

MASSACHUSETTS WATER RESOURCES AUTHORITY



LOCAL WATER SYSTEM ASSISTANCE PROGRAM

PROGRAM GUIDELINES FOR WATER PROJECTS

July 2017

MASSACHUSETTS WATER RESOURCES AUTHORITY
CHARLESTOWN NAVY YARD
100 FIRST AVENUE
BOSTON, MA 02129

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SECTION 1 - INTRODUCTION

1.1 Establishment of Massachusetts Water Resources Authority's Local Water System Assistance Program

The Massachusetts Water Resources Authority (MWRA) Board of Directors, by their vote on June 9, 2010 (Phase 2) and June 28, 2017 (Phase 3), authorized the development of the MWRA Local Water System Assistance Program (LWSAP). This interest-free loan program is designed to assist member water communities to rehabilitate or replace water pipelines, improve local water quality conditions, and upgrade local water systems. The allocation of funds to each community, the review of applications for financial assistance, the determination of eligible projects, and the distribution and repayment of funds will be performed in accordance with the provisions of the LWSAP, as presented in this "Program Guidelines for Water Projects" document. These Guidelines were approved by the MWRA Board of Directors on May 11, 2016 and updated for Phase 3 community loan funds in July 2017.

1.2 Purpose

The purpose of the MWRA LWSAP is to provide incentives in the form of interest-free loans to MWRA's water service area communities in order to improve water quality conditions in community-owned distribution systems. In addition to improving water quality, these improvements will help provide more reliable water service and reduce water pipeline leakage. While the Program's major objective is funding local water system improvement construction projects, planning and design costs and construction inspection costs required to implement such projects are also eligible for financial assistance. Listings of eligible and ineligible project costs are provided in Sections 2.7 and 2.8, respectively.

1.3 Term of the Program

The MWRA Phases 2 and 3 LWSAP provide \$502 million in interest-free loans to MWRA member water communities. The Phase 2 Loan Program is authorized at \$210 million for loan distributions FY11 through FY23. The Phase 3 Loan Program is authorized at \$292 million for loan distributions FY18 through FY30. In the event the MWRA Board of Directors votes to conclude the Program prior to the end of FY30, all financial assistance commitments made prior to the conclusion of the Program shall be fulfilled under the conditions established in each Financial Assistance and Loan Agreement. **Please note, the Phase 2 Program Loan Funds will Sunset (are not authorized for distribution) after the end of FY23.** Each community's Phase 2 funds will be distributed prior to their Phase 3 funds.

1.4 Definitions and Abbreviations

A listing of relevant definitions and abbreviations are presented as APPENDIX A and APPENDIX B, respectively.

SECTION 2 - FINANCIAL ASSISTANCE APPLICATION AND DISTRIBUTION OF FUNDS

2.1 Overview

Binding commitments to provide financial assistance for local water system improvement projects will be issued by MWRA's Executive Director, Director of Finance, or Treasurer in the form of a "Financial Assistance Agreement." An offer for financial assistance will be made by the MWRA following the review of a "Financial Assistance Application" and the determination by MWRA that the project is eligible for financial assistance. The filing of a Financial Assistance Application by a community will not constitute a binding commitment by MWRA to provide financial assistance. A Financial Assistance Agreement may be executed at the discretion of MWRA subject to the availability of Program funds. Financial Assistance Agreements will be executed with communities and project funds will be distributed on quarterly funding distribution dates. **The distribution dates will be on or about February 15, May 15, August 15, and November 15 of each year.** To be eligible to execute a Financial Assistance Agreement on a particular funding distribution date, the community must have submitted a complete Financial Assistance Application in sufficient time to be reviewed and approved by MWRA staff thirty (30) calendar days prior to the proposed funding distribution date and must agree to begin the project within ninety (90) calendar days of execution of the agreement. Financial Assistance Applications may be approved by MWRA if the proposed project meets the eligibility criteria in Section 2.7 and 2.8.

2.2 Application for Financial Assistance

Each MWRA water service area community (with a funding allocation set forth in Section 2.4) may apply for funding under the LWSAP by submitting one or more "Financial Assistance Applications" to:

Massachusetts Water Resources Authority
Community Support Program
Charlestown Navy Yard
100 First Avenue
Boston, MA 02129
Attn: Planning - Community Support Program

A sample Financial Assistance Application is provided as Attachment 1. An electronic copy (MS Word) of the application is available at www.mwra.com, or from Elaine Donahue, Project Manager, at elaine.donahue@mwra.com (617- 788-4824) or Kristen Hall, Project Manager, at kristen.hall@mwra.com (617-788-4831). The direct link to the LWSAP web page is: <http://www.mwra.com/comsupport/lwsap/lwsaprogram.html>. The applicant should provide as complete information as possible on the proposed project. The information provided will be reviewed by MWRA staff to determine if the project is a viable water system rehabilitation project and assess eligible project costs. Once a proposed project has been approved and an award amount designated, MWRA and the community will cooperatively schedule the execution of a Financial Assistance Agreement on or about one of the quarterly funding distribution dates.

2.3 Initiation Date for Eligible Project Costs

The initial date for determining community project costs that are eligible to receive funding under the MWRA LWSAP is January 1, 2010. All costs incurred for water system rehabilitation work performed within MWRA service area communities on or after January 1, 2010, regardless of the beginning date of the project, will be considered for eligibility during review of a community's Financial Assistance Application. If projects were substantially completed before January 1, 2010 they will not be eligible. For Lead Service Line Replacement Loan Program project costs, the initiation date for eligible project costs is July 1, 2016. Eligible and ineligible project costs are outlined in Sections 2.7 and 2.8, respectively of both the Water Projects Guidelines and the Lead Service Line Replacement Loan Program Guidelines.

2.4 Financial Assistance Allocation Per Community

The \$502 million Phase 2 and 3 LWSAP budget is allocated among 42 metro-Boston member water communities and three Chicopee Valley Aqueduct (CVA) member water communities, as outlined below.

For Phase 2 LWSAP, \$200 million is allocated to the 42 metro-Boston participating member water communities based on the following three part formula: (1) \$35.5 million allocated as \$1.0 million to each of the 29 fully supplied communities and \$0.5 million to each of the 13 partially supplied communities; (2) \$82.25 million allocated based on share of MWRA water assessment for FY11; and (3) \$82.25 million allocated based on share of miles of unlined water pipe as determined through a 2010 survey of member communities by MWRA staff. Partially served communities' miles of unlined pipe are prorated based on use of MWRA versus total water use for calendar year 2009. \$10 million LWSAP loan funds are allocated to the three member CVA communities based on share of MWRA CVA water assessment for FY11.

For Phase 3 LWSAP, \$278 million is allocated to the 42 metro-Boston participating member water communities based on the following three part formula: (1) \$35.5 million allocated as \$1.0 million to each of the 29 fully supplied communities and \$0.5 million to each of the 13 partially supplied communities; (2) \$121.25 million allocated based on share of MWRA water assessment for the three year average FY16-FY18; and (3) \$121.25 million allocated based on share of miles of unlined water pipe as updated through FY17 by MWRA staff. Partially served communities' miles of unlined pipe are prorated based on use of MWRA versus total water use for the three year average CY14-CY16. \$14 million LWSAP loan funds are allocated to the three member CVA communities based on share of MWRA CVA water assessment for FY18.

