



MASSACHUSETTS
CLEAN WATER TRUST

Investor Presentation

\$293,030,000* State Revolving Fund Bonds

\$143,330,000* Series 24A (**Green Bonds**)

\$149,700,000* Series 24B (**Sustainability Bonds**)

\$111,750,000* State Revolving Fund Refunding Bonds, Series 2022

Retail Order Period: November 30, 2022*

Institutional Order Period: December 1, 2022*

November 21, 2022

* Preliminary, subject to change



MASSACHUSETTS CLEAN WATER TRUST

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This Investor Presentation you are about to view is provided as of November 21, 2022 for a proposed offering of the Massachusetts Clean Water Trust (the "Trust") for the Trust's State Revolving Fund Bonds, Series 24A (Green Bonds) (the "Series 24A Bonds") and State Revolving Fund Bonds, Series 24B (Sustainability Bonds") (the "Series 24B Bonds" and together with the Series 24A Bonds, "New Money Bonds") and the State Revolving Fund Refunding Bonds, Series 2022 (the "Refunding Bonds" and together with the New Money Bonds, the "Bonds"). If you are viewing this Investor Presentation after November 21, 2022, events may have occurred subsequent to such date that would have a material adverse effect on the financial information that is presented herein, and none of BofA Securities, Inc., as representative of the underwriters, (the "Representative"), PFM Financial Advisors, LLC. (the "Financial Advisor") or the Issuer have undertaken any obligation to update this presentation. All market prices, financial data and other information provided herein are not warranted as to completeness or accuracy and are subject to change without notice.

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Transaction Overview

	\$143,330,000* Series 24A (Green Bonds)	\$149,700,000* Series 24B (Sustainability Bonds)	\$111,750,000* Series 2022
Issuer	Massachusetts Clean Water Trust (the "Trust")		
Ratings	Aaa/AAA/AAA (Moody's/S&P/Fitch)		
Tax Status	Federally tax-exempt, Commonwealth of Massachusetts ("Commonwealth") tax-exempt		
Use of Proceeds	\$315.6 million of Bond proceeds and \$155.5 million of SRF Program Funds will collectively finance or refinance 103 loans for 56 borrowers, totaling \$471.2 million ¹		Refinance outstanding Series 17A Trust bonds for savings
Security	Bonds are secured by a cash flow model supported by: (i) repayments on loans financed or refinanced through the Master Trust Agreement ("MTA") ("Borrower Repayments") ² ; (ii) Commonwealth Contract Assistance Payments; and (iii) other funds held under the MTA, including the Equity Fund		
Optional Redemption	The Bonds maturing on and after February 1, 2033* are subject to redemption at par beginning February 1, 2032*		Non-Callable
Green Bond and Sustainability Bond Designations	<ul style="list-style-type: none"> Designated as "Green Bonds" by the Trust Designation is based on the projects' adherence to the Clean Water Act and Safe Drinking Water Act as determined by the Massachusetts Department of Environmental Protection ("MassDEP") See pages 13-15 of this presentation and Appendix C of the POS for additional details 	<ul style="list-style-type: none"> Designated as "Sustainability Bonds" by the Trust Designation is based on the projects' adherence to the environmental standards of the Clean Water Act and Safe Drinking Water Act, as well as the designation of the Series 24B Borrowers as Tier 3 Disadvantaged Communities under such acts See pages 13-15 of this presentation and Appendix C of the POS for additional details 	<ul style="list-style-type: none"> No Green Bond or Sustainability Bond Designation
Denominations	\$5,000 and integral multiples thereof		
Interest Payment Dates	February 1 and August 1, beginning August 1, 2023		
Final Maturity Date	February 1, 2043*		February 1, 2035*
Pricing Date	<u>Retail Order Period:</u> November 30, 2022* <u>Institutional Order Period:</u> December 1, 2022*		
Delivery Date	December 14, 2022*		
Financial Advisor	PFM Financial Advisors, LLC		
Senior Managing Underwriter	BofA Securities		

