



Bulletin

BUL-2021-10

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

FROM: Deborah Wagner, Director of Accounts

DATE: September 2021

SUBJECT: Sewer Rate Relief Fund – FY2022

The Commonwealth Sewer Rate Relief Fund operates under Massachusetts General Laws Chapter 29, § 22Z. 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 FY2022, \$1,500,000 has been 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.

Ineligible debt service:

- projects which received state grants, and/or
- projects financed through the Massachusetts Clean Water Trust, (formerly the Massachusetts Water Pollution Abatement Trust or MWPAT) through the State Revolving Fund Program unless the total debt issued through MWPAT exceeded \$50,000,000 on June 30, 1995.

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, October 29, 2021 to boadata@dor.state.ma.us. For application questions, please E-mail Tony Rassias at rassias@dor.state.ma.us.

**Division of Local Services
Massachusetts Department of Revenue**

COMMONWEALTH SEWER RATE RELIEF FUND

APPLICATION FOR FY2022 DISTRIBUTION

Town of Arlington
City/Town/District/Authority

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 by the **Mass. Clean Water Trust** (State Revolving Fund Program) are also ineligible unless the total debt issued through the Massachusetts Water Pollution Abatement Trust (MWPAT) exceeded \$50,000,000 on June 30, 1995.

Project ID Number	Project Name	Issue Date	Original Amount*	FY2022 Debt Service*	SRF Loan Received? (Y/N)
1.	Sewer	8/24/11	\$1,300,000	\$131,950	N
2.	Sewer	11/15/12	\$ 280,000	\$ 18,906.26	N
3.	Sewer/Sewer Facil	11/1/13	\$1,200,000	\$ 84,150	N
4.	Sewer	12/6/18	\$ 588,700	\$ 50,225	N
5.					
6.					
7.					
8.					
9.					
10.					

Total FY2022 Debt Service \$ 285,231.26

***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 FY2022 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.

Project ID #	Project Name	Project Description
<u>1</u>	<u>Phase 3,4,&6 I/I Work</u>	<u>Phase 3 Area work included sewer rehab and construction to remove inflow/infiltration from Town's system.</u> <u>Phase 4 Area work consisted of design for inflow/infiltration removal.</u> <u>Phase 6 Area work consisted of smoke testing to find illicit drain connections to the Town's sewer system.</u>
<u>2</u>	<u>Phase 5 I/I work</u>	<u>Phase 5 Area work consisted of building inspections within the area to identify properties with sump pump connections to the Town's sewer system.</u> <u></u> <u></u>
<u>3</u>	<u>Phase 6 & 8 I/I work</u>	<u>Phase 6 Area work included the construction of sewer improvements to remove inflow/infiltration.</u> <u>Phase 8 Area work included sewer system condition investigations for the purpose of designing system improvements.</u>
<u>4</u>	<u>Phase 10 I/I work</u>	<u>Phase 10 Area work included sewer rehab and construction to remove inflow/infiltration from Town's system.</u> <u></u> <u></u> <u></u>
<u></u>	<u></u>	<u>The Phase Areas listed above represent sections of the Town developed in a multiyear program to inspect/design and construct improvements. The goal of these improvements being the reduction of inflow/infiltration into the Town's sewer system as well as structural repairs to the system network.</u> <u></u>

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 to finance capital water pollution control projects which would otherwise be financed through borrowing. Example Use of Award Proceeds statements have been provided at the end of this application.

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

D. CERTIFICATION:

We certify that the above listed eligible 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.

Mayor	_____	Exec. Director	_____
Manager	_____	Commissioners	_____
Selectmen	_____		_____
	_____		_____
	_____	Treasurer	_____
	_____	Phone	_____
	_____	Fax	_____
		E-mail	_____

E. Return by Friday, October 29, 2021 by e-mail to:

boadata@dor.state.ma.us

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.