Distribution of Phase 2 LWSAP funds are authorized for FY11 through FY23. As of FY18, all undistributed Phase 2 LWSAP funds are allocated for distribution. Each community's Phase 2 funds will be distributed prior to their Phase 3 funds. Distribution of Phase 3 LWSAP funds are authorized for FY18 through FY30. Each community's Phase 3 annual allocation is restricted to the larger of (1) 10 percent of their total Phase 3 allocation or (2) \$500,000. If not utilized in a given year, annual Phase 3 allocations roll-over and accumulate up to the community's total Phase 3 allocation. The annual allocation restrictions are intended to limit MWRA loan distributions annually.

Each community's total financial assistance allocation, annual allocation, and funds distributed as of July 2017 are listed on TABLE 1 – ALLOCATION AND FUNDING UTILIZATION BY COMMUNITY on page 5. Note that this table is updated quarterly, see <http://www.mwra.com/comsupport/communitysupportmain.html>.

The 45 member communities that are allocated funds under the LWSAP include 29 fully-supplied communities: Arlington, Belmont, Boston, Brookline, Chelsea, Everett, Framingham, Lexington, Lynnfield Water District, Malden, Marblehead, Medford, Melrose, Milton, Nahant, Newton, Norwood, Quincy, Reading, Revere, Saugus, Somerville, Southborough, Stoneham, Swampscott, Waltham, Watertown, Weston, and Winthrop; 13 partially-supplied communities: Bedford, Canton, Dedham/Westwood Water District, Marlborough, Needham, Northborough, Peabody, Stoughton, Wakefield, Wellesley, Wilmington, Winchester, and Woburn; and three fully-supplied Chicopee Valley Aqueduct communities: Chicopee, South Hadley Fire District #1, and Wilbraham. Five special case communities are not allocated funds: Cambridge, which receives MWRA water on an emergency-only basis; Lynn, which receives water only for the GE plant; as well as Clinton, Leominster (emergency only), and Worcester (emergency only) that draw untreated (raw) water from the Wachusett Reservoir.

**TABLE 1
MWRA LOCAL WATER SYSTEM ASSISTANCE PROGRAM
ALLOCATION AND FUND UTILIZATION BY COMMUNITY
THROUGH JULY 2017**

Community	Community Total Phase 2 Allocation	Phase 2 Funds Distributed Thru July 17	Total Remaining Phase 2 Funds	Community Total Phase 3 Allocation	Community Phase 3 Annual Allocation	Phase 3 Allocation To Date (Year 1)	Phase 3 Funds Distributed Thru July 17	Phase 3 Funds Currently Available	Total Phase 2 and 3 Funds Available
Arlington	\$6,225,000	\$3,300,000	\$2,925,000	\$8,687,000	\$868,700	\$0	\$0	\$0**	\$2,925,000
Bedford *	\$2,418,000	\$2,418,000	\$0	\$3,649,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Belmont	\$3,477,000	\$3,000,000	\$477,000	\$3,852,000	\$500,000	\$500,000	\$0	\$500,000	\$977,000
Boston	\$38,754,000	\$27,127,800	\$11,626,200	\$52,787,000	\$5,278,700	\$0	\$0	\$0**	\$11,626,200
Brookline	\$3,426,000		\$3,426,000	\$4,585,000	\$500,000	\$500,000	\$0	\$500,000	\$3,926,000
Canton *	\$3,216,000	\$2,000,000	\$1,216,000	\$2,971,000	\$500,000	\$500,000	\$0	\$500,000	\$1,716,000
Chelsea	\$3,814,000	\$3,011,200	\$802,800	\$5,039,000	\$503,900	\$503,900	\$0	\$503,900	\$1,306,700
Dedham/Westwood *	\$503,000	\$503,000	\$0	\$849,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Everett	\$4,672,000	\$3,500,000	\$1,172,000	\$6,298,000	\$629,800	\$0	\$0	\$0**	\$1,172,000
Frammingham	\$7,357,000	\$5,149,900	\$2,207,100	\$9,003,000	\$900,300	\$0	\$0	\$0**	\$2,207,100
Lexington	\$3,024,000	\$1,145,015	\$1,878,985	\$3,777,000	\$500,000	\$500,000	\$0	\$500,000	\$2,378,985
Lynnfield Water Dist.	\$1,396,000	\$650,000	\$746,000	\$1,678,000	\$500,000	\$500,000	\$0	\$500,000	\$1,246,000
Malden	\$7,272,000	\$1,774,000	\$5,498,000	\$10,605,000	\$1,060,500	\$0	\$0	\$0**	\$5,498,000
Marblehead	\$4,237,000		\$4,237,000	\$5,112,000	\$511,200	\$0	\$0	\$0**	\$4,237,000
Marlborough *	\$1,917,000	\$1,283,800	\$633,200	\$3,512,000	\$500,000	\$500,000	\$0	\$500,000	\$1,332,200
Medford	\$6,959,000		\$6,959,000	\$10,800,000	\$1,080,000	\$0	\$0	\$0**	\$6,959,000
Melrose	\$3,988,000	\$2,440,000	\$1,548,000	\$6,865,000	\$686,500	\$686,500	\$0	\$686,500	\$2,234,500
Milton	\$4,123,000	\$2,000,000	\$2,123,000	\$5,967,000	\$596,700	\$596,700	\$0	\$596,700	\$2,719,700
Nahant	\$1,490,000	\$1,142,100	\$347,900	\$1,835,000	\$500,000	\$500,000	\$0	\$500,000	\$847,900
Needham *	\$794,000		\$794,000	\$1,894,000	\$500,000	\$500,000	\$0	\$500,000	\$1,294,000
Newton	\$13,602,000	\$8,161,200	\$5,440,800	\$20,837,000	\$2,083,700	\$0	\$0	\$0**	\$5,440,800
Northborough *	\$1,048,000	\$986,053	\$61,947	\$1,450,000	\$500,000	\$500,000	\$0	\$500,000	\$561,947
Norwood	\$4,395,000	\$3,500,000	\$895,000	\$6,296,000	\$629,600	\$629,600	\$0	\$629,600	\$1,524,600
Peabody *	\$1,089,000	\$1,089,000	\$0	\$2,756,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Quincy	\$10,505,000	\$7,353,500	\$3,151,500	\$14,252,000	\$1,425,200	\$0	\$0	\$0**	\$3,151,500
Reading	\$4,146,000	\$4,146,000	\$0	\$5,073,000	\$507,300	\$507,300	\$0	\$507,300	\$507,300
Revere	\$5,034,000	\$1,850,000	\$3,184,000	\$5,315,000	\$531,500	\$0	\$0	\$0**	\$3,184,000
Saugus	\$6,621,000	\$3,529,844	\$3,091,156	\$9,688,000	\$968,800	\$0	\$0	\$0**	\$3,091,156
Somerville	\$7,419,000	\$3,355,234	\$4,063,766	\$10,791,000	\$1,079,100	\$0	\$0	\$0**	\$4,063,766
Southborough	\$1,512,000		\$1,512,000	\$1,920,000	\$500,000	\$500,000	\$0	\$500,000	\$2,012,000
Stoneham	\$2,339,000	\$2,339,000	\$0	\$2,742,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Stoughton*	\$2,506,000	\$2,506,000	\$0	\$3,547,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Swampscott	\$3,755,000	\$2,849,468	\$905,532	\$5,276,000	\$527,600	\$527,600	\$0	\$527,600	\$1,433,132
Wakefield *	\$2,325,000	\$1,776,250	\$548,750	\$3,356,000	\$500,000	\$500,000	\$0	\$500,000	\$1,048,750
Waltham	\$10,293,000	\$4,318,370	\$5,974,630	\$14,904,000	\$1,490,400	\$0	\$0	\$0**	\$5,974,630
Watertown	\$2,978,000	\$2,500,000	\$478,000	\$3,745,000	\$500,000	\$500,000	\$0	\$500,000	\$978,000
Wellesley *	\$2,350,000	\$241,569	\$2,108,431	\$3,268,000	\$500,000	\$500,000	\$0	\$500,000	\$2,608,431
Weston	\$1,625,000	\$1,005,000	\$620,000	\$2,295,000	\$500,000	\$500,000	\$0	\$500,000	\$1,120,000
Wilmington *	\$611,000		\$611,000	\$1,306,000	\$500,000	\$500,000	\$0	\$500,000	\$1,111,000
Winchester *	\$882,000	\$600,000	\$282,000	\$1,394,000	\$500,000	\$500,000	\$0	\$500,000	\$782,000
Winthrop	\$3,312,000	\$3,312,000	\$0	\$4,119,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
Woburn *	\$2,591,000	\$2,591,000	\$0	\$3,905,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000
SUBTOTAL	\$200,000,000	\$118,454,303	\$81,545,697	\$278,000,000			\$0	\$14,951,600	\$96,497,297
Chicopee	\$7,153,000	\$4,035,000	\$3,118,000	\$9,774,000	\$977,400	\$0	\$0	\$0**	\$3,118,000
South Hadley F.D. 1	\$1,538,000		\$1,538,000	\$2,026,000	\$500,000	\$500,000	\$0	\$500,000	\$2,038,000
Wilbraham	\$1,309,000		\$1,309,000	\$2,200,000	\$500,000	\$500,000	\$0	\$500,000	\$1,809,000
SUBTOTAL	\$10,000,000	\$4,035,000	\$5,965,000	\$14,000,000			\$0	\$1,000,000	\$6,965,000
TOTAL	\$210,000,000	\$122,489,303	\$87,510,697	\$292,000,000			\$0	\$15,951,600	\$103,462,297

