Explanation of Personnel Changes

There was no change to the position count.

2025 Program Goal Performance Results

Enforcement staff worked with Meter Shop personnel on the smooth transition of Sewer Abatement duties back to the Meter Department. This included discussions of best practices in receiving and processing applications, reviewing the UMAX processes and working in the field to familiarize Meter Shop staff with inspection procedures. In addition, the Enforcement staff tested over 25,000 backflow devices to comply with MA DEP Water Regulations. The Enforcement staff also inspected 490 grease traps at food establishments throughout the City, finding 138 of them to have violations such as dirty traps or logs not up-to-date.

2026 Program Goals and Objectives

Goal: The Enforcement Department's top priority each year is to ensure that every backflow device in our inventory—totaling 19,641 devices and requiring 28,433 tests—is tested in compliance with Massachusetts DEP water regulations for the year 2026.

Objectives: To ensure all 19,641 backflow prevention devices undergo the required 28,433 tests in 2026, as mandated by Massachusetts DEP water regulations.

Mission: Comply with Local, State and Federal Regulations

Goal: Raise the standard of knowledge and skills of the Enforcement Inspector workforce to ensure coverage of the breadth of duties required of this department.

Objectives: The objective of this goal is to provide training to the department's inexperienced staff members. Enforcement has lost all its 20+ year inspectors through retirement. Most of the current inspectors have been in the department for less than three years. While they are well versed in backflow testing, the majority of inspectors have little knowledge of the department's other duties, including surveying, grease inspections, Food Establishment Surveys, Industrial stormwater, Sewer Abatements, and Water Sampling.

Mission: Provide Staff Training

Goal: Enforcement department's goal is to complete 500 cross-connection surveys including the city's highest risk sites to ensure the safety of the Commission's drinking water.

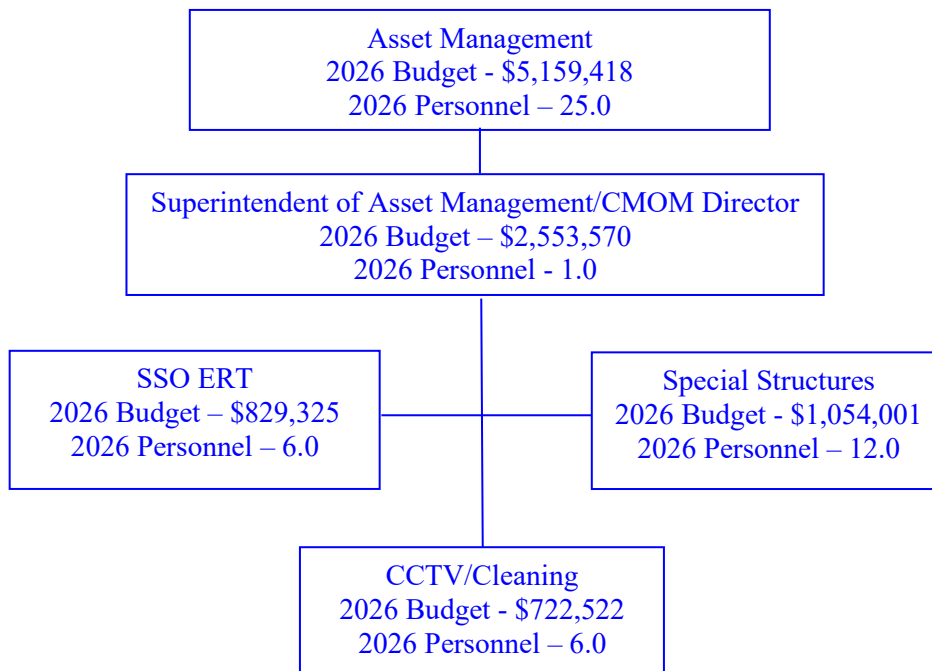
Objectives: Due to the complexity of these facilities and the nature of their hazards, the objective of this goal is to complete cross connection surveys of all the city's major hospitals.

Mission: Comply with Local, State and Federal Regulations

Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Goal
Sewer Abatements:				
Sewer Requests	42	46	51	
Sewer Inspections	42	41	31	30
Sewer Approvals	63	72	51	30
Inspections of Backflow Device Installations:				
Semi-annual	8,392	8,969	9,884	10,000
Annual	10,310	10,986	15,412	10,000
Initial Inspections of Backflow Devices	964	1,029	795	750
Conducting Cross Connection Surveys of Industrial, Institutional and Commercial Properties	1,094	31	150	150

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2024-2025 Variance
Wages and Salaries	\$2,796,146	\$2,915,912	\$2,727,140.00	(\$188,772)	-6.5%
Overtime	\$81,735	\$83,098	\$111,316	\$28,218	34.0%
Labor Related Costs/Benefits	\$17,853	\$9,447	\$20,962	\$11,515	121.9%
Repair and Maintenance	\$1,800,000	\$1,900,000	\$2,100,000	\$200,000	10.5%
Professional Services	\$200,000	\$200,000	\$200,000	\$0	0.0%
Total Direct Expenses	\$4,895,734	\$5,108,457	\$5,159,418	\$50,961	1.0%

Explanation of Major Variances

The 2026 budget for Asset Management/CMOM Department is \$5,159,418, an increase of \$50,961 or 1% from 2025. The variance is due to the increase of Repair and Maintenance line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Asset Management/CMOM	1.0	1.0	1.0	0.0
SSO ERT	8.0	7.0	6.0	(1.0)
Special Structures	12.0	12.0	12.0	0.0
CCTV/Cleaning	7.0	7.0	6.0	(1.0)
Total	28.0	27.0	25.0	(2.0)

Explanation of Personnel Changes

Asset Management/CMOM

There was no change to the position count.

SSO ERT

One position transferred to Construction.

Special Structures

There was no change to the position count.

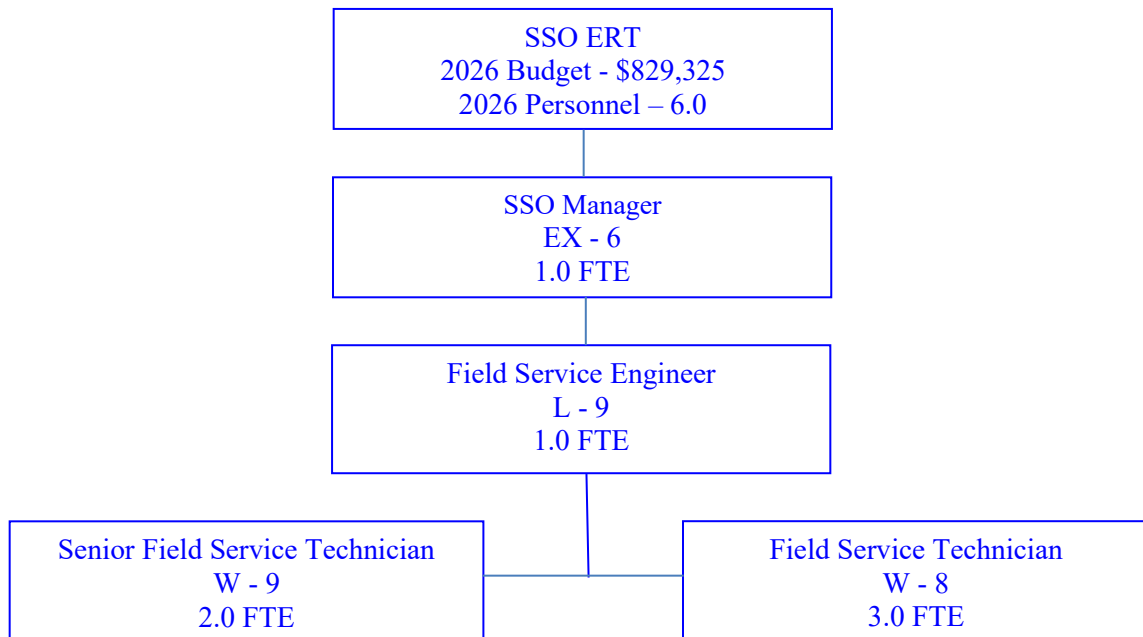
CCTV/Cleaning

One position transferred to Construction.

Department Maintenance Goals

Activity	2024 Actual	2025 Actual	2026 Goal
<u>Capacity, Management, Operations and Maintenance (CMOM):</u>			
Catch Basin Cleaning	22,087	20,886	20,000
Catch Basin Inspections	22,796	974	750
Clean and Inspect Sewers and Drains	3,285	951	750
Manhole Inspections	5,312	4,973	4,500
Siphon Chamber Inspections	6	23	20
Inspect CSO Regulator	964	951	900
Inspect CSO Tide Gate	775	772	750

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$843,818	\$785,500	\$822,310	\$36,810	4.7%
Overtime	\$10,159	\$10,193	\$7,015	(\$3,178)	-31.2%
Labor Related Costs/Benefits	\$5,360	\$2,111	\$0	(\$2,111)	-100.0%
Total Direct Expenses	\$859,337	\$797,804	\$829,325	\$31,521	4.0%

Explanation of Major Variances

The 2026 budget for the SSO ERT Department is \$829,325, an increase of \$31,521 or 4% from 2025. The variance is due to the increase of Wages and Salaries line items.

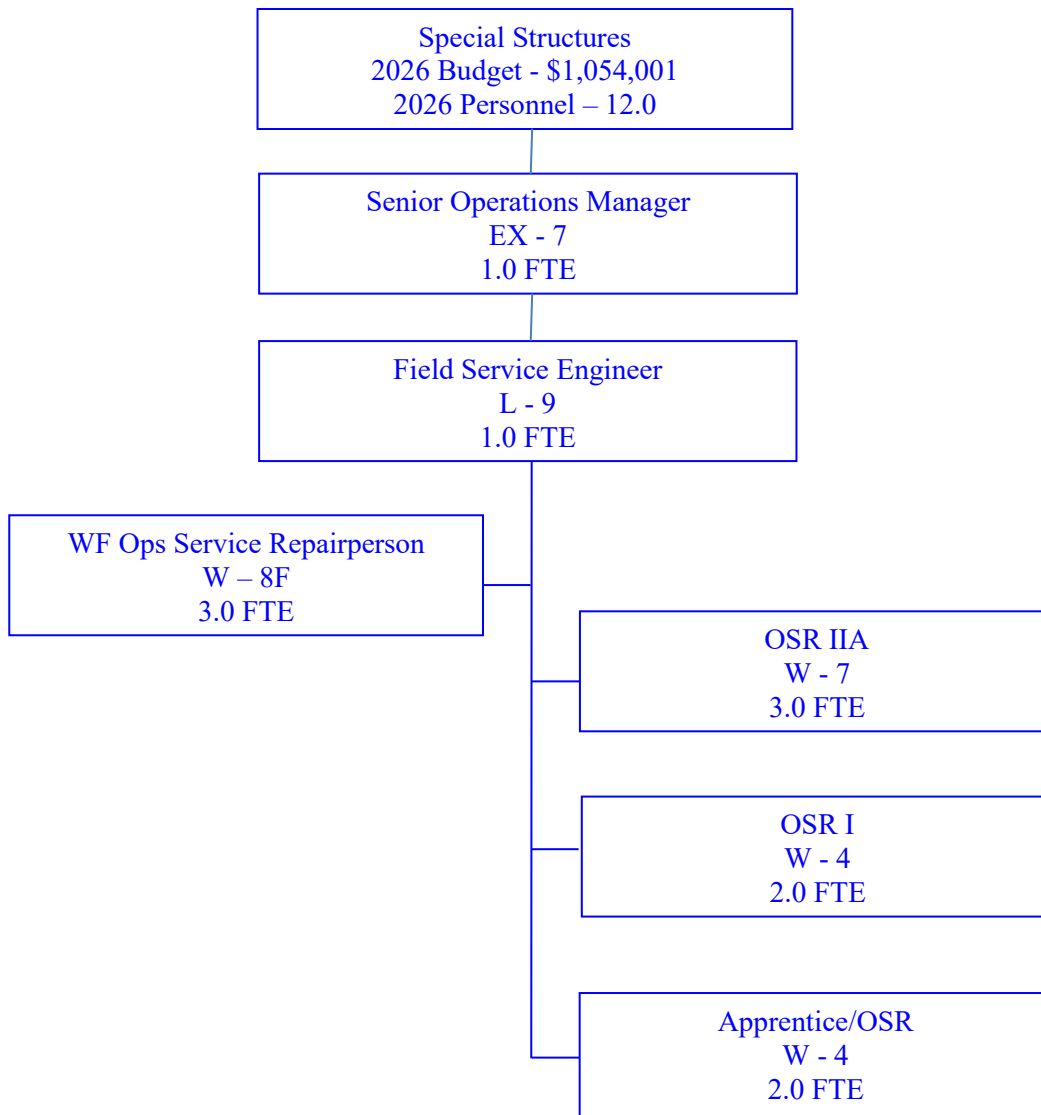
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
SSO ERT	8.0	7.0	6.0	(1.0)

Explanation of Personnel Changes

One position transferred to Construction.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$971,625	\$1,010,547	\$939,528	(\$71,019)	-7.0%
Overtime	\$71,576	\$72,905	\$104,301	\$31,396	43.1%
Labor Related Costs/Benefits	\$6,574	\$0	\$10,172	\$10,172	
Total Direct Expenses	\$1,049,775	\$1,083,452	\$1,054,001	(\$29,451)	-2.7%

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	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Special Structures	12.0	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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$706,255	\$841,034	\$711,732	(\$129,302)	-15.4%
Labor Related Cost/Benefits	\$5,919	\$7,336	\$10,790	\$3,454	47.1%
Total Direct Expenses	\$712,174	\$848,370	\$722,522	(\$125,848)	-14.8%

Explanation of Major Variances

The 2026 budget for CCTV/CB Cleaning is \$722,522, a decrease of 125,848 or -14.8% from 2025. The variance is due to the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
CCTV/CB Cleaning	7.0	7.0	6.0	(1.0)

Explanation of Personnel Changes

One position transferred to Construction.

2025 Program Goal Performance Results

Asset Management investigated and addressed inflow and infiltration of groundwater in areas of concern for the Boston Groundwater Trust, awarding a contract to a vendor to inspect and clean the pipes in the primary locations. Asset Management inspected 951 regulators and 772 tidegates during the year. Continued to draft locations for Siphon Cleaning Contract in 2026. Annual cleaning contract complete. In 2025, Water & Sewer cleaned over 22,000 catch basins to help prevent storm water build-up and flooding in the City.

2026 Program Goals and Objectives

Goal: The CMOM department will map and update standard operating procedures for the Commission's regulators, siphon chambers, SSO related PMs. Each of these structures and high-risk areas is unique where the maintenance cannot be so simply explained on a work order. A detailed SOP will help crews learn how to properly maintain these areas.

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. As a result, the Commission will more effectively protect the environment and mitigate risk.

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. This is a symbiotic relationship as the Commission is mandated to minimize the volume of I&I in the sewer system that will ultimately make its way to Deer Island for treatment. Treating a constant flow of groundwater is a waste of time and resources. This goal will be achieved through BWSC contract 25-309-011: The Inspection and Elimination of Inflow and Infiltration in the Ground Water Conservation Overlay District in the City of Boston.

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.

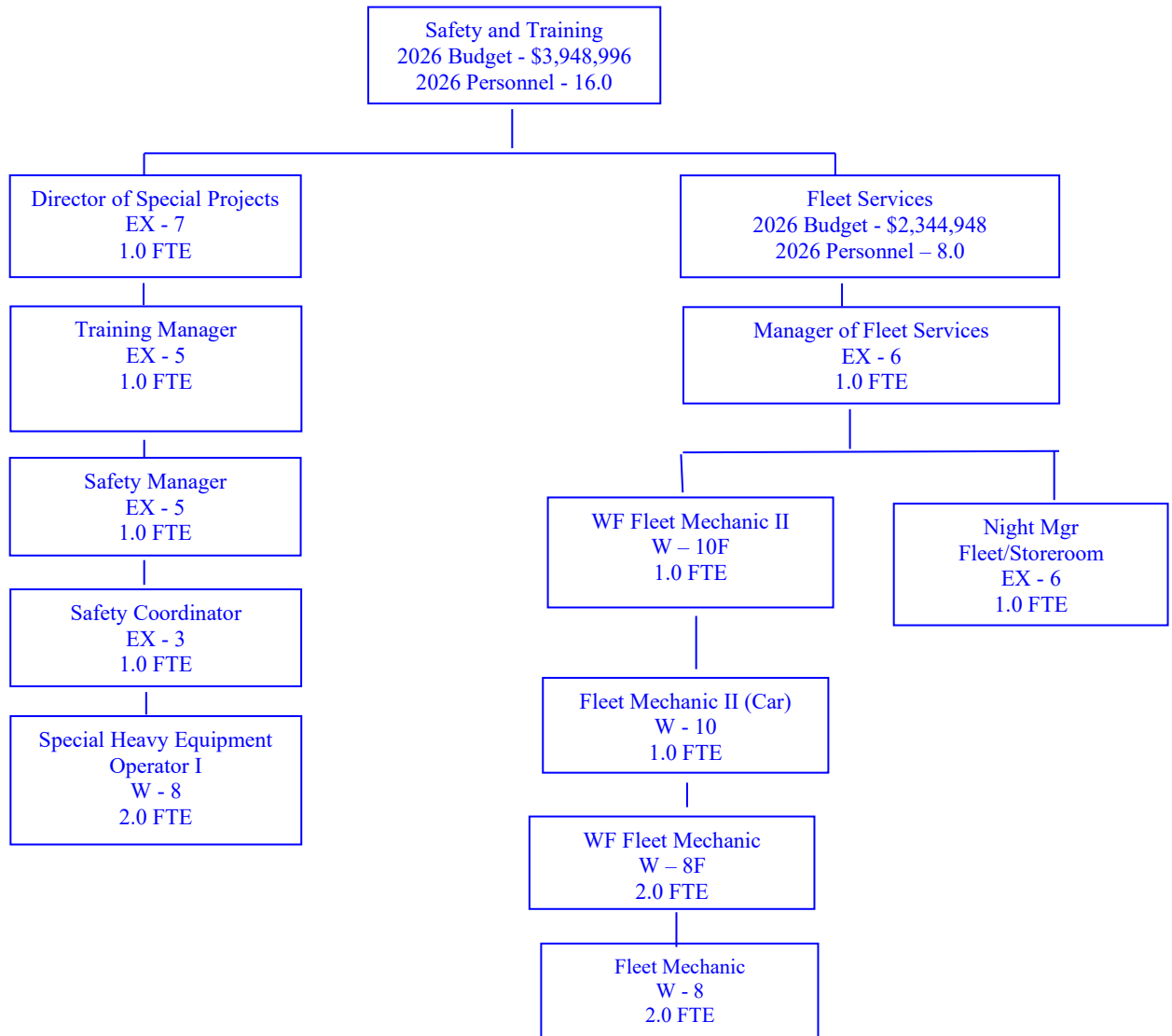
Mission: Enhanced Repair and Maintenance of Water or Wastewater System

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.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$930,526	\$1,793,215	\$2,070,750	\$277,535	15.5%
Overtime	\$0	\$25,000	\$10,322	(\$14,678)	
Labor Related Costs/Benefits	\$33,103	\$10,086	\$14,579	\$4,493	44.5%
Supplies and Materials	\$30,600	\$514,300	\$506,700	(\$7,600)	-1.5%
Repair and Maintenance	\$61,845	\$884,045	\$926,045	\$42,000	4.8%
Space and Equipment Rentals	\$0	\$22,000	\$20,000	(\$2,000)	-0.2%
Other Services	\$0	\$38,800	\$40,600	\$1,800	
Professional Services	\$367,000	\$373,000	\$360,000	(\$13,000)	-3.5%
Total Direct Expenses	\$1,423,074	\$3,660,446	\$3,948,996	\$288,550	7.9%

Explanation of Major Variances

The 2026 budget for Safety and Training is \$3,948,996 an increase of \$288,550 or 7.9% from the budgeted amount for 2025. The variance is due to an increase of Wages and Salaries line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Safety and Training	14.0	14.0	16.0	2.0

Explanation of Personnel Changes

Two positions transferred from General Counsel.

2025 Program Goal Performance Results

In 2025, the Safety Department updated and distributed a new policy for all employees that operate a domicile vehicle within the Commission's fleet. The Safety department undertook a fleet enhancement project with the assistance of an outside consultant. The purpose of this project was to create a preventative maintenance manual for Fleet personnel. Safety also evaluated and inspected all Personal Protective Equipment (PPE) to ensure that all PPE was present and available to employees.

2026 Program Goals and Objectives

Goal: To ensure the reliability and efficiency of the Commission's fleet, the Fleet Department will conduct thorough, scheduled inspections using industry-standard practices and safety protocols. These inspections will help maintain vehicles at optimal operational standards, minimize downtime, and improve overall performance.

Objective: The scheduled and thorough inspections of the Commission vehicles will identify potential issues before they escalate and allow the Fleet Department to implement corrective actions in a timely manner.

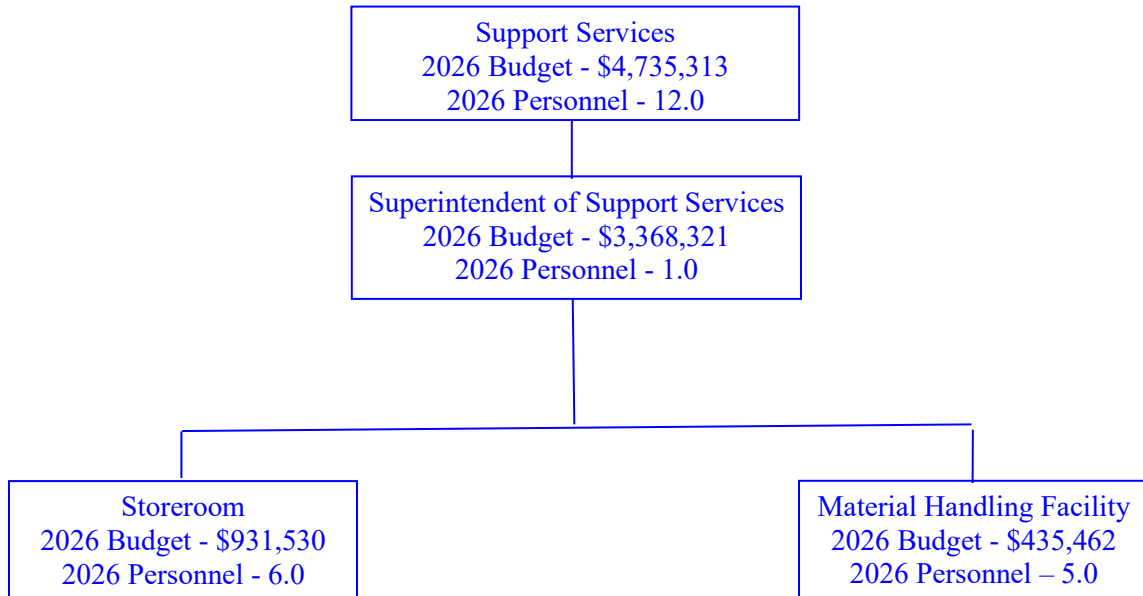
Mission: Increased Production or Efficiency Improvements

Goal: The Safety Department regularly conducts a hazard identification assessment of the Commission Headquarters and 220 Alford Street. In 2026, the Safety Department will track all hazards and ensure that appropriate controls are in place to mitigate potential hazards.

Objective: To significantly reduce the likelihood of workplace injuries and costly incidents, fostering a safer work environment.

Mission: Limit Commission Liability/Increase Safety

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$1,118,456	\$1,036,118	\$925,141	(\$110,977)	-10.7%
Overtime	\$37,960	\$45,097	\$13,752	(\$31,345)	-69.5%
Labor Related Costs/Benefits	\$9,480	\$12,049	\$16,241	\$4,192	34.8%
Supplies and Materials	\$749,000	\$748,177	\$751,179	\$3,002	0.4%
Repair and Maintenance	\$947,000	\$854,000	\$817,000	(\$37,000)	-4.3%
Professional Services	\$2,059,821	\$2,072,000	\$2,212,000	\$140,000	6.8%
Total Direct Expenses	\$4,921,717	\$4,767,441	\$4,735,313	(\$32,128)	-0.7%

Explanation of Major Variances

The 2026 budget for the Support Services Department is \$4,735,313, a decrease of \$32,128 or -0.7% from 2025. The variance is due to the decrease of Wages and Salaries line items.

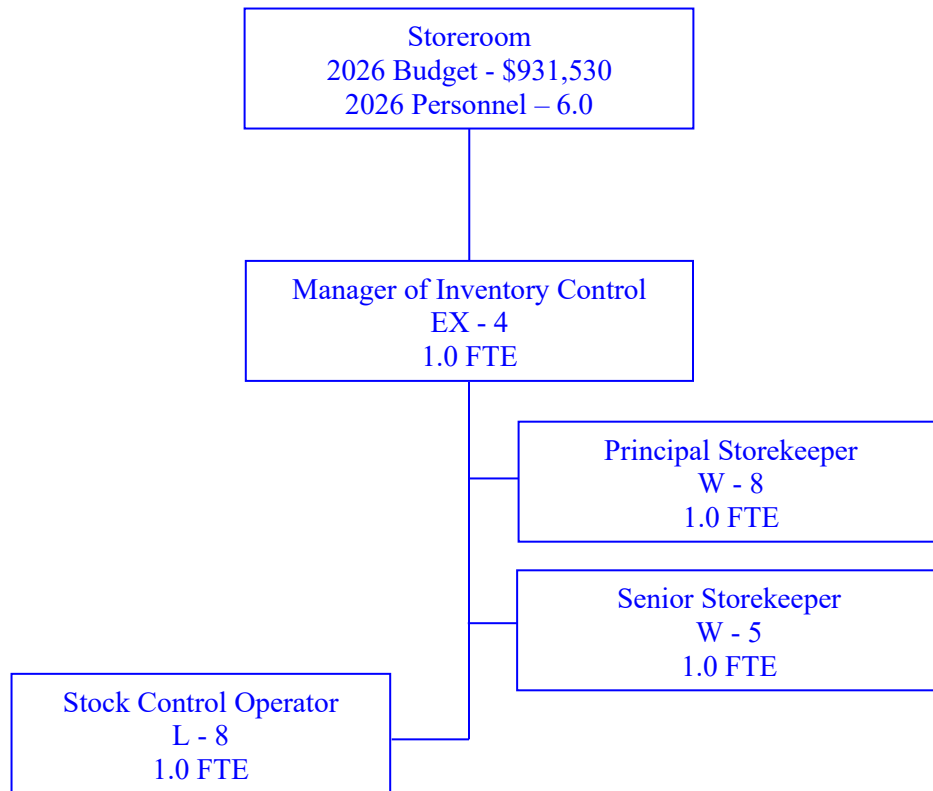
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Support Services	11.0	10.0	12.0	2.0

Explanation of Personnel Changes

Two positions transferred from Water and Sewer Services.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$561,007	\$389,892	\$341,553	(\$48,339)	-12.4%
Overtime	\$3,970	\$1,784	\$9,977	\$8,193	459.2%
Labor Related Costs/Benefits	\$2,271	\$0	\$0	\$0	0.0%
Supplies and Materials	\$565,000	\$577,000	\$580,000	\$3,000	0.5%
Total Direct Expenses	\$1,132,248	\$968,676	\$931,530	(\$37,146)	-3.8%

Explanation of Major Variances

The 2026 budget for the Storeroom Department is \$931,530 a decrease of \$37,146 or -3.8% from 2025. The variance is due to the decrease of Wages and Salaries line items.