* Preliminary, subject to change, refer to Appendix page 19 for amortization schedule

¹ Series 24 Borrowers listed in Appendix page 20

² Borrower Repayments include excess Prior Bond Revenues from Refunded Prior Bonds and Borrower Payments from Prior Loans that have been directed to the Revenue Fund



Credit Highlights

Overall Programmatic Strength and Coverage

- Borrower Repayments and Commonwealth Contract Assistance Payments provide at least 1.18x coverage of bonds issued under the MTA (“MTA Bonds”)
- Additional security from the Equity Fund, which secures all MTA Bonds on a parity basis
- Credit ratings of “Aaa/AAA/AAA” (Moody’s/S&P/Fitch)

Large and Diverse Borrower Pool with Solid Fundamentals

- Highly-rated and diverse loan pool
- Virtually all borrowers provide the Trust with a general obligation (“GO”) pledge
- Massachusetts Water Resources Authority (“MWRA”), the Trust’s largest borrower, serves 61 member communities in and around the metropolitan Boston area and carries senior lien ratings of “Aa1/AA+/AA+” (Moody’s/S&P/Fitch)
- Payments are due to the Trust fifteen (15) days in advance of debt service payments
- No loans pledged to the Trust’s bonds have ever defaulted
- Local aid intercept is available

Commonwealth and Federal Support

- Significant Federal and Commonwealth support through Capitalization Grants and Matching Grants, respectively
- Additional state-level support in the form of Contract Assistance Payments, which carry the full faith and credit of the Commonwealth (subject to certain state law limitations), rated “Aa1/AA/AA+” (Moody’s/S&P/Fitch)

Management and Oversight

- Loan portfolio is actively monitored, and bond portfolio is actively managed
- The Trust has repeat borrowers, especially the larger borrowers in the program, and is in consistent contact with those borrowers

Environmental and Social Benefits and Essentiality of Projects Being Funded

- Constitutes the single largest financing source of essential water and wastewater infrastructure projects in the Commonwealth
- Focuses on environmentally beneficial projects
- Also invests in Disadvantaged Communities and provides additional subsidies to borrowers to enhance priority environmental and public health initiatives



Program Overview



Overview

- Established in 1989 to improve the water quality in the Commonwealth through the provision of low-cost financing to cities, towns and other eligible entities
- Administered by a three-member board chaired by the Treasurer of the Commonwealth, and including the Secretary of the Executive Office for Administration and Finance and the Commissioner of MassDEP
 - MassDEP manages project development and oversight while the Trust manages the flow of funds to borrowers
- In partnership with MassDEP and the U.S. Environmental Protection Agency (“EPA”), the Trust functions as an environmental infrastructure bank
 - Provides subsidized loans to local governmental units under two programs: **Clean Water SRF (“CWSRF”)** and **Drinking Water SRF (“DWSRF”)**
 - Loans are made for projects that focus on the development and rehabilitation of wastewater and drinking water infrastructure, with the aim of promoting sustainability, energy efficiency and green infrastructure
- The Trust receives significant federal support (via Federal Capitalization Grants) and Commonwealth support (via Commonwealth Matching Grants and Contract Assistance Payments)



Borrower Loans

Loan Terms

- Projects financed are those ranked as a priority based on criteria intended to identify the most relevant public health and environmental related projects
- 2% subsidized loan rate with terms up to 30 years (though certain loans with terms greater than 20 years may pay a rate higher than 2%)
- Certain priority projects/initiatives qualify for reduced or 0% interest (See Appendix page 21 for details on other subsidy programs offered by the Trust)

Interim Loans (Construction Loans)

- The Trust provides short-term construction loans in the form of Interim Loans that bridge the period between project approval and permanent financing when the loan is put into repayment. These loans are provided at 0% interest rate with no fees

Disadvantaged Communities Additional Subsidy (Loan Forgiveness)