* Partially Served Communities

** No Phase 3 Allocation for FY18 because Phase 2 Allocation for years 9/10 covers first year of Phase 3

2.5 Maximum Financial Assistance Award Amount Per Project

All project information submitted as part of the Financial Assistance Application shall be used by MWRA to determine the portion of the total project cost eligible under MWRA's LWSAP. Based on the determined eligible project cost, an "Award Amount" will be established for each project. The financial assistance Award Amount for each community water project shall, in no case, exceed the lesser of:

- (1) the total cost of the project determined by the MWRA to be eligible for financial assistance, or;
- (2) the total Community Financial Assistance Allocation established in Section 2.4.

If Lead Service Line Replacement Loan Program funds are added to a water project, the total Award Amount may exceed the LWSAP allocation established in Section 2.4.

2.6 Financial Assistance Loan Apportionment

For MWRA LWSAP funding, one hundred percent (100%) of the total Award Amount will be provided as an interest-free loan. The interest-free loan will be repaid to MWRA in ten equal payments, over a ten-year period, beginning one year from the original quarterly funding distribution date (as established in Section 2.9). For example, if a community receives \$1,000,000 from the LWSAP during the February 2011 funding quarter, then the community would repay a total of \$1,000,000 in ten equal payments of \$100,000 each. The ten repayments would be made on February 15 in the years 2012 through 2021. The loan can be repaid over a shorter period, if the community so desires. Loan repayment requirements are presented in Section 4.

2.7 Eligible Project Costs

Financial assistance awarded by MWRA under this program shall be solely for the purpose of rehabilitating community water systems. Costs that are necessary for the effective rehabilitation of local water distribution systems and are eligible under MWRA's LWSAP include, but are not limited to:

- (a) Construction, reconstruction, rehabilitation, alteration, remodeling or other improvements to water distribution facilities, including but not limited to:
 - Replacement or abandonment of unlined water mains;
 - Sliplining of unlined water mains;
 - Water main cleaning and lining of unlined water mains;
 - Replacement or abandonment of asbestos cement pipe or other water pipeline work performed for water quality purposes;
 - Identification and replacement of water service connections constructed of lead pipe, lead-lined pipe, brass pipe, or other water services in poor condition;
 - Identification and replacement of water service connections with lead gooseneck connections and galvanized (or other material) service line pipe connected via a lead gooseneck;
 - Looping of dead-end water mains;
 - Water valve and hydrant installation or replacement;

- Water storage tank installation, rehabilitation, or replacement; and,
- Paving costs that are reasonable and necessary to repair the roadway and/or sidewalk areas directly impacted by eligible construction work.

Please See Section 2.8 (e). and Note: Any and all costs associated with the testing, handling, management, and disposal of hazardous waste, as defined under 310 CMR 30.000 are ineligible costs. Any and all costs associated with the testing, handling, management, and disposal of other contaminated or hazardous material (not meeting the definition of hazardous waste, as defined under 310 CMR 30.000) and determined to not be suitable for trench refill shall be limited to ten percent (10%) of the total eligible project cost. Costs associated with the removal, replacement, handling, and disposal of asbestos cement water pipe and/or lead paint from a water tank incidental to an eligible LWSAP project shall be eligible.

- (b) Engineering services, in connection with the inspection of eligible construction/rehabilitation, to ensure that the work is accomplished in accordance with the design drawings and specifications and applicable State laws and activities incidental thereto, including but not limited to:
- Resident inspection; and,
 - Contract/construction administration.
- (c) Engineering services, in connection with the preparation of plans, specifications, and public bidding documents, for eligible water system construction/rehabilitation projects, including but not limited to:
- Engineering design services;
 - Surveying; and,
 - Subsurface exploration.
- (d) Post rehabilitation certification and activities incidental thereto associated with eligible water system improvements.
- (e) Direct labor only (not including overhead or overtime costs) for force account work associated with planning, design, construction, or construction inspection of eligible water system improvements;
- (f) Police details associated with eligible project work.
- (g) Establishment of a Massachusetts Municipal Depository Trust (MMDT) or similar account used solely for the deposit, withdrawal, and tracking of financial assistance funds.
- (h) Bond counsel services, or other legal services, in connection with review of the Loan Agreement, Water Bond, and opinion of Bond Counsel.

- (i) To provide communities some flexibility with regard to utilization of the LWSAP funds, additional community projects (known as “Tier Two” projects) that target water system efficiency are eligible for LWSAP loan funding based on the restrictions defined in this paragraph. To emphasize the program’s goal of improving water quality, there shall be a direct correlation between the maximum amount of LWSAP funds that may be used for Tier Two projects and the percentage of lined water main miles in each community.

Specifically, the amount of LWSAP funds that may be used for Tier Two projects shall be restricted to the percent of lined water main miles times the community’s total LWSAP allocation. The percent lined water main miles used to calculate the Tier Two restrictions will be reviewed by MWRA staff and frozen at the time the community is awarded LWSAP loan funds for their first Tier Two project.

Tier Two eligible projects include:

- Water meter purchase and installation;
- Water meter reading system purchase and installation;
- Water booster pump station installation and/or upgrades;
- GIS mapping and system modeling; and,
- Engineering planning, design and construction services associated with the above items.

Each community’s Phase 2 and 3 LWSAP funding allocation with Tier 2 restriction as of July 2017 is listed on TABLE 2 – COMMUNITY ALLOCATIONS WITH TIER 2 RESTRICTIONS on page 9.