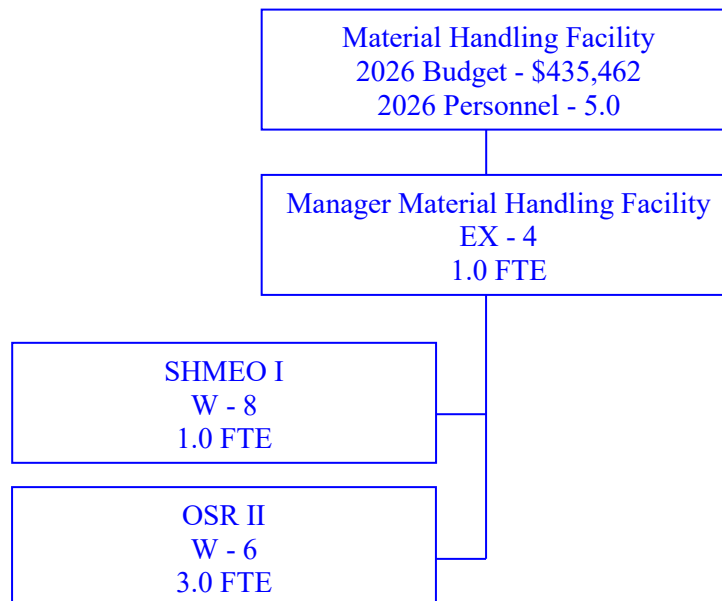
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Storeroom	6.0	4.0	6.0	2.0

Explanation of Personnel Changes

Two positions transferred from Water and Sewer Services.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$415,440	\$500,081	\$417,034	(\$83,047)	-16.6%
Overtime	\$33,990	\$43,313	\$3,775	(\$39,538)	-91.3%
Labor Related Cost/Benefits	\$4,600	\$7,747	\$14,653	\$6,906	89.1%
Total Direct Expenses	\$454,030	\$551,141	\$435,462	(\$83,047)	-15.1%

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	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Material Handling Facility	4.0	5.0	5.0	0.0

Explanation of Personnel Changes

There were no changes in positions.

2025 Program Goal Performance Results

In anticipation of sea level rise and climate change, flood protection assessment was conducted at Trilling Way and Summer St pump stations. Quotes were submitted by PS Flood Barrier and are under review as of year-end 2025. Summer St pump station was inspected and two suction pipes were identified as needing replacement. Cost submittals for replacement the two suction pipes are ongoing as of year-end 2025. Scheduling and work planning will resume in 2026.

2026 Program Goals and Objectives

Goal: Pump Station Improvements Required to Maintain Continuous Service

Objectives: Replacement of two variable frequency drives for pumps 5 and 6.

Mission: Increased Production or Efficiency Improvements

Goal: Union Park Pump Station Improvements Required to Maintain Continuous Service.

Objectives: Roof Repairs and Upgrades.

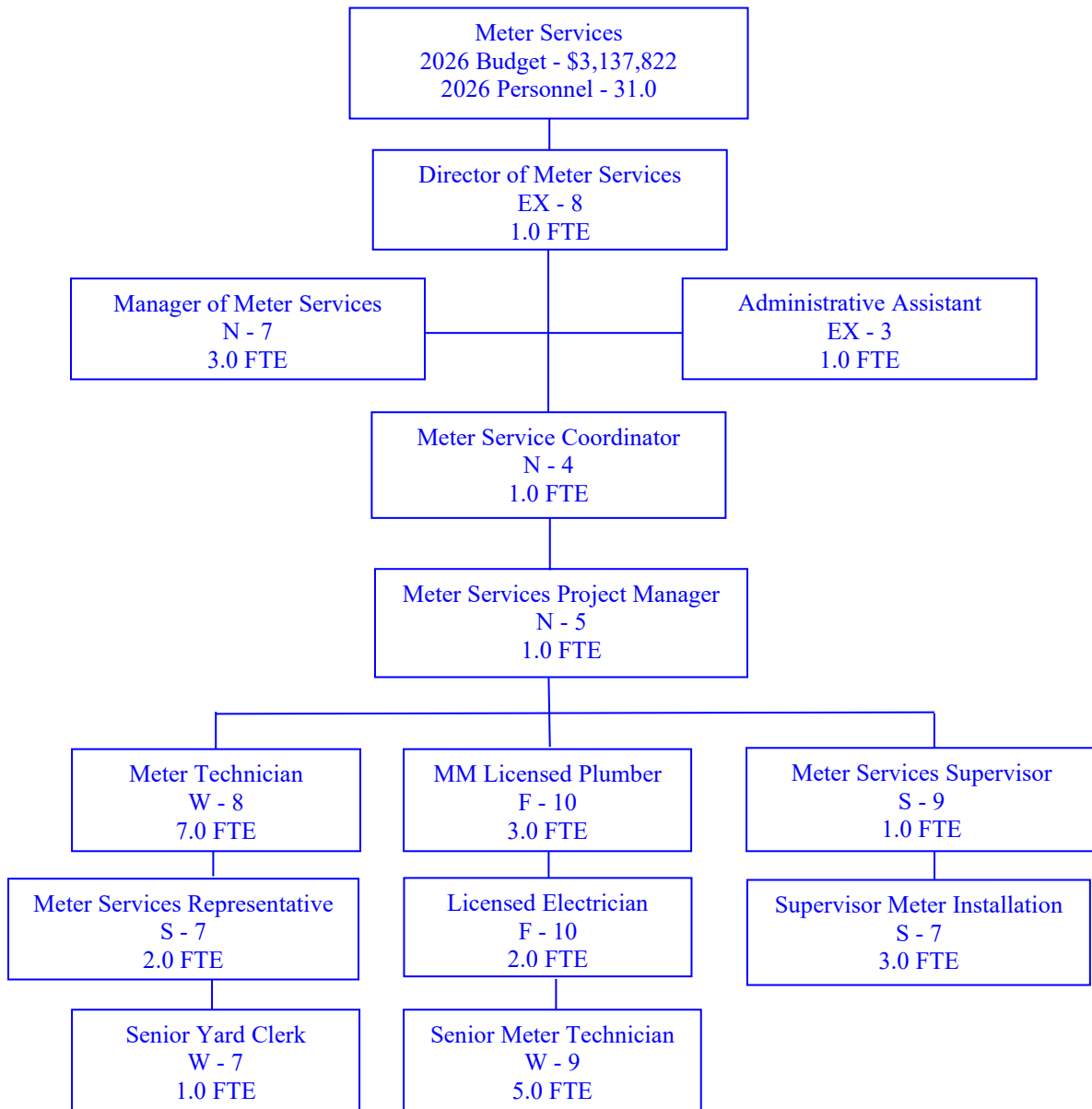
Mission: Increased Production or Efficiency Improvements

Goal: Union Park Pump Station Improvements Required to Maintain Continuous Service.

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

Mission: Increased Production or Efficiency Improvements

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$2,939,441	\$2,872,157	\$2,937,900	\$65,743	2.3%
Overtime	\$80,000	\$80,000	\$48,665	(\$31,335)	-39.2%
Labor Related Costs/Benefits	\$24,107	\$34,821	\$35,707	\$886	2.5%
Supplies and Materials	\$24,500	\$40,000	\$40,000	\$0	0.0%
Repair and Maintenance	\$51,000	\$78,000	\$55,000	(\$23,000)	-29.5%
Professional Services	\$0	\$0	\$0	\$0	100.0%
Space and Equipment Rentals	\$18,550	\$18,550	\$18,550	\$0	100.0%
Other Services	\$2,300	\$2,300	\$2,000	(\$300)	-13.0%
Total Direct Expenses	\$3,139,898	\$3,139,898	\$3,137,822	\$11,994	0.4%

Explanation of Major Variances

The 2026 budget for Meter Services is \$3,137,822 an increase of \$11,994 or 0.4% from 2025. The variance is due to a increase in the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Meter Services	29.0	28.0	30.0	2.0

Explanation of Personnel Changes

Two positions transferred from Water and Sewer Services.

2025 Program Goal Performance 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 tested 3,707 meters. The meter shop also replaced 3,608 meters throughout the year. In 2025, the Meter Shop installed an Ultrasonic Meter at Northeastern University to be monitored monthly and evaluate if the Commission should seek the introduction of Ultrasonic meters in the future.

2026 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.

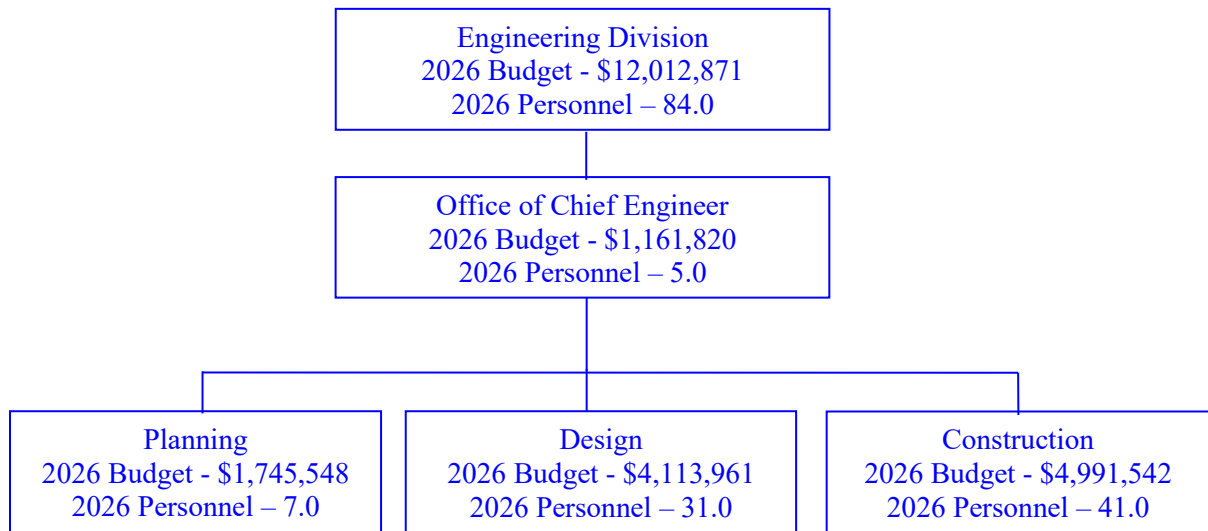
Mission: Increased Fiscal Controls.

Goal: 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

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Office of the Chief Engineer	\$838,737	\$1,133,787	\$1,161,820	\$28,033	2.5%
Planning	\$1,738,195	\$1,853,628	\$1,745,548	(\$108,080)	-5.8%
Design	\$2,395,360	\$4,336,658	\$4,113,961	(\$222,697)	-5.1%
Construction	\$4,876,716	\$4,883,242	\$4,991,542	\$108,300	2.2%
Total Direct Expenses	\$9,849,008	\$12,207,315	\$12,012,871	(\$194,444)	-1.6%

Explanation of Major Variances

The 2026 budget for the Engineering Division is \$12,012,871, a decrease of \$194,444 or 1.6% from the 2025 budget. The variance is due to a decrease in the Planning and Design Department line items.

Engineering Division

Department Personnel Summary

Department	2024 Approved	2025 Budget	2026 Budget	2025-2026 Variance
Chief Engineering Officer	4.0	5.0	5.0	0.0
Planning	8.0	7.0	7.0	0.0
Design	32.0	32.0	31.0	(1.0)
Construction	40.0	39.0	41.0	2.0
Total Personnel	83.0	83.0	84.0	1.0

Explanation of Personnel Changes

Office of the Chief Engineer

There was no change in position count.

Planning

There was no change in position count.

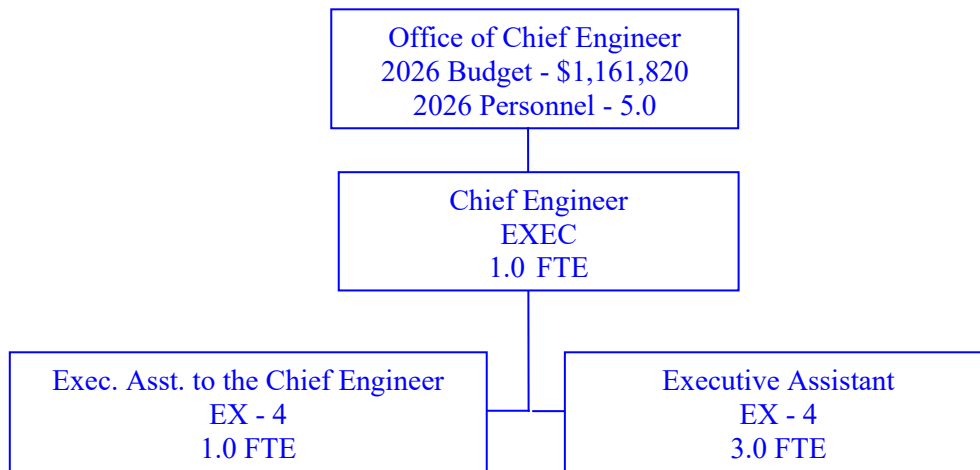
Design

One position transferred to Chief of Operations.

Construction

Two positions transferred from Asset Management (CMOM).

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	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$609,204	\$861,706	\$890,030	\$28,324	3.3%
Labor Related Costs/Benefits	\$29,433	\$28,081	\$31,790	\$3,709	13.2%
Professional Services	\$175,500	\$219,500	\$215,500	(\$4,000)	-1.8%
Training/Seminar/Travel	\$24,500	\$24,500	\$24,500	\$0	0.0%
Total Direct Expenses	\$838,637	\$1,133,787	\$1,161,820	\$28,033	2.5%

Explanation of Major Variances

The 2026 budget for the Office of Chief Engineer is \$1,161,820, an increase of \$28,033 or 2.5% from 2025. The variance is due to the increase of Wages and Salaries.

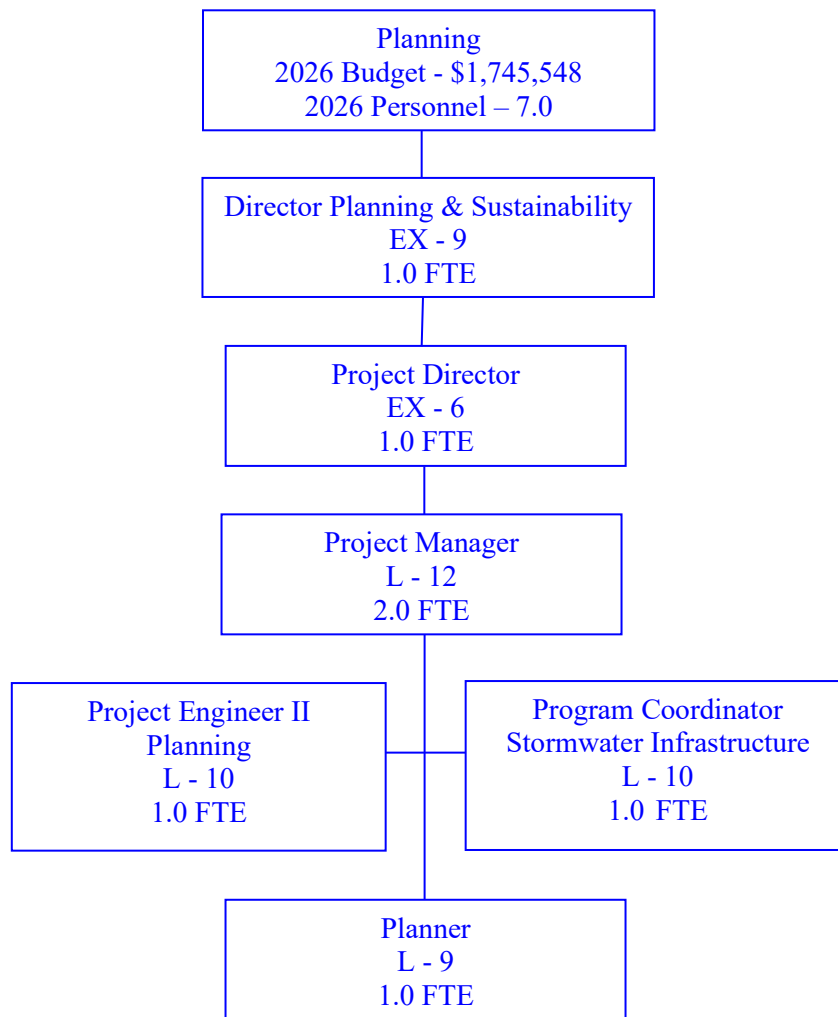
Department Personnel Summary

Department	2024 Approved	2025 Budget	2026 Budget	2025-2026 Variance
Office of Chief Engineer	4.0	5.0	5.0	0.0

Explanation of Personnel Changes

There was no change in position count.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$994,049	\$982,345	\$972,039	(\$10,306)	-1.0%
Labor Related Costs/Benefits	\$21,646	\$18,783	\$21,009	\$2,226	11.9%
Supplies and Materials	\$2,500	\$2,500	\$2,500	\$0	0.0%
Professional Services	\$720,000	\$850,000	\$750,000	(\$100,000)	-11.8%
Total Direct Expenses	\$1,738,195	\$1,853,628	\$1,745,548	(\$108,080)	-5.8%

Explanation of Major Variances

The 2026 budget for the Planning Department is \$1,745,548, a decrease of \$108,080 or -5.8% from 2025. The variance is due to decrease in the Professional Services line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Planning	8.0	7.0	7.0	0.0

Explanation of Personnel Changes

There was no change in position count.

2025 Program Goal Performance Results

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

2026 Program Goals and Objectives

Goal: Conduct post-construction analysis on significant changes to assets intended to reduce CSOs.

Objective: The Commission has implemented modifications in CSO infrastructure over the past few years, including construction of a storage tunnel, and upgrades to regulators. In addition, there are proposed modifications to improve other regulator operations. There has been no monitoring or analysis of these assets following the completion of modifications.

In addition, the Commission has 125 meters in the sewer and drain systems. These will be utilized to evaluate the function and conveyance capacity of the sewer and drain system to examine conditions under which activations occur.

The purpose of this goal is to perform a quantitative analysis to understand the change in CSO activation in terms of both quantity (number of activations) and flow (total time and volume of activations).

Mission: Protect Environment

Goal: Review and research record plans for all 286 outfalls in the Commission's GIS database to confirm which outfalls are owned by the Commission, and which outfalls belong to private owners or other public agencies. The department will aim to confirm the ownership of about 71 outfalls each quarter.

Objective: The objective of this goal is to update the ownership information for any outfalls that are currently labeled incorrectly in the GIS database. This will help the department prepare for any new outfall monitoring requirements that may be enacted by the EPA when the Commission's stormwater permit is renegotiated (date TBD).

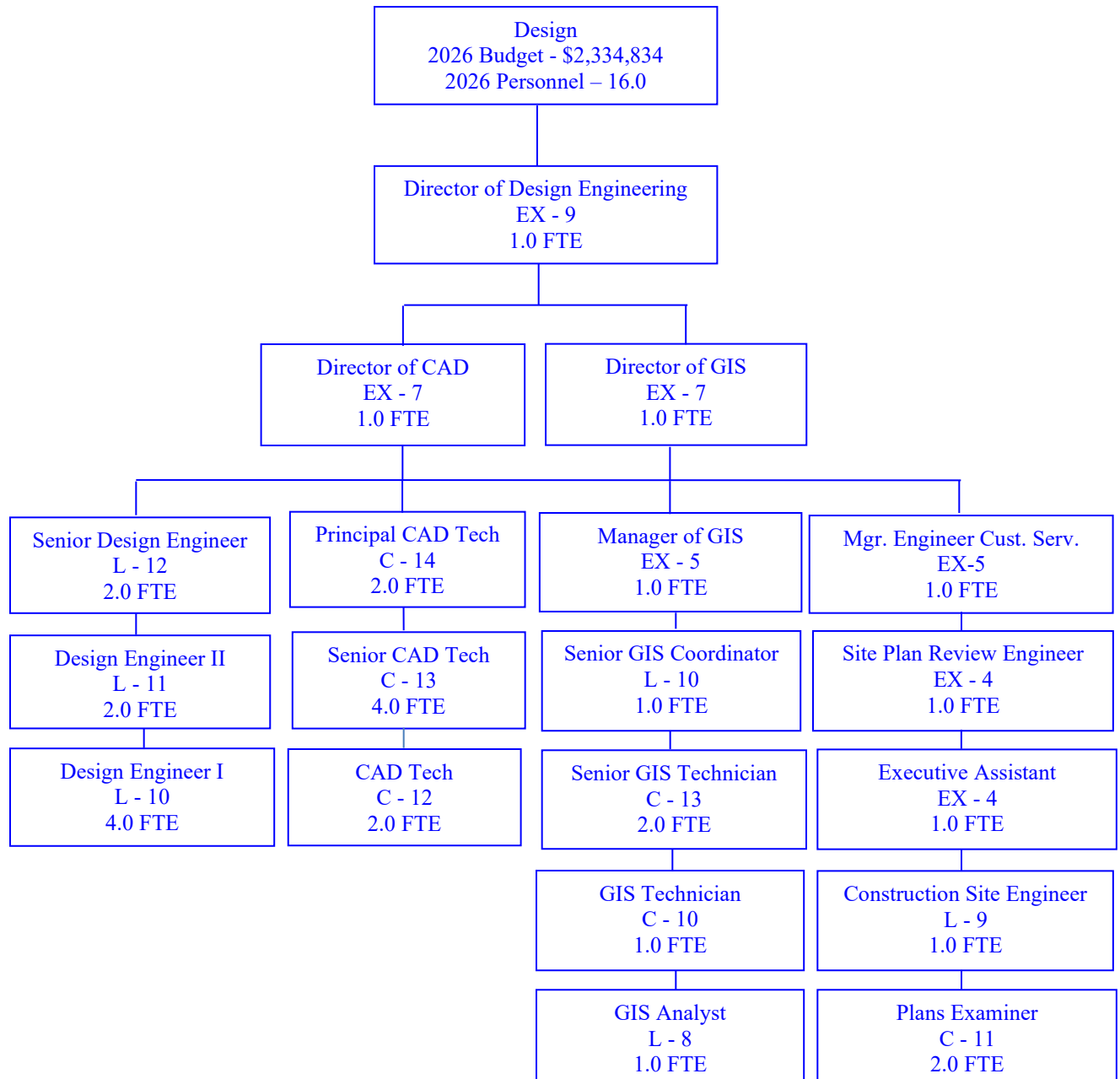
Mission: Comply with Local, State and Federal Regulations

Goal: Perform an investigation to identify Commission owner outfalls that have invert elevation at or below elevation 20.38 ft. Boston City Base and do not have a tidegate.

Objective: The data will be used to determine where tidegates are needed as part of the construction of barriers to prevent storm surge from bypassing the flood barrier via the outfall.

Mission: Protect Environment

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$3,929,449	\$4,180,053	\$3,827,277	(\$352,776)	-8.4%
Overtime	\$24,317	\$24,919	\$25,169	\$250	1.0%
Labor Related Costs/Benefits	\$88,345	\$30,836	\$37,725	\$6,889	22.3%
Supplies and Materials	\$51,300	\$22,950	\$47,800	\$24,850	108.3%
Repair and Maintenance	\$7,700	\$8,400	\$100,500	\$92,100	1096.4%
Professional Services	\$40,400	\$50,000	\$50,000	\$0	0.0%
Other Services	\$16,250	\$19,500	\$25,490	\$5,990	30.7%
Total Direct Expenses	\$4,157,761	\$4,336,658	\$4,113,961	(\$222,697)	-5.1%

Explanation of Major Variances

The 2026 budget for the Design Department is \$4,113,961, a decrease of \$222,697 or -5.1% from 2025. The variance is due to decreases 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

One position transferred to Chief of Operations.

2025 Program Goal Performance Results

The GIS Department worked with various Commission departments to prepare for a move from the geometric network to the utility network. The Engineering Department's Technical Specifications sections 'A' and 'B' were revisited for constructability issues. The specifications in section A and B have been revised. It is expected that these specifications will be distributed to staff in Q1 2026.

2026 Program Goals and Objectives

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

Objective: In phase-one of this project, we completed the data cleanup recommended in the readiness assessment and we plan to complete an RFP and select a vendor by the end of 2025. In phase-two we intend to move from geometric network to a utility network, transition from ArcMap desktop software (which is expected to lose support in 2026) to ArcPro and make other software/applications upgrades to ensure compatibility. The move to ArcPro will require altering workflow as well as updating many of our customized GIS maintenance tools.

Mission: Increased Production or Efficiency Improvements

Goal: Make recommendations to the IT Department for upgrading the Commission to AutoCAD 2026 software or higher.

Objective: Review latest CAD software and determine if upgrading to a higher version will improve functionality and increase the ease of use.

Mission: Increased Production or Efficiency Improvements

Goal: Revisit the Engineering Department's Technical Specifications sections 'C' and 'D' for constructability issues.

Objective: Ensure the 'C' and 'D' specifications on file provide the most accurate and most up to date information. The details need to provide the best quality of our water, sewer and drainage facilities. Change orders also need to be considered when reviewing the specifications.

