

COALITION MEMBERS**Agencies**

Charles River Pollution Control District
City of Haverhill
City of Holyoke
City of Marlborough
City of New Bedford
South Essex Sewerage District
Springfield Water and Sewer Commission
Town of Concord
Town of Framingham
Town of Franklin
Town of Jaffrey, NH
Town of Medfield
Town of Milford
Town of North Reading
Town of Northbridge
Town of Shrewsbury
Town of Southbridge
Town of Yarmouth
Upper Blackstone Water Pollution Abatement District

Affiliates

Cherry Valley Sewer District
City of Beverly
City of Chicopee
City of Peabody
City of Salem
City of Worcester
Town of Bellingham
Town of Danvers
Town of East Longmeadow
Town of Marblehead

Corporate

AECOM
BETA Group
Brown and Caldwell
CDM
Kleinfelder/SEA Consultants
Stantec Consulting
Weston & Sampson

Legal

Anderson & Kreiger LLP
Bowditch & Dewey

August 16, 2011

The Honorable Martha Coakley
Attorney General of the Commonwealth of Massachusetts
One Ashburton Place
Boston, MA 02108-1518

RE: Initiative Petition Number 11-10 – 2.5% Cap on Annual Water and Sewer Rate Increases

Dear Madam Attorney General:

I am writing to you on behalf of the membership of the Massachusetts Coalition for Water Resources Stewardship (the Coalition). The Coalition strongly opposes the above referenced ballot initiative to cap annual water and sewer rate increases at 2.5 percent. The Coalition represents almost 40 municipalities and publicly-owned wastewater, drinking water and stormwater utilities across the Commonwealth. Frankly, we find it shocking that someone could advance an ill-conceived and poorly timed initiative such as this one. It is a flagrantly irresponsible action. We oppose this initiative for a number of reasons, some of which are outlined below.

1. Enormous Infrastructure Needs Funding Gap.

Water and sewer infrastructure is invisible to the public. People do not think about it until there is a catastrophic failure that affects them and threatens environmental and public health. The Governor's Water Infrastructure Finance Commission recently reported that EPA's most recent Needs Analysis for Massachusetts estimates a funding gap over the next 20 years of **\$7.95 billion for wastewater** and **\$6.79 billion for drinking water** for infrastructure investments. This astronomical figure is just to catch up on deferred maintenance of these systems. It does not take into account the funding that will be needed to meet increasingly stringent regulatory mandates.

2. Increasing Costs to Meet Regulatory Mandates.

Increasingly expensive infrastructure upgrades with decreasing environmental benefit in the absence of sound science are being mandated by the EPA, while our underfunded MassDEP finds it more and more difficult to counter the federal directives. These unfunded mandates are being imposed without meaningful consideration of the expense to those who must pay for their implementation, at a time when appropriate levels of state and federal funding are non-existent.

(over)

3. Our Economic Future

Communities are still reeling from the economic downturn that began in 2008 and has required cuts in essential basic services. A second blow has occurred with the latest debt ceiling crisis. We do not know fully how the crisis will impact us, but we can be certain that federal and state funding will continue to be cut. We cannot predict the future of the economy and it would be imprudent to assume it will get better any time soon.

Our members are environmental and fiscal stewards. Our objectives are to protect the Commonwealth's valuable natural resources and public health while preserving the financial stability of our communities and ratepayers. We must catch up on deferred work and keep up with regulatory requirements. With federal and state funding shrinking and regulatory requirements increasing, we are left with few options but to go to our ratepayers who use the systems. Members of the Coalition do not want to inflict more financial hardships upon their ratepayers. We will continue to fight, on behalf of those who pay for our water infrastructure, for reasonable, effective and cost-considerate environmental regulations. At the same time, however, we must recognize that the water and sewer systems we manage are vital to economic growth, job creation and retention, and public health and safety. These systems cannot continue to function and will surely fail even more rapidly if the only source of revenue to keep them running is artificially capped.

We urge you to deny this short-sighted initiative a place on the Massachusetts ballot. It ignores the realities of our local infrastructure needs and the regulatory mandates with which we must live. It limits our ability to be good stewards. If allowed on the ballot and passed, as it likely would be in the current economic climate, our future will be one of increasing threats to environmental and public health and continued catastrophic infrastructure failures.

Sincerely,

MASSACHUSETTS COALITION FOR WATER RESOURCES STEWARDSHIP



Robert L. Moylan, Jr., P.E., President
Commissioner, Worcester Department of Public Works & Parks

Cc: Governor Deval Patrick
Curtis Spalding, US EPA Region 1
Richard K. Sullivan, Jr., Secretary EEA
Kenneth Kimmel, MassDEP