**TABLE 2
MWRA LOCAL WATER SYSTEM ASSISTANCE PROGRAM
COMMUNITY ALLOCATIONS WITH TIER TWO RESTRICTIONS
AS OF JULY 2017**

Community	Total Phase 2 Allocation	Phase 2 Tier 2 Restriction	Phase 2 Tier 2 Funds Distributed as of July 2017	Phase 2 Remaining Funds as of July 2017	Phase 2 Tier 2 Available Funds	Total Phase 3 Allocation	Phase 3 Tier 2 Restriction	Phase 3 Tier 2 Funds Distributed as of July 2017	Phase 3 Tier 2 Available Funds
Arlington	\$6,225,000	\$3,015,456	\$0	\$2,925,000	\$2,925,000	\$8,687,000	\$4,843,661	\$0	\$4,843,661
Bedford *	\$2,418,000	\$1,497,674	\$0	\$0	\$0	\$3,649,000	\$2,704,553	\$0	\$2,704,553
Belmont	\$3,477,000	\$2,311,415	\$0	\$477,000	\$477,000	\$3,852,000	\$3,189,290	\$0	\$3,189,290
Boston	\$38,754,000	\$33,415,243	\$0	\$11,626,200	\$11,626,200	\$52,787,000	\$47,529,185	\$0	\$47,529,185
Brookline	\$3,426,000	\$3,426,000	\$0	\$3,426,000	\$3,426,000	\$4,585,000	\$4,585,000	\$0	\$4,585,000
Canton *	\$3,216,000	\$2,320,304	\$0	\$1,216,000	\$1,216,000	\$2,971,000	\$2,181,828	\$0	\$2,181,828
Chelsea	\$3,814,000	\$2,014,208	\$200,000	\$802,800	\$802,800	\$5,039,000	\$3,228,376	\$0	\$3,228,376
Dedham/Westwood *	\$503,000	\$373,279	\$0	\$0	\$0	\$849,000	\$648,251	\$0	\$648,251
Everett	\$4,672,000	\$2,246,944	\$621,682	\$1,172,000	\$1,172,000	\$6,298,000	\$3,389,806	\$0	\$3,389,806
Framingham	\$7,357,000	\$5,531,175	\$0	\$2,207,100	\$2,207,100	\$9,003,000	\$7,590,573	\$0	\$7,590,573
Lexington	\$3,024,000	\$2,885,143	\$0	\$1,878,985	\$1,878,985	\$3,777,000	\$3,685,436	\$0	\$3,685,436
Lynnfield Water District	\$1,396,000	\$1,177,578	\$0	\$746,000	\$746,000	\$1,678,000	\$1,458,124	\$0	\$1,458,124
Malden	\$7,272,000	\$2,649,966	\$0	\$5,498,000	\$2,649,966	\$10,605,000	\$4,557,521	\$0	\$4,557,521
Marblehead	\$4,237,000	\$1,676,702	\$0	\$4,237,000	\$1,676,702	\$5,112,000	\$3,372,866	\$0	\$3,372,866
Marlborough *	\$1,917,000	\$1,762,955	\$0	\$633,200	\$633,200	\$3,512,000	\$3,277,867	\$0	\$3,277,867
Medford	\$6,959,000	\$2,743,006	\$0	\$6,959,000	\$2,743,006	\$10,800,000	\$5,250,000	\$0	\$5,250,000
Melrose	\$3,988,000	\$1,976,618	\$19,500	\$1,548,000	\$1,548,000	\$6,865,000	\$2,679,024	\$0	\$2,679,024
Milton	\$4,123,000	\$2,887,890	\$0	\$2,123,000	\$2,123,000	\$5,967,000	\$4,367,152	\$0	\$4,367,152
Nahant	\$1,490,000	\$1,036,522	\$750,000	\$347,900	\$286,522	\$1,835,000	\$1,300,457	\$0	\$1,300,457
Needham *	\$794,000	\$540,278	\$0	\$794,000	\$540,278	\$1,894,000	\$1,332,815	\$0	\$1,332,815
Newton	\$13,602,000	\$6,260,764	\$0	\$5,440,800	\$5,440,800	\$20,837,000	\$10,934,526	\$0	\$10,934,526
Northborough *	\$1,048,000	\$986,732	\$986,053	\$61,947	\$679	\$1,450,000	\$1,360,769	\$0	\$1,360,769
Norwood	\$4,395,000	\$2,853,221	\$0	\$895,000	\$895,000	\$6,296,000	\$4,253,768	\$0	\$4,253,768
Peabody *	\$1,089,000	\$352,324	\$0	\$0	\$0	\$2,756,000	\$1,762,250	\$0	\$1,762,250
Quincy	\$10,505,000	\$5,914,580	\$0	\$3,151,500	\$3,151,500	\$14,252,000	\$9,465,703	\$0	\$9,465,703
Reading	\$4,146,000	\$2,374,527	\$0	\$0	\$0	\$5,073,000	\$3,560,000	\$0	\$3,560,000
Revere	\$5,034,000	\$2,644,233	\$0	\$3,184,000	\$2,644,233	\$5,315,000	\$4,321,542	\$0	\$4,321,542
Saugus	\$6,621,000	\$2,118,720	\$0	\$3,091,156	\$2,118,720	\$9,688,000	\$3,720,192	\$0	\$3,720,192
Somerville	\$7,419,000	\$2,862,498	\$0	\$4,063,766	\$2,862,498	\$10,791,000	\$4,989,758	\$0	\$4,989,758
Southborough	\$1,512,000	\$1,433,793	\$0	\$1,512,000	\$1,433,793	\$1,920,000	\$1,809,655	\$0	\$1,809,655
Stoneham	\$2,339,000	\$2,279,026	\$1,000,000	\$0	\$0	\$2,742,000	\$2,707,725	\$0	\$2,707,725
Stoughton*	\$2,506,000	\$818,355	\$0	\$0	\$0	\$3,547,000	\$1,526,854	\$0	\$1,526,854
Swampscott	\$3,755,000	\$930,262	\$0	\$905,532	\$905,532	\$5,276,000	\$1,828,407	\$0	\$1,828,407
Wakefield *	\$2,325,000	\$1,794,737	\$1,776,250	\$548,750	\$18,487	\$3,356,000	\$2,590,596	\$0	\$2,590,596
Waltham	\$10,293,000	\$2,707,649	\$1,320,000	\$5,974,630	\$1,387,649	\$14,904,000	\$4,421,520	\$0	\$4,421,520
Watertown	\$2,978,000	\$2,419,625	\$0	\$478,000	\$478,000	\$3,745,000	\$3,219,787	\$0	\$3,219,787
Wellesley *	\$2,350,000	\$1,088,730	\$0	\$2,108,431	\$1,088,730	\$3,268,000	\$1,546,853	\$0	\$1,546,853
Weston	\$1,625,000	\$1,625,000	\$1,005,000	\$620,000	\$620,000	\$2,295,000	\$2,295,000	\$0	\$2,295,000
Wilmington *	\$611,000	\$482,496	\$0	\$611,000	\$482,496	\$1,306,000	\$1,036,508	\$0	\$1,036,508
Winchester *	\$882,000	\$882,000	\$0	\$282,000	\$282,000	\$1,394,000	\$1,381,554	\$0	\$1,381,554
Winthrop	\$3,312,000	\$750,720	\$750,000	\$0	\$0	\$4,119,000	\$1,739,133	\$0	\$1,739,133
Woburn *	\$2,591,000	\$1,480,368	\$0	\$0	\$0	\$3,905,000	\$3,029,458	\$0	\$3,029,458
SUBTOTAL	\$200,000,000	\$120,548,715	\$8,428,485	\$81,545,697	\$62,487,876	\$278,000,000	\$184,673,345	\$0	\$184,673,345
Chicopee	\$7,153,000	\$5,678,718	\$0	\$3,118,000	\$3,118,000	\$9,774,000	\$13,438,229	\$0	\$13,438,229
South Hadley F.D. 1	\$1,538,000	\$600,195	\$0	\$1,538,000	\$600,195	\$2,026,000	\$1,390,829	\$0	\$1,390,829
Wilbraham	\$1,309,000	\$353,784	\$0	\$1,309,000	\$353,784	\$2,200,000	\$948,378	\$0	\$948,378
SUBTOTAL	\$10,000,000	\$6,632,696	\$0	\$5,965,000	\$4,071,979	\$14,000,000	\$15,777,437	\$0	\$15,777,437
TOTAL	\$210,000,000	\$127,181,411	\$8,428,485	\$87,510,697	\$66,559,855	\$292,000,000	\$200,450,781	\$0	\$200,450,781