Mission: Improve/Develop Policy/Procedure

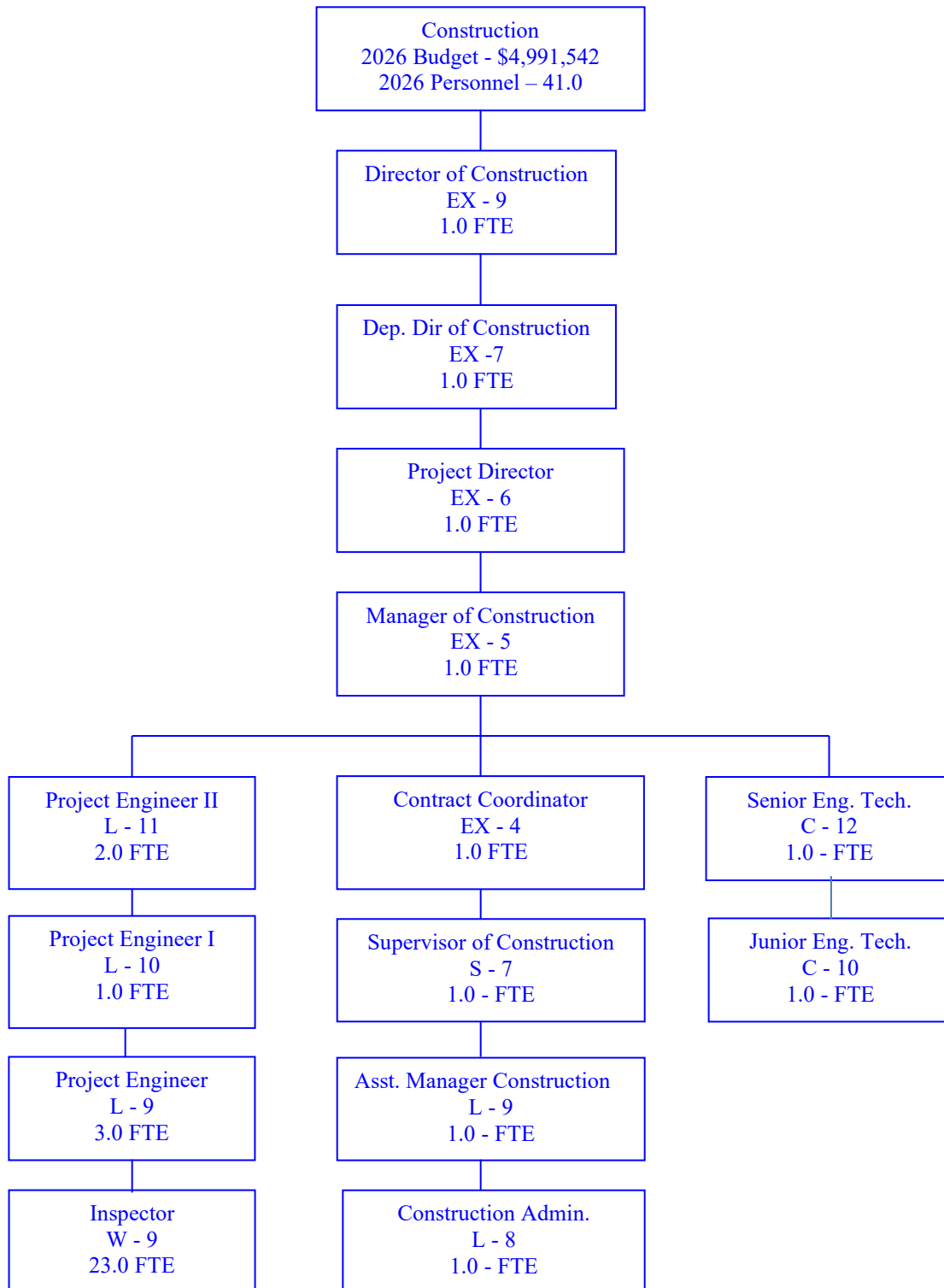
Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Goal
Design contracts to replace or rehabilitate water mains.	7.1 miles	6.6 miles	12.97	10
Design contracts to replace or rehabilitate sewer pipes.	66,000 feet	65,835 feet	192,730	81,840 feet

Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Goal
Drain Layers Licenses	317	303	289	250
Water and Sewer Prints	257	260	290	250
Repairs:				
Fire pipe	42	36	44	25
Sanitary	327	350	297	250
Storm Drains	16	10	10	10
Site Plans:				
Submitted	546	600		
Approved	508	562	693	500
Dye Tests	525	742	363	300
Customer Service Visits	2,364	2,580	2,620	2,500

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$4,566,269	\$4,608,623	\$4,707,490	\$98,867	2.1%
Overtime	\$204,609	\$204,609	\$204,609	\$0	0.0%
Labor Related Costs/Benefits	\$88,713	\$38,010	\$35,618	(\$2,392)	-6.3%
Supplies and Materials	\$25,925	\$30,800	\$42,625	\$11,825	38.4%
Repair and Maintenance	\$1,200	\$1,200	\$1,200	\$0	0.0%
Total Direct Expenses	\$4,886,716	\$4,883,242	\$4,991,542	\$108,300	2.2%

Explanation of Major Variances

The 2026 budget for the Construction Department is \$4,991,542, an increase of \$108,300 or 2.2% from 2025. The variance is due a increase in the Wages and Salaries 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

Two positions transferred from Asset Management (CMOM).

2025 Program Goal Performance Results

The special construction project at BWSC Headquarters (hvac, roof, solar array) have been ongoing at a pace which is pretty much on target with the projected schedule despite unforeseen obstacles such as incorrect drawings and equipment delivery delays. This has been achieved due to flexibility of the BWSC personnel along with the contractors to adjust their schedule and scope to eliminate “down time” during construction.

2026 Program Goals and Objectives

Goal: Train Project Engineers to perform both level run and total station surveys.

Objective: Training Project Engineers to perform level runs and total station surveys will enable the department the flexibility to survey more often.

Mission: Increased Production or Efficiency Improvements.

Goal: Create a standard water, sewer, drain and lining field manual to complement Inspectors Training Course.

Objective: Supplement the one-time inspectors training course, with an annual review of standard practices and procedures in the department. Focusing on areas of improvement and opportunities for standardization.

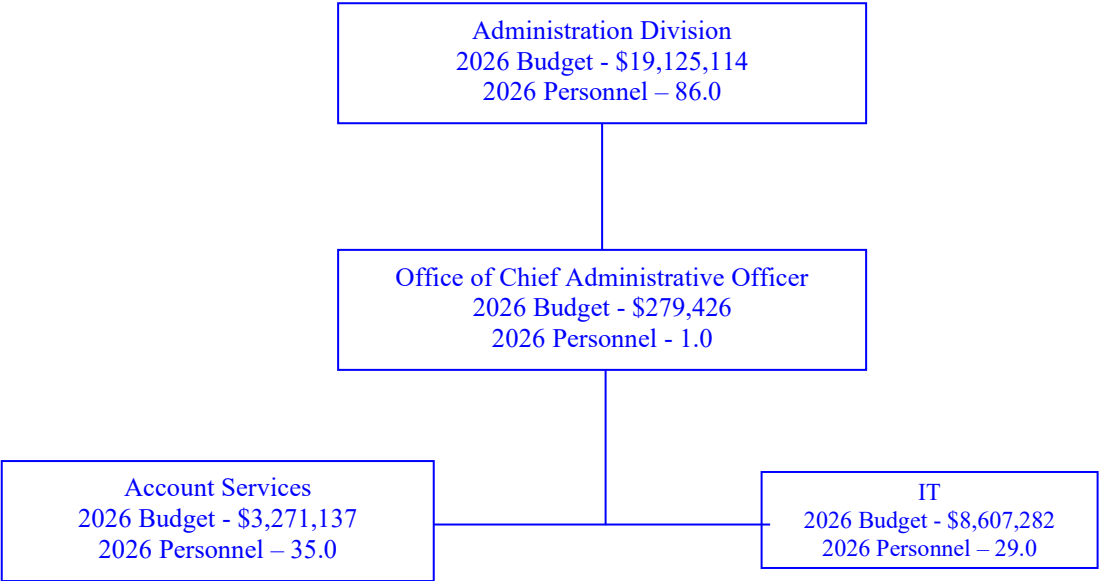
Mission: Improve/Develop Policy/Procedure

Goal: Work with design team to revised ‘C’ and ‘D’ construction standards.

Objective: Review, update and improve construction standards as to maximize benefit to the Commission.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Office of Chief Administrator Officer	\$343,713	\$21,000	\$279,426	\$258,426	1230.6%
Meter Services	\$3,139,898	\$0	\$0	\$0	0.0%
Account Services	\$2,841,122	\$2,917,666	\$3,271,137	\$353,471	12.1%
Communications and Community Srvc	\$1,604,576	\$0	\$0	\$0	0.0%
Facilities and Support Services	\$6,153,653	\$0	\$6,967,269	\$6,967,269	0.0%
Information Technology	\$7,638,491	\$7,963,279	\$8,607,282	\$644,003	8.1%
Total Direct Expenses	\$21,721,453	\$10,901,945	\$19,125,114	\$8,223,169	75.4%

Explanation of Major Variances

The 2026 budget for the Administration Division is \$19,125,114, an increase of \$6,967,269 or 75.4% from 2025. The variance is primarily due the Facilities Department transferring back from the Executive Division.

Division Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Chief Administrator Officer	1.0	1.0	1.0	0.0
Meter Services	29.0	0.0	0.0	0.0
Account Services	34.0	33.0	35.0	2.0
Communications and Community Service	9.0	0.0	0.0	0.0
Facilities and Support Services	20.0	0.0	21.0	21.0
Information Technology	27.0	27.0	29.0	2.0
Total	120.0	61.0	86.0	25.0

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 in 2025.

Account Services

Three position transferred from General Counsel.
One position transferred to Facilities.

Communications and Community Services

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

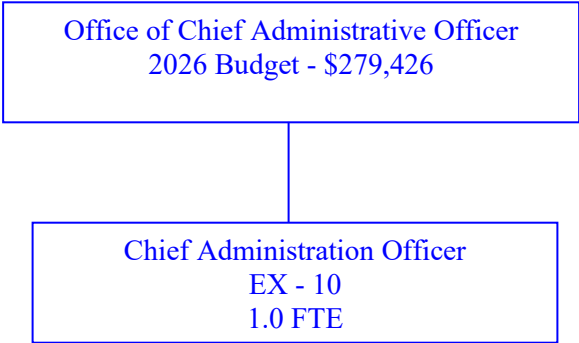
Facilities and Support Services

The Facilities and Support Services department transferred from the Executive Division.
One position transferred from Account Services.

Information Technology

Two positions transferred from the Office of the Chief Financial Officer.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$230,161	\$0	\$245,677	\$245,677	0.0%
Labor Related Costs/Benefits	\$62,552	\$4,356	\$12,749	\$8,393	192.7%
Professional Services	\$30,000	\$0		\$0	0.0%
Training/Seminar/Travel	\$21,000	\$21,000	\$21,000	\$0	0.0%
Total Direct Expenses	\$343,713	\$25,356	\$279,426	\$254,070	1002.0%

Explanation of Major Variances

The 2026 budget for the Office of the Chief Administrative Officer is set at \$279,426, an increase of \$254,070 or 1002.0% from 2025. The variance is due to a increase in the Wages and Salaries and Labor Related Costs/Benefits line items.

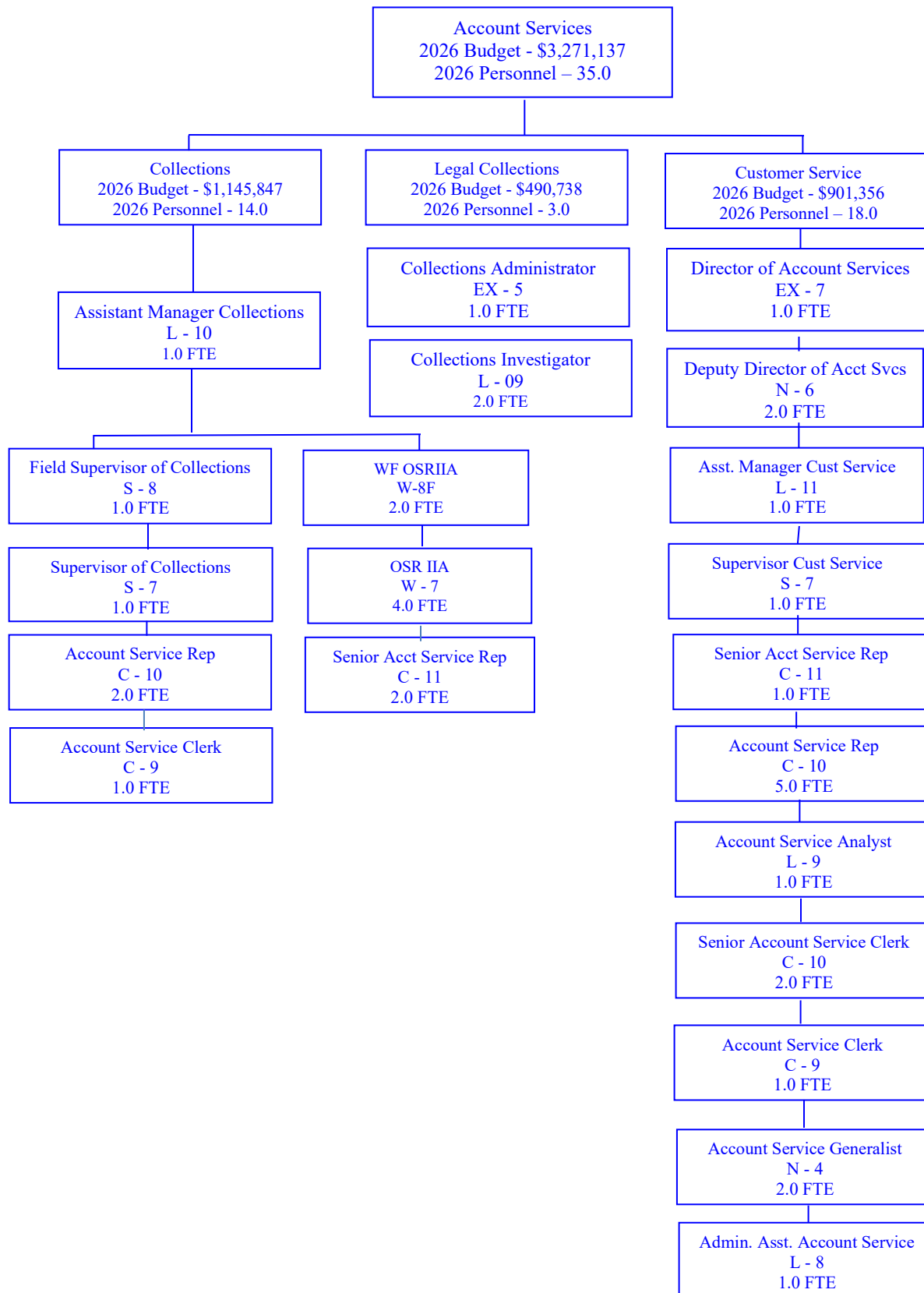
Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$626,148	\$2,768,190	\$3,164,549	\$396,359	14.3%
Overtime	\$0	\$20,000	\$25,000	\$5,000	25.0%
Labor Related Costs/Benefits	\$64,891	\$37,932	\$30,588	(\$7,344)	-19.4%
Supplies and Materials	\$8,022	\$15,000	\$16,000	\$1,000	6.7%
Professional Services	\$0	\$0	\$35,000	\$35,000	0.0%
Total Direct Expenses	\$699,061	\$2,841,122	\$3,271,137	\$430,015	15.1%

Explanation of Major Variances

The 2026 budget for Account Services is \$3,271,137, an increase of \$430,015, or 15.1% from 2025. The variance is due to the increase of Wages and Salaries and the Overtime line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Account Services	6.0	5.0	6.0	1.0
Collections	16.0	16.0	14.0	(2.0)
Customer Service	12.0	12.0	12.0	0.0
Legal Collections	0.0	0.0	3.0	3.0
Total	34.0	33.0	35.0	2.0

Explanation of Personnel Changes

Account Services

One position transferred from Collections.

Collections

One position transferred to Account Services.
One position transferred to Facilities.

Customer Services

There was no change in the position count.

Legal Collections

New department created with three positions transferred from General Counsel.

2025 Program Goal Performance Results

One of our key goals this year was building a stronger working relationship with Meter Services to ensure customers meters and MTUs are functioning properly. In addition, customers who contact the office will be offered meter upgrade appointments to ensure their equipment operates efficiently and provide accurate usage data. We expanded responsibilities to include designated staff members who conduct outreach specifically for meter related issues, allowing for more efficient scheduling of upgrading appointments and faster resolution of customer concerns

2026 Program Goals and Objectives

Goal: Review and update all customer correspondence templates and related procedures.

Objectives:

- Audit existing customer correspondence and identify outdated or inconsistent content.
- Revise templates to reflect accurate information, professional tone and standardize formatting.
- Update correspondence internal procedures to match revised correspondence.

Mission: Improved Customer/Employee/Investor Relations

Goal: Develop and launch a supplemental training video that demonstrates the correct process for opening a case and the correct work order for the account. This video will serve as a quick reference tool for employees, reinforcing proper procedures and ensuring consistency in case management practices.

Objectives:

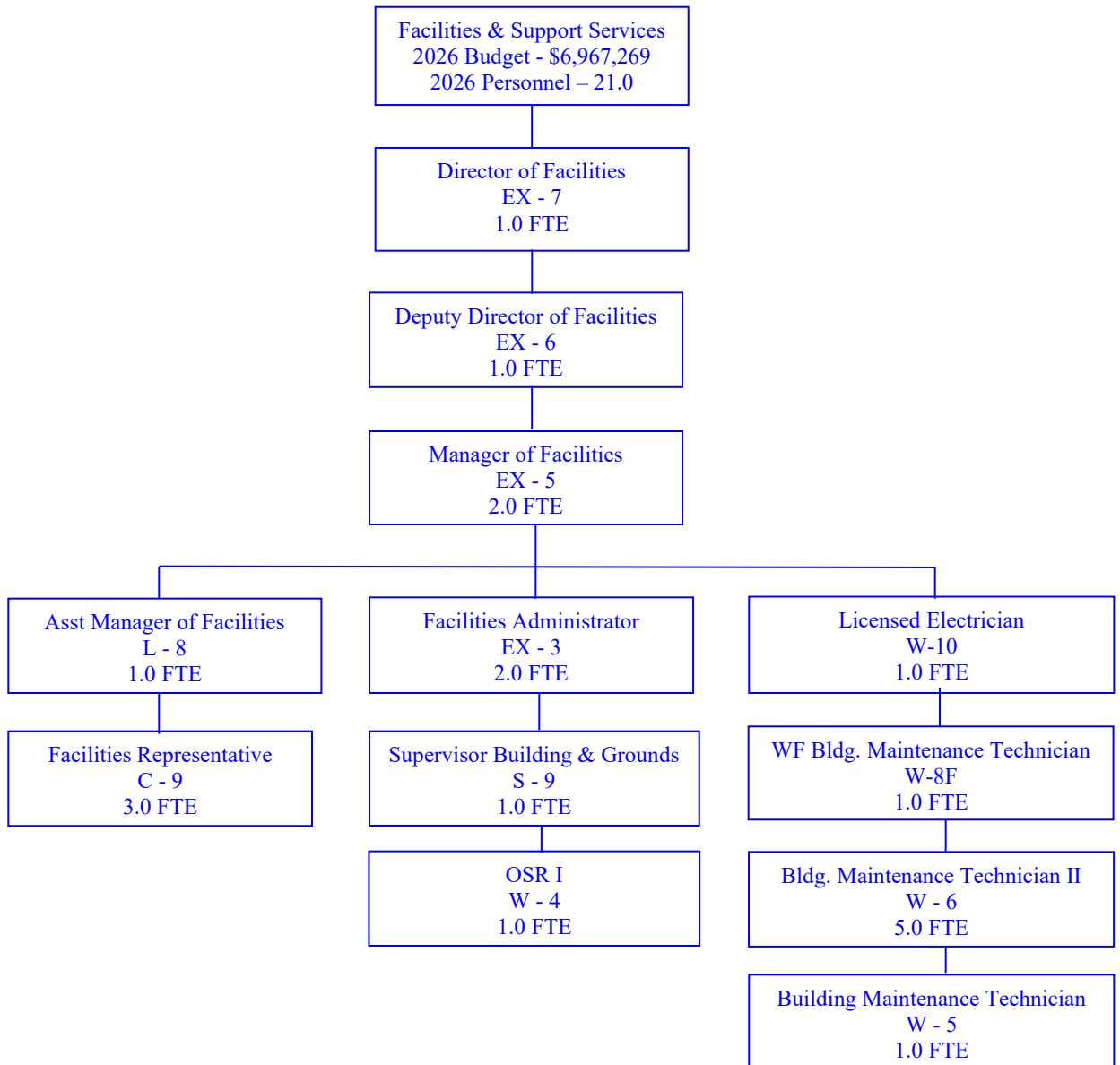
- Script and record concise, step-by-step walkthrough of the process for creating the case and the corresponding work order.
- Distribute the video through employee training portal
- Measure effectiveness through employee feedback and reduction in case-opening errors
- Highlight common errors and best practices.

Mission: Provide Staff Training

Department Maintenance Goals

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Goal
Reduce Customer Service & Collections Calls Abandoned	2.5%	4.5%	4.7%	Less than 4.0% per month
Customer Visits	1,021	1,107	925	5,000
Dunning Letters Mailed	98,737	108,226	111,437	100,000
Payment Received	38,287	41,268	43,103	40,000

Facilities & Support Services



Administrative 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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$1,872,476	\$2,110,821	\$2,012,798	(\$98,023)	-4.6%
Overtime	\$36,509	\$82,950	\$86,775	\$3,825	4.6%
Labor Related Costs/Benefits	\$46,268	\$27,644	\$27,091	(\$553)	-2.0%
Supplies and Materials	\$378,400	\$441,900	\$457,975	\$16,075	3.6%
Repair and Maintenance	\$1,232,000	\$1,646,000	\$1,821,500	\$175,500	10.7%
Utilities	\$1,734,000	\$1,616,000	\$1,490,000	(\$126,000)	-7.8%
Professional Services	\$25,000	\$0	\$30,000	\$30,000	0.0%
Space and Equipment	\$41,000	\$58,000	\$77,880	\$19,880	34.3%
Other Services	\$758,000	\$830,000	\$915,250	\$85,250	10.3%
Capital Outlay	\$30,000	\$40,000	\$48,000	\$8,000	20.0%
Total Direct Expenses	\$6,153,653	\$6,853,315	\$6,967,269	\$113,954	1.7%

Explanation of Major Variances

The 2026 budget for Facilities & Support Services Department is \$6,967,269 an increase of \$113,954 or 1.7% from 2025. The variance is due to the increase of Repair and Maintenance line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2024-2025 Variance
Facilities & Support Services	20.0	20.0	21.0	1.0

Explanation of Personnel Changes

One position transferred from Account Services.

2025 Program Goal Performance Results

In 2026 Facilities received quotations for interior painting work on the 3rd Floor in conjunction with the Roof Replacement Project. Staff reviewed quotations and initialized purchase order process with NEFS. Contract work was performed in Phase C and continues in Phase B. Facilities also assisted with the roof replacement project. Staff interacted daily with contractor Colantonio to assist with project's schedule. Staff arranged moves and work associated with Phase C. Specifications for carpet installation were finalized and publicly bid. Carpet installation started in Phase C and staff oversaw moves and duties associated with Phase B. Daily meetings continue with Colantonio.

2026 Program Goals and Objectives

Goal: To replace the overhead-ceiling tiles at 980 Harrison Avenue.

Objectives: To replace overhead ceiling tiles to improve interior aesthetics, enhance acoustics and optimize lighting.

Mission: Increased Production or Efficiency Improvements

Goal: Optimize Energy Efficiency at Material Handling Facility.

Objectives: To reduce energy costs by identifying and implementing electrical upgrades.

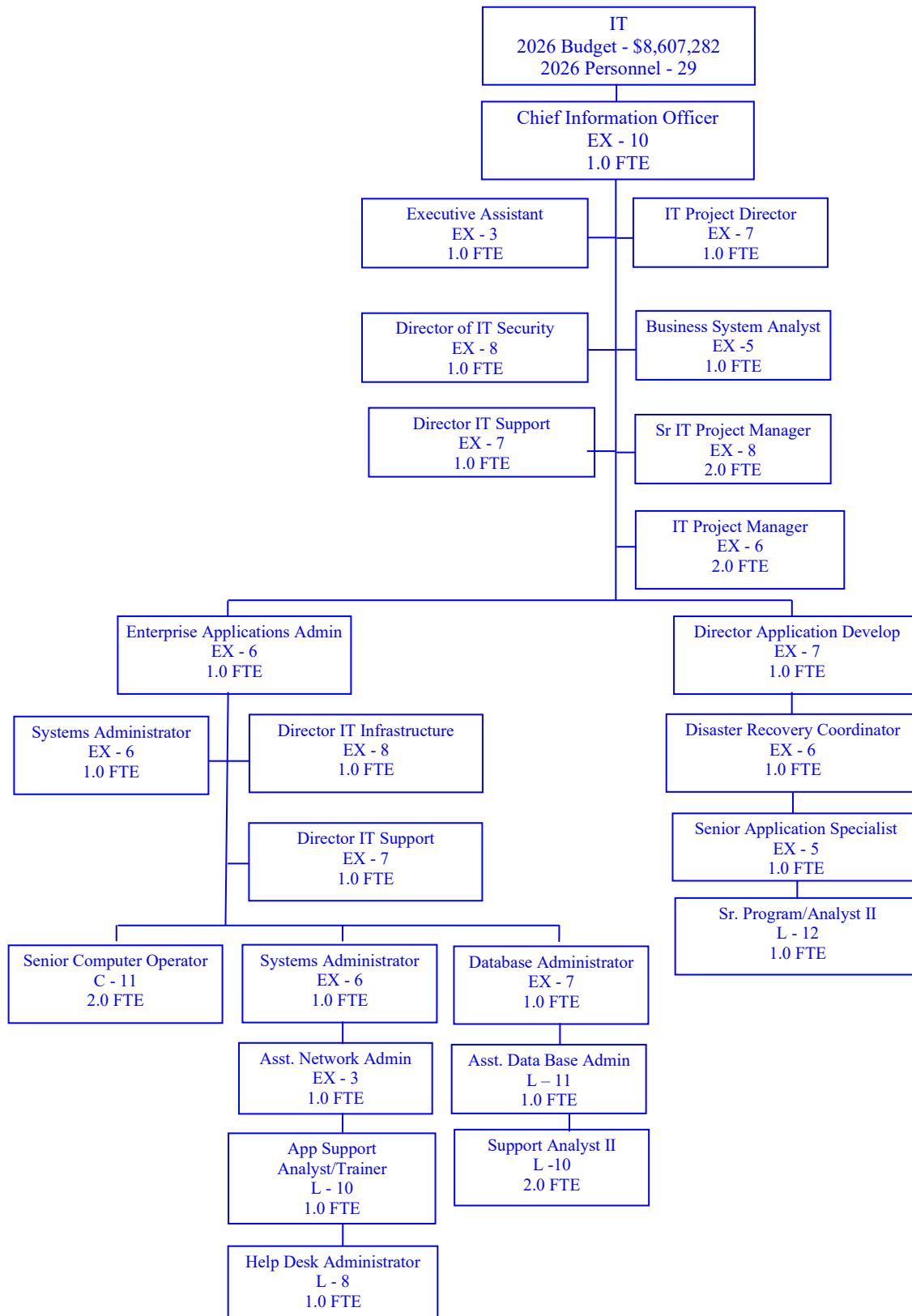
Mission: Increased Fiscal Controls

Goal: Key Inventory Program.

Objectives: To identify, label and centralize all operational Commission keys.

