Investor Presentation

$204,645,000*
State Revolving Fund Bonds, Series 17
Consisting
of $187,940,000* Subseries 17A (Tax – Exempt)
and
$16,705,000* Subseries 17B (Federally Taxable)

* Preliminary, subject to change

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Presentation Participants

Massachusetts Water Pollution Abatement Trust

Sue Perez	Executive Director
My Tran	Treasurer

Financial Advisor

Lisa Daniel	Managing Director, Public Financial Management

Transaction Overview

Series 17			
	17A	**17B**	**Total**
Par Amount	$187,940,000*	$16,705,000*	$204,645,000*
Tax Status	Tax-exempt	Federally Taxable	
Final Maturity	2043	2017	
Optional Redemption	**10 year call***	**Non-callable**	
Use of Funds	To finance or refinance costs of certain water pollution abatement and drinking water projects for governmental units or other eligible borrowers in the Commonwealth		
Security	Sources of repayment for the bonds include: (i) Loan Repayments; (ii) Commonwealth Assistance Payments; (3) the Pool Program Reserve Fund; and (iv) the Deficiency Fund		
Ratings	Moody's: Aaa Standard & Poor's: AAA Fitch: AAA		
Type of Sale	Competitive		
Pricing Date	Wednesday, May 8 (expected)		
Closing	Wednesday, May 22		

* Preliminary, subject to change

MWPAT at a Glance

Since its establishment, the Trust has provided approximately $6 billion in loans to nearly 300 borrowers to improve and maintain the quality of water in the Commonwealth – an estimated 97% of Massachusetts citizens have benefited from these essential projects.

- Established in 1989 to improve the water quality in the Commonwealth through the provision of low-cost capital financing to cities, towns and other eligible entities, and to maintain stewardship of public funds with prudence, professionalism and integrity

- Administered by a three-member board chaired by the Treasurer of the Commonwealth, and includes the Secretary of the Executive Office for Administration and Finance, and the Commissioner of the Department of Environmental Protection

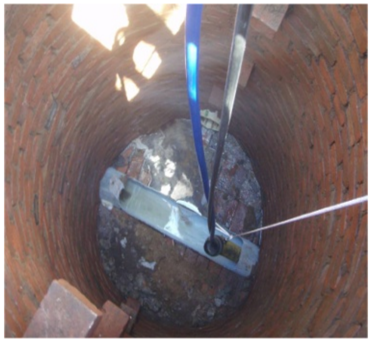
- Oversees financing for the clean water ("CW") and drinking water ("DW") state revolving funds ("SRFs") in partnership with the Department of Environmental Protection (DEP)

- Provides subsidized loans to local governmental units for CW and DW infrastructure development
  - The projects financed are those ranked as a priority based on responses to a series of questions intended to identify the most relevant public health and environmental related projects

- Title V- Community Septic Management Program, established in 1996, provides funding in the form of low cost loans to allow communities to devise a Local Septic Management Plan, providing financial assistance to homeowners

Clean Water Projects Financed through SRF Program

Clean Water SRF



- Maintenance and upgrade of municipal wastewater systems is critical to protecting the Commonwealth's environment, meeting the public health needs of its citizens, and promoting business development
- The 2012 CWSRF Intended Use Plan (IUP) offered $302 million to finance clean water projects:
  - Replacement of aged infrastructure components
  - Installation of advance water treatment technologies
  - Reduction to the carbon footprint of treatment facilities by installing more energy efficient equipment

- Additional subsidies provided for Renewable Energy Generation and Environmental Justice Communities

$302 million of SRF Funded projects estimated to create 1,800 construction and engineering jobs

Drinking Water Projects Financed through SRF Program

Drinking Water SRF

- Every citizen in the Commonwealth has the right to safe and clean drinking water, and they depend on their federal, state and local governments to protect this right
- The 2012 DWSRF Intended Use Plan (IUP) offered $115 million to finance drinking water projects:
  - Construction or upgrade of a municipal water treatment facility
  - Replacement or rehabilitation of water mains and pump stations to address deficiencies in the water supply distribution system
  - Construction or rehabilitation of water storage tanks to ensure a reliable water supply
- Additional subsidies provided for Renewable Energy Generation and Environmental Justice Communities