* Partially Served Communities

2.8 Ineligible Project Costs

Costs which are ineligible under the LWSAP shall include, but are not limited to:

- (a) Costs in excess of the approved financial assistance Award Amount;
- (b) Costs for services outside the scope of the approved project, except as modified by an MWRA approved revised project scope of services;
- (c) Ordinary operating expenses of public works departments, water departments, water commissions and water districts, or local government, and overtime and overhead costs associated with eligible force account work;
- (d) Excessive paving costs that are not reasonable and necessary to repair the roadway and/or sidewalk areas directly impacted by eligible construction work.
- (e)
 1. Any and all costs associated with the testing, handling, management, and disposal of hazardous waste, as defined under 310 CMR 30.000;
 2. Any and all costs associated with the testing, handling, management, and disposal of other contaminated or hazardous material (not meeting the definition of hazardous waste, as defined under 310 CMR 30.000) and determined to not be suitable for trench refill that exceeds ten percent (10%) of the total eligible project cost;
 3. **Please Note:** The removal, replacement, handling, and disposal of asbestos cement water pipe, lead or lead lined water pipe, and/or lead paint from water tank rehabilitation incidental to an eligible LWSAP project shall be eligible costs;
- (f) Costs incurred under third party agreements, absent specific contract language which conveys the applicable terms and conditions of the Financial Assistance Agreement to the third party;
- (g) Costs for which payment has been or will be received under any other MWRA, state, or federal grant or loan funding assistance program;
- (h) Costs for the preparation of an MWRA Financial Assistance Application or preparation of funding applications for any other agency;
- (i) Costs for the development or printing of operation and maintenance manuals;
- (j) Costs for development of, or revisions to, water use ordinances, water use rules and regulations, or water user charge systems;

- (k) Costs for sewer system maintenance or rehabilitation (except sewer repair work required due to construction conflicts work directly related to eliminating cross connections to the water distribution system as part of an eligible LWSAP project);
- (l) Costs for the purchase of water pipeline cleaning or inspection equipment;
- (m) Charges for the use of vehicles or equipment owned by the applicant;
- (n) Costs for obtaining permits or licenses by the applicant;
- (o) Bonus payments to contractors for completion of construction earlier than contracted completion date;
- (p) Personal injury compensation, claims related to wrongful deaths, or property damages arising out of the project, however determined;
- (q) Costs of equipment or material procured in violation of state or federal law;
- (r) Fines and penalties;
- (s) Costs of the purchase of real property; and,
- (t) Costs for improving existing or developing new local water supplies or providing treatment to existing local water supplies.

2.9 MWRA Recommended Community Water System Maintenance/Improvement Programs

The LWSAP requires that participating communities acknowledge the MWRA recommended community water system maintenance and improvement programs as part of the Financial Assistance Application Process. The recommended programs include:

- a. Unidirectional Flushing Program:** MWRA recommends member water communities develop and utilize a Unidirectional Flushing Program. Unidirectional flushing will help to restore and maintain chlorine residual, eliminate taste and odor, dislodge biofilm, reduce bacteria counts, remove colored water and reduce turbidity.
- b. Distribution System Improvement Plan:** MWRA recommends member water communities identify and compile physical information (pipe size, age, material, etc.) on the local distribution system, develop a base map of the distribution system, and prioritize water quality and hydraulic trouble spots for correction (e.g., system improvement plan, master plan, capital improvement plan, etc.).
- c. Water Quality Testing:** MWRA recommends member water communities conform to MA Drinking Water Regulations 310 CMR 22.05 that require local sampling based on a DEP approved written sample site plan.
- d. Cross Connection Control Program Development:** MWRA recommends member

water communities conform to MA Drinking Water Regulations 310 CMR 22.20 that require a legally-enforceable cross connection control program with certified cross connection control inspectors on staff.

- e. **Community Lead Service Line Replacement Program:** MWRA recommends community programs incorporates at least the following:
1. Communities should clearly establish that it is their goal to fully remove all lead pipe from both publicly-owned and privately-owned water service line connections;
 2. Communities should commit to a comprehensive lead service line inventory program to compile a listing of properties with full or partial lead service lines that will be made available to the public via web page or other similar public access vehicle (subject to disclaimer for accuracy based on best available information);
 3. Communities should target proactive outreach to customers with lead service lines to provide educational information regarding the risks of lead exposure and information encouraging the customer to participate in the community lead service line replacement program so that the privately-owned portion is replaced concurrent with the publicly-owned portion;
 4. Communities should maintain ongoing proactive outreach to customers with known privately-owned lead service lines;
 5. Communities should include a unit cost bid item for public and private portion service line replacement in all water pipeline projects so that a mechanism exists for full removal of lead service lines; and,
 6. As a secondary measure, communities' lead service line replacement programs should include replacement of lead gooseneck connections when encountered during infrastructure rehabilitation or construction.

Applicant communities must acknowledge these five maintenance practices recommended by MWRA in the Financial Assistance Application. This acknowledgement is intended to make sure that communities understand that implementing maintenance programs, combined with water system rehabilitation projects, will help maintain high water quality in the distribution systems and at the customer's tap.

2.10 Commitment and Distribution of Funds

Throughout the term of the Program, Financial Assistance and Loan Agreements will be executed on (or about) the following quarterly funding distribution dates: February 15, May 15, August 15, and November 15. Financial Assistance and Loan Agreements will be executed by MWRA's Executive Director, Director of Finance, or Treasurer on behalf of MWRA and an appropriate representative of the community who has been authorized to act as the municipality's agent. Documentation of this authorization will be made part of the executed Financial Assistance Agreement. The Loan Agreement will incorporate an opinion from the community's bond counsel stating that the loan portion of the financial assistance is a valid general obligation of the municipality. The community must also certify that all actions required by the municipality to expend the financial assistance funds have been obtained; that all permits, easements, and all other project requirements and approvals have been obtained; and that implementation of the project is intended to begin within ninety (90) calendar days of execution

of the agreement.

The Financial Assistance Agreement will contain a number of additional project specific terms and conditions that the municipality will agree to upon execution of the agreement. Following execution of the Financial Assistance and Loan Agreements, MWRA will have the entire financial assistance award amount electronically transferred into a Massachusetts Municipal Depository Trust (MMDT) account (or similar account approved by MWRA) designated and arranged by the community. **All financial assistance funds, together with the earnings (interest) from the MMDT account, shall be applied to the cost of MWRA approved community water system rehabilitation projects.**

2.11 Multiple Financial Assistance Distributions

If a community seeks additional MWRA funding for additional eligible project costs on a previously funded project, a separate Financial Assistance Application may be submitted to MWRA. Financial assistance for additional community project costs or additional projects will be provided through execution of a separate Financial Assistance Agreement. Communities may receive financial assistance through the execution of multiple Financial Assistance Agreements as long as the total Financial Assistance Allocation (established in Section 2.4) is not exceeded. The repayment amount and schedule established in each Financial Assistance Agreement shall not be modified due to the execution of a second (or multiple) Financial Assistance Agreement. The repayment amount and schedule for each Financial Assistance Agreement shall be established independently.