Mission: Limit Commission Liability/Increase Safety.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$3,714,627	\$3,795,192	\$4,078,317	\$283,125	7.5%
Labor Related Costs/Benefits	\$101,124	\$71,091	\$63,475	(\$7,616)	-10.7%
Supplies and Materials	\$60,000	\$60,000	\$69,750	\$9,750	16.3%
Repair and Maintenance	\$2,694,500	\$2,860,000	\$3,171,800	\$311,800	10.9%
Utilities	\$588,240	\$635,640	\$696,840	\$61,200	9.6%
Professional Services	\$330,000	\$375,000	\$322,500	(\$52,500)	-14.0%
Space and Equipment Rentals	\$150,000	\$162,000	\$204,600	\$42,600	26.3%
Training/Seminar/Travel	\$0	\$0	\$0	\$0	N/A
Total Direct Expenses	\$7,638,491	\$7,638,491	\$8,607,282	\$648,359	8.5%

Explanation of Major Variances

The 2026 budget for the IT Department is \$8,607,282, an increase of \$648,359 or 8.5% from 2025. The variance is due to the increase of the Wages and Salaries and Repair and Maintenance line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
IT	27.0	27.0	29.0	2.0

Explanation of Personnel Changes

Two positions transferred from the Office of the Chief Financial Officer.

2025 Program Goal Performance Results

To prepare for the 2025 GIS Utility Network Upgrade, the Commission implemented Cityworks Mobile on its existing platform before undertaking a full system modernization. This initial rollout successfully transitioned Engineering Inspectors to mobile workflows. As a result, customers are now experiencing reduced wait times for GSA inspection results. In Operations, a significant portion of the field staff have also adopted the new mobile system. The Commission has significantly enhanced customer experience by introducing real-time email and text messaging feedback into its communication strategy. To support this modernization, the team improved data integrity by accurately capturing and distinguishing between landline and mobile phone numbers. Additionally, the Commission streamlined critical billing and metering processes to drive revenue growth and improve overall operational efficiency. These improvements include optimizing the reading protocols specifically for frozen meter replacements. The team restructured the grease trap fee to a "per trap" basis and adjusted the billing parameters to account for these changes.

2026 Program Goals and Objectives

Goal: Modernizing BWSC's GIS and Enterprise Asset Management Platforms

Objective:

- Standardize governance: establish clear SOPs and assign enterprise GIS and Cityworks governance structures to ensure cohesion and accountability.
- Upgrade platforms: migrate to ArcGIS Utility Network and Trimble Unity to enable modern services-oriented capabilities, real-time processes, and advanced analysis.
- Institutionalize training: implement continuous education programs to raise staff proficiency and adoption consistency.
- Operationalize risk management: introduce a risk identification matrix and mitigation strategies to govern change.

Quantify performance: adopt KPIs (e.g., turnaround time, error rates) and dashboards to monitor improvements and drive accountability

Mission: Increased Production or Efficiency Improvements

Administrative Division

Goal: Implementation of Construction Project Management System.

Objective: Modernized infrastructure by migrating the legacy CCP application to a web-based COTS platform.

Mission: Increased Production or Efficiency Improvements.

Goal: Develop and publish a comprehensive 3-year IT Strategic Plan that directly aligns technology investments with the Commission's long-term operational and service delivery objectives.

Objective:

1. Modernize Core Systems and Reduce Technical Debt
2. Drive Technological Innovation and AI Adoption
3. Strengthen Cybersecurity and Operational Resilience
4. Optimize Data Governance and Advanced Analytics
5. Elevate IT Service Delivery and Workforce Enablement

Mission: Increased Production or Efficiency Improvements

Goal: Implement Microsoft Purview Go according to industry standards to improve our overall data security posture for Commission data.

Objective: This initiative serves as a critical data protection strategy, allowing us to fully leverage our Microsoft E5/G5 Security investments. A primary objective for the second phase of this project is to empower our team to independently manage and expand the Microsoft Purview data security deployment across the broader Commission

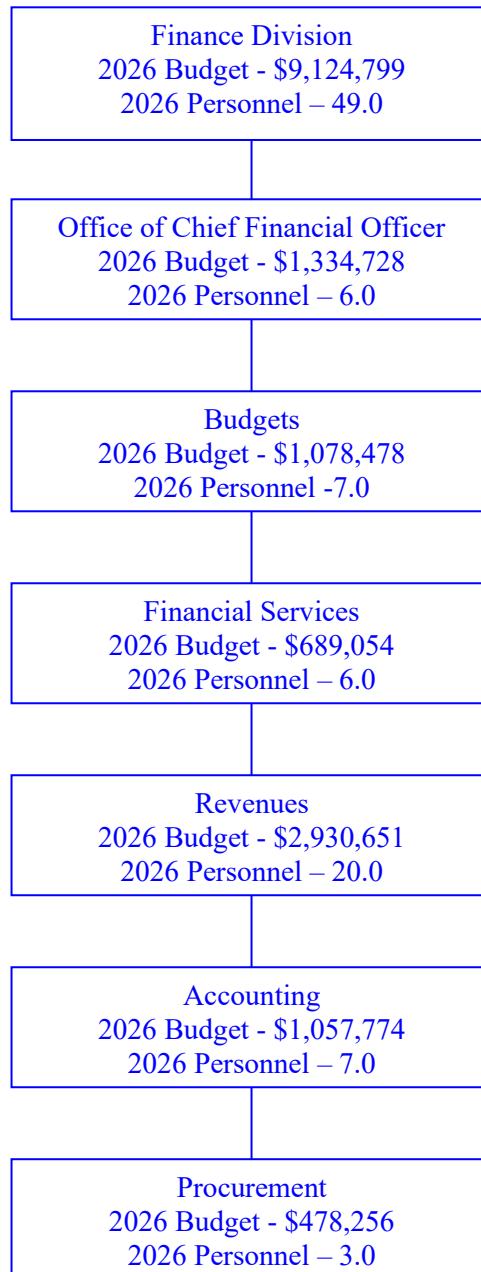
Mission: Improve/Develop Policy/Procedure

Goal: Replace Network Equipment in Datacenter & Servers at Disaster Recovery site.

Objective: Upgrade networking equipment and servers in datacenter and disaster recovery site.

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.

Division Budget Summary

Department	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Office of Chief Financial Officer	\$1,654,003	\$1,541,568	\$1,334,728	(\$206,840)	-13.4%
Budgets	\$2,752,017	\$2,790,717	\$2,634,336	(\$156,381)	-5.6%
Financial Services	\$711,698	\$674,829	\$689,054	\$14,225	2.1%
Revenues	\$3,064,035	\$2,982,812	\$2,930,651	(\$52,161)	-1.7%
Accounting	\$1,163,026	\$1,015,251	\$1,057,774	\$42,523	4.2%
Procurement	\$457,084	\$478,082	\$478,256	\$174	0.0%
Safety and Training	\$1,423,074	\$0	\$0	\$0	0.0%
Total Direct Expenses	\$11,224,937	\$9,483,259	\$9,124,799	(\$358,460)	-3.8%

Explanation of Major Variances

The 2026 budget for the Finance Division is \$9,124,799, a decrease of \$358,460, or 3.8% from 2025. The variance is attributed to a decrease in the Office of CFO and Budgets line items.

Division Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Chief Financial Officer	7.0	8.0	6.0	(2.0)
Budgets	6.0	7.0	7.0	0.0
Financial Services	6.0	6.0	6.0	0.0
Revenues	20.0	21.0	20.0	(1.0)
Accounting	8.0	7.0	7.0	0.0
Procurement	3.0	3.0	3.0	0.0
Total	50.0	52.0	49.0	(3.0)

Explanation of Personnel Changes

Office of Chief Financial Officer

Two positions transferred to IT.

Budgets

There was no change to the position count.

Financial Services

There was no change to the position count.

Revenues

One position transferred to Communications.

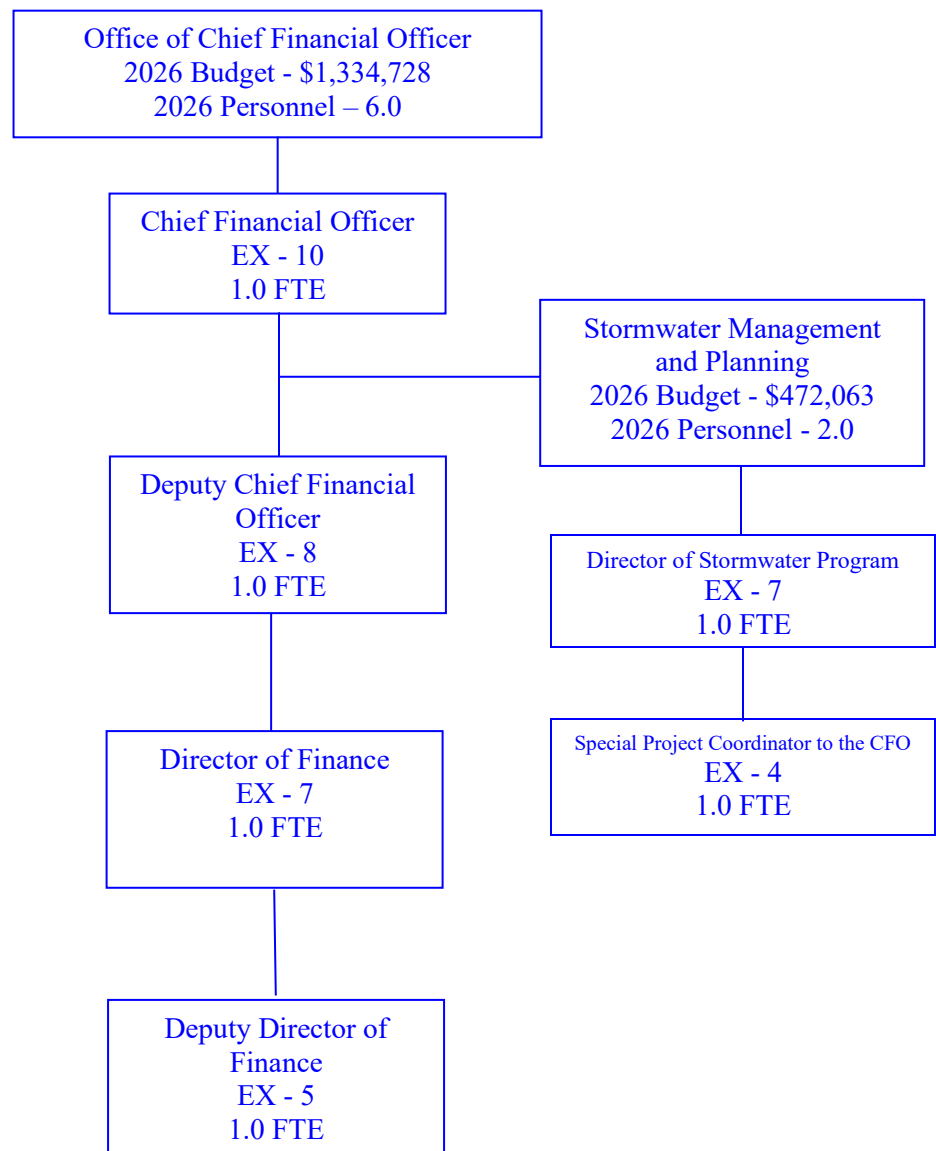
Accounting

There was no change to the position count.

Procurement

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$989,594	\$1,274,734	\$ 1,119,500.00	(\$155,234)	-12.2%
Labor Related Costs/Benefits	\$9,409	\$21,834	\$ 10,228.00	(\$11,606)	-53.2%
Other Services	\$0	\$240,000	\$ 200,000.00	(\$40,000)	-16.7%
Training/Seminar/Travel	\$5,000	\$5,000	\$ 5,000.00	\$0	0.0%
Total Direct Expenses	\$1,004,003	\$1,004,003	\$1,334,728	(\$206,840)	-20.6%

Explanation of Major Variances

The 2026 budget for the Office of Chief Financial Officer is \$1,334,728, a decrease of \$206,840 or -20.6% from 2025. The variance is due to the decrease of Wages and Salaries line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Office of Chief Financial Officer	5.0	7.0	5.0	(2.0)
Stormwater Management and Planning	0.0	2.0	2.0	0.0
Total	5.0	9.0	7.0	(2.0)

Explanation of Personnel Changes

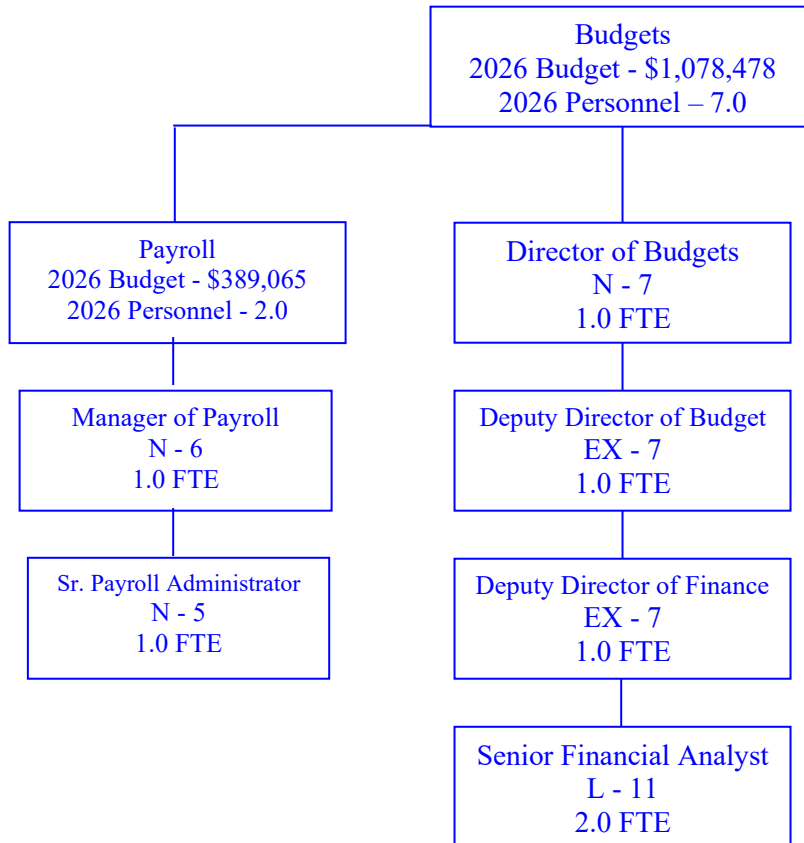
Office of Chief Financial Officer

Two positions transferred to IT.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$910,398	\$975,748	\$1,021,835	\$46,087	4.7%
Labor Related Costs/Benefits	\$36,535	\$25,484	\$49,643	\$24,159	94.8%
Supplies and Materials	\$9,950	\$9,700	\$7,000	(\$2,700)	-27.8%
Professional Services	\$497,200	\$297,200	\$0	(\$297,200)	-100.0%
Insurance	\$1,297,934	\$1,482,585	\$0	(\$1,482,585)	-100.0%
Total Direct Expenses	\$2,752,017	\$2,790,717	\$1,078,478	(\$1,712,239)	-61.4%

Explanation of Major Variances

The 2026 budget for the Budgets Department is \$1,078,478, a decrease of \$1,712,239 or 61.4% from 2025. The variance is due to the decrease of the Professional Services and Insurance line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Director of Budgets	1.0	1.0	1.0	0.0
Budget and Financial Planning	3.0	3.0	3.0	0.0
Payroll	3.0	3.0	3.0	0.0
Total	7.0	7.0	7.0	0.0

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.

2025 Program Goal Performance Results

The Budget department, in conjunction with the IT and Engineering divisions, sat in on many hours of meetings for the 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. New cashflow reports were tested and approved by Budget.

2026 Program Goals and Objectives

Goal: Budget, in conjunction with IT, will develop a query that will deliver beginning budgets, transfers and expenditures for all accounts and across all departments in the Commission.

Objective: Budget will run this query for previous fiscal years to identify accounts that are over and underfunded year-over-year, in an effort to make the Commission's account budgets more efficient.

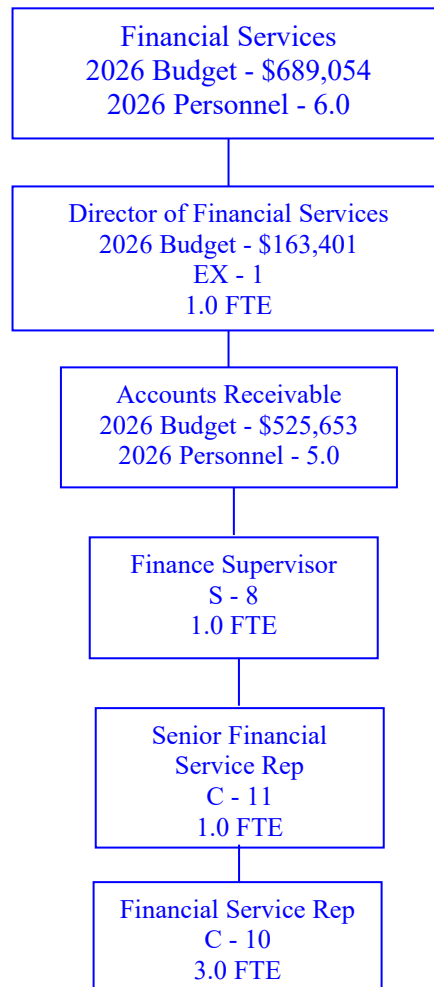
Mission: Increased Fiscal Controls

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. Upgrade is expected to start in Q3 of 2026.

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$526,900	\$538,395	\$581,470	\$43,075	8.0%
Labor Related Costs/Benefits	\$0	\$0	\$5,284	\$5,284	0.0%
Supplies and Materials	\$4,498	\$4,134	\$3,000	(\$1,134)	-27.4%
Professional Services	\$5,000	\$3,000	\$0	(\$3,000)	-100.0%
Other Services	\$1,300	\$1,300	\$1,300	\$0	0.0%
Total Direct Expenses	\$537,698	\$546,829	\$591,054	\$44,225	8.1%

Explanation of Major Variances

The 2026 budget for the Financial Services Department is \$591,054, an increase of \$44,225 or 8.1% from 2025. The variance is due to the increase of the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Director of Financial Services	1.0	1.0	1.0	0.0
Accounts Receivable	5.0	5.0	5.0	0.0
Total	6.0	6.0	6.0	0.0

Explanation of Personnel Changes

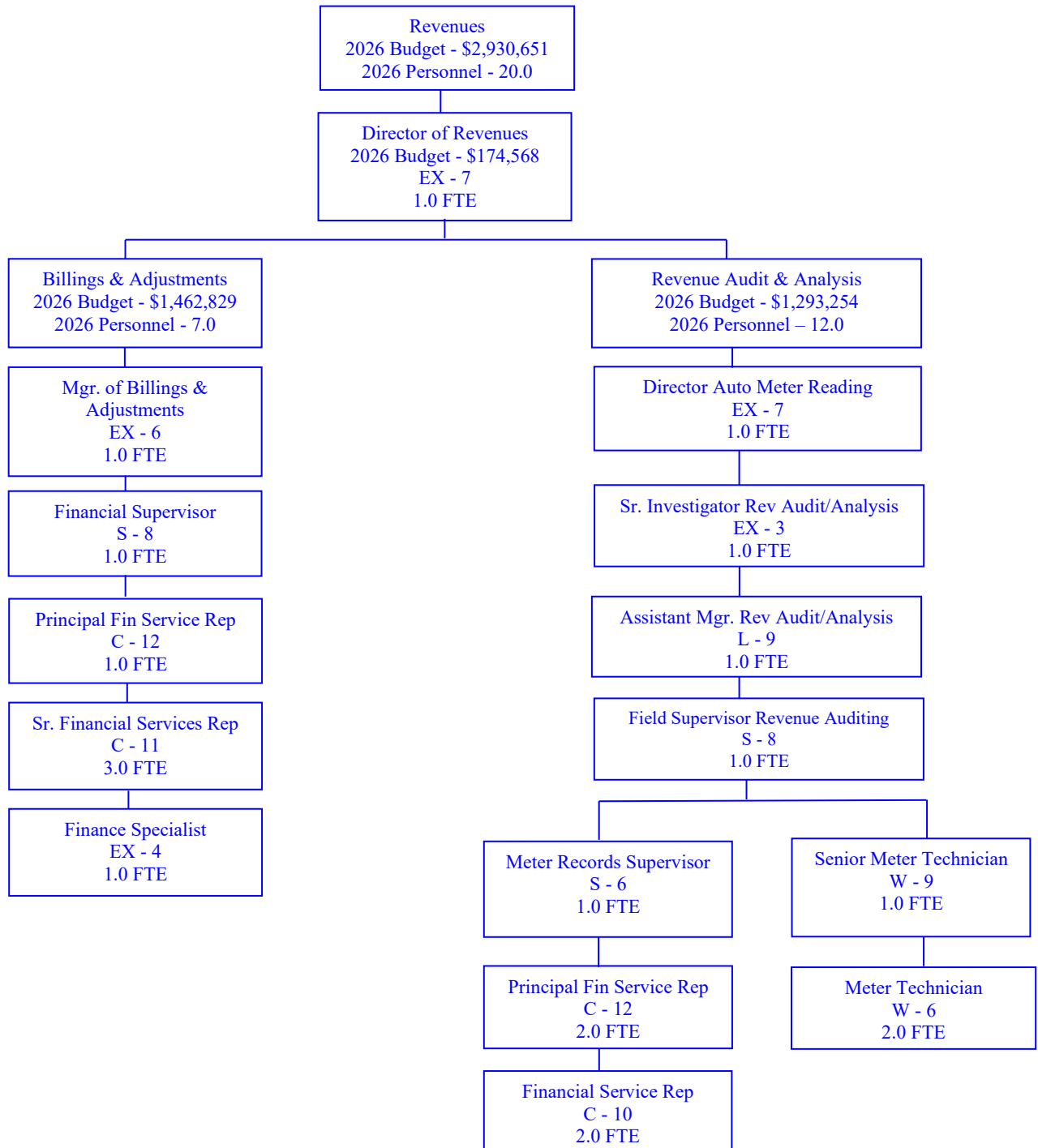
Director of Financial Services

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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$2,133,050	\$2,043,869	\$2,073,383	\$29,514	1.4%
Overtime	\$7,435	\$7,435	\$16,169	\$8,734	117.5%
Labor Related Costs/Benefits	\$29,672	\$14,024	\$17,359	\$3,335	23.8%
Supplies and Materials	\$681,328	\$755,484	\$691,740	(\$63,744)	-8.4%
Professional Services	\$60,000	\$0	\$0	\$0	0.0%
Other Services	\$151,950	\$162,000	\$132,000	(\$30,000)	-18.5%
Total Direct Expenses	\$3,063,435	\$2,982,812	\$2,930,651	(\$52,161)	-1.7%

Explanation of Major Variances

The 2026 budget for the Revenues Department is set at \$2,930,651, a decrease of \$52,161 or -1.7% from 2025. The variance is due to the Supplies and Materiel line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 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	13.0	12.0	(1.0)
Total	20.0	21.0	20.0	(1.0)

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 Communications.

2025 Program Goals Results

In 2025 the Revenue department mitigated any complication regarding Bill Processing to improve the speed and accuracy of the billing process. The billing calendar was updated for 2025 without any issues. A new employee in the billing department assisted in the construction of the billing calendar. The establishment of redundancy of certain procedures is necessary for coverage and training purposes. The Commission completed an upgrade to the UMAX billing system successfully. The 2026 billing calendar was reviewed and updated to be implemented in 2026. There were no issues with the billing calendar implementation

2026 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: Promote cross-training within the department

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

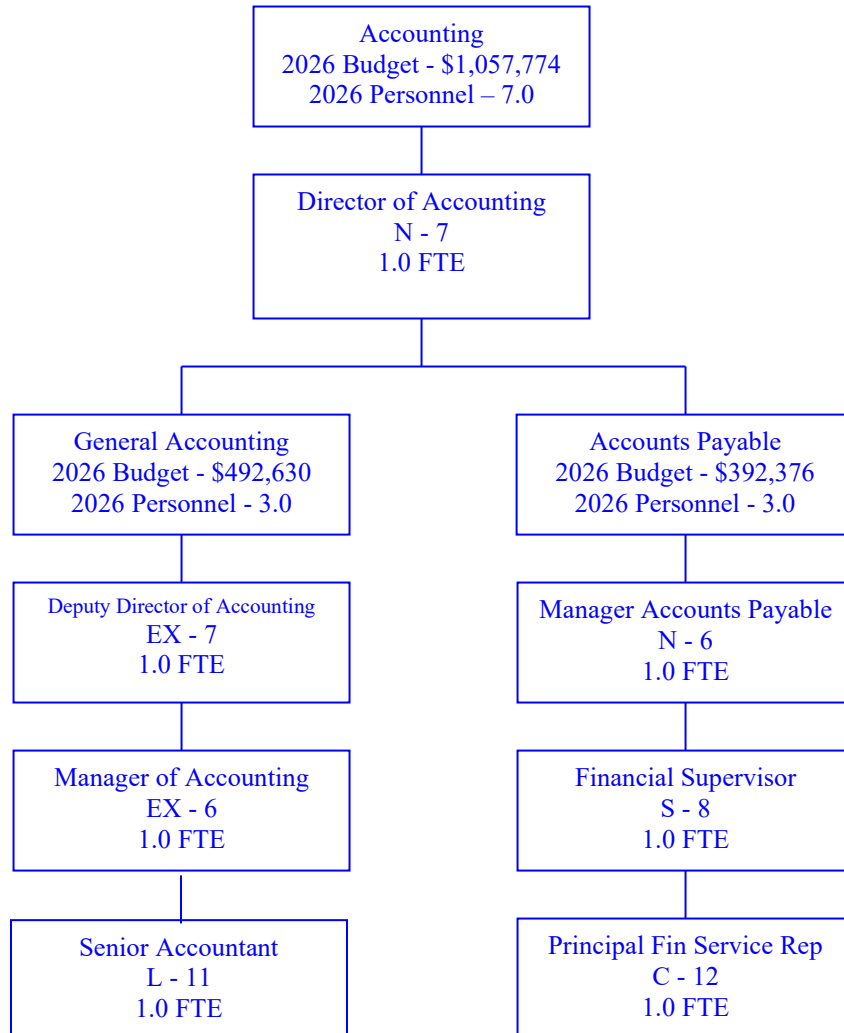
Mission: Provide Staff Training

Goal: Follow up on outstanding AclaraOne Support Tickets from Phase 2 and continue with implementation of Phases 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
- Reconcile accounts on a quarterly basis and correct any variances

Accounts Payable

- Efficiently handles and process all accounts payable functions

Department Budget Summary

Expense Line Item	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$907,582	\$852,740	\$889,460	\$36,720	4.3%
Labor Related Costs/Benefits	\$140,294	\$27,361	\$25,164	(\$2,197)	-8.0%
Supplies and Materials	\$4,400	\$4,400	\$4,400	\$0	0.0%
Professional Services	\$110,000	\$130,000	\$140,000	\$10,000	7.7%
Other Services	\$750	\$750	\$750	\$0	0.0%
Total Direct Expenses	\$1,163,026	\$1,015,251	\$1,059,774	\$44,523	4.4%

Explanation of Major Variances

The 2026 budget for the Accounting Department is \$1,059,774, an increase of \$44,523 or 4.4% from 2025. The variance is due to the increase of the Wages and Salaries line item.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Director of Accounting	1.0	1.0	1.0	0.0
General Accounting	4.0	3.0	3.0	0.0
Accounts Payable	3.0	3.0	3.0	0.0
Total	8.0	7.0	7.0	0.0

Explanation of Personnel Changes

Director of Accounting

There was no change to the position count.

