TO: Mayors, City Managers, Selectmen
Executive Directors, Sewer Authorities,
Commissioners, Sewer Districts,
City and Town Treasurers

FROM: Mary Jane Handy, Director of Accounts

DATE: January 2018

SUBJECT: Sewer Rate Relief Fund – FY2018

The Commonwealth Sewer Rate Relief Fund operates under General Laws Chapter 29, § 2Z. 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. In FY2018, $1,100,000 was appropriated.

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 the Massachusetts Clean Water Trust 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, January 26, 2018 to Gerry Cole at the address below. Mr. Cole may be reached by telephone at (617) 626-4110, by E-mail at coleg@dor.state.ma.us, or by fax at 617-660-3986.
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, §§ 1251 et seq.) and M.G.L. c. 21, §§ 26-53 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. Clean Water Trust are also ineligible unless the total debt issued through MWPAT exceeded $50,000,000 on June 30, 1995.

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<th>Project Number</th>
<th>Project Name</th>
<th>Issue Date</th>
<th>Original Amount*</th>
<th>FY2018 Debt Service*</th>
<th>Grants Received</th>
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Total FY2018 Debt Service $________________________

*A legible debt service schedule for the life of the bonds must be attached for all projects (this includes schedules submitted in prior years). Every refunding issue must be tied in to the initial borrowing.
B. PROJECT DESCRIPTIONS

For new indebtedness eligibility being requested from the FY2018 Commonwealth Sewer Rate Relief Fund, i.e., eligibility requests from new applicants or additional eligibility requests from prior year award recipients, 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.

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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, §§ 1251 et seq.) and M.G.L. c. 21, §§ 26-53.

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Manager _____________________________ Commissioners _________________________
Selectmen _____________________________
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E. Return by Friday, January 26, 2018 by e-mail, mail or fax:

coleg@dor.state.ma.us

Division of Local Services
Attn: Gerry Cole, Public Finance Section
P.O. Box 9569
Boston, Mass. 02114-9569 Fax (617) 660-3986
**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.