Town of Arlington, Massachusetts
\$5,555,000 General Obligation Municipal Purpose Loan of 2018 Bonds
\$558,700 Sewer (I) , Dated December 6, 2018
Ch. 44, s. 7(1), Auth. 4/26/2017, Art. 42

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/06/2018	-	-	-	-	-
06/01/2019	-	-	11,744.44	11,744.44	-
06/30/2019	-	-	-	-	11,744.44
12/01/2019	33,700.00	5.000%	12,080.00	45,780.00	-
06/01/2020	-	-	11,237.50	11,237.50	-
06/30/2020	-	-	-	-	57,017.50
12/01/2020	30,000.00	5.000%	11,237.50	41,237.50	-
06/01/2021	-	-	10,487.50	10,487.50	-
06/30/2021	-	-	-	-	51,725.00
12/01/2021	30,000.00	5.000%	10,487.50	40,487.50	-
06/01/2022	-	-	9,737.50	9,737.50	-
06/30/2022	-	-	-	-	50,225.00
12/01/2022	30,000.00	3.000%	9,737.50	39,737.50	-
06/01/2023	-	-	9,287.50	9,287.50	-
06/30/2023	-	-	-	-	49,025.00
12/01/2023	30,000.00	5.000%	9,287.50	39,287.50	-
06/01/2024	-	-	8,537.50	8,537.50	-
06/30/2024	-	-	-	-	47,825.00
12/01/2024	30,000.00	5.000%	8,537.50	38,537.50	-
06/01/2025	-	-	7,787.50	7,787.50	-
06/30/2025	-	-	-	-	46,325.00
12/01/2025	30,000.00	5.000%	7,787.50	37,787.50	-
06/01/2026	-	-	7,037.50	7,037.50	-
06/30/2026	-	-	-	-	44,825.00
12/01/2026	30,000.00	5.000%	7,037.50	37,037.50	-
06/01/2027	-	-	6,287.50	6,287.50	-
06/30/2027	-	-	-	-	43,325.00
12/01/2027	30,000.00	5.000%	6,287.50	36,287.50	-
06/01/2028	-	-	5,537.50	5,537.50	-
06/30/2028	-	-	-	-	41,825.00
12/01/2028	30,000.00	5.000%	5,537.50	35,537.50	-
06/01/2029	-	-	4,787.50	4,787.50	-
06/30/2029	-	-	-	-	40,325.00
12/01/2029	30,000.00	4.000%	4,787.50	34,787.50	-
06/01/2030	-	-	4,187.50	4,187.50	-
06/30/2030	-	-	-	-	38,975.00
12/01/2030	25,000.00	4.000%	4,187.50	29,187.50	-
06/01/2031	-	-	3,687.50	3,687.50	-
06/30/2031	-	-	-	-	32,875.00
12/01/2031	25,000.00	4.000%	3,687.50	28,687.50	-
06/01/2032	-	-	3,187.50	3,187.50	-
06/30/2032	-	-	-	-	31,875.00
12/01/2032	25,000.00	4.000%	3,187.50	28,187.50	-
06/01/2033	-	-	2,687.50	2,687.50	-
06/30/2033	-	-	-	-	30,875.00
12/01/2033	25,000.00	3.375%	2,687.50	27,687.50	-
06/01/2034	-	-	2,265.63	2,265.63	-
06/30/2034	-	-	-	-	29,953.13
12/01/2034	25,000.00	3.500%	2,265.63	27,265.63	-
06/01/2035	-	-	1,828.13	1,828.13	-
06/30/2035	-	-	-	-	29,093.76
12/01/2035	25,000.00	3.500%	1,828.13	26,828.13	-
06/01/2036	-	-	1,390.63	1,390.63	-
06/30/2036	-	-	-	-	28,218.76
12/01/2036	25,000.00	3.625%	1,390.63	26,390.63	-
06/01/2037	-	-	937.50	937.50	-
06/30/2037	-	-	-	-	27,328.13
12/01/2037	25,000.00	3.750%	937.50	25,937.50	-
06/01/2038	-	-	468.75	468.75	-
06/30/2038	-	-	-	-	26,406.25
12/01/2038	25,000.00	3.750%	468.75	25,468.75	-
06/30/2039	-	-	-	-	25,468.75
Total	\$558,700.00	-	\$226,555.72	\$785,255.72	-