General Accounting

There was no change to the position count.

Accounts Payable

There was no change to the position count.

2025 Program Goal Performance Results

In 2025 accounting worked with the Engineering Division and Deputy Director of Finance to manage year-end 2025 accruals. All invoices paid in 2025 and accruals as work completed in 2024 were sent to the auditors for review as part of the annual audit. The General Ledger balance, detail schedule, and accrual account reconciliation as of December 31, 2024, were later approved by the auditors in May.

2026 Program Goals and Objectives

Goal: Create and update new quarterly reconciliation for loans received via The Massachusetts Clean Water Trust (MCWT)'s State Revolving Fund (SRF) Program.

Objective: The objective of this goal is to keep track of SRF4 loans received from the MCWT. The reconciliation will compare the amounts requested by Budget versus the amounts reimbursed by the MCWT and identify any variances in the total balances of current loan agreements. During year-end audit, this reconciliation will further be reviewed by the auditing firm Withum and provide the basis for short-term obligations note to the annual financial statements. Accounting aims to complete this reconciliation within 20 days after the end of each quarter.

Mission: Increased Production or Efficiency Improvements

Goal: Work with the Engineering Division and Deputy Director of Finance to manage year-end 2026 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.

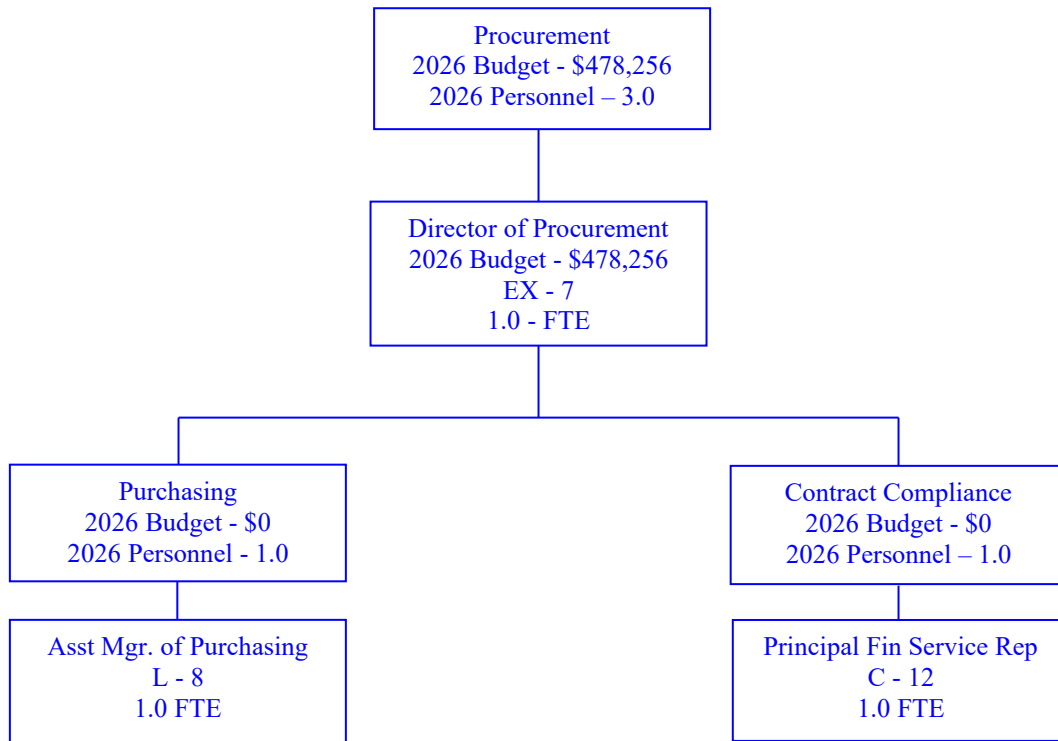
Mission: Increased Production or Efficiency Improvements

Goal: Conduct meetings with IT Department to discuss upgrading PeopleSoft Financial Management System to a newer version.

Goal Objective: The objective of this goal is to explore areas of improvements in the newer version of PeopleSoft Financial Management System. Accounting and Budget will have meetings with IT to discuss the costs and benefits of the upgrade and evaluate which upgrade packages should provide the most enhancements to daily workflow.

Mission: Increased Production or Efficiency Improvements

Procurement



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	2024 Actual	2025 Budget	2026 Budget	Dollar Variance	2025-2026 Variance
Wages and Salaries	\$353,481	\$367,349	\$375,456	\$8,107	2.2%
Labor Related Costs/Benefits	\$11,353	\$2,933	\$0	(\$2,933)	-100.0%
Supplies and Materials	\$1,300	\$1,300	\$1,300	\$0	0.0%
Other Services	\$90,950	\$106,500	\$101,500	(\$5,000)	-4.7%
Total Direct Expenses	\$457,084	\$478,082	\$478,256	\$174	0.0%

Explanation of Major Variances

The 2026 budget for the Procurement Department is \$478,256, an increase of \$174 or 0.0% from 2025. The variance is due to the increase of Wages and Salaries and Other Services line items.

Department Personnel Summary

Department	2024 Actual	2025 Approved	2026 Budget	2025-2026 Variance
Director of Procurement	1.0	1.0	1.0	0.0
Purchasing	1.0	1.0	1.0	0.0
Contract Compliance	1.0	1.0	1.0	0.0
Total	3.0	3.0	3.0	0.0

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.

2025 Program Goal Performance Results

Procurement continues to work on developing training materials that provide an overview of the public procurement process. To keep the Commission updated with Procurement laws and requirements. Provide staff training of the public procurement standards and latest revisions to the Commission's Policy on Procurement.

2026 Program Goals and Objectives

Goal: Assess and test enhancements for the Purchasing Module within PeopleSoft Financials, with the objective of improving functionality and increasing process efficiency.

Objective: To test and implement enhancements to the PeopleSoft Financials by identifying and correcting software bugs and processes issues.

Mission: Enhanced Repair and Maintenance of Water or Wastewater System

Goal: In conjunction with the legal department update the Construction standard boiler plates Bid Submission section.

Objective: Require Bidders that all unit prices must be typed or neatly printed in ink. Illegible bids or sections of bids may result in disqualification.

Mission: Comply with Local, State and Federal Regulations

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: In conjunction with the legal and the IT department working on receiving all bids electronically

Objective: To modernize the public procurement process while ensuring fairness, efficiency and compliance. Eliminates concerns over bid tampering, late submissions due to mailing errors, or human handling issues.

Mission: Comply with Local, State and Federal Regulations

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2026 – 2028 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 2026-2028 CIP will not be exceeded or that additional projects will not be required, the Commission believes the amounts set forth the 2026-2028 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 2026 through 2028 total approximately \$389.6 million.

2026 – 2028 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.

2026 – 2028 Capital Improvement Program

The overall objectives of the Commission's 2026-2028 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. This category funds projects with goals of improving both stormwater conveyance and the water quality of discharges to local receiving waters. These projects ensure compliance with state and federal regulations, help to minimizing flooding, and strategically manage Stormwater throughout the City of Boston. The primary purpose of the Stormwater category in the 2026-2028 CIP is replacement and rehabilitation of drain pipes throughout the City, the installation of new drain pipes for sewer separation, and the replacement of existing and installation of new tide gates near the coastline.

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 \$117.5 million, or 30.2% of the 2026- 2028 CIP. Sewer System projects comprise \$143.3 million, or 36.8%, Support projects total \$59.0 million, or 15.1% of the expenditures outlined in the program, and Stormwater projects account for \$69.8 million, or 17.9% of the 2026-2028 CIP.

Total capital expenditures of \$139.2 million are outlined for 2026. Water Distribution projects comprise \$45.4 million, or 32.6% of the 2026 CIP. Sewer System projects account for \$48.6 million, or 34.9%; Support projects account for \$28.4 million of the 2026 amount, or 20.4%; Stormwater projects totaling \$16.8 million of the 2026 amount, or 12.1%.

2026-2028 Capital Improvement Program Cash Flows

<i>Program Source*</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>Water</i>	\$45,409,192	\$38,401,981	\$33,658,690	\$117,469,863
<i>Sewer</i>	\$48,562,918	\$50,221,800	\$44,063,518	\$143,338,470
<i>Support</i>	\$28,414,015	\$15,451,101	\$15,125,287	\$58,990,403
<i>Stormwater</i>	\$16,789,464	\$22,506,684	\$30,532,690	\$69,828,839
<i>TOTAL</i>	<i>\$139,175,589</i>	<i>\$126,581,566</i>	<i>\$123,380,185</i>	<i>\$389,627,575</i>

NOTE: Although expenditures decrease from periods 2026 to 2028, it is anticipated that funding for 2028 will be equal to or greater than funding presented in 2026. The decrease in 2028 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

2026 – 2028 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 \$147.2 million or 37.8%; Bonds funded projects account for \$135.3 million of the 2026-2028 CIP or 34.7%; MWRA funded sewer projects account for \$33.2 million of the 2026-2028 CIP or 8.5%; SRF funded projects account for \$70.5 or 18.1% of the 2026-2028 CIP; and MWRA funded water projects total \$3.4 million of the expenditures outlined in the program or 0.9%.

Total capital expenditures of \$139.2 million are outlined for 2026. Bond funded projects comprise \$52.8 million of the 2026 amount or 37.9%; Rate funded projects account for \$48.3 million of the 2026 amount or 34.7%; I/I projects total \$16.1 million of the 2026 amount or 11.6%; and SRF account for \$18.6 million of the 2026 amount or 13.4%; and MWRA Water projects account for \$3.4 million of the 2026 amount or 2.4%.

2026-2028 Capital Improvement Program Funding Sources

<i>Funding Source*</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>BWSC Bonds</i>	\$52,766,359	\$49,173,955	\$33,337,647	\$135,277,960
<i>Rate Revenue</i>	\$48,319,997	\$48,476,568	\$49,924,233	\$147,211,033
<i>MWRA Water Assistance</i>	\$3,365,822	\$0	\$0	\$3,365,822
<i>MWRA I/I Assistance</i>	\$16,148,087	\$13,199,978	\$3,901,360	\$33,249,424
<i>State Revolving Fund</i>	\$18,575,323	\$15,731,066	\$36,216,946	\$70,523,334
<i>TOTAL</i>	<i>\$139,175,589</i>	<i>\$126,581,566</i>	<i>\$123,380,185</i>	<i>\$389,627,575</i>

NOTE: Although expenditures decrease from periods 2026 to 2028, it is anticipated that funding for 2028 will be equal to or greater than funding presented in 2026. The decrease in 2028 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

2026 – 2028 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 2026 – 2028 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
- ✓ Willow Pond Road Stormwater Treatment Vault
- ✓ 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

2026 – 2028 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.

2026 – 2028 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.

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

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 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.

Water distribution system improvements made since 1978 include the replacement of 474.44 miles of older water mains.

2026 – 2028 Capital Improvement Program

The Commission completed its Wastewater and Storm Drainage System Facilities Plan in 2015. A 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, maintenance and operational practices and future impacts of climate change on the Commission's facilities.

Critical elements of this Plan 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 Processes** 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, the plan includes a broad spectrum of data collection, engineering evaluation and tool development activities.

2026 – 2028 Capital Improvement Program

WATER DISTRIBUTION SYSTEM EXPENDITURES

Over the three years of the CIP, the Commission is projected to expend \$117.5 million on improvements to the Water Distribution System. Most of these expenditures will occur in the replacement of water mains.

The projects scheduled for initiation in 2026 will result in the replacement of 9.4 miles of water mains.

The table below presents a summary of the 2026-2028 capital expenditures for the Water Distribution System.

Water Distribution System Expenditures by Program Category

<i>Program Source</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>Water Replacement</i>	\$38,770,628	\$31,627,397	\$26,964,557	\$97,362,582
<i>Water Special</i>	\$6,638,564	\$6,774,584	\$6,694,133	\$20,107,281
<i>TOTAL</i>	<i>\$45,409,192</i>	<i>\$38,401,981</i>	<i>\$33,658,690</i>	<i>\$117,469,863</i>

NOTE: Although expenditures decrease for 2026 to 2028, it is anticipated that funding for 2028 will be equal or greater than funding presented in 2026. The decrease in 2028 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

2026 – 2028 Capital Improvement Program

SEWER SYSTEM EXPENDITURES

The CIP for the Sewer System includes a total of \$143.3 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 85 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

The table below presents a summary of the 2026-2028 capital expenditures for the Sewer System.

Sewer System Expenditures by Program Category

<i>Program Source</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>Sewer R&R</i>	<i>\$44,461,152</i>	<i>\$47,673,213</i>	<i>\$36,216,130</i>	<i>\$128,350,495</i>
<i>Sewer Special</i>	<i>\$4,101,766</i>	<i>\$2,548,586</i>	<i>\$7,847,388</i>	<i>\$14,987,975</i>
<i>TOTAL</i>	<i>\$48,562,918</i>	<i>\$50,221,800</i>	<i>\$44,063,518</i>	<i>\$143,338,470</i>

NOTE: Although expenditures decrease for 2026 to 2028, it is anticipated that funding for 2028 will be equal or greater than funding presented in 2026. The decrease in 2028 is primarily due to the CIP being a one-year cash flow, over a three-year budget period.

2026 – 2028 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 2026-2028 CIP total \$59.0 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>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>Metering</i>	\$2,200,000	\$2,700,000	\$2,700,000	\$7,600,000
<i>IT</i>	\$4,000,000	\$3,850,000	\$3,900,000	\$11,750,000
<i>Admin. Equipment</i>	\$22,214,015	\$8,901,101	\$8,525,287	\$39,640,403
<i>TOTAL</i>	\$28,414,015	\$15,451,101	\$15,125,287	\$58,990,403

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 2026-2028 CIP total \$69.8 million.

<i>Program Source</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>TOTAL</i>
<i>Stormwater</i>	\$16,789,464	\$22,506,684	\$30,532,690	\$69,828,839
<i>Total</i>	\$16,789,464	\$22,506,684	\$30,532,690	\$69,828,839

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-base system of charges.

The Commission is the largest single customer for MWRA. For MWRA fiscal year 2026, the Commission will be assessed 34.9% of the water system charges and 27.4% of the sewer system charges. On a combined basis, the Commission will pay 30.1% 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 2026 total \$112.8 million based on the Commission’s calendar year 2025 metered water use.

2026 – 2028 Capital Improvement Program

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 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 2026 based on calendar year 2024 data, totals \$132.1 million. Total assessments for water and sewer charges for MWRA fiscal year 2026 are \$264.9 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 188.4 mgd (millions of gallon per day) to consumers in 2024. 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.

2026 – 2028 Capital Improvement Program

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 \$135.3 million of the total funding requirement. In 2026, bonds will make up approximately \$52.8 million of the funding required for that year.

As in past CIP's, the 2026-2028 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 2026-2028 CIP outlines R&R expenditures of \$147.2 million of total expenditures over the three years of the program. In 2026, approximately \$48.3 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 \$33.2 million in MWRA funding for various Infiltration/Inflow and Separation projects of which \$16.1 million is currently outstanding. The Commission plans to continue to take advantage of MWRA funding over the 2026-2028 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, 2025, the Commission has received \$3.5 million in LLP funding of which there currently is an outstanding balance of \$2.2 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

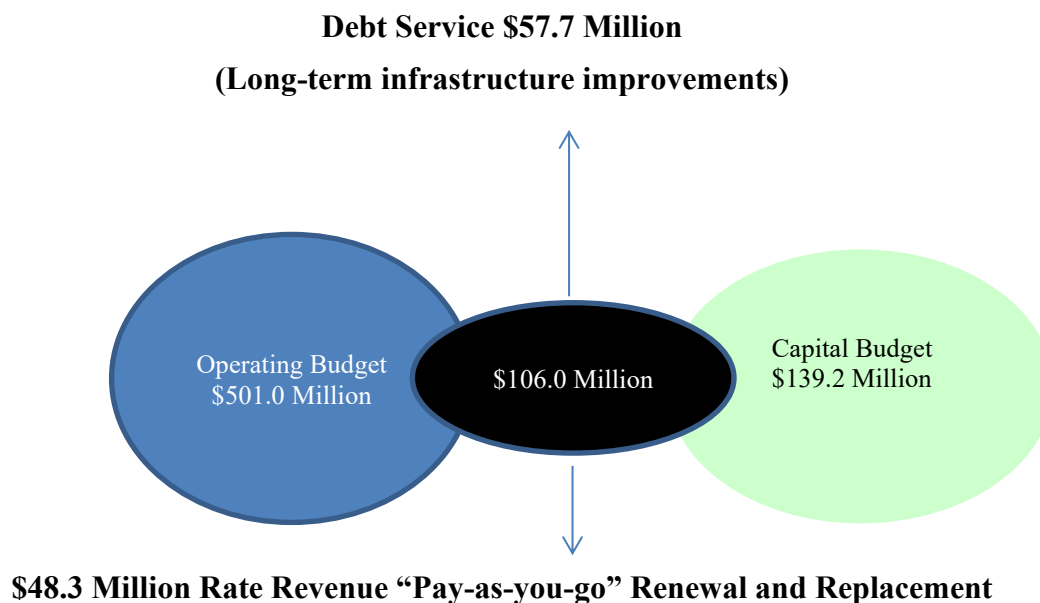
2026 – 2028 Capital Improvement Program

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. As of December 31, 2024, the Commission has received \$80.0 million in LWSAP funding of which there currently is an outstanding balance of \$36.8 million.

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 2026-2028 Capital Improvement Program \$70.5 million will be funded using the SRF Program.

Impact of CIP on Current Expense Budget 2026



2026 – 2028 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 30 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	12,855	Total Linear Feet 5,332,427	High Pressure Fire System 15 Miles
		Total Linear 1,009 Miles	Northern High 4 Miles
			Northern Low 90 Miles
Gate Valves *	17,894	Water Pumping Stations 1	Southern Extra High 80 Miles
			Southern High 560 Miles
			Southern Low 260 Miles

*Includes only facilities owned by BWSC

2026 – 2028 Capital Improvement Program

OBJECTIVES

The primary objectives of the 2026-2028 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.

2026-2028 WATER DISTRIBUTION SYSTEM CAPITAL PROGRAM

The Commission's 2026-2028 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 \$117.5 million, of which \$45.4 million is allocated in 2026. The three-year amounts are distributed in the Water Program as follows: Replacement \$97.4 million and Special \$20.1 million.

WATER MAIN REPLACEMENT PROGRAM

DESCRIPTION AND JUSTIFICATION

Funding is provided in the 2026-2028 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.

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 2026-2028 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 2026 SUMMARY

The projects scheduled for initiation in 2026 will result in the replacement of approximately 9.4 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.

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.

2026 – 2028 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 2026-2028 CIP.

PROJECTS

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 3 - 26-309-005: The total three-year budget is \$27,200.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 2 - 26-309-003: The total three-year budget is \$27,200.

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. The total three-year budget is \$1,018,666.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 1 -26-309-001: The total three-year budget is \$27,200.

Sewer and Drain Replacement and Rehabilitation for North End - 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 \$27,200.

Sewer and Drain Replacement and Rehabilitation in Allston/Brighton - 25-309-002: 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. 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 \$152,000.

Water Main Replacement on Saint Botolph Street- 25-308-009: Water pipes need to be replaced due to number of recent breaks. The total three-year budget is \$4,000,000.

Water Relay Dorchester - 25-308-004: Replacement of Water Mains. The total three-year budget is \$400,000.

Water Relay Hyde Park - 25-308-003: Replacement of Water Mains. The total three-year budget is \$160,000.

Water Relay East Boston - 25-308-002: Replacement of Water Mains. The total three-year budget is \$200,000.

2026 – 2028 Capital Improvement Program

Water Relay Chinatown - 25-308-001: Replacement of Water Mains. The total three-year budget is \$3,600,000

South Boston Sewer Separation - Contract 5 - 24-309-012: Construction Contract No. 5 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. The total three-year budget is \$3,739,200.

Charlestown Sewer Separation - 24-309-006: Sewer Separation and water and sewer pipe replacement in Charlestown in the area known as Lost Village. Sewer separation to reduce CSO volumes. Replacement and rehabilitation of old or damaged water and sewer pipes. The total three-year budget is \$696,080.

Replacement and Rehabilitation of Water, Sewer and Drain Pipes in Roxbury and Jamaica Plain - 24-309-003: The replacement and rehabilitation of water, sewer and drain pipes in Roxbury and Jamaica Plain. This project involves the rehabilitation and replacement of sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. Additionally, water pipes will be replaced. The total three-year budget is \$1,642,513.

Water, Sewer and Drain Replacement and Rehabilitation Citywide on an as needed basis - 24-309-002: 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 the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$80,000

Water Relay Back Bay/ East Boston - 24-308-003: Replacement of Water Mains. The total three-year budget is \$4,445,714.

Water Main Replacement Heath Street - 24-308-002: Water Main Replacement Heath Street - 24-308-002: Replacement of 12-inch and 36-inch water mains and replacement/rehabilitation of associated sewers and drains. Awaiting CCTV videos for approximately 3,085 ft of sewer and drain pipe, which may alter replacement v. lining footages. Water main repairs; sewer and drain work developed from CCTV inspection video review. Project schedule highly dependent on permitting and coordination with the MBTA for work near South Huntington Avenue. The total three-year budget is \$5,200,000

Water Relay Tremont Street - 24-308-001: Relay of old water mains and HPFS replacement. The total three-year budget is \$9,370,256.

South Boston Sewer Separation - Contract 4 - 23-309-012: 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. The total three-year budget is \$4,125,600

2026 – 2028 Capital Improvement Program

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. The total three-year budget is \$900,864

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 \$4,253,334

Water Relay South End Phase IV - 23-308-002: Replacement of Water Mains. The total three-year budget is \$2,880,000.

Water Relay Lower Roxbury - 23-308-001: Replacement of Water Mains. The total three-year budget is \$5,120,000.

South Boston Sewer Separation - Contract 3 - 22-309-012: 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. The total three-year budget is \$3,292,416.

Upper Roxbury R&R - 22-309-003: Replacement of Water Mains. The total three-year budget is \$1,324,138

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 \$1,136,000.

Rehabilitation And Replacement of Water, Sewer, And Drain Pipes In West Roxbury And Roslindale - 22-308-003: The total three-year budget is \$165,627.

Replacement of Water Mains Citywide - 22-308-002: Replacement of water mains and associated sewers and drains Citywide. Replacement of CICL or DI mains that have break history. The total three-year budget is \$3,390,321.

Engineering Design, 3-year Services - 22-206-009: Design Services to perform Preliminary and Final design for sewer separation, CSO reduction, SSO improvements and replacement of water mains. The total three-year budget is \$960,000.

Engineering Design, 3-year Services - 22-206-008: Design Services to perform Preliminary and Final design for sewer separation, CSO reduction, SSO improvements and replacement of water mains. The total three-year budget is \$600,000.

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

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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. The total three-year budget is \$13,051,950.

Sewer & Storm Drain Improvements in Hyde Park. Sewer R&R with Associated Water Relay - 21-309-001: The contract includes associated water relay for pipes within project limits. 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 total three-year budget is \$600,000.

Sewer Replacement/Rehabilitation based on findings of the CMOM group, some Water Main Replacement - 20-309-006: Sewer Replacement/Rehabilitation based on findings of the CMOM group, some Water Main Replacement. Construction commenced in July 2024 and is projected to be completed in December 2025. The total three-year budget is \$286,000.

Water Main Valve Replacement - 20-308-006: Replacement of water main valves, citywide. These improvements are based on the findings of the Special Structures group which identified faulty valves when surveyed and exercised. Schedule of work is subject to BPWD approval during winter moratorium, which may delay work. The total three-year budget is \$400,000.

South End Water Improvements Phase III - 20-308-002: Water Relay for 6,770 feet of 12- and 16-inch water mains on Shawmut Avenue, Waltham, Hanson and Bond Street in the South End. As part of the design work, associated sewers and drains. The total three-year budget is \$3,791,200.

Replacement and Rehab of Water Sewer and Drainpipes in South End and Dorchester - 20-308-001: Replacement of older cast iron water mains. Also, associated sewers and drains that are in disrepair. The total three-year budget is \$343,166.

Water Relay Beacon Hill - 19-308-004: Replacement and rehabilitation of water mains in Beacon Hill. The total three-year budget is \$3,365,822.

Water Replacement and Rehabilitation w/associated Sewer and Drain R&R - 19-308-002: Replacement and rehabilitation of water, sewers and drains in Charlestown. The total three-year budget is \$7,896,872.

Citywide R&R - 18-309-003: Replacement of sanitary sewer, storm drain and combined sewer pipes in need of structural repair as identified by various Commission inspection programs. Replacement of water main associates with sewerage works. The total three-year budget is \$3,991,000.

Replacement of Water Mains Replacement in Fenway/Kenmore - 18-309-001: Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. Construction commenced in October 2023. The total three-year budget is 675,042.

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

Water Pipe Testing Services - 26-206-xxx: Professional services contract for lab and analysis on water pipes. This professional services contract provides metallurgical testing of pipes. The information provided by the testing is to be used in conjunction with water main breaks to forecast future CIP work. The services are expected to begin in April 2026 and conclude in April 2029. The three-year budget is \$204,800.

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 by the end of the year and last three years. The three-year budget is \$160,000.

Excavation for Identification of Water Services – Vacuum - 24-308-005: Excavation of water services to determine material type per Administrative Consent Order. The three-year budget is \$160,000.

Evaluation of Water Transmission Mains - 24-206-004: Transmission main study and Design Contract. To evaluate the state of the water transmission system and design the first rehabilitation contract. The three-year budget is \$2,400,000.

Lead Program for Schools and Childcare Facilities - 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. The three-year budget is \$652,650.

BWSC Unidirectional Water Flushing - 22-203-001: This project involves the implementation and maintenance of a flushing program for the Commission's water distribution system by a qualified professional engineering consulting firm. The three-year budget is \$746,400.

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Engineering Design Services - 21-206-004: Water System Model Update and asset evaluation. Design Services to update water distribution model and perform asset management. The three-year budget is \$9,751.

City of Boston Permits: 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. The Boston Water and Sewer Commission is required by the City of Boston's regulations to obtain street opening permits for any construction activity that will require the removal of existing street and/or sidewalk material in the public way. This budget accounts for the annual invoicing of permits. The three-year budget is \$6,000,000.

Paving and Restoration: This project involves the permanent restoration of streets and sidewalks excavated as a result of Commission activities. Operations added a second Restoration of Sidewalk Excavations in 2023, due to the increased number of lead service pipe investigations and replacements. The Boston Water and Sewer Commission is responsible for the permanent restoration of streets and sidewalks excavated during the construction activities. On an annual basis, the Commission publicly advertises and awards to private contractors to perform the permanent restoration work. Due to the greater number of sidewalk excavations during the lead investigations, Operations added another sidewalk restoration contract in 2023 and will continue this while the program is in effect. The three-year budget is \$9,584,000.