- The Trust uses a percentage of its annual grant and state funding as additional subsidy each year. This subsidy comes in the form of loan forgiveness to disadvantaged communities
- Eligibility is determined by an annual affordability calculation – which ranks communities into affordability tiers (shown below). The amount of loan forgiveness is based on a community's affordability tier
- The Trust has provided \$34.5 million in loan forgiveness for the Series 24 loans

Disadvantaged Community Tiers	Tiers by Adjusted Per Capita Income (APCI) Range
Tier 1	APCI more than 80% but less than 100% of the State APCI
Tier 2	APCI more than 60% but less than 80% of the State APCI
Tier 3 ¹	APCI less than 60% of the State APCI.

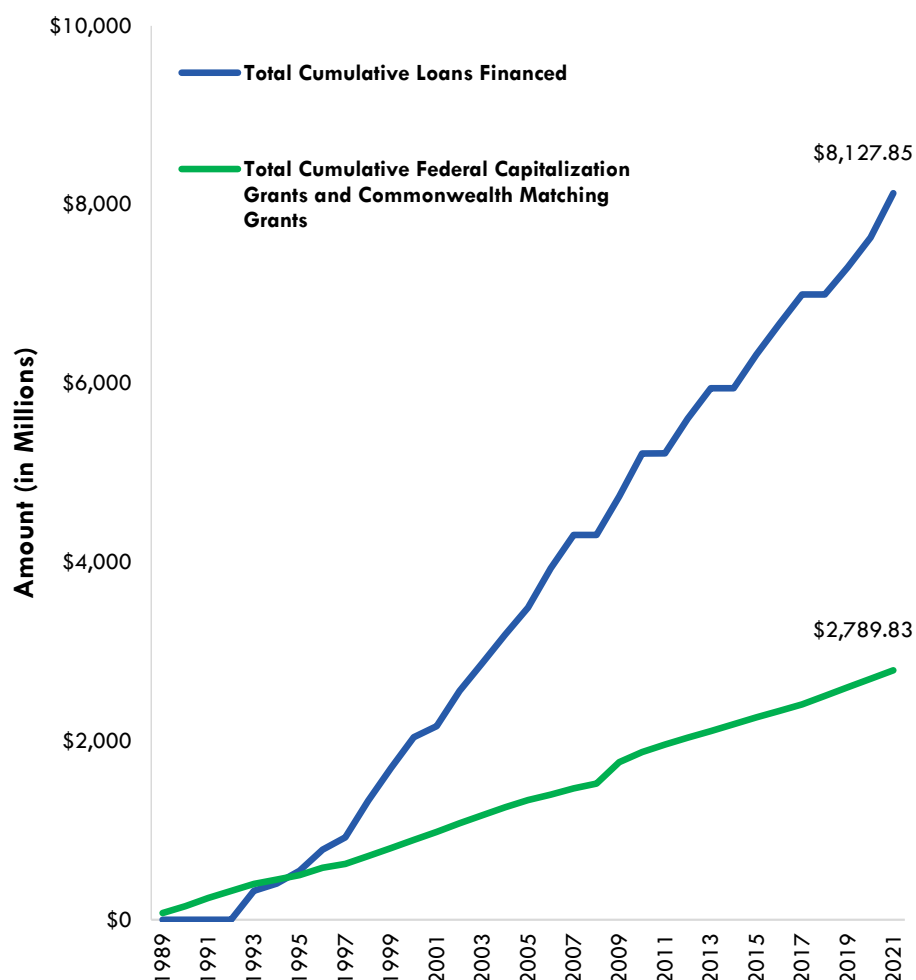
¹ Tier 3 loans are those included in the Series 24B Sustainability Bonds.