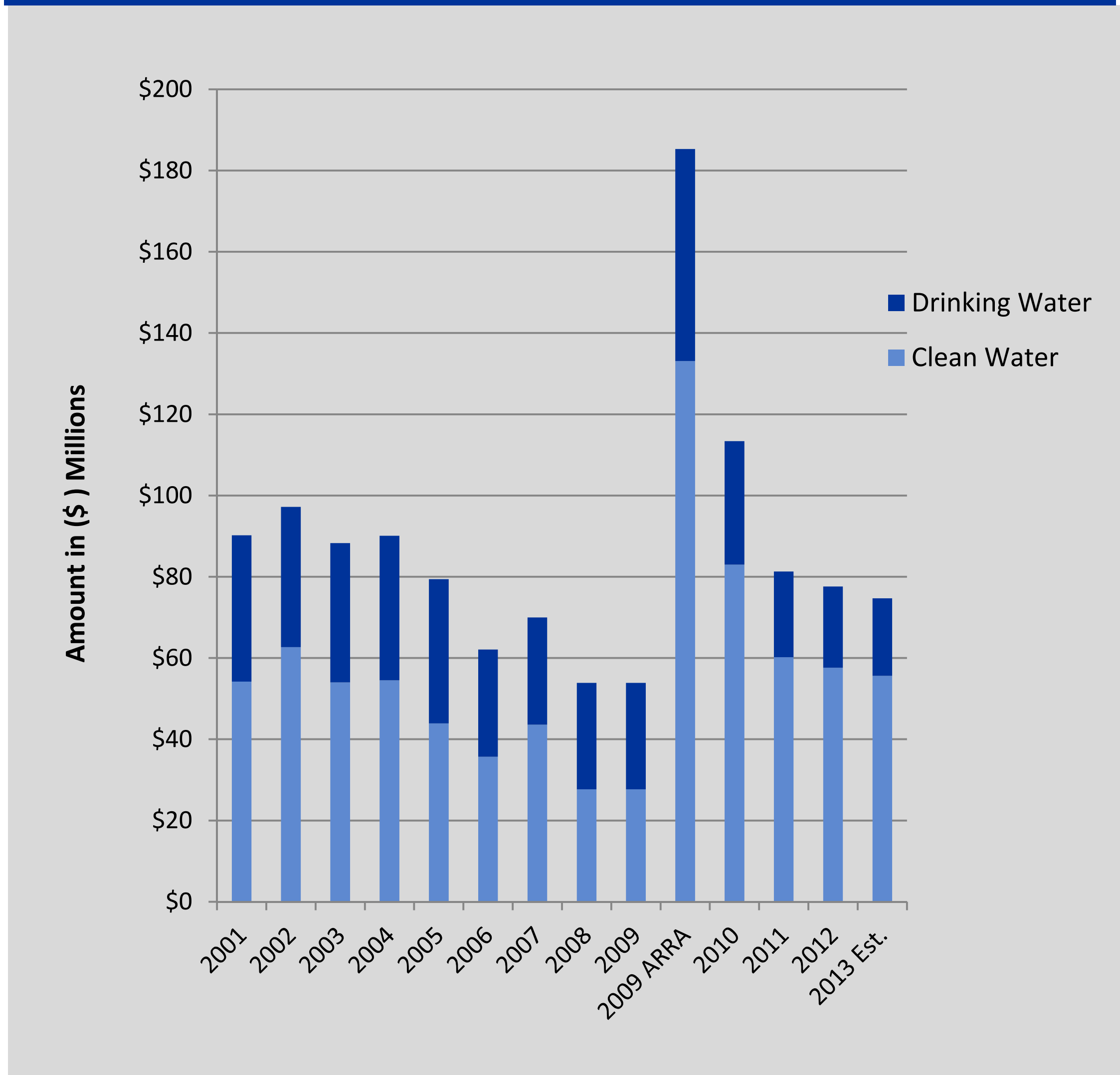
$115 million of SRF Funded projects estimated to create 690 construction and engineering jobs

Federal and State Capitalization Overview

The Trust has received significant Federal and State financial support:

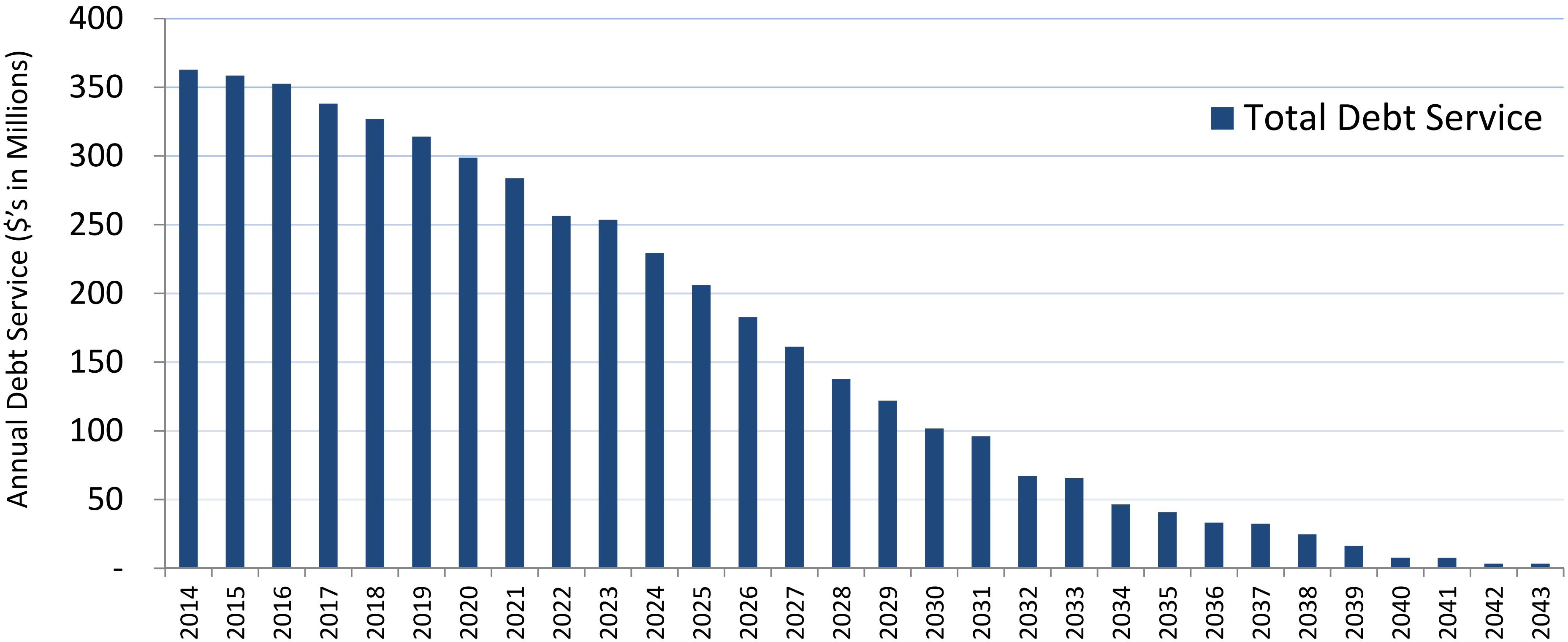
- Nearly $2.0 billion in federal capitalization grants and state matching funds through FFY 2012
- Additional $185.3 million in federal stimulus grants in FFY 2009
- $74.7 million in federal capitalization grants and state matching funds projected in FFY 2013