Yield Statistics

Bond Year Dollars.....	\$5,575.94
Average Life.....	9.980 Years
Average Coupon.....	4.0630945%
Net Interest Cost (NIC).....	3.3395802%
True Interest Cost (TIC).....	3.2053478%
Bond Yield for Arbitrage Purposes.....	3.0326343%
All Inclusive Cost (AIC).....	3.2053478%

IRS Form 8038

Net Interest Cost.....	3.1743896%
Weighted Average Maturity.....	9.792 Years

Hilltop Securities Inc.
Public Finance

Town of Arlington, Massachusetts
General Obligation Bonds, Series A - Dated August 24, 2011
\$1,300,000 Sewer (I)
C. 44 s. 7(1), authorized 5/16/2011

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
08/15/2012	Serial Coupon	2.000%	0.350%	130,000.00	101.604%	132,085.20
08/15/2013	Serial Coupon	3.000%	0.450%	130,000.00	105.008%	136,510.40
08/15/2014	Serial Coupon	2.000%	0.400%	130,000.00	104.727%	136,145.10
08/15/2015	Serial Coupon	3.000%	0.520%	130,000.00	109.744%	142,667.20
08/15/2016	Serial Coupon	3.000%	0.870%	130,000.00	110.348%	143,452.40
08/15/2017	Serial Coupon	3.000%	1.150%	130,000.00	110.652%	143,847.60
08/15/2018	Serial Coupon	3.000%	1.500%	130,000.00	109.898%	142,867.40
08/15/2019	Serial Coupon	3.000%	1.800%	130,000.00	108.877%	141,540.10
08/15/2020	Serial Coupon	3.000%	2.020%	130,000.00	108.007%	140,409.10
08/15/2021	Serial Coupon	3.000%	2.200%	130,000.00	107.129%	139,267.70
Total	-	-	-	\$1,300,000.00	-	\$1,398,792.20

Bid Information

Par Amount of Bonds.....	\$1,300,000.00
Reoffering Premium or (Discount).....	98,792.20
Gross Production.....	\$1,398,792.20
Total Underwriter's Discount (0.338%).....	\$(4,397.60)
Bid (107.261%).....	1,394,394.60
Total Purchase Price.....	\$1,394,394.60
Bond Year Dollars.....	\$7,117.50
Average Life.....	5.475 Years
Average Coupon.....	2.9278539%
Net Interest Cost (NIC).....	1.6016214%
True Interest Cost (TIC).....	1.5227385%

Town of Arlington, Massachusetts
\$12,692,000 General Obligation Bonds, Series A
\$280,000 Sewer I (I) Dated November 15, 2012
Ch. 44, s. 7(1), auth. 5/2/2011, art. 42