2.12 Limitation on Financial Assistance Award

The award of financial assistance by MWRA shall not constitute a commitment for approval of financial assistance for a subsequent project or additional work under the initial project. If a subsequent project or additional work under the initial project is initiated prior to execution of a Financial Assistance Agreement, the applicant proceeds at its own risk. However, all costs incurred for community water system rehabilitation projects on or after January 1, 2010 will be considered for eligibility under the LWSAP, even if the project is underway prior to submittal of the Financial Assistance Application.

2.13 Interaction With Other MWRA Funding Programs, the State Revolving Fund, and Other Programs of Assistance

All costs for which payment has been or will be received under MWRA's Lead Service Line Replacement Loan Program, MWRA's CSO Program, MWRA's I/I Local Financial Assistance Program, the State Clean Water or Drinking Water Revolving Fund, the State Water Conservation Grant Program, or any other state, federal, or other program of assistance shall not be considered an "eligible" cost under the MWRA LWSAP. However, a community's acquisition of other grant or loan funds which are not requested for eligibility under the MWRA Assistance Program, shall not adversely influence the award of MWRA financial assistance.

2.14 Massachusetts Municipal Depository Trust (MMDT) Account and Use of Earned Interest

The applicant is required to establish a Massachusetts Municipal Depository Trust (MMDT) account (or similar account approved by MWRA) for the program. MWRA will deposit the financial assistance funds into the MMDT account. The financial assistance funds must remain separated from other community funds and accounts. No other community funds may be deposited to this account. **Funds must be drawn from the MMDT account to pay project expenses, or to reimburse other municipal accounts that have been used to pay project expenses. The MMDT account must be drawn down in parallel with project expenses throughout the life of the project. Investment reports from the account shall be furnished to MWRA on a regular basis. All interest earned on the financial assistance funds shall be used by the community to cover eligible project costs or additional phases of the community's water system rehabilitation program, as approved by MWRA.**

SECTION 3 - FINANCIAL ASSISTANCE AGREEMENT

3.1 Overview

Following review of a community's Financial Assistance Application, MWRA will determine the eligible project cost and establish the project Award Amount. Once the Award Amount is determined, MWRA will draft a Financial Assistance Agreement. Prior to the distribution of funds to any community under the Program, both MWRA and the community will be required to execute a Financial Assistance Agreement. The Financial Assistance Agreement will stipulate all applicable terms and conditions of the loan funding provided by MWRA for the community's water system rehabilitation project, including, but not limited to: project scope of work (Attachment A); project schedule (Attachment B); documentation that the community representative who executes the agreement is authorized to act as the municipality's agent (Attachment C); project inspection, reporting, audit, and closeout provisions; and project specific special conditions. The applicant shall signify its acceptance of the terms and conditions through execution of the Financial Assistance Agreement.

Appended to the Financial Assistance Agreement will be a separate Loan Agreement. The Loan Agreement process includes: (1) an Opinion of the Community's Bond Counsel stating that the loan is a valid general obligation of the municipality; and (2) a Water Bond prepared by the Community's Bond Counsel and executed by authorized community representatives. The loan repayment amount and schedule is stipulated in the Water Bond.

The Financial Assistance and Loan Agreements will not be executed by the Authority until such time as a draft Water Bond and Opinion of the Community's Bond Counsel have been received by the Authority. Financial assistance funds will not be distributed by the Authority until such time as the original Water Bond and Opinion of the Community's Bond Counsel have been received by the Authority.

3.2 Projects With Retroactive Funding

For projects where a community seeks to apply for MWRA loan funds to retroactively reimburse project costs previously advanced via community funds, the community is advised that prior local authorization (via Town Meeting approval, City Council vote, etc.) approving repayment to MWRA is generally required to have occurred **prior** to the expenditure of project costs. With appropriate approvals, community funds may provide bridge financing for some portion of the project, while awaiting permanent MWRA loan funding. As with all community financing options, the community's financial advisor and Bond Counsel representative should be consulted for advice on proper authorization language and appropriate timing of authorization/borrowings to ensure each community's unique legal requirements are met.

3.3 Assignment of Agreement Requirements to a Third Party

For cost efficiencies, some portion of local projects may be performed under an agreement with a separate agency (third party). Examples of this type of arrangement include water pipeline rehabilitation work contained in contracts performed by MWRA, MassDOT, DCR, MBTA, BRA, Boston Public Works, etc. Absent specific contract language, the third party would not generally be subject to the terms and conditions of the Financial Assistance Agreement. If the applicant demonstrates to MWRA that an agreement exists between the local community and the third party which conveys the applicable terms and conditions of the Financial Assistance Agreement to the third party, then the costs for the water pipeline work will be considered for eligibility. If no such agreement exists, then project costs incurred under third party agreements will be considered ineligible.

SECTION 4 - LOAN REPAYMENT REQUIREMENTS

4.1 Repayment of Interest-Free Loan

For each funding award under the MWRA LWSAP, one hundred percent (100%) of the total Award Amount will be provided as an interest-free loan. The interest-free loan will be repaid to MWRA, in ten equal payments, over a ten-year period, beginning one year after the original quarterly funding distribution date (as established in Section 2.10). Each loan repayment will be due to MWRA annually on the quarterly distribution date.

Forty-five (45) days prior to each annual loan repayment date, MWRA will send the community an invoice that will include the following:

- (1) the terms that will be 45 days from the invoice date;
- (2) the loan repayment due date;
- (3) the annual loan repayment amount;
- (4) a description of the charge;
- (5) the remit address for checks and wires; and,
- (6) the phone number of the MWRA Treasury Office and contact person to call with questions on repayment procedures.

The loan may be repaid early, in less than ten years, if the community so desires. Payments should continue to be made on the anniversary date of the loan, but the amount can be increased if the community wishes to pay off the loan early. If a community wishes to pay an amount in advance of the anniversary date and prior to receiving an invoice, identifying correspondence should accompany the payment in order for MWRA's Treasury Department to properly credit the remaining balance due the proper account. All payments should be clearly identified on the remittance copy of the invoice, especially if the amount paid differs from the amount of the invoice.

SECTION 5 - EXPENDITURE VERIFICATION REQUIREMENTS, PROJECT INSPECTION, PROJECT CLOSEOUT, AND AUDIT PROVISIONS

5.1 Expenditure Verification Requirements

The community shall submit progress reports to MWRA that outline the overall progress of the project, the progress of key project tasks, and the financial status of the project relative to the initial project budget. MWRA will provide standardized forms for progress reporting. Progress reports will be submitted to a designated MWRA Project Manager who will be the key MWRA contact person for all community inquiries regarding the MWRA LWSAP. To enable MWRA to track project expenditures, the community shall append to each progress report appropriate backup information that will document the costs specific to the funded project. Appropriate cost backup information shall include, but not be limited to, consultant and/or contractor invoices, purchase orders, force account time sheets, etc. The frequency of progress reporting will depend on the project cost, duration, and schedule. Most progress reports are expected to be semi-annual.

5.2 Project Inspection

A community receiving funding under MWRA's LWSAP shall make the project site and all project records available to MWRA staff for review during the course of the project. MWRA staff will periodically monitor the progress of work for which MWRA financial assistance has been provided. The intent of these periodic inspections will be to insure that the project is: (1) proceeding substantially as defined in the Scope of Work (Attachment A) and Project Schedule (Attachment B) of the executed Financial Assistance Agreement; and (2) proceeding in a manner which will produce the water system improvements which the community estimated would be achieved in the Financial Assistance Application. Appropriate wording which will allow MWRA staff access to the project site and project records shall be included in the Financial Assistance Agreement and project contracts related to performance of work for which the community is receiving financial assistance funding.