Federal Capitalization Grant and State Matching Funds



Debt Profile

Trust Debt Service by FY*

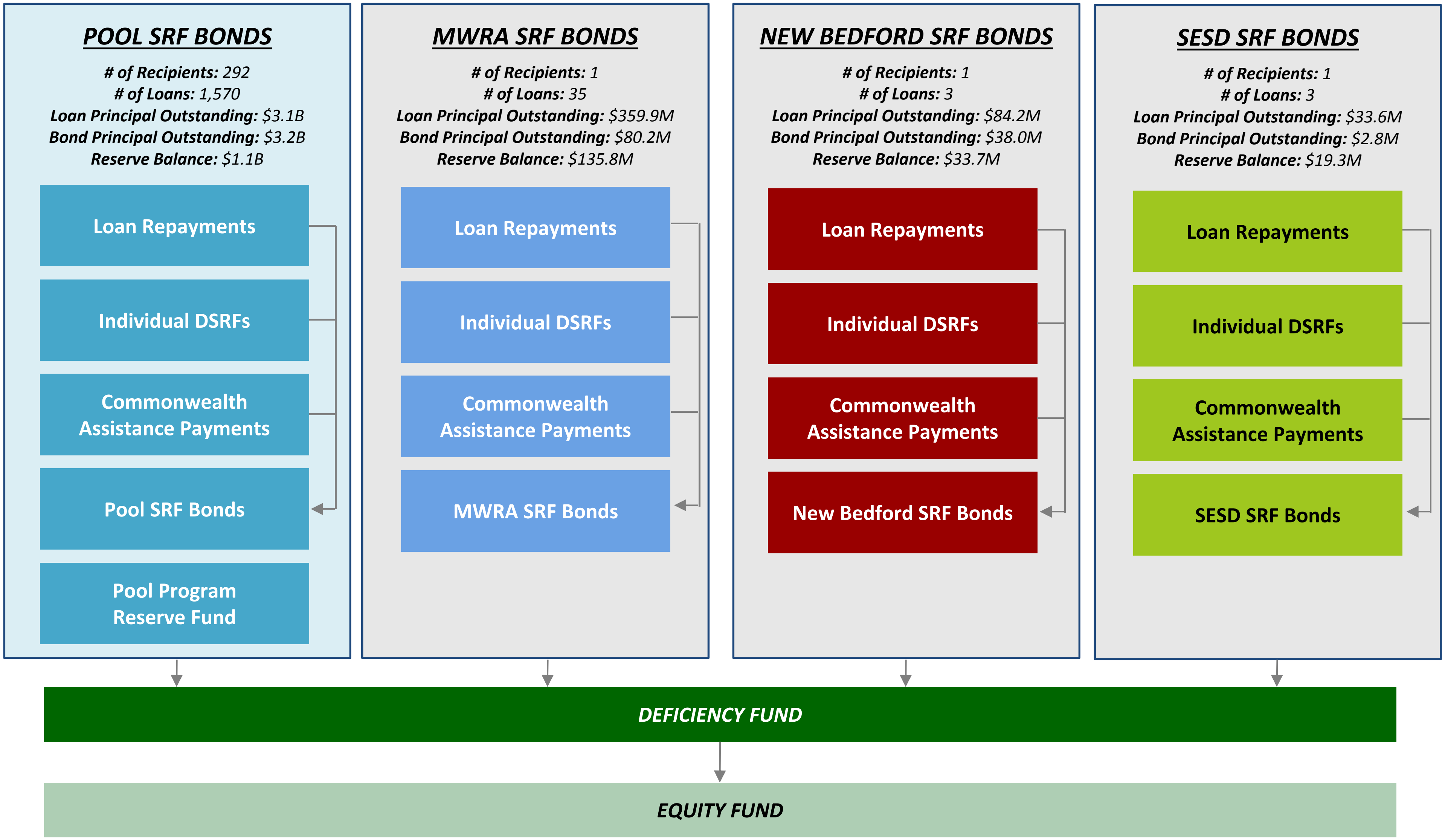


*As of March 31, 2013

- **Total Debt Outstanding:** $3.3 billion
- **Maximum Annual Debt Service:** $362.8 million
- **Average Annual Debt Service:** $163.0 million
- **Weighted Average Life of Debt:** 9.0 years

- **Capital Structure**
  - Fixed Rate Mode: 100%
  - Unhedged Variable Rate Mode: 0%
  - Derivatives Exposure: $77.3 million CPI Bonds, swapped to a fixed rate

Financing Profile



Note: Amounts outstanding as of March 31, 2013

Deficiency fund is available to cure shortfalls in any program

Sources of Bond Repayment (1,2)

Loan Repayments

- Composed of multiple revenue streams from nearly 300 unique borrowers
- Payments are due to the Trust 15 days in advance of debt service payments

Contract Assistance Payments

- $440.4 million in current and future assistance payments have been pledged by the Commonwealth to the Trust on behalf of program borrowers
- Secured by the full faith and credit of the Commonwealth, which is rated “Aa1/AA+/AA+”

