The Sewer Rate Relief Fund operates under the provisions of Chapter 29 §2Z of the General Laws. The Fund was created in 1993 to mitigate escalating costs of sewer service in the Commonwealth. Awards were based on eligible debt service and were calculated at up to 20% of debt service.

For FY09, $20 million has been appropriated for Sewer Rate Relief. If the total amount of eligible indebtedness remains at approximately the same level as FY08, we would anticipate FY09 awards in the range of 5.7% of eligible debt service.

Details of the program are unchanged. Eligible debt service is defined as:
- permanent debt issued on or after January 1, 1990 for a term greater than five years,
- for water pollution control projects

Projects which received state grants are ineligible and projects financed through MWPAT are generally ineligible.

We are again requesting detailed project descriptions for newly requested projects to better assist us in determining project eligibility. Several example project descriptions have been provided with the application.

The Division of Local Services administers the program in consultation with the Department of Environmental Protection. Applications should be submitted using the attached form and returned by Friday, September 19, 2008 to William C. Meehan, at the address below. Mr. Meehan’s telephone number is (617) 626-2382.
A. RECORD OF ELIGIBLE INDEBTEDNESS:

List permanent debt issued for more than five years (i.e., do not list bond anticipation notes) on or after January 1, 1990 wholly or in substantial part to finance or refinance the costs of planning, design, or construction of any water pollution control project or part thereof required to meet the provisions of the Federal Water Pollution Control Act (33 USC, sec. 1251 et seq.) and secs. 26 to 53 inclusive of M.G.L. Ch. 21 or any wastewater collection or transportation project related thereto. Attach additional sheets if needed.

Any project for which state grants were received is ineligible.

Projects financed through the Mass. Water Pollution Abatement Trust are also ineligible unless the total debt issued through MWPAT exceeded $50,000,000 on June 30, 1995.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Issue Date</th>
<th>Original Amount*</th>
<th>FY2009 Debt Service*</th>
<th>Grants Received?</th>
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Total FY2009 Debt Service $________________________

*Attach a debt service schedule for the life of the bonds unless submitted previously.
B. PROJECT DESCRIPTIONS

For new indebtedness being requested from the FY 2009 Sewer Rate Relief Fund, please provide descriptions of each project. Example project descriptions have been provided at the end of this application. You may need to consult with your Public Works staff to assist in developing project descriptions. Please add additional sheets if necessary.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Description</th>
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Contact Person for Project Description  Telephone Number

C. USE OF AWARD PROCEEDS:

Describe briefly how the award, if any, will be used to reduce rates in the current or future years, or finance capital projects which would otherwise be financed through borrowing. Example Use of Award Proceeds statements have been provided at the end of this application.
D. CERTIFICATION:

We certify that the above listed debt was issued on or after January 1, 1990 for a term greater than five years to finance or refinance the costs of planning, design or construction of a water pollution control project or part thereof required to meet the provisions of the Federal Water Pollution Control Act (33 USC, secs. 1251 et seq.) and secs. 26 to 53 inclusive of M.G.L. Ch. 21.

___________________________   _____________________________
Mayor                          Exec. Director

___________________________   _____________________________
Manager                       Commissioners

___________________________   _____________________________
Selectmen                     _____________________________
                              _____________________________
                              _____________________________
                              Treasurer
                              Phone
                              Fax

E. Wire Transfer Instructions

Payments to cities and towns will be made to accounts to which other state local aid payments are wired. For any district or authority, please indicate your bank routing number and account below.

___________________________   _____________________________
Bank Routing Number           Account Number

F. Return by Friday, September 19, 2008 by mail or fax:

Division of Local Services
Attn: William C. Meehan, Supervisor of Public Finance
P.O. Box 9569
Boston, Mass. 02114-9569      Fax (617) 626-3916
Example Project Descriptions:

1. The work consisted of constructing 3,800 linear feet of 12-inch PVC sewer and 6,300 linear feet of 8-inch PVC sewer with manholes and sewer service connections on Main Street, Elm Street and School Street.

2. The work consisted of upgrading the wastewater treatment plant including: replacement of mechanical, plumbing and electrical equipment; replacement of existing odor control system; and installation of a new screening and grit removal system.

3. The work consisted of removal and replacement of the Summer Street wastewater pumping station including replacing 200 linear feet of 8-inch force main and 350 linear feet of 8-inch PVC gravity sewer.

4. The work consisted of conducting an Inflow/Infiltration study, repairing 347 manholes, rehabilitating 22,000 linear feet of sewer pipe and TV inspection of 30,000 linear feet of sewer pipe.

5. The work consisted of consulting services to prepare a Comprehensive Wastewater Management Plan for the Town.

6. The work consisted of the design of improvements to the wastewater treatment plant including consulting fees and associated expenses.

Example Use of Award Proceeds Statements:

1. A credit will be applied directly to user bills.

2. Rate relief money will be used towards ongoing capital improvements and repairs.

3. The proceeds of this grant would be used to purchase equipment which would otherwise be purchased with borrowed funds increasing the sewer rate.

4. The proceeds will be considered as other revenue sources when calculating the user fees.

5. Funds awarded would be deposited as revenue in the enterprise fund and as an additional revenue source, supplementing revenue received from rates, thereby offsetting any potential rate increase.