

Message from the Chair

The Massachusetts Clean Water Trust (the Trust) is pleased to submit our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Trust's loan program is a collaborative effort between the State Treasurer's Office, the Executive Office for Administration and Finance, the Massachusetts Department of Environmental Protection (MassDEP) and communities across the Commonwealth.

With its AAA credit rating, the Trust finances vital infrastructure projects that enhance ground and surface water resources, ensures the safety of drinking water, protects public health, and develops resilient communities. With interest rates on the rise, access to below-market rate financing makes a critical difference for funding improvements to water infrastructure while reducing the overall budgetary impact on communities and ratepayers. To date, approximately \$3.1 billion in federal grants and state matching funds have supported over \$8.6 billion in water infrastructure planning and construction projects through a leveraged financing program.

SFY 2023 HIGHLIGHTS

Bipartisan Infrastructure Law (BIL): Increased funding from the BIL has expanded the annual SRF funding and programs. Additionally, these new grants have resulted in a tremendous increase in loan forgiveness for projects that are vital to health and safety across the Commonwealth.

American Rescue Plan Act (ARPA) Fund: The Trust was awarded two rounds of ARPA funding from the Massachusetts legislature totaling over \$200 million. The funds were quickly committed to projects across the Commonwealth as loan forgiveness and will provide a substantive amount of cost savings for critical infrastructure.

Lead Service Line (LSL) Planning: Two newly developed programs provide grant funds or direct technical assistance to communities to create LSL inventories and LSL replacement programs. In SFY 2023, the Trust committed to 64 projects providing nearly \$15 million in grants. 48 of these projects, accounting for nearly \$11 million, went to disadvantaged communities. These investments are critical to help identify any LSLs in water systems as the first step towards removing all LSLs in Massachusetts.

Asset Management Planning (AMP) Grants: The fourth round of this program was completed resulting in over \$3.7 million in grants supporting \$6.3 million in total project costs. The 35 AMP projects assisted communities in gathering information on the current condition of their existing infrastructure. This data can be used to develop accurate capital improvement plans and assist utilities with long term planning. To date, the Trust has provided \$8.7 million in grants supporting nearly \$15 million in total project costs for 88 projects since the beginning of the program.

Zero Percent Interest PFAS Mitigation Loans: The Commonwealth has continued its commitment to assisting communities by reducing financing cost of PFAS mitigation projects. In fiscal year 2023, the program committed funding to 9 projects totaling \$63.9 million, saving communities an estimated \$14.5 million in loan interest beyond the already below-market rate offered for all projects.

School Water Improvement Grants (SWIG): This program has expanded support to private schools, early education facilities and non-residential daycares. To date, the Trust has provided \$400,000 to MassDEP to expand school water testing and technical support to support private schools and provide nearly \$1.7 million in grants to replace 565 fixtures with detectable lead in 227 facilities serving 110,203 children in the Commonwealth.

I am proud to say the activities of the Trust and MassDEP have been constant, committed, and innovative. The prompt and thorough use of BIL and ARPA resources have provided extensive additional funding that have leveraged to improve and innovate the Commonwealth's SRF programs. These investments will have a long-term impact for the Commonwealth that pays dividends in the years to come.

I would like to sincerely express my appreciation for the Trust and MassDEP for their efforts during fiscal year 2023, and congratulations for a job well done. To communities in the Commonwealth, thank you for your commitment to this vital mission. Without your dedication, our program would not be a success.

I look forward to continuing this critical work together.

Thank you,



Deborah B. Goldberg
Chair, Massachusetts Clean Water Trust
www.mass.gov/treasury