

August 7, 1997

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

Executive Directors and Commissioners  
Treasurers of Sewer Districts and Authorities

FROM: Joseph J. Chessey, Jr., Deputy Commissioner

TOPIC: SEWER RATE RELIEF FUND - FY98

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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, sewer district or authority will receive funds in FY98 if it meets the eligible debt criteria set forth in Section 222 of Chapter 43 of the Acts of 1997 (FY98 state budget). Attached is an application form that must be received by the Division of Local Services no later than September 5, 1997.

The FY98 appropriation for Sewer Rate Relief is \$50,700,000, up \$3,842,000 or 8% from last year. The FY98 program is essentially the same as it was in FY97. To receive Sewer Rate Relief Funds an entity must have eligible indebtedness. Eligible indebtedness is defined as:

- ♦ permanent debt 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 any water pollution control project
- ♦ required to comply with the Federal Water Pollution Control Act.

*Please note these exceptions:*

- ♦ projects which received state grants are ineligible, and
- ♦ projects financed through the Mass. Water Pollution Abatement Trust are ineligible unless an applicant's total issues through MWPAT exceeded \$50,000,000 on June 30, 1995.

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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 to ensure 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 have been or 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 by September 5, 1997.

**NOTE FOR CURRENT AID RECIPIENTS:** DLS has debt schedules on file for cities, towns and districts that received Sewer Rate Relief Funds last year. For those communities, DLS will compute the FY98 award based on the information on file in our office. *However, if there are additional new projects or changes with respect to an approved project, such as a bond refunding, then additional documentation will be required to process the FY98 award.* Please review the entire schedule before completing and signing the application.

Administration of this program is assigned to James R. Johnson, Director of Accounts. Questions should be directed to Christopher Harrington at (617) 626-2397.

APPLICATION FOR FY98 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 a district, authority or commission? YES NO

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.

Table with 3 columns: City or Town, R, W. Includes multiple rows for listing cities and towns.

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Establish pursuant to: M.G.L. Chapter 29, Section 2Z and Chapter 43, Section 222 of the Acts of 1997

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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 Water Pollution Control Act** (33 USC, sec. 1251 et seq.) and secs. 26 to 53 inclusive of Ch. 21 of the General Laws or any wastewater collection or transportation project related thereto. Attach additional sheets 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*	FY98 Debt Service*	Grants Received?

\* Attach debt service schedule for life of issue.

**C. SUBMITTED BY:**

	Mayor
	Manager
	Selectmen
	Executive Director
	Commissioners

	Treasurer
	Phone:
	FAX:

**D. Return by September 5, 1997 by mail or fax:**

Division of Local Services  
Attn: Christopher Harrington  
P.O. Box 9655  
Boston, MA 02114-9655

FAX (617) 626-2330