<i>Streets</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2026-2028</i>
<i>Permits</i>	\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000
<i>Paving</i>	\$3,040,000	\$3,192,000	\$3,352,000	\$9,584,000
<i>Total</i>	\$5,040,000	\$5,192,000	\$5,352,000	\$15,584,000

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.

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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:

Interceptor

Neighborhood Served

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:

APPURTENANCES		SEWER PIPES CITY WIDE		TYPE OR DESIGNATION	
Catch Basins	30,541	Total Linear Feet	8,134,861	Combined Sewer	137 Miles
Manholes	50,581	Total Linear Miles	1,541	Combined Sewer Overflow	12 Miles
Outfalls	280	Pumping Stations	9	Sanitary Sewer	718 Miles
Regulators	144			Storm Drain	674 Miles
Tide gates	200				

All wastewater collected by Commission facilities are conveyed to the MWRA's Deer Island Treatment Plant.

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OBJECTIVES

The objectives of the Sewer System Capital Improvement Program for 2026-2028 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 2026-2028 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 2026-2028 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 85 miles of sewer pipe in 2026. This along with TV inspection under other programs will result in the inspection of 90 miles of pipe in 2026 with a goal of completing the entire system over a ten-year period.

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 2026-2028 Sewer System Capital Program.

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WASTEWATER PROJECTS HIGHLIGHTS

- New Boston Main Interceptor
- South Boston Separation
- Design of Dorchester Interceptor
- 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 \$143.3 million, of which \$48.6 million is allocated in 2026.

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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

CCTV of Sewers and Storm Drains/CMOM - Future Contracts - 26-309-009, 26-309-010, 27-309-009, 27-309-010, 28-309-009, 28-309-010: These projects entail the inspection of sewers and drains through the use of closed-circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10-year period. These contracts complete 60 miles annually. The total three-year budget is \$1,800,000.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 3 - 26-309-005: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$1,016,600.

Engineering CCTV Contract - 26-309-004: 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, and large conduits. The total three-year budget is \$373,333.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 2- 26-309-003: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$1,016,600.

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

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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 \$1,248,000.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 1 - 26-309-001: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$1,016,600

Inspection and Elimination of Inflow and Infiltration in the Groundwater Conservation Overlay District (GCOD) - 25-309-011: This project entails the inspection of sewers and drains through the use of closed circuit TV cameras utilizing the SCREAM coding system in order to assess for inflow and infiltration in sewer and drain lines citywide with a priority in the Back Bay/Beacon Hill neighborhood. This contract is scheduled to commence in November 2025 and be completed by November 2026. The total three-year budget is \$411,715.

Sewer and Stormwater Condition Monitoring Citywide - 25-309-010: These projects entail the inspection of sewers and drains through the use of closed-circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10 year period. These contracts complete 60 miles annually. The total three-year budget is \$145,992.

Sewer and Stormwater Condition Monitoring Citywide - 25-309-009: These projects entail the inspection of sewers and drains through the use of closed-circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10 year period. These contracts complete 60 miles annually. The total three-year budget is \$157,987.

Roadway Restoration of Boston Water and Sewer Excavations - 25-309-007: Permanent paving restoration of streets and sidewalks excavated during construction activities. The total three-year budget is \$147,581.

South Boston Sewer Separation - 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 2 special structures. Construction is projected to commence in September 2024 and be completed in April 2026. The total three-year budget is \$18,480,000.

Sewer and Drain Replacement and Rehabilitation for North End - 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 \$1,016,600.

Sewer and Drain Replacement and Rehabilitation in Allston/Brighton - 25-309-002: 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. 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 \$5,681,000

Water Relay Chinatown - 25-308-001: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$1,200,000.

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South Boston Sewer Separation - Contract 5 - 24-309-012: Construction Contract No. 5 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. The total three-year budget is \$2,853,600.

Charlestown Sewer Separation - 24-309-006: Sewer Separation and water and sewer pipe replacement in Charlestown in the area known as Lost Village. Sewer separation to reduce CSO volumes. Replacement and rehabilitation of old or damaged water and sewer pipes. The total three-year budget is \$1,369,080.

Replacement and Rehabilitation of Water, Sewer and Drain Pipes in Roxbury and Jamaica Plain - 24-309-003: The replacement and rehabilitation of water, sewer and drain pipes in Roxbury and Jamaica Plain. This project involves the rehabilitation and replacement of sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. Additionally, water pipes on associated streets will be replaced. The total three-year budget is \$3,421,299.

Water, Sewer and Drain Replacement and Rehabilitation Citywide on an as needed basis -24-309-002: 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. The total three-year budget is \$5,222,520.

Citywide R&R - 24-309-001: 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 total three-year budget is \$4,000,000.

Sewage Works Improvements in Mattapan - 24-308-014: The replacement and rehabilitation of water, sewer and drain pipes in Mattapan. The total three-year budget is \$4,123,389.

Water Relay Back Bay/ East Boston - 24-308-003: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$1,450,286.

Water Main Replacement Heath Street - 24-308-002: Replacement of 12-inch and 36-inch water mains and replacement/rehabilitation of associated sewers and drains. Awaiting CCTV videos for approximately 3,085 ft of sewer and drain pipe, which may alter replacement v. lining footages. Water main repairs; sewer and drain work developed from CCTV inspection video review. Project schedule highly dependent on permitting and coordination with the MBTA for work near South Huntington Avenue. The total three-year budget is \$400,000.

Sewer Drain Sensor Deployment Phase 2 - 24-206-005: 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 \$581,961.

South Boston Sewer Separation - Contract 4 - 23-309-012: 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

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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. The total three-year budget is \$6,414,400.

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. The total three-year budget is \$965,211.

Drain Pipe Replacement in Dot Mattapan and Roxbury - 23-309-005: Sewer and Drain Replacement and Rehabilitation in Dorchester, Mattapan and Roxbury. 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 total three-year budget is \$1,141,450.

Citywide R&R - 23-309-003: Sewer and Drain Replacement and Rehabilitation Citywide. The total three-year budget is \$7,742,400.

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 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 \$4,913,334.

Sewage Works Improvements in Allston-Brighton- 23-309-001: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$8,660,507.

Water Relay South End Phase IV - 23-308-002: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$960,000.

Water Relay Lower Roxbury - 23-308-001: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$1,680,000.

South Boston Sewer Separation - Contract 3 - 22-309-012: 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. The total three-year budget is \$3,395,309.

Upper Roxbury R&R - 22-309-003: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$3,310,344.

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 \$1,947,000.

Replacement of Water Pipe Rehabilitation of Sewers in Roslindale and West Roxbury - 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 \$3,237,356

Rehabilitation and Replacement of Water, Sewer, and Drain Pipes in West Roxbury and Roslindale - 22-308-003: Replacement of water mains and associated sewers and drains in West Roxbury. Replacement of CICL or DI mains that have break history. Repair sewer and storm drain mains in the area with major structural damage. The total three-year budget is \$28,080.

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Replacement of Water Mains Citywide - 22-308-002: Replacement of water mains and associated sewers and drains Citywide. Replacement of CICAL or DI mains that have break history. The total three-year budget is \$178,438.

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 \$143,493.

East Boston Sewer Separation Phase IV - Contract 1 - 21-309-002: 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. The total three-year budget is \$1,866,669

Sewer & Storm Drain Improvements in Hyde Park. Sewer R&R with associated water relay - 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. The total three-year budget is \$2,560,000.

South Boston Sewer Separation Contract - I - 20-309-012: Installation of New Storm Drain, Sanitary Sewers and Water Mains in South Boston. Final and Semi Final Payments. The total three-year budget is \$32,000.

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. The total three-year budget is \$5,200,000.

Sewer and Drain Rehabilitation (R&R)- 20-309-006: Sewer Replacement/Rehabilitation based on findings of the CMOM group, some water main replacement. The total three-year budget is \$4,647,400.

South End Water Improvements Phase III - 20-308-002: Water Relay for 6,330 feet of 12- and 16-inch water mains on Shawmut Avenue, Waltham, Hanson and Bond Street in the South End. As part of the design work, associated sewers and drains found in disrepair will be structurally rehabilitated or replaced if found damaged beyond rehabilitation. At this time, the project also includes the lining of 1,600 linear feet of 10" thru 24" sewer pipe and the rehabilitation of 590 linear feet of 15" and 18" drainpipe. The total three-year budget is \$691,000.

Water Relay Beacon Hill - 19-308-004: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$368,352.

Sewer 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 Street), and scoring on cast iron mains in Bunker Hill and Vine Streets. The total three-year budget is \$3,534,303.

Citywide R&R - 18-309-003: Replacement and rehabilitation of sewers and drains. The total three-year budget is \$3,473,200.

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Replacement of Water Mains Replacement in Fenway/Kenmore - 18-309-001: Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. Construction commenced in October 2023. The total three-year budget is \$2,356,347

South Boston Sewer Separation - NBMI Phase II: The total three-year budget is \$ \$169,760.

West Roxbury & Hyde Park Sewer & Drain Rehabilitation and Replacement: The total three-year budget is \$1,600,000.

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

Citywide Illicit Connections Phase 6 - 25-206-001: 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 \$2,451,175.

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.

Inundation Model Update and Maintenance - 24-206-003: 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 \$1,611,200.

On-Call GeoTechnical Design Services - 24-206-002: Professional services contract to provide geotechnical services to aid in the design of CIP projects in citywide. Further the Commission's compliance with the Consent Decree. The total three-year budget is \$120,000.

West Roxbury and Hyde Park SSES - 23-206-005: This construction project involves improvement to the sewer system that will remove infiltration and inflow. The work may include sewer rehabilitation, sewer replacement, abandonment of catch basin laterals that are connected to the sewer and reconnecting the catch basins to the storm drain system. The Commission under contract 23-206-005 is conducting a sewer system evaluation survey in section of West Roxbury and Hyde Park. The project has two discrete parts. The parts are field investigation to identify and quantify specific sources of infiltration and inflow into the sanitary sewer system. followed by preparation construction documents for modification to sewer and drainage system that will eliminate infiltration and inflow into the sanitary sewer. The total three-year budget is \$960,000.

3D Models of Sewer Structures-Phase II - 23-206-003: Produce animated three-dimensional (3D) interactive renderings for up to 50 sewer regulators and other sewer structures. The project will produce animated files that allow Commission staff to educate themselves on how regulating structures are

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configured and how they operate under varying weather conditions. The depictions will provide Commission employees with knowledge about what they will see in the field and how the structure operates and how the tributary pipes impact them. These animated three-dimensional (3D) renderings will help the Commission in its goal to provide knowledge transfer to Commission employees. The total three-year budget is \$82,400.

Charlestown SSES - 23-206-001: The Massachusetts Department of Environmental Protection (MassDEP) developed regulations requiring sewer system operators to conduct an infiltration and inflow (I/I) analysis of their wastewater collection system and implement a long term plan to identify and remove extraneous flows. The I/I analysis was completed, and the final report was delivered to the Commission in May of 2017. The report's long-term plan divided the wastewater collection system into 11 regions and recommended that the BWSC conduct a sewer system evaluation survey (SSES) in one region each year. This project is initiated to identify sources of extraneous flows in the Charlestown region of the wastewater collection system. The Contract Documents will provide specific information to construct improvements to remove the extraneous flows. The total three-year budget is \$59,200.

Dorchester Interceptor - Relief Sewer Design - 22-206-005: This project involves engineering services, for design services in connection with the preparation construction document suitable for public bidding. The engineering firm will be responsible for the preparation of bid documents, include plans, specification and cost estimates for construction of the Dorchester Interceptor relief sewer and all appearances. Prior studies conducted by the Commission have shown that the Dorchester Interceptor is not able to convey flows during large storm events. The purpose of this project will be to design approximately 9,300 linear feet of new sewer intended to redirect and temporarily store excess flows from the Dorchester interceptor. in the new sewer and prevent SSOs during large storm events. The total three-year budget is \$400,000.

Water Pipe Testing Services - 22-206-004: Professional services contract for lab and analysis on water pipes. This professional services contract provides metallurgical testing of pipes. The information provided by the testing is to be used in conjunction with water main breaks to forecast future CIP work. The services commenced in April 2023 and are to be completed by April 2026. The total three-year budget is \$40,000.

Dorchester Interceptor Storage Tank Design: This project entails engineering services for design and preparation construction document suitable for public bidding. The engineering firm will prepared 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 strategic locations during extreme storm events. The Dorchester Interceptor SSO Control Plan, completed by Kleinfelder in December of 2021 evaluate several alternatives to reduce the sanitary sewer overflows (SSO), during extreme storms events, in sections of the city served by the Dorchester Interceptor. The selected alternative was construction of a 60-inch diameter relief sewer and storage tank, that will retain excess flow and slowly release it back into the wastewater system after the storm event has passed. The total three-year budget is \$400,000.

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 \$960,000.

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Dorchester Interceptor - Relief Sewer Construction Monitoring: This project involves engineering services in connection with monitoring construction of the Dorchester Interceptor Relief Sewer. Prior studies conducted by the Commission have shown that the Dorchester Interceptor has insufficient capacity to convey flows during large storm events. The purpose of this project is to provide construction monitoring services for construction of approximately 9,300 linear feet of new 60-inch diameter relief sewer to improved hydraulic of the sewer system. The design is nearing completion and Commission's Construction Engineering Division staffing shortage will make it difficult to adequately monitor construction. The total three-year budget is \$800,000.

Dorchester Interceptor - Relief Sewer Construction: This project is for construction of the Dorchester Interceptor Relief Sewer. Prior studies conducted by the Commission have shown that the Dorchester Interceptor is not adequate to convey flows during large storm events resulting in SSOs. The Dorchester Interceptor Relief Sewer is presently in the design phase. The purpose of this project is to construction of approximately 9,300 linear feet of a new 60-inch sewer that will prevent SSOs during large storms. The total three-year budget is \$4,000,000.

City Of Boston Casting Fees: This project involves the payment to the City of Boston's roadway and sidewalk reconstruction contractors for the repair or replacement of the Commission's iron castings during the paving of the City of Boston streets or pouring of sidewalks by the Boston Public Works Department. The Commission is required to pay the City of Boston's contractors for the repairs and/or replacement of the Commission's iron castings as a result of the permanent restoration of streets or sidewalks under the City contracts. The total three-year budget is \$1,440,000.

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.

Summer Street Pump Station: Upgrades/replacement of mechanical components/equipment/flood protection. The total three-year budget is \$240,000.

Union Park Pump Station: Upgrades/replacement of mechanical components, equipment, gates, structure, Cyber Security. The total three-year budget is \$1,160,000.

Trilling Way Pump Station: Upgrades/replacement of mechanical components/equipment. The total three-year budget is \$264,000.

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SUPPORT PROJECTS

Various Support Projects are included in the 2026-2028 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 2026-2028 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 2026-2028 Capital Improvement Program total \$59.0 million, of which \$28.4 million is allocated for 2026.

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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: The MTU and DCU program is an on going project to replace or repair MTUs and DCUs. Under this contract, the commission continues with the next two phases of upgrading Aclara mobile programmers and analytics; and will pilot a new meter reading technology. This is projected to be awarded January 2026 and be completed in December 2028. 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.

Total three-year expenditure is \$7.6 million, of which \$2.0 million is allocated for 2026.

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.

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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 \$2,750,000. 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 \$9,000,000. 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 \$11.8 million, of which \$4.0 million is allocated for 2026.

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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

Garage Floor Repairs - 25-201-006: Garage Floor Repairs at BWSC Headquarters. Construction commenced in October 2025 and is scheduled to be completed in April 2026. The total three-year budget is \$5,592,693.

Phase II of the Replacement of the Internal HVAC System at BWSC Headquarters - 25-201-004: Completion of repairs and replacement of internal HVAC system components. Construction commenced in September 2025 and is scheduled to be completed in October 2026. The total three-year budget is \$8,398,960.

Replacement of 3rd Floor Carpet Tiles and Stairwell Treads - 25-201-003: The carpet tiles on the 3rd Floor are aged and in need of replacement. This will be performed in conjunction with the Roof Replacement Project. The stairwell treads are original to the building and will be replaced at the conclusion of the RRP. Construction is scheduled to be completed in October 2027. The total three-year budget is \$550,000.

New Solar Array - 25-201-001: Construction of a New Solar Array on Parking Garage at BWSC Headquarters. Construction commences in October 2025 and is scheduled to be completed in June 2026. The total three-year budget is \$1,730,000.

House Doctor Services - 24-201-001B: House Doctors provide specialized architectural and engineering design services and reviews of Commission-related projects and initiatives. The total three-year budget is \$1,500,000.

Roof HVAC - 23-201-007: Replacement of Roof and HVAC. Construction commenced in October 2024 and is scheduled to be completed in May 2026. The total three-year budget is \$3,113,750.

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Fuel Pump Roof Replacement: The Commission's fuel pumps are located in the laydown yard of 980 Harrison Avenue. The area is protected by a roof which also hosts the fire suppression equipment. This structure is original to the building with signs of natural wear and tear from age and outside elements. This project will fund the replacement of the existing roof. Construction is scheduled to commence in July 2026 be completed in September 2026. The total three-year budget is \$1,000,000.

Installation of Fire Suppression 2nd Floor Garage: The addition of electrical vehicles and charging stations to the Commission's fleet requires the modernization of the existing fire suppression system. Construction is scheduled to commence in August 2026 be completed in November 2026. The total three-year budget is \$950,000.

Owner's Project Manager (OPM) Services: OPM services are required for municipal construction projects exceeding \$1,500,000. Design commenced in April 2025 and is scheduled to be completed in September 2028. The total three-year budget is \$1,500,000.

Electrical Upgrades: Some of the Commission's existing electrical infrastructure is aged and in need of upgrading to modern standards and capabilities to provide optimum performance. Construction is scheduled to commence June 2026 and be completed by December 2028. The total three-year budget is \$200,000.

Replacement of Ceiling Tiles at 980 Harrison Avenue: The overhead ceiling tiles at 980 Harrison Avenue are original to the building and have exceeded their useful life span. This project will commence on the 3rd Floor with the Roof Replacement Project with other floors to follow in 2026 and 2027. The total three-year budget is \$145,000.

Commission Shuttle Van: The Commission operates a passenger shuttle van for employees utilizing public transportation to Ruggles Station. The passenger van, operated by Facilities, operates at the beginning and end of the traditional workday. The proposed van offers additional seating and a hydraulic wheelchair lift. The total three-year budget is \$160,000.

New Office Furniture and Moving and Storage in Association with Roof Replacement Project: The office furniture on the 3rd Floor is original to the building's online date of 2002 and is being removed and replaced as part of the Roof Replacement Project. Some exiting items will be temporarily stored and returned as the project progresses in phases. We are also budgeting \$650,000. for other furniture needs within the Commission during this time period. The total three-year budget is \$2,800,000.

Replacement of Fuel Tanks: The Commission's underground fuel tanks are original to the building's online date of 2002 and require replacement to ensure environmental standards. The total three-year budget is \$2,500,000.

Fleet Vehicle Maintenance and Replacement: The Commission's Fleet Department is required to ensure the operational needs of the organization are met. In order to guarantee continuous operations, upgrades to vehicles and equipment are required. Each year the department evaluates the fleet and determines vehicles that are in need of an upgrade. Additionally, the need for servicing equipment such as lifts also have a shelf life that will require upgrades. The total three-year budget is \$9,500,000.

Total three-year expenditure for administrative equipment is \$39.6 million, of which \$22.2 million is allocated for 2026.

STORMWATER/GREEN INFRASTRUCTURE/LOW IMPACT DEVELOPMENT PROJECTS

DESCRIPTION AND JUSTIFICATION

Funding is provided in the 2026-2028 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

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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 2024, the Commission eliminated illicit discharges at 8 locations, thereby eliminating the discharge of an estimated 1,945 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 2024, the Commission removed 1,955 illicit discharges, thereby eliminating the discharge of an estimated total of 877,137 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.

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PROJECTS

CCTV of Sewers and Storm Drains/CMOM - Future Contracts - 26-309-009, 26-309-010, 27-309-009, 27-309-010, 28-309-009, 28-309-010: These projects entail the inspection of sewers and drains through the use of closed circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10 year period. These contracts complete 60 miles annually. The total three-year budget is \$1,800,000.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 3 - 26-309-005: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$74,290.

Engineering CCTV Contract - 26-309-004: 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, and large conduits. The total three-year budget is \$186,666.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 2 - 26-309-003: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$74,290.

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. The total three-year budget is \$1,440,000.

CMOM Sewer and Drain High Priority Replacement and Rehabilitation Citywide Contract 1 - 26-309-001: The intent of this project will be to rehab and replace water, sewer, and 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 the CIP is developed. The total three-year budget is \$74,290.

Inspection and Elimination of Inflow and Infiltration in the Groundwater Conservation Overlay District (GCOD) - 25-309-011: This project entails the inspection of sewers and drains through the use of closed circuit TV cameras utilizing the SCREAM coding system in order to assess for inflow and infiltration in sewer and drain lines citywide with a priority in the Back Bay/Beacon Hill neighborhood. This contract is scheduled to commence in November 2025 and be completed by November 2026. The total three-year budget is \$411,715.

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Sewer and Stormwater Condition Monitoring Citywide - 25-309-010: These projects entail the inspection of sewers and drains through the use of closed-circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10 year period. These contracts complete 60 miles annually. The total three-year budget is \$145,992.

Sewer and Stormwater Condition Monitoring Citywide - 25-309-009: These projects entail the inspection of sewers and drains through the use of closed-circuit TV cameras utilizing the SCREAM coding system in order to assess the structural condition of the pipes. Approximately ninety (90) miles annually of various sized pipes will be cleaned and inspected with a goal of completing the entire system over a 10 year period. These contracts complete 60 miles annually. The total three-year budget is \$157,987.

Tidegates, Citywide - 25-309-006: Replacement of existing tide gates, 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 \$6,080,000.

Sewer and Drain Replacement and Rehabilitation for North End - 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 the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$74,290.

Sewer and Drain Replacement and Rehabilitation in Allston/Brighton - 25-309-002: 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. 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 \$415,150.

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.

South Boston Sewer Separation - Contract 5 - 24-309-012: Construction Contract No. 5 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. The total three-year budget is \$3,247,200.

Charlestown Sewer Separation - 24-309-006: Sewer Separation and water and sewer pipe replacement in Charlestown in the area known as Lost Village. Sewer separation to reduce CSO volumes.

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Replacement and rehabilitation of old or damaged water and sewer pipes. The total three-year budget is \$3,501,760.

Replacement and Rehabilitation of Water, Sewer and Drain Pipes in Roxbury and Jamaica Plain - 24-309-003: The replacement and rehabilitation of water, sewer and drain pipes in Roxbury and Jamaica Plain. This project involves the rehabilitation and replacement of sewers/drains where SSOs and other issues have occurred in order to mitigate future overflows. Additionally, water pipes on associated streets will be replaced. The total three-year budget is \$1,096,268.

Water, Sewer and Drain Replacement and Rehabilitation Citywide on an as needed basis - 24-309-002: 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 the Chief Engineer and OPS during year after CIP is developed. The total three-year budget is \$514,800.

Citywide R&R - 24-309-001: 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 total three-year budget is \$2,400,000.

Sewage Works Improvements in Mattapan - 24-308-014: The replacement and rehabilitation of water, sewer and drain pipes in Mattapan. The total three-year budget is \$80,000.

Water Relay Back Bay/ East Boston - 24-308-003: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$104,000.

Water Relay Tremont Street - 24-308-001: Associated replacement of sanitary sewer, storm drain and combined sewer pipes and HPFS replacement. The total three-year budget is \$46,740.

Sewer Drain Sensor Deployment Phase 2 - 24-206-005: 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 \$581,961.

South Boston Sewer Separation - Contract 4 - 23-309-012: 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. The total three-year budget is \$12,828,800.

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. The total three-year budget is \$1,351,296.

2026 – 2028 Capital Improvement Program

Drain Pipe Replacement in Dot Mattapan and Roxbury - 23-309-005: Sewer and Drain Replacement and Rehabilitation in Dorchester, Mattapan and Roxbury. 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 total three-year budget is \$285,362.

Citywide R&R - 23-309-003: Sewer and Drain Replacement and Rehabilitation Citywide. The total three-year budget is \$902,400.

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 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 \$8,800,000.

Sewage Works Improvements in Allston-Brighton- 23-309-001: Relay of water mains and associated sewerage works in Allston-Brighton. The total three-year budget is \$242,400

South Boston Sewer Separation - Contract 3 - 22-309-012: 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. The total three-year budget is \$3,601,075.

Upper Roxbury R&R - 22-309-003: Replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$3,310,344.

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 \$1,116,200.

Rehabilitation and Replacement of Water, Sewer, and Drain Pipes in West Roxbury and Roslindale - 22-308-003: Replacement of water mains and associated sewers and drains in West Roxbury. Replacement of CICL or DI mains that have break history. Repair sewer and storm drain mains in the area with major structural damage. The total three-year budget is \$12,386.

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 \$215,239.

East Boston Sewer Separation Phase IV - Contract 1 - 21-309-002: 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. The total three-year budget is \$3,200,000.

2026 – 2028 Capital Improvement Program

Sewer & Storm Drain Improvements in Hyde Park. Sewer R&R with associated water relay - 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. The total three-year budget is \$640,000

Sewer Replacement/Rehabilitation based on findings of the CMOM group, some Water Main

Replacement - 20-309-006: Sewer Replacement/Rehabilitation based on findings of the CMOM group, some water main replacement. The total three-year budget is \$1,407,600.

South End Water Improvements Phase III - 20-308-002: Water Relay for 6,330 feet of 12- and 16-inch water mains on Shawmut Avenue, Waltham, Hanson and Bond Street in the South End. As part of the design work, associated sewers and drains found in disrepair will be structurally rehabilitated or replaced if found damaged beyond rehabilitation. At this time, the project also includes the lining of 1,600 linear feet of 10" thru 24" sewer pipe and the rehabilitation of 590 linear feet of 15" and 18" drainpipe. The total three-year budget is \$189,400.

Installation of New Tide Gates in Central, Charlestown, East Boston and South Boston - 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 \$209,373.

Water Relay Beacon Hill - 19-308-004: Associated replacement of sanitary sewer, storm drain and combined sewer pipes.. The total three-year budget is \$368,352.

Water Replacement and Rehabilitation w/associated Sewer and Drain R&R - 19-308-002:

Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$2,452,737.

Citywide R&R - 18-309-003: Replacement and rehabilitation of sewers and drains. The total three-year budget is \$1,472,200.

Replacement of Water Mains Replacement in Fenway/Kenmore - 18-309-001: Replacement of Water Mains on Jersey Street, Peterborough Street, and Public Alley 931. Construction commenced in October 2023. The total three-year budget is \$124,273.

On-Call Green Infrastructure Design Services: Professional services contract for the design of green infrastructure / stormwater management structures citywide. The total three-year budget is \$600,000.

Austin St. Pump Station: Upgrades/replacement of mechanical components/equipment. The total three-year budget is \$72,000.