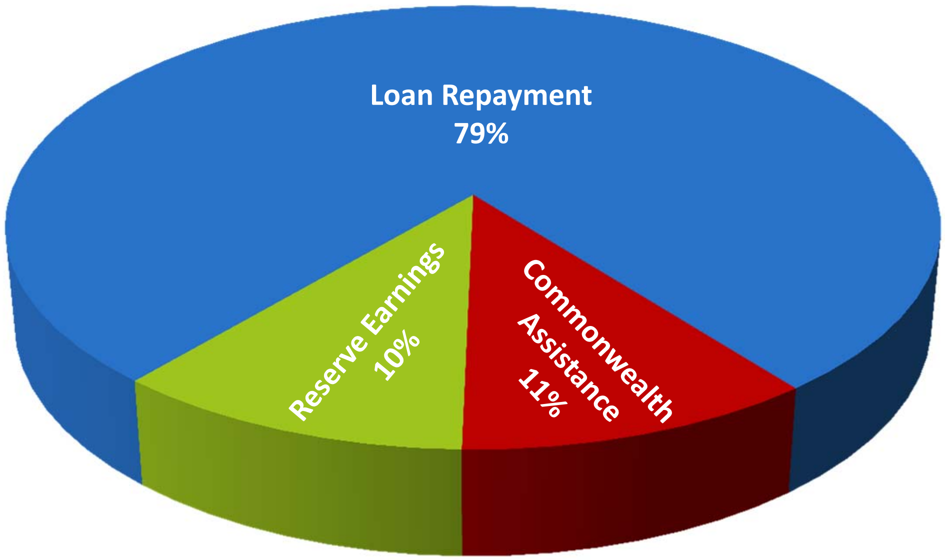
Reserve Funds

- Each Debt Service Reserve Fund secures its respective Bonds, as bonds amortize, proportional amounts of reserve funds “de-allocate” and are returned to Equity*
- 42% of Reserve Funds are invested in laddered portfolios of U.S. Treasuries and Agencies, remainder are invested in GICs, the bulk of which carry at least “AA” category ratings
- Series Reserve Fund releases flow through the Pool Program Reserve Fund and are available to all Pool Bonds

Deficiency Fund

- Secures all Bonds issued by the Trust on a parity basis
- Amounts released from Reserve Funds securing MWRA, SESD, and New Bedford Bonds, are transferred to the Deficiency Fund, together with funds released from the Pool Program Reserve Fund

*exception 2004 Refunding Bonds



(1) Includes all programs
(2) Does not reflect the proposed Series 17

Program Loans

Description

- Provide subsidized loans to cities and towns for clean water and drinking water infrastructure development
- Projects financed by the Trust are those ranked as a priority based on responses to a series of questions intended to measure the severity of public health and environmental problems
- Essential nature of water and wastewater service underlies the security of the loan repayment streams

Loan Rates

- Clean Water and Drinking Water:
    - Term: 20-years or less at 2%
    - For Pool 17, 30-year term is 2.40 %, subject to change

- Title V, up to 20-year term- Community Septic Management Program:
    - Borrowers pay 0%
    - Commonwealth contributes Contract Assistance Payments to program of 2%

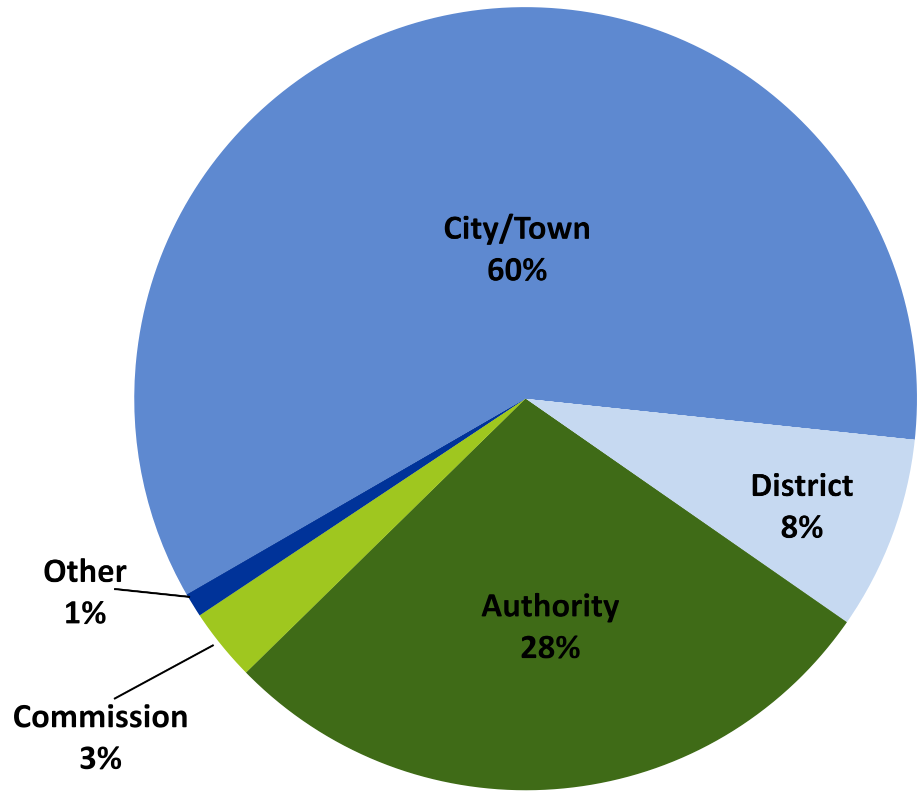
Loan Portfolio Offers a Stable and Secure Repayment Source

Strong Legal Protections for Loan Repayments

- *Cities and Towns:* general obligations or revenue obligations secured by water or sewer revenues
- *Regional Sewer Districts*: general obligations of the districts which assess debt service to constituent cities and towns
- *Water Districts:* taxing power and ability to charge water rates
- *Municipal Water and Sewer Commissions and MWRA*: payable from retail and wholesale water and sewer revenues
- *Local Aid Intercept*: upon a borrower's default, the Trust is authorized to obtain Commonwealth financial assistance that would otherwise be transferred to the borrower

High Quality Financing Book

- No loans securing bonds have ever defaulted
- Large and diverse pool of borrowers with sound credit quality
- ~96% of program borrowers are rated single A or better based upon principal outstanding, ~67% double A or better
- 75% of pool program loans are secured by a general obligation pledge of the borrowers
- The Trust's largest borrower, MWRA, is rated double A as of February 2013



Loan Portfolio Composition* (as of 3/31/2013)