One of the Largest SRF Programs in the Country

Total Cumulative Loans Financed

- The Trust has leveraged nearly \$2.8 billion in Federal Capitalization Grants and Commonwealth Matching Grants to finance approximately \$8.1 billion in water and wastewater infrastructure projects



Bipartisan Infrastructure Law (BIL) Grants

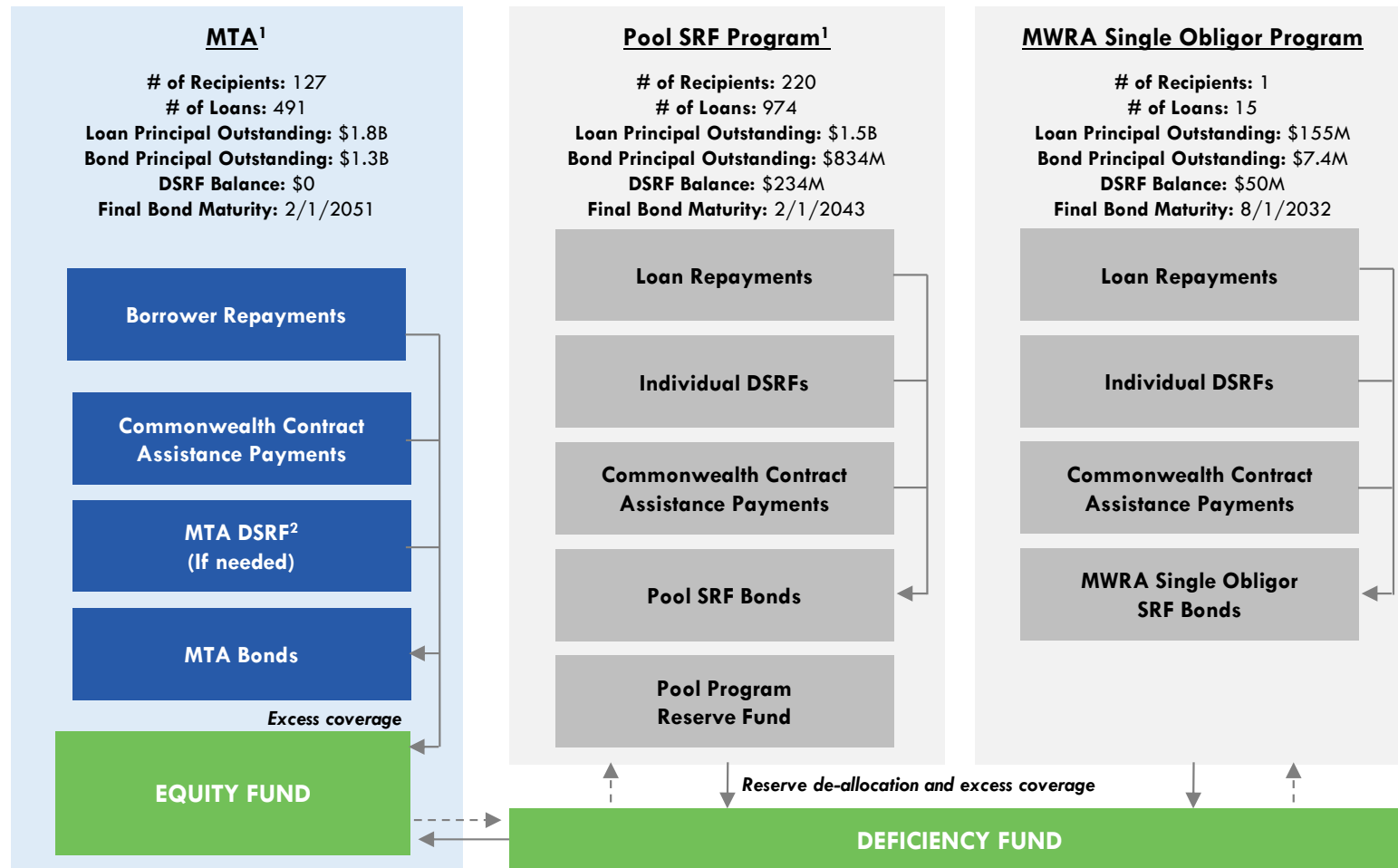
- On November 19, 2021, President Biden signed into law the BIL which provides two new federal grants through the CWSRF and three new federal grants through the DWSRF
- These grants will be provided annually over the next five years beginning with federal fiscal year (FFY) 2022 and will be in addition to the CWSRF and DWSRF base grants
 - The CWSRF Supplemental Grant, the DWSRF Supplemental Grant and the DWSRF Lead Service Line Replacement Grant require that 49% of the grant amount must be provided as loan forgiveness to disadvantaged communities
 - The CWSRF and DWSRF Emerging Contaminants Grants are expected to target PFAS remediation projects and require that 100% of the grant amounts must be provided as loan forgiveness and that at least 25% of the grant amounts be directed to disadvantaged communities
- The Trust has received all of its FFY 2022 BIL grant awards