5.3 Project Closeout Provisions

Upon completion of the project, the community shall notify MWRA that the project is complete and shall certify that all work included in the Scope of Work section of the executed Financial Assistance Agreement has been completed and performed in accordance with said Agreement. MWRA will provide the community with a project closeout package that includes a summary of all project expenditures and identifies the final project cost. The community shall review, execute, and return the project closeout package to MWRA. Prior to project closeout, MWRA will work cooperatively with the community to make every effort to expend the total project financial assistance Award Amount on project related (or other approved water system project) expenditures. To ensure that the total project financial assistance Award Amount is expended, MWRA will consider allowing: (1) an increase in the quantity of existing eligible items in the project Scope of Work, (2) additions to the project Scope of Work, or (3) the transfer of unused funding to a second (or future) funded project which has additional eligible project costs which were not already funded under a separate Financial Assistance Agreement.

5.4 Project Audit Provisions

The community, the community's engineer(s), and the community's contractor(s) shall maintain books, records, documents, and other evidence directly related to the performance of all work receiving funding under the Financial Assistance Agreement in accordance with generally accepted professional practice and appropriate accounting procedures and practices. The community, the community's engineer(s), and the community's contractor(s) shall also maintain the financial information and data used by the engineer(s) and contractor(s) in the preparation or support of the cost submission and a copy of the cost summary submitted to the community. MWRA shall have access to such books, records, documents, and other evidence for inspection, audit, and copying during normal business hours, upon ten (10) days notice and at MWRA's expense. The community, the community's engineers, and the community's contractors shall provide proper facilities for such access and inspection. All of the documents shall be kept for at least seven (7) years after the final payment to the engineer or contractor, or at least seven (7) years after closeout of the project, whichever is later.

The community shall agree to include the wording of the above paragraph in all contracts and subcontracts related to performance of work for which the community is receiving MWRA financial assistance funding.

Audits conducted by MWRA, or its duly authorized representatives, shall be in accordance with generally accepted auditing standards and established procedures and guidelines of MWRA. Such audits shall be conducted at the expense of MWRA upon ten (10) days notice to the community.

The community agrees to provide MWRA with a copy of the community's annual audited financial statements within a reasonable time after the issuance thereof, together with a certificate of the community stating that the community is in compliance with its obligations under this agreement.

SECTION 6 - EQUAL EMPLOYMENT OPPORTUNITY, ANTIDISCRIMINATION, AND AFFIRMATIVE ACTION GOALS

6.1 Overview

The community shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, handicap status or national origin. The community, the community's engineer(s), and the community's contractor(s) shall comply with all applicable laws and regulations pertaining to nondiscrimination, equal opportunity and affirmative action, including without limitation, executive orders and rules and regulations of federal and state agencies of competent jurisdiction. As detailed below, the community shall make positive efforts to use minority-owned business enterprises (MBE) and woman-owned business enterprises (WBE) for professional services, non-professional services and construction related work that has received funding under the MWRA LWSAP. The community shall also require all construction contractors and subcontractors to make positive efforts to meet the percentage goal for minority employee work force hours and woman employee work force hours, as detailed below. Minority and women-owned businesses (MBEs and WBEs) who participate as part of this Program should be certified as such by the Supplier Diversity Office (SDO).

For the purpose of establishing MBE/WBE participation goals and minority/woman employee work force hour goals for projects receiving funding under the MWRA LWSAP, all eligible project costs should be designated to one of the following four categories of work:

- (a) Professional Services (see Section 6.2);
- (b) Non-professional Services (see Section 6.3);
- (c) Construction (see Section 6.4); and,
- (d) Force Account Work (see Section 6.5).

The goals for MBE/WBE participation and minority/woman employee work force hour percentages are specific to the category of work being performed. The goals for each category of work are detailed below.

6.2 Goals for Professional Services

A community that receives MWRA LWSAP funds for a project under the Professional Services category of work should make positive efforts to achieve a goal of 7.18 percent participation of Minority-owned Business Enterprise(s) and 5.77 percent participation of Woman-owned Business Enterprise(s) within the project contracts. At a minimum, the community should allow MBEs and WBEs the maximum feasible opportunity to compete for subagreements to be performed under the project. The community will not be required to include MWRA's MBE/WBE Compliance Forms or MWRA's Requirements for Minority and Woman Business Enterprise and Equal Employment Opportunity Consultant Services Forms within its professional services contracts.

6.3 Goals for Non-Professional Services

A community that receives MWRA LWSAP funds for a project under the Non-Professional Services category of work should make positive efforts to achieve a goal of 5.61 percent participation of Minority-owned Business Enterprise(s) and a goal of 4.88 percent participation of Woman-owned Business Enterprise(s) within project contracts. At a minimum, the community should allow MBEs and WBEs the maximum feasible opportunity to compete for subagreements to be performed under the project. The community will not be required to include MWRA's Supplemental Provisions for Equal Employment Opportunity, Antidiscrimination and Affirmative Action Forms within its construction contracts/specifications or non-professional services contracts.

The community shall agree to include the wording of the above paragraph in all contracts and subcontracts related to performance of work for which the community is receiving MWRA financial assistance funding.

6.4 Goals for Construction

A community which receives MWRA LWSAP funds for a project under the Construction category of work should make positive efforts to achieve: (1) a minority employee work force goal of 15.3 percent, (2) a woman employee work force goal of 6.90 percent, (3) a goal of 7.24 percent participation of Minority-owned Business Enterprise(s), and (4) a goal of 3.60 percent participation of Woman-owned Business Enterprise(s) within project contracts. At a minimum, the community should allow MBEs and WBEs the maximum feasible opportunity to compete for subagreements to be performed under the project. The community will not be required to include MWRA's Supplemental Provisions for Equal Employment Opportunity, Antidiscrimination and Affirmative Action Forms within its construction contracts/specifications or non-professional services contracts.

The community shall agree to include the wording of the above paragraph in all contracts and subcontracts related to performance of work for which the community is receiving MWRA financial assistance funding.

6.5 Force Account Work

The Community shall strive to achieve on the MWRA's LWSAP the labor participation goals contained herein. Said participation goals shall apply in each job category on this program including but not limited to bricklayers, carpenters, cement masons, electricians, ironworkers, operating engineers and those classes of work enumerated in Section 44F of Chapter 149 of the Massachusetts General Laws. The participation goals for this project shall be **15.3%** for minorities and **6.9%** for women. The participation goals, as set forth herein, shall not be construed as quotas or set-asides; rather, such participation goals will be used to measure the progress of the Commonwealth's equal opportunity, non-discrimination and affirmative action program.

SECTION 7 - INSTRUCTIONS FOR COMPLETING FINANCIAL ASSISTANCE APPLICATION

7.1 Application Instructions

Each MWRA water service area community meeting the funding eligibility set forth in Section 2.4 may apply to MWRA for funding under MWRA's LWSAP by completing and filing the required application form. MWRA shall review each submitted application to determine the adequacy, accuracy and completeness of the information contained therein. MWRA may request the applicant provide additional project information and/or request the applicant attend a meeting to review details of the proposed project.