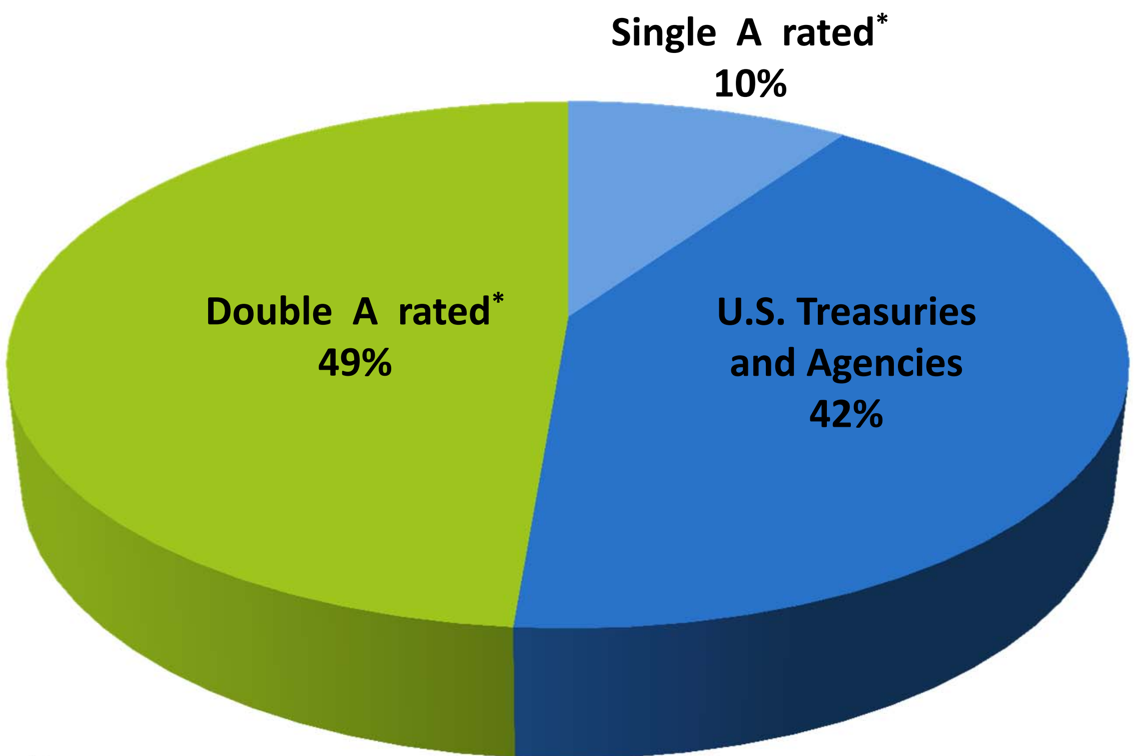
Rank	Recipient	Outstanding Principal	Percent of Total
1	MWRA [1]	$ 1,036,018,308	28.82%
2	Upper Blackstone Water Pollution Abatement District	150,229,727	4.18%
3	City of Fall River	136,574,292	3.80%
4	City of New Bedford [2]	129,259,848	3.60%
5	City of Brockton	93,743,240	2.61%
6	City of Lowell	79,463,314	2.21%
7	City of Taunton	75,567,012	2.10%
8	City of Chicopee	59,385,640	1.65%
9	Town of Nantucket	54,467,162	1.51%
10	Springfield Water & Sewer Commission	54,443,608	1.51%
11	Lynn Water and Sewer	52,006,491	1.45%
12	City of Gloucester	46,686,752	1.30%
13	South Essex Sewer District [3]	42,908,720	1.19%
14	Town of Chelmsford	37,769,592	1.05%
15	City of Fitchburg	32,970,523	0.92%

Serves 61 member communities in and around the metropolitan Boston area

*Loan Portfolio includes all Trust programs
(1) Includes loans from MWRA Bonds and Pool Bonds
(2) Includes loans from New Bedford Bonds and Pool Bonds
(3) Includes loans from SESD Bonds and Pool Bonds

Debt Service Reserve Fund Investments

- The Trust has approximately $1.3 billion in reserves outstanding
  - As bonds amortize, proportional amounts of Reserve Funds “de-allocate” and are returned to Equity
- 42% of outstanding Reserve Funds are invested in laddered portfolios of U.S. Treasuries and Agencies
- Remaining Reserve Funds are invested in GICs, the bulk of which are at least double A rated



*Based on highest rating
Data as of 3/31/2013

Security for the Trust Bonds

- The Trust applies the federal grants and state matching funds and other moneys available to the Trust (SRF Program Funds) to make loans and/or to provide security for its Bonds