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/15/2012	-	-	-	-	-
05/15/2013	-	-	4,803.13	4,803.13	-
06/30/2013	-	-	-	-	4,803.13
11/15/2013	15,000.00	3.000%	4,803.13	19,803.13	-
05/15/2014	-	-	4,578.13	4,578.13	-
06/30/2014	-	-	-	-	24,381.26
11/15/2014	15,000.00	4.000%	4,578.13	19,578.13	-
05/15/2015	-	-	4,278.13	4,278.13	-
06/30/2015	-	-	-	-	23,856.26
11/15/2015	15,000.00	5.000%	4,278.13	19,278.13	-
05/15/2016	-	-	3,903.13	3,903.13	-
06/30/2016	-	-	-	-	23,181.26
11/15/2016	15,000.00	5.000%	3,903.13	18,903.13	-
05/15/2017	-	-	3,528.13	3,528.13	-
06/30/2017	-	-	-	-	22,431.26
11/15/2017	15,000.00	5.000%	3,528.13	18,528.13	-
05/15/2018	-	-	3,153.13	3,153.13	-
06/30/2018	-	-	-	-	21,681.26
11/15/2018	15,000.00	5.000%	3,153.13	18,153.13	-
05/15/2019	-	-	2,778.13	2,778.13	-
06/30/2019	-	-	-	-	20,931.26
11/15/2019	15,000.00	5.000%	2,778.13	17,778.13	-
05/15/2020	-	-	2,403.13	2,403.13	-
06/30/2020	-	-	-	-	20,181.26
11/15/2020	15,000.00	4.000%	2,403.13	17,403.13	-
05/15/2021	-	-	2,103.13	2,103.13	-
06/30/2021	-	-	-	-	19,506.26
11/15/2021	15,000.00	4.000%	2,103.13	17,103.13	-
05/15/2022	-	-	1,803.13	1,803.13	-
06/30/2022	-	-	-	-	18,906.26
11/15/2022	15,000.00	4.000%	1,803.13	16,803.13	-
05/15/2023	-	-	1,503.13	1,503.13	-
06/30/2023	-	-	-	-	18,306.26
11/15/2023	15,000.00	2.000%	1,503.13	16,503.13	-
05/15/2024	-	-	1,353.13	1,353.13	-
06/30/2024	-	-	-	-	17,856.26
11/15/2024	15,000.00	2.000%	1,353.13	16,353.13	-
05/15/2025	-	-	1,203.13	1,203.13	-
06/30/2025	-	-	-	-	17,556.26
11/15/2025	15,000.00	2.125%	1,203.13	16,203.13	-
05/15/2026	-	-	1,043.75	1,043.75	-
06/30/2026	-	-	-	-	17,246.88
11/15/2026	15,000.00	2.250%	1,043.75	16,043.75	-
05/15/2027	-	-	875.00	875.00	-
06/30/2027	-	-	-	-	16,918.75
11/15/2027	15,000.00	2.375%	875.00	15,875.00	-
05/15/2028	-	-	696.88	696.88	-
06/30/2028	-	-	-	-	16,571.88
11/15/2028	15,000.00	2.375%	696.88	15,696.88	-
05/15/2029	-	-	518.75	518.75	-
06/30/2029	-	-	-	-	16,215.63
11/15/2029	10,000.00	2.500%	518.75	10,518.75	-
05/15/2030	-	-	393.75	393.75	-
06/30/2030	-	-	-	-	10,912.50
11/15/2030	10,000.00	2.500%	393.75	10,393.75	-
05/15/2031	-	-	268.75	268.75	-
06/30/2031	-	-	-	-	10,662.50
11/15/2031	10,000.00	2.625%	268.75	10,268.75	-
05/15/2032	-	-	137.50	137.50	-
06/30/2032	-	-	-	-	10,406.25
11/15/2032	10,000.00	2.750%	137.50	10,137.50	-
06/30/2033	-	-	-	-	10,137.50
Total	\$280,000.00	-	\$82,650.14	\$362,650.14	-

Yield Statistics

Bond Year Dollars.....	\$2,780.00
Average Life.....	9.929 Years
Average Coupon.....	2.9730266%
Net Interest Cost (NIC).....	2.2214932%
True Interest Cost (TIC).....	2.1452725%
Bond Yield for Arbitrage Purposes.....	1.9714881%
All Inclusive Cost (AIC).....	2.1452725%
IRS Form 8038	
Net Interest Cost.....	2.0397557%
Weighted Average Maturity.....	9.579 Years

