



Bulletin

To: Mayors, City Managers, Selectmen
Treasurers, City Auditors and Town Accountants

Executive Directors, Commissioners and Treasurers
of Sewer Districts and Authorities

From: Harry M. Grossman, Acting Deputy Commissioner

Topic: **Sewer Rate Relief Fund - FY 97**

The Commonwealth's Sewer Rate Relief Fund was established in 1993 by Section 2Z of Chapter 29 of the General Laws, to help mitigate the escalating costs of sewer service in Massachusetts. A city, town, and sewer district or authority will receive funds in FY 97 if it meets the eligible debt criteria set forth in Section 610 of Chapter 151 of the Acts of 1996 (FY97 state budget). Attached is an application form that must be received by the Division of Local Services (DLS) no later than August 30, 1996.

The appropriation for Sewer Rate Relief for FY97 is \$46,858,000, up \$858,000 from last year. The FY97 program is essentially the same as it was in FY96. To receive Sewer Rate Relief an entity must have eligible indebtedness issued on or after January 1, 1990. Eligible debt is defined as that issued after January 1, 1990 with a maturity greater than five years, for water pollution control projects. Projects which received state construction grant assistance are not eligible. Projects which are financed through the Massachusetts Water Pollution Abatement Trust, and receive financing subsidies, are not eligible, unless the amount financed through the Trust exceeded \$50,000,000 on June 30, 1995. Generally speaking, awards from the Sewer Rate Relief Fund are computed at 20 percent of the applicant's eligible debt service.

The Division of Local Services in consultation with the Department of Environmental Protection, is responsible for developing guidelines to certify indebtedness and the equitable distribution of funds. Distribution of the funds will occur only after the Division receives certification from the local board, or official responsible for setting sewer rates, that the funds will be used to reduce sewer charges. It is therefore important that data be submitted as early as possible so that local sewer rates can be set.

The attached form will allow DLS to calculate the amount of eligible indebtedness for each city, town, and sewer district or authority as soon as possible. Please be sure that all municipalities that comprise a district or authority are correctly reflected in the application. To ensure accuracy we are requesting that the treasurer and mayor or selectmen, or treasurer and executive director of an authority or commissioners of a district, complete the attached Application for FY97 Distribution by August 30, 1996.

DLS has debt schedules on file for cities and towns that receive Sewer Rate Relief Funds last year, FY96. For those communities, DLS will be able to compute eligible FY97 debt unless any detail with respect to these issues has changed, such as refunding of the original issue. Please review the entire schedule before completing and signing the application. If you have any questions about the administration of the program, please contact Jim Johnson, Assistant Director of Accounts at (617) 626-2381.

COMMONWEALTH SEWER RATE RELIEF FUND

Section 2Z, Chapter 29, M.G.L.
and Section 610, Chapter 151 of the Acts of 1996

APPLICATION FOR FY97 DISTRIBUTION

City/Town/District/Authority

A. SEWER OPERATIONS

To be completed by cities and towns:

1. Do you operate your own sewer service? ☐ YES ☐ NO

If YES, do you pump to another city or town or to an authority?

Please specify: _____

2. Is sewer service provided to all or part of city or town directly by district, authority or commission? ☐ YES ☐ NO

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If YES, please specify: _____

3. What Board or official is responsible for setting sewer rates?

To be completed by districts and authorities:

4. Please list cities and towns served. Check R (retail) if you bill customers directly or W (wholesale) if you bill the cities or towns in bulk. Attach additional sheet if needed.

City or Town	R	W
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City/Town/District/Authority

B. 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 Clean Water Act** (33 USC, secs. 1251 et seq.) and secs. 26 to 53 inclusive of Ch. 21 M. G. L. or any wastewater collection or transportation project related thereto. Attach additional sheet if needed.

Do not list any issues for which **state grants** were received.

Do not list any issues through the **Mass. Water Pollution Abatement Trust** unless the total of issues through MWPAT exceeded \$50,000,000 on June 30, 1995.

Purpose (description and location of work)	Issue Date	Original Amount*	FY97 Debt Service*	Grants Received?
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* Attach debt service schedule for life of issue.

C. SUBMITTED BY:

	Mayor
	Manager
	Selectmen
	Executive Director
	Commissioners

Treasurer

Phone: _____

FAX: _____

D. Return by August 30, 1996 by mail or fax:

DIVISION OF LOCAL SERVICES
ATTN: James R. Johnson, Assistant Director of Accounts
Box 9655
Boston, MA 02114-9655

FAX (617) 626-2330

The Division of Local Services is responsible for oversight of and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. The Division regularly publishes IGRs ([Informational Guideline Releases](#) detailing legal and administrative procedures) and the [Bulletin](#) (announcements and useful information) for local officials and others interested in municipal finance.

Post Office Box 9655, Boston, MA 02114-9655, Tel: 617-626-2300; Fax: 617-626-2330