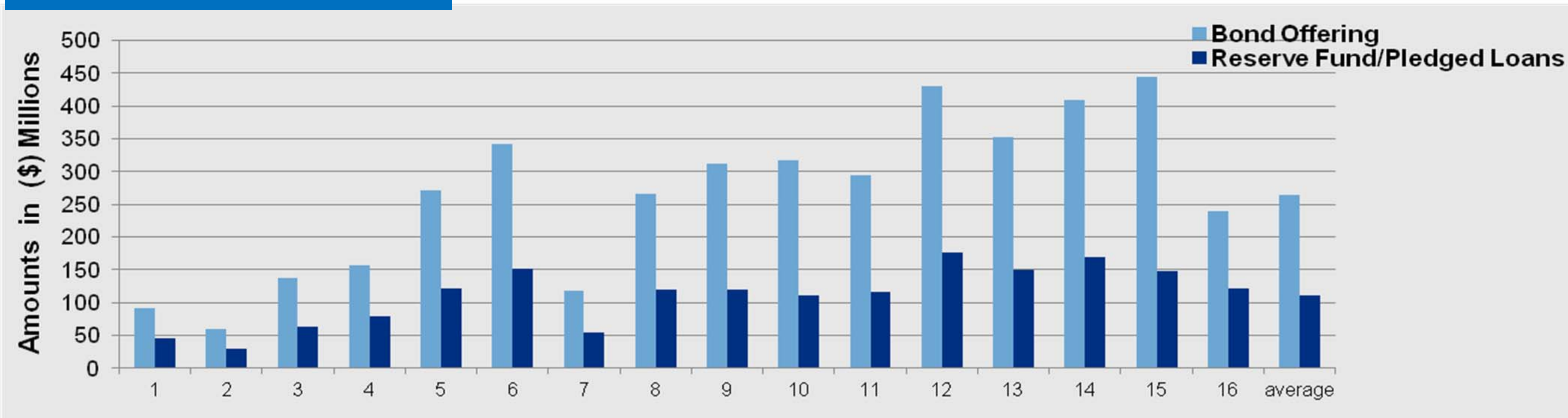
Reserve Fund Approach

In the past, the Trust has applied SRF Program Funds to establish reserve funds to first secure the bonds issued to fund such projects – earnings on these reserve funds were used to pay a portion of debt service on the related SRF Bonds

Pledged Direct Loan Approach

The Trust may apply its SRF Program Funds to fund loans to borrowers that will be pledged as security to the bonds – interest payments on these loans will be used to pay debt service

Bond Series Financings



Trust's Series 16 Bonds used the Pledged Direct Loan Approach that allowed for an additional $121 million in projects to be funded rather than SRF Program Funds deposited into a reserve fund.

Massachusetts Water Pollution Abatement Trust

Existing Program Coverage (Pool SRF Program Only)

Programmatic Coverage, Prior to the Issuance of Series 17

	Available Revenues					
Fiscal Year Ending June 30,	Debt Service Payments on Pool SRF Bonds[1]	Borrower Loan Repayment Obligations	Reserve Fd Earnings and 2004 DSRF Withdrawals[2]	Commonwealth Contract Assistance Payments and Subsidy Fund Amounts[3]	Total Revenues Available to Pay Debt Service on Pool SRF Bonds	Transfers to Pool Program Reserve Fund[4]
2014	352,202,583	221,607,253	46,180,721	88,763,957	356,551,931	64,919,529
2015	348,383,297	219,870,513	43,447,753	85,028,470	348,346,736	65,095,843
2016	343,538,952	214,922,714	40,935,982	83,364,353	339,223,049	64,439,178
2017	326,337,860	214,363,685	38,435,775	75,856,138	328,655,598	66,244,387
2018	299,414,432	208,067,215	35,423,716	51,782,765	295,273,696	67,911,342
2019	288,619,185	207,824,572	31,819,284	52,320,375	291,964,232	69,772,232
2020	275,626,141	198,863,913	28,676,203	56,094,870	283,634,985	66,437,163
2021	274,865,147	190,618,029	25,263,985	64,086,406	279,968,420	67,168,066
2022	248,191,625	177,405,624	19,312,379	55,216,865	251,934,868	53,947,989
2023	246,033,932	176,299,832	16,812,357	58,934,348	252,046,537	60,822,254
2024	222,419,547	165,087,648	14,982,415	49,013,770	229,083,833	59,580,166
2025	199,899,914	153,136,293	11,508,957	39,699,352	204,344,602	52,238,274
2026	177,150,584	143,695,986	11,087,208	35,622,135	190,405,330	47,778,039
2027	159,835,886	131,429,594	8,251,926	24,351,202	164,032,723	43,961,059
2028	136,664,170	114,200,118	6,294,975	21,489,651	141,984,743	29,727,444
2029	121,301,387	101,850,085	5,891,895	20,221,909	127,963,888	32,500,474
2030	101,289,035	89,140,724	5,109,010	13,887,605	108,137,338	27,852,292
2031	95,812,854	86,419,799	4,140,916	10,384,318	100,945,033	28,617,767
2032	66,989,133	58,072,399	3,427,378	7,323,754	68,823,530	20,379,965
2033	65,511,159	57,955,919	2,830,467	7,209,137	67,995,523	20,969,645
2034	46,502,503	46,467,653	2,240,568	1,608,184	50,316,405	15,233,641
2035	40,932,991	42,262,081	1,700,020	664,853	44,626,953	13,698,878
2036	33,200,807	35,584,023	1,237,754	-	36,821,776	11,415,023
2037	32,543,136	31,565,341	815,519	-	32,380,860	11,673,594
2038	24,660,283	24,023,352	443,278	-	24,466,630	8,970,612
2039	16,383,446	16,055,219	189,838	-	16,245,057	5,841,093
2040	7,728,746	7,592,909	71,487	-	7,664,395	2,335,844
2041	7,588,227	7,574,930	24,006	-	7,598,936	2,391,453
2042	3,401,700	3,403,788	-	-	3,403,788	993,426
2043	3,381,300	3,384,883	-	-	3,384,883	1,018,778
	4,566,409,961	3,348,746,091	406,555,770	902,924,416	4,658,226,277	1,083,935,448

[1] Includes Federal Subsidy Paments originally expected with respect to the Trust's outstanding BABs, although the full amount of such Subsidy Payments will be reduced in fiscal year 2014 and may be reduced in future years.

[2] Includes investment earnings on the 2004 DSRF. Does not include any reserve fund earnings with respect to loans originally funded from the proceeds of SESD SRF Bonds or MWRA SRF Bonds. Such reserve fund earnings are expeced to be used to pay debt service on the portion of the SESD SRF Bonds and the MWRA SRF Bonds, respectively, that were not refunded by Pool SRF Bonds.

[3] Includes amounts attributable to debt service savings which are expected to be allocated to the Trust from various refundings including the refunding of certain SESD SRF Bonds, MWRA SRF Bonds and New Bedford SRF Bonds with Pool SRF Bonds.

[4] These amounts are expected to be transferred to the Pool Program Reserve Fund from the reserve funds for certain of the Pool SRF Bonds (other than the 2004 Debt Service Reserve Fund) and from principal repayments received on Pledged Direct Loans.