Commonwealth Ave. Pump Station: Upgrades/replacement of mechanical components/equipment. The total three-year budget is \$80,000

Supply of Fire Hydrants: The total three-year budget is \$440,000.

2026 – 2028 Capital Improvement Program

Willow Pond Road Stormwater Treatment Vault: The total three-year budget is \$800,000

Charlestown Sewer and Drain Replacement and Rehabilitation: Associated replacement of sanitary sewer, storm drain and combined sewer pipes. The total three-year budget is \$2,600,000.

Three-year total expenditures are \$69.8 million, of which \$16.8 million is anticipated to be spent in 2026.

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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 1.50% rate increase for 2026, and forecast a 2.90% increase for the years 2027 & 2028, and a 2.95% increase for the years 2029 & 2030.

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 1st and ends on June 30th.

The line chart on the following page shows historical results of the MWRA Assessment for the years 2021 through 2025 and the projections for 2026 through 2030. Based on the above forecast increases, the MWRA Assessment is projected to experience an average compounded annual increase of 2.5% in the year 2026, an increase of 3.0% in the year 2027, and an increase of 3.1% in the years 2028, 2029 & 2030. The 2025 actual assessment of \$262.4 million is anticipated to escalate to \$303.6 million by the year 2030. This forecast amount would represent approximately 55.8% of the total expenses of the Commission for that year.

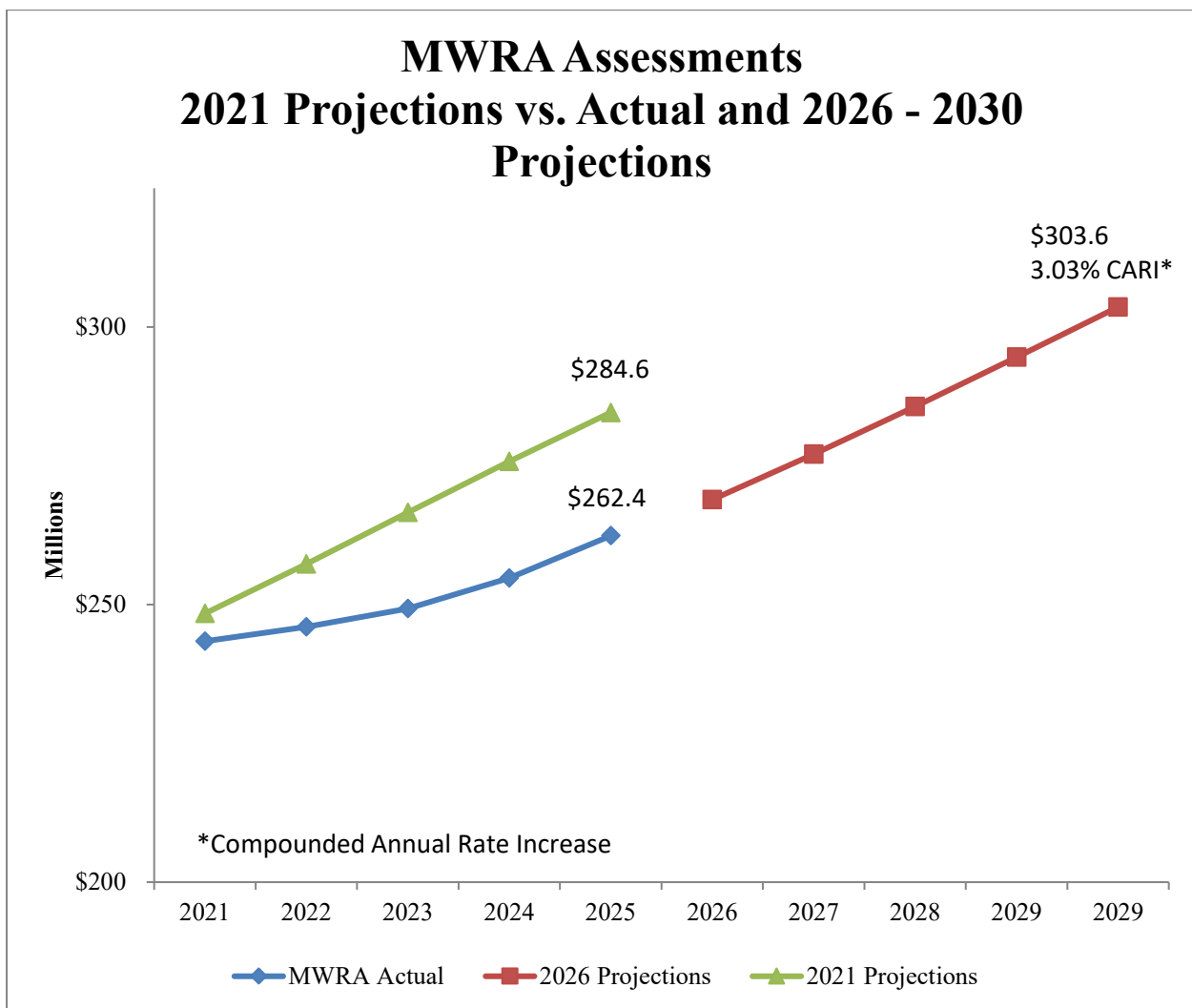
In an effort to minimize the impact of the MWRA Assessment increases, the Commission began an aggressive program to update and improve the water system in 1978. The program included replacing old, ineffective water mains and aggressive leak detection and repair. These efforts, which continue today, combined 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 2025. 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 16.9% in 2025.

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

2026	2027	2028	2029	2030
2.5%	3.0%	3.1%	3.1%	3.1%



Long Range Forecast

Forecast Assumptions

Revenue and expense forecast assumptions used in setting the 2026 CEB and rates are detailed below. (\$000)

	2026	2027	2028	2029	2030
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	2.75%	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	3.3%	3.9%	3.9%	3.9%	3.9%
Sewer	1.9%	2.4%	2.5%	2.5%	2.4%
Estimated MWRA Rate Revenue Requirement – MWRA FY					
Water	323,597	336,140	349,266	362,831	376,817
Sewer	555,163	568,656	582,342	597,056	612,132
BWSC Share of MWRA Expense					
Water	34.9%	34.9%	34.9%	34.9%	34.9%
Sewer	27.4%	27.4%	27.4%	27.4%	27.4%
Annual MWRA Assessment to BWSC					
Water	115,002	119,477	124,130	128,932	133,945
Sewer	153,940	157,663	161,553	165,634	169,682
Total	268,942	277,140	285,683	294,566	303,627
Stabilization Fund					
Discretionary Deposits	14,457	8,980	4,019	2,216	149
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 2026 to 2030. 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> 2025	2026	2027	2028	2029	2030
REVENUES						
Water and Sewer Revenue	\$488,482	\$493,582	\$503,066	\$512,734	\$525,353	\$538,282
LESS:						
Adjustments	(11,999)	(14,807)	(15,092)	(15,382)	(15,761)	(16,148)
Discounts	(3,826)	(4,936)	(5,031)	(5,127)	(5,254)	(5,383)
Bad Debt	(18)	(494)	(503)	(513)	(525)	(538)
NET BILLED CHARGES	472,639	473,345	482,440	491,712	503,813	516,212
Prior Year Surplus	2,465	2,412	0	0	0	0
Late Charges	2,599	2,468	2,515	2,564	2,627	2,691
Miscellaneous Income	24,647	22,824	23,567	24,169	24,781	25,254
SUBTOTAL	29,711	27,703	26,083	26,733	27,407	27,946
TOTAL REVENUE	\$502,349	\$501,048	\$508,523	\$518,445	\$531,220	\$544,158
EXPENSES						
Direct Operating Expenses	\$110,647	\$108,399	\$111,507	\$114,708	\$118,005	\$121,402
MWRA Assessment	262,407	268,942	277,140	285,683	294,566	303,627
Renewal/Replacement	46,248	48,320	48,477	49,924	52,420	55,041
Debt Service	56,092	57,707	59,184	60,482	60,050	59,900
Contractual Funding Obligations	24,335	17,466	12,003	7,438	5,970	3,980
SDWA Assessment	209	214	212	210	209	208
TOTAL OPERATING EXPENSES	\$499,938	\$501,048	\$508,523	\$518,445	\$531,220	\$544,158
NET INCOME	\$2,412	\$0	\$0	\$0	\$0	\$0
Average Combined Rate (\$/1000gal)	\$24.35	\$25.11	\$25.83	\$26.58	\$27.37	\$28.17
Annual Increase (%)	3.4%	1.5%	2.9%	2.9%	3.0%	3.0%
Typical Household Bill	\$1,318	\$1,340	\$1,379	\$1,419	\$1,461	\$1,504

Reserve Fund Levels

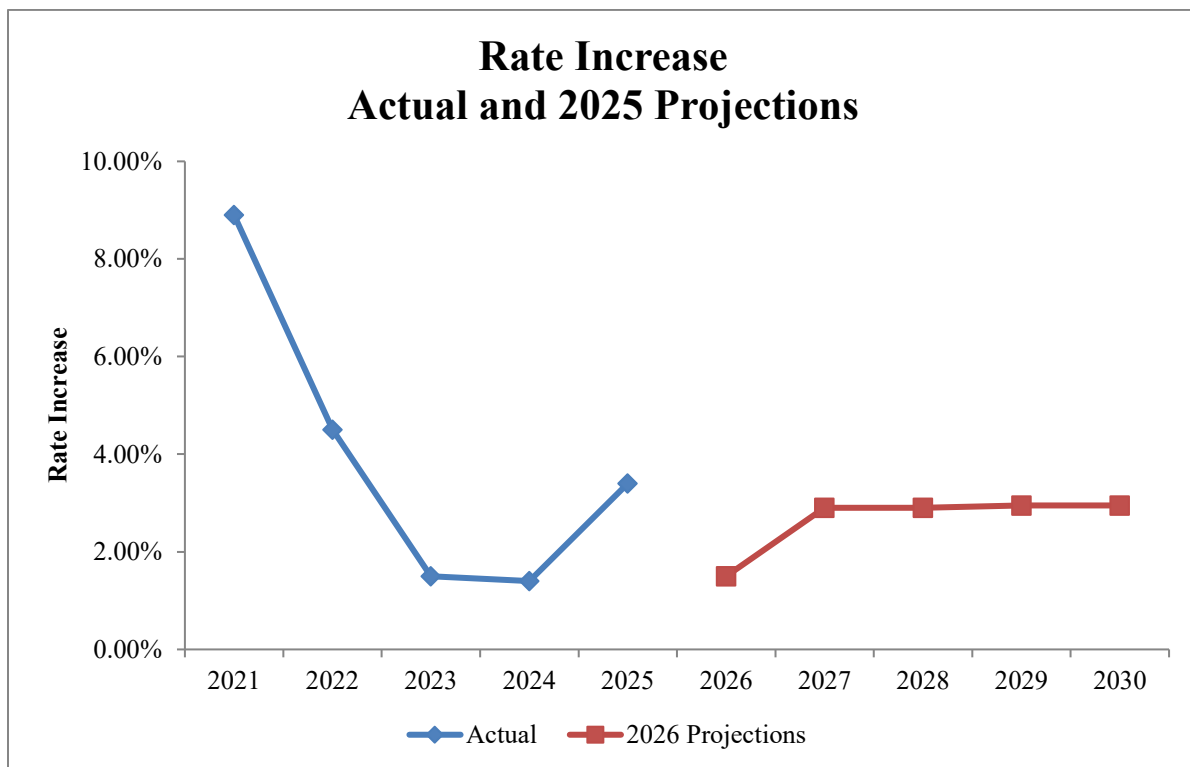
Deposits will be made to the reserve funds to comply with the Commission's Bond Resolution. A description of the Commission's Reserve Funds and current balances are shown in the Budget Overview section of this document. Boston Water and Sewer Commission rate projections for the year's 2026 – 2030 are outlined on the following page. These rate projections are based on the best data available during the 2026 Financial Planning Process.

Long Range Forecast

BWSC Rate Increases

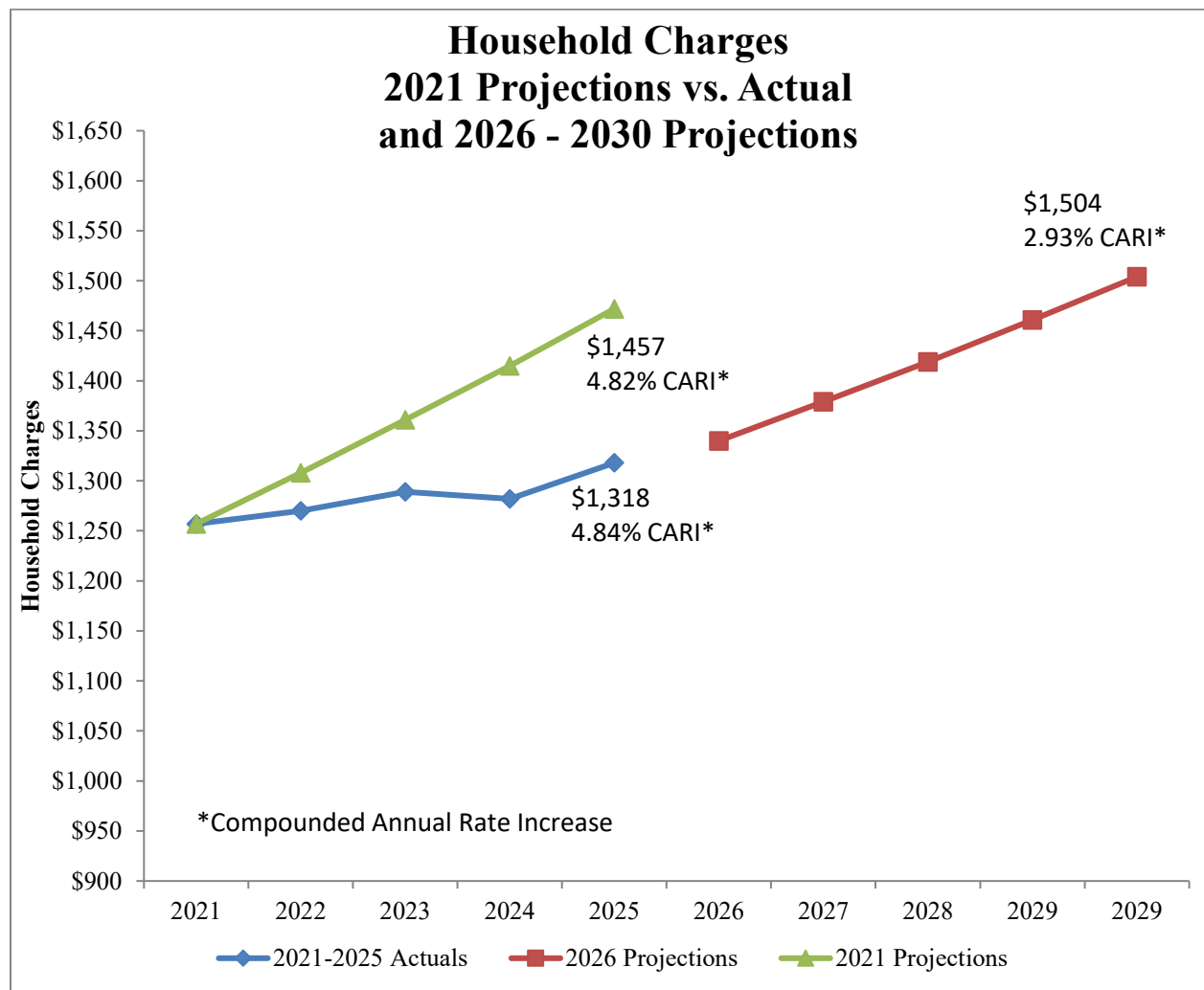
2026	2027	2028	2029	2030
1.50%	2.90%	2.90%	2.95%	2.95%

The current increase for 2026 is 1.50%, an 2.90% increase for the years 2027 & 2028, and a 2.95% increase for the years 2029 & 2030. The graph below illustrates the actual rate increases occurring during the years 2021 through 2025. 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 1.50% for 2026 and projects an 2.90% increase for the years 2027 & 2028, and a 2.95% increase for the years 2029 & 2030. This rate increase translates into an average household dollar cost to increase from \$1,340 in 2025 to \$1,504 in the year 2030. This is depicted below in the graph, which also shows the actual household charges for the years 2021 - 2025 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 2021 and 2025.



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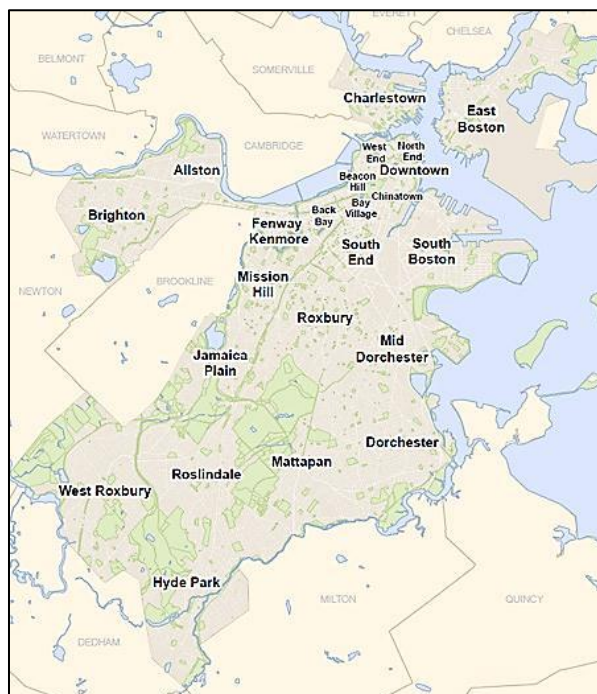
City of Boston Overview

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.



Demographics

Population Overview

Age

Neighborhood	Total Population	0-9 Years	%	10-14 Years	%	15-19 Years	%	20-34 Years	%	35-59 Years	%	60+ Years	%
Allston	31,810	1,046	3.3%	296	0.9%	3,030	9.5%	21,407	67.3%	3,988	12.5%	2,043	6.4%
Back Bay	18,983	648	3.4%	159	0.8%	1,275	6.7%	8,140	42.9%	4,525	23.8%	4,236	22.3%
Beacon Hill	9,327	407	4.4%	147	1.6%	177	1.9%	4,471	47.9%	2,309	24.8%	1,816	19.5%
Brighton	55,869	2,533	4.5%	942	1.7%	1,795	3.2%	32,148	57.5%	10,363	18.5%	8,088	14.5%
Charlestown	19,232	2,083	10.8%	727	3.8%	670	3.5%	5,472	28.5%	6,609	34.4%	3,671	19.1%
Chinatown	6,371	373	5.9%	186	2.9%	565	8.9%	2,653	41.6%	1,533	24.1%	1,061	16.7%
Dorchester	123,056	12,461	10.1%	6,983	5.7%	9,186	7.5%	33,290	27.1%	37,850	30.8%	23,286	18.9%
Downtown	15,752	562	3.6%	147	0.9%	2,214	14.1%	5,519	35.0%	3,595	22.8%	3,715	23.6%
East Boston	46,892	4,492	9.6%	2,254	4.8%	2,960	6.3%	15,477	33.0%	15,142	32.3%	6,567	14.0%
Fenway	42,351	631	1.5%	102	0.2%	6,542	15.4%	27,653	65.3%	4,296	10.1%	3,127	7.4%
Hyde Park	33,469	3,125	9.3%	1,828	5.5%	2,134	6.4%	6,010	18.0%	10,988	32.8%	9,384	28.0%
Jamaica Plain	42,949	3,499	8.1%	1,268	3.0%	1,795	1.2%	14,829	34.5%	12,656	29.5%	8,902	20.7%
Longwood	553	35	0.6%	11	0.2%	2,234	40.2%	3,069	55.3%	105	1.9%	99	1.8%
Mattapan	24,424	2,804	11.5%	1,552	6.4%	1,593	6.5%	4,585	18.8%	8,090	33.1%	5,800	23.7%
Mission Hill	19,000	857	4.5%	388	2.0%	1,765	9.3%	10,277	54.1%	2,994	15.8%	2,719	14.3%
North End	10,635	267	2.5%	100	0.9%	137	1.3%	5,880	55.3%	2,396	22.5%	1,855	17.4%
Roslindale	29,378	2,956	10.1%	1,361	4.6%	1,546	5.3%	6,263	21.3%	9,740	33.2%	7,512	25.6%
Roxbury	56,800	5,694	10.0%	2,846	5.0%	5,113	9.0%	17,386	30.6%	15,356	27.0%	10,405	18.3%
South Boston	40,904	2,459	6.0%	734	1.8%	1,363	3.3%	19,600	47.9%	10,713	26.2%	6,035	14.8%
South Boston Waterfront	8,289	438	5.3%	31	0.4%	166	2.0%	3,405	41.1%	3,074	37.1%	17,775	14.2%
South End	34,582	2,415	6.2%	726	2.1%	1,245	3.6%	11,985	34.7%	11,176	32.3%	7,305	21.1%
West End	9,306	409	4.4%	75	0.8%	421	4.5%	4,101	44.1%	2,823	30.3%	1,477	15.9%
West Roxbury	31,381	2,947	9.4%	1,351	4.3%	1,596	5.1%	6,000	19.1%	9,792	31.2%	9,695	30.9%
Boston	716,313	52,871	7.4%	24,214	3.4%	49,522	6.9%	269,620	37.6%	190,113	26.5%	129,973	18.1%

Source: City of Boston Planning Department Research Division 2025 Estimates

Demographics

Race and Ethnicity

Neighborhood	Total Population	White Alone	%	Black/African American	%	Hispanic or Latino	%	Asian/Pacific Islander	%	Multiple or Other Races	%
Allston	31,810	15,926	50.1%	1,745	5.5%	4,124	13.0%	7,955	25.0%	2,060	6.5%
Back Bay	18,983	13,593	71.6%	726	3.8%	1,266	6.7%	2,562	13.5%	838	4.4%
Beacon Hill	9,327	7,528	80.7%	252	2.7%	528	5.7%	635	6.8%	384	4.1%
Brighton	55,869	34,316	61.4%	2,747	4.9%	5,896	10.6%	9,762	17.5%	3,148	5.6%
Charlestown	19,232	13,833	71.9%	969	5.0%	2,027	10.5%	1,644	8.5%	758	3.9%
Chinatown	6,371	1,904	29.9%	262	4.1%	457	7.2%	3,557	55.8%	191	3.0%
Dorchester	123,056	28,411	23.1%	42,260	34.3%	24,975	20.3%	14,006	11.4%	13,403	10.9%
Downtown	15,752	9,928	63%	637	4.0%	1,111	7.1%	3,489	22.1%	587	3.7%
East Boston	46,892	17,228	36.7%	1,589	3.4%	23,473	50.1%	2,147	4.6%	2,456	5.2%
Fenway	42,351	22,713	53.6%	2,525	6.0%	4,018	9.5%	10,882	25.6%	2,272	5.4%
Hyde Park	33,469	7,631	22.8%	15,345	45.8%	7,985	23.9%	719	2.1%	1,790	5.3%
Jamaica Plain	42,949	23,028	53.6%	4,866	11.3%	9,262	21.6%	3,325	7.7%	2,468	5.7%
Longwood	553	3,833	69.0%	352	6.3%	527	9.5%	653	11.8%	187	3.4%
Mattapan	24,424	1,539	6.3%	16,738	68.5%	4,122	16.9%	4,499	2.0%	1,527	6.3%
Mission Hill	19,000	7,430	39.1%	2,523	13.3%	3,483	18.3%	4,707	24.8%	859	4.5%
North End	10,635	9,171	86.2%	142	1.3%	507	4.8%	441	4.1%	375	3.5%
Roslindale	29,378	14,015	47.7%	5,757	19.6%	7,131	24.3%	977	3.3%	1,497	5.1%
Roxbury	56,800	7,733	13.6%	23,362	41.1%	17,033	30.0%	3,602	6.3%	5,070	8.9%
South Boston	40,904	31,456	76.9%	1,644	4.0%	4,173	10.2%	2,274	5.6%	1,357	3.3%
South Boston Waterfront	8,289	6,332	76.4%	253	3.1%	484	5.8%	739	8.9%	481	5.8%
South End	34,582	19,218	55.6%	3,666	10.6%	4,381	12.7%	5,773	16.7%	1,544	4.5%
West End	9,306	5,900	63.4%	423	4.5%	750	8.1%	1,714	18.4%	519	5.6%
West Roxbury	31,381	20,994	66.9%	3,263	10.4%	3,484	11.1%	2,398	7.6%	1,242	4.0%
Boston	716,313	323,660	45.2%	132,046	18.4%	131,197	18.3%	84,400	11.8%	45,013	3.6%

Source: City of Boston Planning Department Research Division 2025 Estimates

Demographics

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%

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.

City of Boston Employment by Industry for 2025

Area and Industry	June 2024	June 2025(p)	Net change	Percent change
Total nonfarm	1,293.6	1,291.8	-1.8	-0.1
Mining, logging, and construction	54.4	54.2	-0.2	-0.4
Manufacturing	37.1	36.5	-0.6	-1.6
Trade, transportation, and utilities	172.2	173.6	1.4	0.8
Information	34.3	33.2	-1.1	-3.2
Financial activities	124.3	125.9	1.6	1.3
Professional and business services	215.1	210.0	-5.1	-2.4
Educational and health services	309.0	306.7	-2.3	-0.7
Leisure and hospitality	146.6	148.1	1.5	1.0
Other services	47.8	46.8	-1.0	-2.1
Government	152.8	156.8	4.0	2.6

U.S. Bureau of Labor Statistics 2025 - Boston-Cambridge-Newton, MA division

The unemployment rate for the Boston area in 2025 increased to 4.5%, below Massachusetts at 4.8% and the national rate of 4.4%. The table and following bar graphs show the unemployment trends of Boston versus the United States, and Massachusetts.

Unemployment Rates

Unemployment	2019	2020	2021	2022	2023	2024	2025
Boston	2.6%	7.3%	3.9%	2.9%	3.0%	3.9%	4.5%
Massachusetts	2.9%	7.4%	3.9%	3.7%	3.7%	4.1%	4.8%
United States	3.6%	6.3%	3.7%	3.5%	3.8%	4.1%	4.4%

Source: Bureau of Labor Statistics for Boston, United States, and Massachusetts.

