

Romney wants to flush rate relief

By Michael Kunzelman / News Staff Writer

Monday, January 31, 2005

BOSTON -- MWRA ratepayers are caught in the middle of another tug of war between Gov. Mitt Romney and the state Legislature.

For the third year in a row, Romney is trying to eliminate million in water and sewer rate relief for Massachusetts Water Resources Authority customers. The funds aren't included in the budget plan he unveiled Wednesday.

"The governor believes the MWRA needs to manage within its own budget instead of relying on the taxpayers (across the state) to foot the bill," said Romney spokeswoman Shawn Feddeman.

Romney also has vetoed the rate relief funds from the Legislature's last two budgets, but both times lawmakers mustered the two-thirds majority needed to restore the money.

Feddeman said the governor supports efforts to lower water and sewer bills, "but he wants (the MWRA) to do it through better management, not a taxpayer subsidy."

MWRA customers receive about million of the money. The rest goes to non-MWRA sewer customers in other parts of the state. MWRA spokesman Jonathan Yeo said he isn't surprised with the governor's renewed opposition to paying for rate relief out of the state's general fund.

"It has never been in there (the budget) from the beginning," he said. "We'll see what the Legislature does."

Romney's budget heads to the House of Representatives, where there has been widespread support for funding rate relief.

State Rep. David Linsky, D-Natick, expects the House's version of the budget to include the money.

Linsky said Romney, "should come out to Natick and Framingham, turn on the water or flush the toilet and see what kind of a bill he gets," Linsky said.

Last year, the MWRA board approved a 1.9 percent rate hike for its 2.5 million water and sewer customers -- the system's lowest increase since a 1.1 percent hike in 1996.

The new rates, which took effect July 1, would have jumped 3.9 percent if Romney had succeeded in eliminating the rate relief. Yeo said the MWRA raises rates in large part to help pay off more than billion in debt it has incurred for capital projects, such as the recently completed MetroWest water supply tunnel.

Last year, according to Yeo, the MWRA could afford more modest rate increases because it refinanced its debt with lower interest rates. This year, the MWRA board set a cap on capital spending and eliminated plans to spend a total of 0 million over the next decade for 19 construction projects.

"Capital costs drive rate increases," Yeo said.

Newly elected state Rep. Thomas Sannicandro, D-Ashland, was appalled to learn that payments on debt from capital projects account for 60 percent of the MWRA's annual budget.

"If you're spending that much just to service debt, it's a lopsided budget," he said. "It just seems like a time bomb waiting to go off."