Financing Overview

The Trust plans to issue $204.6 million* of State Revolving Fund Bonds, Series 17, consisting of:

- $187.9 million* of Subseries 17A Bonds (Tax – Exempt)
- $16.7 million* of Subseries 17B Bonds (Federally Taxable)

Series 17 Bonds

- Issued to finance or refinance costs of certain water pollution abatement and drinking water projects
- Leveraged Loans funded by bond proceeds, $242.6 million*
- Direct Loans funded by program equity, $97.8 million*
- Leveraged Loans and Direct Loans are pledged to Series 17 Bonds

* Preliminary, subject to change

Massachusetts Water Pollution Abatement Trust

Series 17 Borrowers*

Borrower	Loan Amount
Abington	$ 510,745
Barnstable County	12,000,000
Barnstable	1,508,907
Bellingham	300,000
Belmont	1,579,600
Bristol County	1,100,000
Brockton	2,510,186
Chatham	2,256,265
Chicopee	22,582,000
Cohasset	1,500,000
Concord	324,715
Charles River Pollution Control District	3,495,575
Dighton	66,558
Dracut	8,231,765
Easton	4,840,295
East Bridgewater	800,000
Everett	2,838,033
Fairhaven	716,000
Fall River	7,295,540
Foxborough	600,000
Framingham	1,555,750
Gloucester	15,074,527
Greater Lawrence Sewer District	9,315,654
Hanson	350,000
Harvard	2,540,382
Haverhill	6,100,628
Holyoke	1,037,434
Ipswich	1,145,359
Lawrence	3,733,006
Lowell	3,114,451
Ludlow	921,027
Lunenburg Water District	19,423
Lynnfield	252,841

Borrower	Loan Amount
Malden	$ 6,095,226
Mansfield	11,300,898
Marion	105,123
Marlborough	20,000,000
Marshfield	5,450,000
Mattapoisett	6,097,990
Maynard	4,252,635
Middleboro	200,000
Millville	105,000
MWRA	40,557,005
Nantucket	478,449
Needham	6,034,290
New Bedford	10,409,184
Newburyport	34,324,639
Northampton	119,412
Norton	165,000
Norwell	17,620
Norwood	2,175,000
Palmer	172,750
Pittsfield	677,334
Plainville	2,688,192
Plymouth	800,000
Revere	5,007,999
Rockland	510,745
Rowley	11,547,000
Salisbury	111,262
Saugus	2,387,235
Scituate	5,737,667
South Grafton Water District	554,517
Shirley	72,661
Shrewsbury	956,875
Southbridge	907,273
Spencer	588,500

Borrower	Loan Amount
Stoughton	$ 350,000
Sturbridge	9,026,495
Swansea Water District	273,023
Springfield Water & Sewer Commission	8,265,401
Taunton	9,207,257
Templeton	205,000
Waltham	108,702
Wareham	200,000
West Bridgewater	245,637
West Springfield	8,572,386
Woburn	2,654,337
Worcester	522,692
Total	$ 340,455,077

* Preliminary, subject to change

Security for the Series 17 Bonds

Recipient Payments

- $340.4 million ($242.6 million Leveraged Loans and $97.8 million of Direct Loans) will be directly pledged to the Series 17 Bonds providing for more than 1x debt service coverage*
- Payments are due to the Trust 15 days in advance of debt service payments

Commonwealth Assistance Payments

- The Commonwealth will commit approximately $6.1 million of funds to the Trust on behalf of program borrowers

Pool Program Reserve Fund

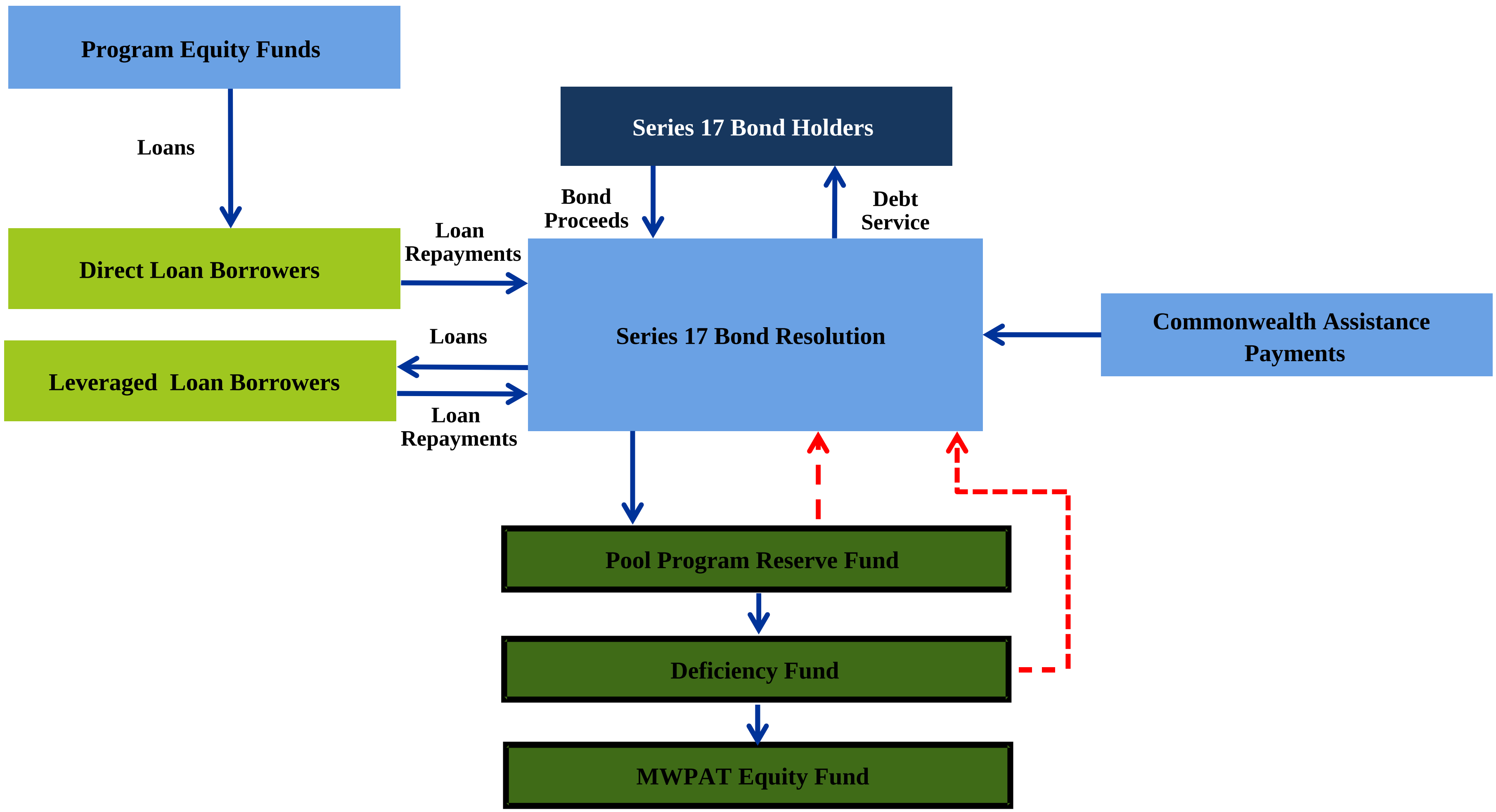
- The Pool Program Reserve Fund is held by the Program Trustee under the Program Resolution
- Amounts released from reserve funds securing the Pool Bonds, together with certain amounts released from the reserve funds securing SESD Bonds, MWRA Bonds and New Bedford Bonds which have been refunded in part by Pool Bonds, are transferred to the Pool Program Reserve Fund
- The Pool Program Reserve Fund secures all Pool Bonds, on a parity basis, including Series 17