Largest Employers in Massachusetts
(With 1,000+ employees, listed alphabetically)

Mass General Brigham	84,435	Vertex Pharmaceuticals Inc.	4,432
Beth Israel Lahey Health	36,242	Thermo Fisher Scientific Inc.	4,100
University of Massachusetts	25,041	Liberty Mutual Insurance	4,100
Demoulas Super Markets Inc.	21,121	Verizon	4,053
Harvard University	21,108	Massachusetts Mutual Life Insurance Co.	4,000
UMass Memorial Health	20,665	Cape Cod Healthcare	3,996
The TJX Cos. Inc.	20,553	Bank of America	3,920
Massachusetts Institute of Technology	17,490	MilliporeSigma, EMD Serono and EMD Electronics	3,600
Stop & Shop Supermarket Co.	16,215	MilliporeSigma, EMD Serono and EMD Electronics	3,600
Boston University	11,532	MathWorks	3,500
Tufts Medicine	10,617	UG2	3,348
Dana-Farber Cancer Institute	8,672	EG America	3,303
Southcoast Health	8,255	Seven Hills Foundation	3,296
State Street Corp.	7,534	Blue Cross Blue Shield of Massachusetts	3,245
The Kraft Group	7,500	Encore Boston Harbor	3,095
National Grid	7,193	Moderna Inc.	3,042
Northeastern University	7,184	Point32Health	3,029
Fidelity Investments	6,100	Deloitte LLP and subsidiaries	2,982
Fresenius Medical Care	5,883	Deloitte LLP and subsidiaries	2,982
Takeda	5,809	Northeast Security	2,879
Tufts University	5,681	Vinfen	2,800
Cambridge Health Alliance	4,965	John Hancock	2,798
Eversource	4,847	Citizens	2,771
Boston College	4,587	Cushman & Wakefield	2,760
Sanofi	4,575	Pfizer Inc.	2,700

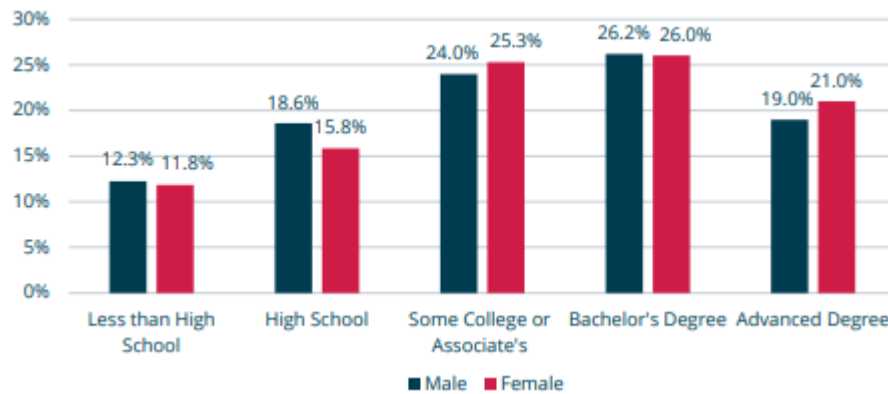
Source: Boston Business Journal, Book of Lists 2025-2026.

Five Largest Public & Private Companies in Massachusetts
Ranked by Revenue

Public Company	2024 Revenue
The TJX Cos. Inc	\$53,360,000,000.00
Thermo Fisher Scientific Inc.	\$42,880,000,000.00
GE Vernova Inc.	\$34,940,000,000.00
BJ's Wholesale Club Holdings Inc.	\$20,500,000,000.00
Global Partners LP	\$17,160,000,000.00
Private Company	2024 Revenue
Liberty Mutual Insurance	\$50,200,000,000.00
Massachusetts Mutual Life Insurance Co.	\$34,200,000,000.00
Fidelity Investments	\$32,700,000,000.00
EG America	\$8,040,000,000.00
New Balance Athletic Shoe Inc.	\$7,800,000,000.00

*2025 Book of Lists, Boston Business Journal, Ranked by Revenue

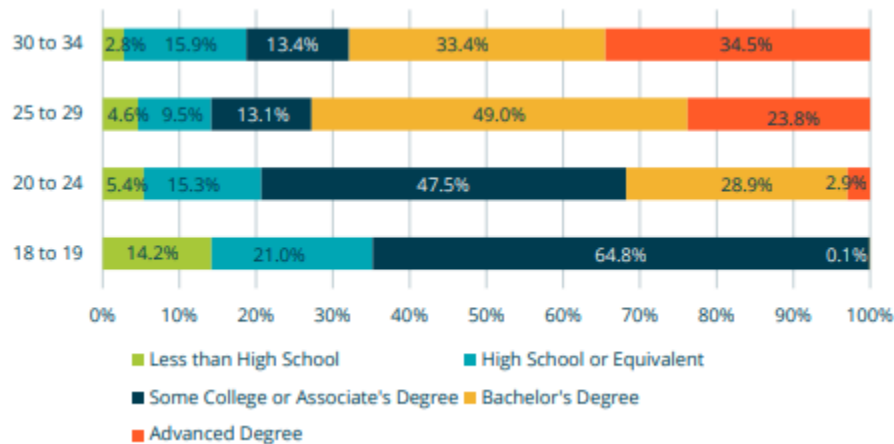
Educational Attainment of Boston Residents by Gender (Age 18+)



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

Boston Consumer Price Index, 2019 – 2026

Category	2019	2020	2021	2022	2023	2024	2025	2026
All Items	281.000	284.300	293.500	320.700	328.400	338.512	343.486	348.343
Food	269.400	283.300	292.300	327.200	349.400	353.910	356.345	361.694
Shelter	348.200	358.100	365.500	340.100	413.400	437.445	445.645	454.572
Fuel and Utilities	293.600	280.400	309.800	474.900	407.000	269.335	268.837	262.138
Transportation	193.000	183.700	206.700	232.300	233.400	231.265	237.571	237.971
Medical	678.600	699.900	698.400	745.000	723.400	758.008	761.429	752.354

Source: United States Consumer Bureau of Labor Statistics (Jan 2026)

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, 2019 – 2026

Category	2019	2020	2021	2022	2023	2024	2025	2026
All Items	258.800	271.000	271.000	296.800	300.800	310.326	319.082	325.252
Food	268.900	277.800	277.800	316.800	320.600	327.731	336.274	345.165
Shelter	318.900	334.600	334.600	366.900	372.500	393.906	410.635	421.526
Fuel and Utilities	195.400	260.540	260.540	274.900	281.700	289.546	280.143	272.668
Transportation	327.600	230.700	230.700	373.600	382.800	420.850	445.910	451.857
Medical	574.800	525.300	525.300	602.400	598.800	605.162	623.392	645.667

Source: United States Consumer Bureau of Labor Statistics

Per Capita Personal Income Comparison

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
2021	\$64,658	\$83,704	\$92,742
2022	\$66,259	\$85,712	\$95,926
2023	\$69,967	\$89,760	\$100,880

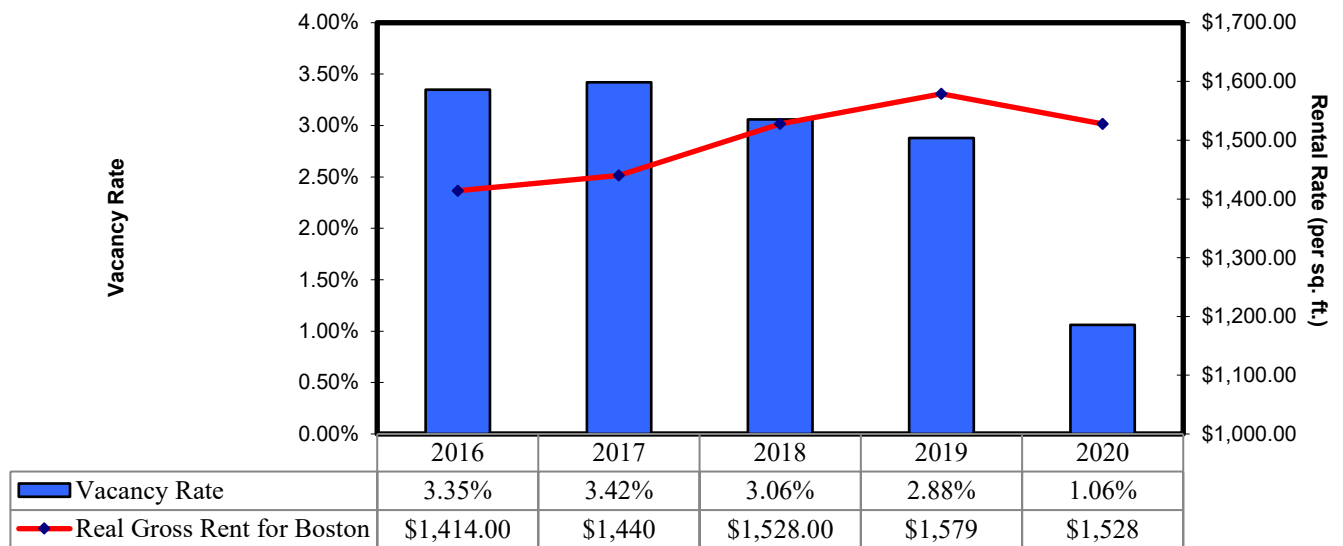
*Boston-Cambridge-Newton, MA-NH (Metropolitan Statistical Area)

Source: Federal Reserve Bank of St. Louis

Demographics

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

Owner	Taxable Assessed Value
Boston Properties (NYSE: BXP)	\$4,110,000,000
Eversource Energy (NYSE: ES)	\$2,510,000,000
Oxford Properties	\$1,880,000,000
Tishman Speyer Properties	\$1,420,000,000
TIAA	\$1,350,000,000
Fort Hill Association	\$1,150,000,000
'MetLife Real Estate Investment	\$1,090,000,000
Rockpoint	\$1,010,000,000
John Hancock Financial	\$936,000,000
Morgan Stanley (NYSE: MS)	\$863,000,000
Senior Housing Properties Trust	\$819,000,000
National Grid	\$756,000,000

Demographics

Median Sales Price, Single-Family Homes-Boston **For the period 2018-2025**

Year	Median Sales Price	Percent Change
2019	\$650,000	5.69%
2020	\$690,000	6.15%
2023	\$799,300	15.8%
2024	\$845,000	5.72%
2025	\$806,000	-4.62%

Redfin, 2025

City of Boston Property Tax Recap

Class	FY25 Tax Rate
Residential	\$11.58
Commercial, Industrial, Personal	\$25.96

Property Tax Revenue

FY23 Actual	FY24 Actual	FY25 Budget	FY26 Budget
\$2,998,918,437	\$3,188,943,148	\$3,357,989,105	\$3,501,938,834

Monthly Advertised Rent in Boston Neighborhoods

Neighborhood	2024	2026
Allston/Brighton	\$3,489	
Back Bay	\$4,314	\$4,787
Beacon Hill	\$4,045	\$4,664
Charlestown	\$3,476	\$3,448
Dorchester	\$3,450	\$2,859
East Boston	\$3,404	\$3,153
Fenway/Kenmore	\$3,996	\$3,938
Jamaica Plain	\$3,328	\$3,143
Mattapan	\$2,618	\$2,240
Roslindale	\$3,142	\$2,759
Roxbury	\$3,135	\$2,589
South Boston	\$4,151	\$4,197
South End	\$4,133	\$3,844
West Roxbury	\$2,670	\$2,664
Citywide (avg)	\$3,525	\$3,638

Source: RentCafe Market Analysis, Yardi Matrix, U.S. Census Bureau

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*

Boston Sail Loft	1	James Hook & Co	6
Carmelina's	2	Regina Pizzeria	7
Cafe Bonjour	3	Row 34	8
Bostonia Public House	4	The Friendly Toast	9
Mamma Maria	5	Saltie Girl	10

*Trip Advisor 2025

Largest Hotels in Boston 2025

Company	Rooms	Room Rates
Boston Marriot Copley Place	1,148	\$199-\$6,000
Hilton Boston Park Plaza	1,060	\$199-\$3,500
Omni Boston Hotel at the Seaport	1,054	\$179-\$7,500
Sheraton Boston Hotel	810	\$199-\$6,000
The Weston Copley Place, Boston	803	\$219-\$6,500
Westin Boston Seaport District Hotel	793	\$149-\$4,499
Encore Boston Harbor	671	N/A
Hilton Boston Logan Airport	604	\$159-\$1,500
Omni Parker House	551	\$199-\$7,599
Hyatt Regency Boston	502	N/A

*Boston Business Journal 2025

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 2026 fiscal year beginning January 1, 2026, the MWRA assessment is projected to be approximately \$268.9 million, or 53.7% of total expenses projected to be approximately \$501.0 million.

The Commission's current water distribution system consists of approximately 1,009 miles of pipes with diameters ranging from 4 to 48 inches; 17,894 valves; 12,855 hydrants; and 15 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 1,541 miles of sewers, including 718 miles of sanitary sewers, 668 miles of storm drains and 137 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 144 regulators and 200 tide-gates. Separate sanitary sewers and storm drains serve approximately 35 square miles, or 83 percent of the City. There are 280 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 2020-2025 Consumption by Land Use Code (cubic ft.) – Boston Water and Sewer Commission

Codes	2020	2021	2022	2023	2024	2025
A	296,078,854	295,078,992	299,792,917	299,690,607	301,943,019	298,591,720
AH	7,043,969	5,917,351	7,076,053	7,031,092	7,338,580	6,420,895
C	324,913,129	347,021,103	408,742,703	419,715,454	435,083,439	420,715,713
C3	19,194,587	18,967,848	18,586,090	18,639,969	18,661,349	18,739,923
CC	13,490,657	14,008,477	14,895,236	15,428,911	16,116,281	15,950,378
CD	6,843,730	7,064,630	7,673,478	8,185,124	9,163,265	9,027,607
CL	7,687,051	7,555,401	2,023,735	811,280	307	35,994
CM	157,170,048	154,496,339	152,915,741	150,464,751	150,418,679	149,921,329
E	549,360,699	551,174,393	589,710,271	569,781,625	595,274,400	608,487,687
EA	15,016,589	14,789,563	13,504,937	12,043,439	11,810,768	11,676,246
I	64,835,207	66,079,512	72,073,235	67,325,810	70,034,580	69,340,059
R1	218,961,099	206,235,640	204,855,057	196,837,666	200,672,134	203,869,816
R2	216,053,907	207,279,516	201,741,411	201,116,743	204,604,795	205,258,510
R3	266,543,327	257,036,867	250,782,639	254,105,710	257,490,021	257,931,480
R4	64,379,694	62,794,229	61,938,511	63,454,959	64,105,584	63,667,971
RC	158,066,124	168,632,687	179,080,999	183,978,303	185,560,333	190,690,971
RL	3,373,440	3,881,296	1,616,008	1,832,952	0	84,462
TOTAL	2,389,012,111	2,388,013,844	2,487,009,021	2,470,444,395	2,528,277,534	2,530,410,761

Legend for Codes

A = Apartment Building-7 Units or More	EA = Clause 121A Exempt
AH = Agricultural/Horticultural	I = Industrial
C = Commercial	R1 = One Family
C3 = Condo 3 Units	R2 = Two Family
CC = Commercial Condo	R3 = Three Family
CD = Condominium Unit	R4 = Four to Six Units
CL = Commercial Land	RC = Residential Commercial
CM = Condominium Master	RL = Residential Land
E = Exempt	

Commission Background

Water Consumption Percent by Category 2025

	ACCTS	%ACCTS	CONS	%CONS
RESIDENTIAL	67,406	69.9%	667,059,806	26.4%
OTHER RES.	10,353	10.7%	571,775,047	22.6%
COMMERCIAL	6,996	7.3%	595,651,021	23.5%
TAX EXEMPT	3,300	3.4%	626,584,828	24.8%
INDUSTRIAL	840	0.9%	69,340,059	2.7%
SW-ONLY	7,470	7.8%		
<u>TOTAL</u>	96,365	100.0%	2,530,410,761	96,365

Sources

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- Massachusetts Office of Tourism
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- 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	9	54	55	
Local 617	N	6	41	103	
Local 6	L	5	39	61	
Local 888	C	6	17	47	
Council 93	S	4	13	30	
Local Lodge 100	W	3	26	209	

Executive

Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
X02			\$1,038.93	\$1,637.06
X03			\$1,194.77	\$1,882.61
X03	Administrative Assistant/Meter Services	1		
X03	IT Administrator	1		
X04			\$1,373.99	\$2,165.01
X04	Compliance Coordinator	1		
X04	Executive Assistant - Human Resources	1		
X04	Human Resource Generalist	1		
X04	Human Resources Coordinator/Recruiter	1		
X04	Senior Labor Relations Specialist	1		
X04	Special Project Coordinator to CFO	1		
X05			\$1,580.08	\$2,489.76
X05	Collections Administrator	1		
X05	Executive Assistant - Paralegal	1		
X05	Safety and Fleet Compliance Manager	1		
X05	Sr. Human Resource Generalist of Benefits	1		
X06			\$1,817.10	\$2,863.22
X06	Assistant General Counsel	1		
X06	Assistant In House Counsel	1		

The Commission

X06	Manager of Accounting	1		
X06	Manager of Benefits/HRIS	1		
X06	Manager of Employment and Training	1		
X06	Manager of Leaves	1		
X07			\$1,944.29	\$3,063.65
X07	Deputy Director Accounting	1		
X07	Deputy Director Human Resources	1		
X07	Deputy Director of Finance	1		
X07	Deputy Director of Budget	1		
X07	Deputy Director Revenues	1		
X07	Director of Account Services	1		
X07	Director of Procurement	1		
X07	Director of Special Projects	1		
X07	Director of the Stormwater Program	1		
X07	Senior Assistant General Counsel	1		
X08			\$2,138.72	\$3,370.01
X08	Deputy Director Operations	1		
X08	Director of Finance	1		
X08	Director of Meter Services	1		
X09			\$2,459.53	\$3,875.51
X09	Deputy Chief Financial Officer	1		
X09	Deputy General Counsel	1		
X09	Deputy General Counsel - Chief of Compliance	1		
X09	Deputy General Counsel Finance	1		
X09	Director of Construction	1		
X09	Director of Engineering	1		
X09	Director of Operations	2		
X09	Director of Planning & Sustainability	1		
X10			\$2,828.46	\$4,456.84
X10	Chief Administrative Officer	1		
X10	Chief Communications Officer	1		
X10	Chief Diversity Officer	1		
X10	Chief Financial Officer	1		
X10	Chief Human Resource Officer	1		

The Commission

X10	Chief Information Officer	1		
X10	Chief of Operations	1		
X10	Chief of Special Projects	1		
X10	Chief Of Staff	1		
X10	Chief Operating Officer	1		
X10	Deputy Chief Engineer	1		
X10	Deputy Chief of Special Projects	1		
X10	General Counsel	1		
EXC			\$3,252.73	\$6,685.93
EXC	Chief Engineer & Operations Officer	1		
EXC	Executive Director/Treasurer	1		

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Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
N3			\$1,230.61	\$1,997.26
N3	Administrative Assistant	2		
N3	Digital Communications Specialist	1		
N3	Facilities Administrator	2		
N3	Operations Administrator	1		
N3	Payroll Administrator	1		
N4			\$1,415.21	\$2,427.83
N4	Account Service Generalist	2		
N4	Coordinator of Buildings	1		
N4	Environmental Outreach & Communications Coordinator	1		
N4	Environmental Outreach Coordinator	1		
N4	Executive Assistant	5		
N4	Executive Assistant - Engineering Design	1		
N4	Executive Assistant - Facilities	1		
N4	Executive Assistant - Information Technology	1		
N4	Executive Assistant - Organizational Diversity	1		

The Commission

N4	Executive Assistant to the Chief Engineer & Operations Officer	1		
N4	Executive Assistant to the Director of Operations	1		
N4	Fleet Specialist	1		
N4	Manager of Enforcement Compliance	1		
N4	Meter Services Coordinator	1		
N4	Mobile Device Administrator	1		
N4	Safety Coordinator	3		
N5			\$1,627.49	\$2,672.65
N5	Educational Programs Coordinator	1		
N5	Manager of Construction	1		
N5	Manager of Enforcement	1		
N5	Manager of Engineering Customer Service	2		
N5	Manager of Facilities/Nights	1		
N5	Manager of GIS	1		
N5	Manager of Safety	1		
N5	Manager of Support Services	1		
N5	Meter Services Projects Manager	1		
N5	Plant Manager of Facilities	1		
N5	Senior Investigator Revenue Audit & Analysis	1		
N5	Senior Payroll Administrator	1		
N5	Special Project Coordinator	2		
N6			\$1,871.61	\$3,037.60
N6	Acting Project Director Emergency Preparedness	1		
N6	Database Administrator	2		
N6	Deputy Director Account Services	2		
N6	Deputy Director Facilities	2		
N6	Digital Content & Brand Manager	1		
N6	Director of Health & Safety	1		
N6	Enterprise Applications Administrator	1		
N6	GIS Applications Manager	1		
N6	Manager of Accounts Payable	1		
N6	Manager of Billing & Adjustments	1		

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N6	Manager of Communications	1		
N6	Manager of Fleet	1		
N6	Manager of IT Support	1		
N6	Manager of Operations	4		
N6	Manager of Payroll	1		
N6	Project Director	1		
N6	Project Director Asset Management	1		
N6	Systems Administrator	3		
N6	Training Manager	1		
N7			\$2,002.89	\$3,250.23
N7	Business Systems Analyst	2		
N7	Deputy Director Communications	1		
N7	Deputy Director Organizational Diversity	1		
N7	Deputy Superintendent of Enforcement and Compliance	1		
N7	Director of Accounting	1		
N7	Director of Automatic Meter Reading	1		
N7	Director of Budget	1		
N7	Director of CAD	1		
N7	Director of Financial Services	1		
N7	Director of GIS	1		
N7	Director of Revenues	1		
N7	IT Project Director	3		
N7	Manager of Meter Services	3		
N7	Senior Manager of Operations	2		
N7	Senior Manager Organizational Diversity	1		
N8			\$2,019.23	\$3,575.25
N8	Deputy Director Construction	2		
N8	Director of Application Development	1		
N8	Director of IT Infrastructure	1		
N8	Director of IT Security	1		
N8	Director of IT Support and Communications Systems	1		
N8	Superintendent Asset Management/CMOM Director	1		

The Commission

N8	Superintendent Enforcement & Compliance	1		
N8	Superintendent Support Service	1		
N8	Superintendent Water & Sewer	1		

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Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
L08			\$1,442.31	\$1,914.21
L08	Administrative Assistant/Account Services	1		
L08	Evaluation & Compliance Coordinator	1		
L09			\$1,634.62	\$2,023.20
L09	Account Service Analyst	1		
L09	CMOM Data Coordinator	1		
L09	Collections Investigator	2		
L09	Legal/Claims Investigator	1		
L09	Revenue & Audit Analyst	1		
L10			\$1,796.65	\$2,159.04
L10	Construction Administrator	1		
L10	Design Engineer	2		
L10	Field Service Engineer	4		
L10	Help Desk Administrator	1		
L10	Planner	1		
L10	Programmer/Analyst	1		
L10	Project Engineer	4		
L10	Senior Storeroom Coordinator	1		
L10	Support Analyst II	3		
L11			\$1,943.04	\$2,515.38
L11	Application Support Analyst/Trainer	1		
L11	Assistant Manager Collections	1		
L11	Assistant Manager Construction	1		
L11	Assistant Manager Customer Service	1		
L11	Assistant Manager Purchasing	1		
L11	Assistant Manager Revenue Audit & Analysis	1		

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L11	Compliance Analyst	1		
L11	Design Engineer I	2		
L11	Project Engineer I	1		
L11	Project Engineer II Planning	1		
L11	Senior Accountant	1		
L11	Senior Financial Analyst	2		
L11	Senior GIS Analyst	1		
L11	Senior GIS Coordinator	2		
L11	Site Plan Review Engineer	2		
L12			\$2,110.40	\$2,934.61
L12	Design Engineer II	2		
L12	Project Engineer II	1		
L12	Project Manager	3		
L12	Senior Design Engineer	2		
L12	Senior Field Service Engineer	3		
L12	Senior Site Plan Review Engineer	1		
L12	SSO/Project Manager - Operations	1		
L13			\$2,336.53	\$3,153.84
L13	Senior Design Engineer	1		
L13	Senior Programmer Analyst II	2		

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Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
C09			\$1,100.00	\$1,346.15
C09	Account Service Clerk	2		
C09	Facilities Representative	4		
C10			\$1,180.00	\$1,442.31
C10	Account Service Representative	7		
C10	Financial Services Representative	5		
C10	Senior Account Service Clerk	2		
C11			\$1,260.00	\$1,634.62
C11	Junior Engineering Technician	1		

The Commission

C11	Plans Examiner	1		
C11	Senior Account Service Representative	3		
C11	Senior Financial Services Representative	4		
C12			\$1,340.00	\$1,730.77
C12	CAD Technician	3		
C12	GIS Technician	1		
C12	Meter Services Representative	3		
C12	Principal Financial Services Representative	4		
C12	Senior Plans Examiner	1		
C13			\$1,400.00	\$1,826.92
C13	Senior GIS Technician	1		
C14			\$1,460.00	\$1,923.08
C14	Principal CAD Technician	3		
C14	Senior Engineering Technician	2		

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Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
S05			\$ 800.00	\$1,709.12
S06			\$1,057.69	\$1,970.38
S07			\$1,153.85	\$2,305.76
S07	Meter Records Supervisor	1		
S07	Supervisor Collections	1		
S07	Supervisor Customer Service	1		
S07	Supervisor Meter Installation	3		
S08			\$1,250.00	\$2,368.57
S08	Field Supervisor Collections	1		
S08	Field Supervisor Revenue Auditing	1		
S08	Financial Supervisor	3		
S08	Supervisor Hydrant Maintenance & Repair	1		
S08	Supervisor Water & Sewer	14		
S08	Work Order Systems Supervisor	1		
S09			\$1,346.15	\$2,452.50

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S09	Meter Services Supervisor	1		
S10			\$1,442.31	\$2,683.24
S10	Supervisor Buildings	1		
S10	Supervisor Buildings & Grounds	1		

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Grade	Position Title	Number of Positions	Weekly Minimum	Weekly Maximum
Grade	Job Title	# of positions	Weekly Minimum	Weekly Maximum
W03			\$1,226.04	\$1,462.08
W04			\$1,270.34	\$1,514.92
W04	Apprentice/Ops Svc Repairperson	6		
W04	Ops Service Repairperson I	15		
W05			\$1,322.18	\$1,576.72
W05	Building Maint Tech	2		
W05	Senior Storekeeper	2		
W06			\$1,375.97	\$1,640.86
W06	Building Maint Tech II	4		
W06	Maint Mechanic Mason	1		
W06	Meter Technician	11		
W06	Ops Service Repairperson II	2		
W06	Yard Clerk	10		
W07			\$1,431.78	\$1,707.45
W07	Ops Service Repairperson II	1		
W07	Ops Svc Rep IIA	42		
W07F			\$1,485.05	\$1,770.95
W08			\$1,563.15	\$1,783.82
W08	Field Service Technician	8		
W08	Fleet Mechanic	3		
W08	Principal Storekeeper	2		
W08	Spec Heavy Motor Equip Oper I	8		
W8F			\$1,549.10	\$1,847.34
W8F	WF Bldg. Maint Tech	1		
W8F	WF Fleet Mechanic	2		

The Commission

W8F	WF Oper Service Repairperson	16		
W09			\$1,638.37	\$1,953.79
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		
W10			\$1,798.35	\$2,144.56
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.

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.

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.

Glossary

MGD: Million gallons per day.

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.

Glossary

Rate Revenue Requirement: The amount of revenue necessary to equal total expenses, plus revenue adjustments, less other revenues.

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.

Glossary

UMAX: The Commission's customer information and billing system.

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.

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.

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