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Town of Natick • Public Works

TO: Jamie Errickson

Acting Town Administrator

FROM: Jeremy Marsette, P.E.

Director of Public Works

DATE: July 12, 2021

SUBJECT: Massachusetts Water Resources Authority (MWRA) Infiltration and Inflow Local

Financial Assistance Program

Natick has successfully used funds from the past 10 phases of the MWRA I/I Local Financial Assistance Program to remove infiltration and inflow from the town's sanitary sewer system. The removal of this 'clean' water from the sewer system has helped reduce the Sewer Assessment charged to Natick by the MWRA for the receipt and treatment of the Town's wastewater. More than 1.5 million gallons per day of 'clean' water has been removed from the Town's wastewater volume through this program.

The 2020 Special Town Meeting #1 Warrant Article 13 Motion E authorized the appropriation of \$2.5 million funded from the MWRA I/I Program. The current request before the Select Board is to seek approval for the use of Phase 11 MWRA I/I Program funding (\$1,250,000). In the future, a subsequent request will seek approval of Phase 12 funds (\$1,250,000).

The funds in Phase 11 are in the form of a 75% grant (\$937,500) and a 25% (\$312,500) no-interest loan. The no-interest loan is paid back to the MWRA with 10 equal annual payments. The Town is currently paying back the 25% no-interest loan portion for previous Phases 9 and 10 by annual payments (75% was also in the form of grants). The process to repay the loan for current Phase 11 will be the same as it was for the previous phases.

Though this is not a traditional Town borrowing on the municipal bond market, the loan portion of the financial assistance award requires the issuance of a Sewer Bond or other documentation (approved by Bond Counsel) verifying obligation of the community to repay the loan to the MWRA.