Deficiency Fund

- The Deficiency Fund is held by the Program Trustee under the Program Resolution
- Amounts released from reserve funds securing the MWRA Bonds, the SESD Bonds and the New Bedford Bonds (other than those amounts from such reserve funds first transferred to the Pool Program Reserve Fund), such amounts are transferred to the Deficiency Fund, together with funds released from the Pool Program Reserve Fund
- The Deficiency Fund secures all Bonds issued by the Trust on a parity basis, including Series 17

* Preliminary, subject to change

Series 17 Structure*



*** Simplified for graphic presentation purposes**

Planned Flows

As needed Cash Flows

Series 17 Sources and Uses of Funds*

Preliminary Amortization*

Maturity	Series 17A	Series 17B	Total
02/01/2014	2,245,000	5,930,000	8,175,000
02/01/2015	1,945,000	5,390,000	7,335,000
02/01/2016	2,025,000	5,360,000	7,385,000
02/01/2017	7,425,000	25,000	7,450,000
02/01/2018	7,740,000		7,740,000
02/01/2019	8,040,000		8,040,000
02/01/2020	8,360,000		8,360,000
02/01/2021	8,690,000		8,690,000
02/01/2022	9,040,000		9,040,000
02/01/2023	9,400,000		9,400,000
02/01/2024	9,490,000		9,490,000
02/01/2025	9,875,000		9,875,000
02/01/2026	10,275,000		10,275,000
02/01/2027	10,690,000		10,690,000
02/01/2028	10,020,000		10,020,000
02/01/2029	10,365,000		10,365,000
02/01/2030	10,790,000		10,790,000
02/01/2031	11,235,000		11,235,000
02/01/2032	11,475,000		11,475,000
02/01/2033	11,955,000		11,955,000
02/01/2034	1,425,000		1,425,000
02/01/2035	1,475,000		1,475,000
02/01/2036	1,530,000		1,530,000
02/01/2037	1,585,000		1,585,000
02/01/2038	1,645,000		1,645,000
02/01/2039	1,705,000		1,705,000
02/01/2040	1,770,000		1,770,000
02/01/2041	1,840,000		1,840,000
02/01/2042	1,905,000		1,905,000
02/01/2043	1,980,000		1,980,000
total	**187,940,000**	**16,705,000**	**204,645,000**

Sources

Par Amount	$	204,645,000
Bond Premium		38,200,869
Program Equity Funds		97,807,395
Origination Fees from Borrowers		1,443,812
Total Sources	$	342,097,076

Uses

Bond Funded Loans	$	242,647,682
Equity Funded Loans		97,807,395
Cost of Issuance		1,637,160
Total Uses	$	342,097,076

* Preliminary, subject to change

Credit Highlights

Strong Borrower Fundamentals

- No leveraged loans pledged to Bonds have ever defaulted
- Local aid intercept

Programmatic Strength

- Highly rated and diverse loan pool with strong security provisions
- Commonwealth Assistance Payments are a source of program subsidy
- Additional security at a program level (Pool Program Reserve Fund and Deficiency Fund)

Support and Management

- Repeat borrowers and constant municipal contact ensure Trust awareness of local considerations
- Bonds trade actively in the secondary market

Essentiality of the water and wastewater infrastructure projects being funded

- The Trust constitutes the single largest financing source of essential water infrastructure projects in the Commonwealth

The Trust continues to be a strong “Aaa/AAA/AAA” rated credit by Moody’s, S&P and Fitch. Maintaining the AAA bond rating reduces the cost of borrowing, thus reducing the cost incurred by the Commonwealth to subsidize the loans.

* Preliminary, subject to change

Issuance Timeline*

May						
S	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- **Competitive Pricing Series 17A and 17B:** Wednesday, May 8, 2013 (expected)
- **Closing:** Wednesday, May 22, 2013

Please direct any additional questions you may have to:

MWPAT

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Preliminary, subject to change