MWRA's LWSAP Financial Assistance Application is presented as Attachment 1. All questions within the application must be answered completely and accurately. The application and all supporting documentation should be submitted to:

Massachusetts Water Resources Authority
Community Support Program
Charlestown Navy Yard
100 First Avenue
Boston, MA 02129
Attn: Planning - Community Support Program

An electronic copy (MS Word or PDF) is available at www.mwra.com, or from Elaine M. Donahue, Project Manager, at Elaine.Donahue@mwra.com or (617) 788-4824. The direct link to the LWSAP page is: <http://www.mwra.com/comsupport/lwsap/lwsaprogram.html>. A discussion of each section of the Financial Assistance Application is presented below.

Section 1 - Financial Assistance Requested

This section is self-explanatory.

Section 2 – Acknowledge MWRA Recommended Community Water System Maintenance and Improvement Programs

Each community participating in the LWSAP must acknowledge certain MWRA recommended water system maintenance practices (see detail in Section 2.9).

Section 3 - Project Description

The applicant should provide as complete and detailed information as possible on the proposed project. The information provided will be reviewed by MWRA staff to determine if the project is a viable water system rehabilitation project and assess the eligible project costs. It is important that the project proponent state the estimated water system improvements anticipated from completion of the project construction phase.

Section 4 - Documentation of Project Need

Identify records that document the project's need, including, but not limited to: report recommendations (Facility Plans, leak reports, water quality reports, Water System Evaluation Surveys, local water source protection studies); physical surveys and internal inspections; and other pertinent DPW/Water Department maintenance records.

Section 5 - Project Schedule

The application must contain a realistic schedule outlining important milestones in the planning, design, or construction phases of the project. If final paving and/or project closeout are anticipated to be delayed due to winter season, please note this in the project schedule. The estimated project start date must be included.

Section 6 - Map of Project

The application should be accompanied by a project map, denoting the water distribution system and/or general plan of the proposed project site. If no map or plan is submitted with the application, an appropriate explanation must be provided.

Section 7 - Project Funding

The applicant must identify if 100 percent of the proposed project funding will come from MWRA's LWSAP or if a portion of the project funds will come from other funding sources. If additional funds are required to perform the project, the applicant must identify them in this section of the application. Documentation of the availability of the additional funds should be included with the application or, if the additional funding is anticipated through a future action, the anticipated availability date of the additional funds should be provided.

Section 8 - Summary of Costs

In the space provided (or as an attachment) list each project phase (i.e. Planning, Design, Construction, Construction Services, etc.). Under each phase list the major tasks of work required to complete the project. For each major task provide an estimate of the total cost and eligible cost under the appropriate heading. Major tasks may include those listed as eligible project costs in Section 2.7 of the Program Guidelines or other costs that may or may not be eligible for financial assistance funding. **Note that if construction paving costs represent more than ten percent (10%) of the project cost, they should be identified as a separate project phase or subtask in Section 8 - Summary of Costs.** At the bottom of the Summary of Costs section, provide the date of the cost estimate, the appropriate Engineering News Record (ENR) Construction Cost Index, and the name of the person or firm who developed the cost estimate. Engineering costs should be broken down into the major engineering tasks as outlined in a standard engineering agreement. The following information should be provided for each engineering task: staff labor category, staff hours, hourly rates, direct labor costs, indirect labor costs, other direct costs and/or expenses, etc. For ease of preparation, a cost spreadsheet form may be submitted. Construction costs should be documented through an engineering cost estimate or bid tabulation, if available.

Section 9 - Interdependent Projects

The application must note whether financing has been received or is being requested for this project, or a separate phase of the project, from a non-MWRA grant, the Drinking Water State Revolving Fund (DWSRF) program, or any other federal, state or other funding program. The applicant must specify interdependent projects or portions of projects. For example, if the applicant is performing the design phase of a project under State grant or DWSRF funding, and MWRA financial assistance is being requested for the construction phase, then the construction phase is dependent on completion of the design.

Section 10 - Intermunicipal Projects

If the project will serve two or more municipalities, or one community's project extends into another community, the applicant must explain the circumstances. State whether the municipalities have, or propose to have, an intermunicipal agreement or another legally binding document covering financing, construction, and/or operation of the proposed improvements. If not, detail historic cooperative service relationships between the parties.

Section 11 - Project Permits and Certificates

The applicant should specify permits and/or certificates that have been obtained or may be required prior to initiation of the proposed project. A list of permits and certificates, which may be applicable, is provided in the application. Additional permits and/or certificates may be required which are not shown on the list provided.

Section 12 - Construction Plans, Specifications, and Bidding Documents

For proposed construction projects and equipment/material purchases, the applicant should outline the status of the plan, specification, and bidding document preparation, and the time schedule for completion. If these documents are not required for the project, an explanation must be included in this section.

Section 13 - Engineering Agreement

For proposed planning and design projects, the applicant should outline the status of an engineering agreement and time schedule for its completion. If no engineering agreement is required for the project, an explanation must be included in this section.

Section 14 - Force Account Work

If the applicant proposes to perform any funding eligible portion of the project (planning, design, construction services, or construction activities) using its own staff (City, Town, District, or Commission employees), a description of the proposed activities must be provided. The use of the applicant's own employees is defined as "force account work".

Only direct labor costs associated with force account work may be approved as eligible costs if documentation of the direct labor hours and cost per hour are provided to MWRA. Charges for overhead, overtime, and/or the use of vehicles or equipment owned by the applicant and staff time to obtaining permits or licenses are ineligible.

To document Force Account Work, MWRA requires detailed records of staff hours worked on the project. As part of its regular project progress reports to MWRA, the community must provide a breakdown of staff names, titles, job duties, hours worked on the project, and hourly pay rates. Detailed records such as weekly time sheets should be submitted as backup to summary spreadsheet information. If weekly time sheet information is not available for submittal, an appropriate community representative with direct knowledge of the project activities will be required to certify via signed statement that the force account hours being submitted to MWRA as eligible work are authentic.

Section 15 - Other Project Information

The applicant is encouraged to provide any other additional information that may enable MWRA to determine that the project is a viable water system rehabilitation project and assess the eligible project costs.

APPENDIX A - DEFINITION OF TERMS

Authority - Massachusetts Water Resources Authority.

Board of Directors - Board of Directors of the Massachusetts Water Resources Authority.

Executive Director - Executive Director of the Massachusetts Water Resources Authority.

Financial Assistance - Monies provided to public entities.

Grant - Monies provided to public entities that do not require repayment.

Loan - Monies provided to public entities that are required to be repaid over a specified time period.

Service Area Communities - All municipalities, water districts and commissions served by the MWRA's Waterworks System.

Treasurer - Treasurer of the Massachusetts Water Resources Authority.

APPENDIX B - ABBREVIATIONS

BRA:	Boston Redevelopment Authority
CMR:	Commonwealth of Massachusetts Regulation
CSO:	Combined Sewer Overflow
CVA:	Chicopee Valley Aqueduct
DCR:	Department of Conservation and Recreation
DPW:	Department of Public Works
DOT:	Massachusetts Department of Transportation
DWSRF:	Drinking Water State Revolving Fund
EIR:	Environmental Impact Report
ENF:	Environmental Notification Form
ENR:	Engineering News Record
EPA:	United States Environmental Protection Agency
FY:	Fiscal Year
GIS:	Geographic Information System
LWSAP:	Local Water System Assistance Program
MassDEP:	Massachusetts Department of Environmental Protection
MBE:	Minority-owned Business Enterprise
MBTA:	Massachusetts Bay Transit Authority
MMDT:	Massachusetts Municipal Depository Trust
MWRA:	Massachusetts Water Resources Authority
O&M:	Operation and Maintenance
SDO:	Supplier Diversity Office
WBE:	Woman-owned Business Enterprise