FirstSouthwest
Public Finance

Town of Arlington, Massachusetts
\$6,851,000 General Obligation Municipal Purpose Loan of 2013 Bonds
\$1,200,000 Sewer (I) Dated November 1, 2013
Ch. 44, s. 7(1), auth. 5/8/2013 (art. 35)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/01/2013	-	-	-	-	-
11/01/2014	60,000.00	3.000%	37,650.00	97,650.00	-
05/01/2015	-	-	17,925.00	17,925.00	-
06/30/2015	-	-	-	-	115,575.00
11/01/2015	60,000.00	3.000%	17,925.00	77,925.00	-
05/01/2016	-	-	17,025.00	17,025.00	-
06/30/2016	-	-	-	-	94,950.00
11/01/2016	60,000.00	3.000%	17,025.00	77,025.00	-
05/01/2017	-	-	16,125.00	16,125.00	-
06/30/2017	-	-	-	-	93,150.00
11/01/2017	60,000.00	3.000%	16,125.00	76,125.00	-
05/01/2018	-	-	15,225.00	15,225.00	-
06/30/2018	-	-	-	-	91,350.00
11/01/2018	60,000.00	3.000%	15,225.00	75,225.00	-
05/01/2019	-	-	14,325.00	14,325.00	-
06/30/2019	-	-	-	-	89,550.00
11/01/2019	60,000.00	3.000%	14,325.00	74,325.00	-
05/01/2020	-	-	13,425.00	13,425.00	-
06/30/2020	-	-	-	-	87,750.00
11/01/2020	60,000.00	3.000%	13,425.00	73,425.00	-
05/01/2021	-	-	12,525.00	12,525.00	-
06/30/2021	-	-	-	-	85,950.00
11/01/2021	60,000.00	3.000%	12,525.00	72,525.00	-
05/01/2022	-	-	11,625.00	11,625.00	-
06/30/2022	-	-	-	-	84,150.00
11/01/2022	60,000.00	3.000%	11,625.00	71,625.00	-
05/01/2023	-	-	10,725.00	10,725.00	-
06/30/2023	-	-	-	-	82,350.00
11/01/2023	60,000.00	3.000%	10,725.00	70,725.00	-
05/01/2024	-	-	9,825.00	9,825.00	-
06/30/2024	-	-	-	-	80,550.00
11/01/2024	60,000.00	3.000%	9,825.00	69,825.00	-
05/01/2025	-	-	8,925.00	8,925.00	-
06/30/2025	-	-	-	-	78,750.00
11/01/2025	60,000.00	3.000%	8,925.00	68,925.00	-
05/01/2026	-	-	8,025.00	8,025.00	-
06/30/2026	-	-	-	-	76,950.00
11/01/2026	60,000.00	3.000%	8,025.00	68,025.00	-
05/01/2027	-	-	7,125.00	7,125.00	-
06/30/2027	-	-	-	-	75,150.00
11/01/2027	60,000.00	3.000%	7,125.00	67,125.00	-
05/01/2028	-	-	6,225.00	6,225.00	-
06/30/2028	-	-	-	-	73,350.00
11/01/2028	60,000.00	3.000%	6,225.00	66,225.00	-
05/01/2029	-	-	5,325.00	5,325.00	-
06/30/2029	-	-	-	-	71,550.00
11/01/2029	60,000.00	3.250%	5,325.00	65,325.00	-
05/01/2030	-	-	4,350.00	4,350.00	-
06/30/2030	-	-	-	-	69,675.00
11/01/2030	60,000.00	3.500%	4,350.00	64,350.00	-
05/01/2031	-	-	3,300.00	3,300.00	-
06/30/2031	-	-	-	-	67,650.00
11/01/2031	60,000.00	3.500%	3,300.00	63,300.00	-
05/01/2032	-	-	2,250.00	2,250.00	-
06/30/2032	-	-	-	-	65,550.00
11/01/2032	60,000.00	3.750%	2,250.00	62,250.00	-
05/01/2033	-	-	1,125.00	1,125.00	-
06/30/2033	-	-	-	-	63,375.00
11/01/2033	60,000.00	3.750%	1,125.00	61,125.00	-
06/30/2034	-	-	-	-	61,125.00
Total	\$1,200,000.00	-	\$408,450.00	\$1,608,450.00	-

Yield Statistics

Bond Year Dollars.....	\$12,600.00
Average Life.....	10.500 Years
Average Coupon.....	3.2416667%
Net Interest Cost (NIC).....	2.9232157%
True Interest Cost (TIC).....	2.8383541%
Bond Yield for Arbitrage Purposes.....	2.4972895%
All Inclusive Cost (AIC).....	2.8383541%
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Net Interest Cost.....	2.7861152%
Weighted Average Maturity.....	10.352 Years

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