Building Support for Infrastructure Funding

Massachusetts Municipal Association

January 20, 2017
Background

- 2009—MA Legislature votes for the creation of a Water Infrastructure Finance Commission
  - Mission: Develop a comprehensive, long-range water infrastructure finance plan for the commonwealth and municipalities

- 2010 & 2011—Commission meets and develops recommendations for addressing the Commonwealth’s infrastructure challenges

- 2012—Report released
  - “Massachusetts’s Water Infrastructure: Toward Financial Sustainability”
Key Findings

- There is a substantial funding gap over the next 20 years
  - $10.2 billion for drinking water
  - $11.2 billion for wastewater
  - $18 billion for stormwater
    (conservative estimate)
- Significant spending above current levels will be necessary to maintain current levels of service
Key Recommendations

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

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

- Interested stakeholders formed a “Water Infrastructure Alliance” to keep the momentum going.
- Legislation was passed addressing some of the recommendations of the WIFC—See Chapter 259 of the Acts of 2014.
- Public outreach opportunities are being pursued.
Chapter 259 of the Acts of 2014

- Modifications to SRF program
- Provided a mechanism at local option to assess property tax surcharge of 3% for infrastructure improvement
- Established a Water Infrastructure Committee to report on the progress of closing the gap
- Incentives for connection to MWRA (subject to appropriation)
- Established a special commission to investigate and study ways to improve coordination among utility providers and municipalities to reduce unnecessary or duplicative roadway construction related to underground utilities
Suggested Best Management Practices
- Each municipality and utility develop multi-year capital improvement plans and establish regular planning meetings
- Upgrade infrastructure in coordination with gas main replacement
- Utilities and municipalities establish designated coordinators to manage planning and coordination
- Municipalities explore options for developing a coordination software solution that may assist in the permitting and excavation clearance process

Water Infrastructure Advisory Committee

First Meeting on September 14, 2016
Public Outreach

- Alliance put together flyers and messaging around the Water Environment Federation’s WATER’S WORTH IT® campaign.

Resources

- Value of Water Coalition
  - [www.thevalueofwater.org](http://www.thevalueofwater.org)

- Only Tap Water Delivers™
  - [www.awwa.org](http://www.awwa.org) (Only Available to AWWA Utility Members)

- WATER’S WORTH IT®
  - [www.waters-worth-it.org](http://www.waters-worth-it.org)

- Liquid Assets
  - [http://liquidassets.psu.edu](http://liquidassets.psu.edu)
Public Outreach

- MA Municipal Association published a magazine devoted to water
Town of Framingham-”Water is Life”

https://youtu.be/uBnlDIVaMco
Legislation

- **Water Banking** – Promoted by MWWA, MMA and Watershed Groups–Would allow communities to impose a fee on new development and create a dedicated fund for offsets/mitigation (formerly H. 657)

- **Water Bond** – Filed by Rep. Carolyn Dykema–Would create a $1 billion bond and funds would be disbursed to municipalities similar to Chapter 90 (formerly H. 656)
Questions??

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