Grants	FFY 2022 Grants
CWSRF Supplemental	\$60.4 M
CWSRF Emerging Contaminants	3.2 M
DWSRF Supplemental	41.8 M
DWSRF Emerging Contaminants	17.5 M
DWSRF Lead Service Line Replacement	65.8 M



Borrowing Program Structure

- The MTA was created in 2014 to simplify the Trust's program framework
- The Pool SRF Program and Single Obligor Programs under the Program Resolution are closed except for refundings (and remaining outstanding bonds are known as "Prior Bonds")
- The Equity Fund is available to cure any shortfalls across all programs



Note: Reflects amounts outstanding as of August 1, 2022

¹ Does not reflect the issuance of the Bonds or anticipated refunding of Prior Bonds

² Deposit to the MTA DSRF will not be funded in conjunction with the issuance of the Bonds

—▶ **Planned cash flows**

- - -▶ **As needed cash flows**



Security Features of MTA Bonds

Sources of Bond Repayments

Borrower Repayments

- Composed of loan repayments from 258 individual borrowers
- Payments are due to the Trust fifteen (15) days in advance of bond debt service payments
- No loans pledged to the Trust's bonds have ever defaulted

Commonwealth Contract Assistance Payments

- Contract Assistance Payments are pledged by the Commonwealth to the Trust on behalf of borrowers pursuant to Chapter 29C of the Massachusetts General Laws and the Amended and Restated Agreement for Contract Assistance dated as of June 1, 2018
- Secured by the full faith and credit of the Commonwealth (subject to certain state law limitations), which is rated "Aa1/AA/AA+" (Moody's/S&P/Fitch)

Coverage

- Total Borrower Payments and Commonwealth Contract Assistance Payments provide at least 1.18x coverage on all MTA Bonds, including the Bonds (see page 16)
- Additional MTA Bonds may be issued if the debt service coverage, including such additional MTA Bonds, is at least 1.05x for each fiscal year

Equity Fund

- Held by the Master Trustee under the MTA
- Available to cure defaults on all MTA Bonds on a parity basis, including the Bonds
- Receives releases from the Deficiency Fund (which also receives de-allocations from the DSRFs securing Prior Bonds)



Loan Portfolio: Highly-Rated Borrowers

High-Quality Borrower Pool		Top 15 Borrowers Across All Programs ¹				
<ul style="list-style-type: none">Large and diverse pool of borrowers with sound credit quality<ul style="list-style-type: none">Based on loans outstanding, 97% of borrowers carry an “A” category rating or better, and 87% carry a “AA” category rating or betterMWRA – which is the Trust’s largest borrower and serves 61 member communities in and around the metropolitan Boston area – is rated “Aa1/AA+/AA+”²The Trust’s loan portfolio provides a stable and secure source of repayment for all of the Trust’s outstanding bonds<ul style="list-style-type: none">Virtually all of the borrowers (including all of the top 15 borrowers) provide a general obligation (“GO”) pledge to the TrustOngoing project and financial oversight from MassDEP and the Trust (see Appendix page 22)The security of the loan repayment streams is bolstered by the underlying essential need for water and wastewater services No loans pledged to the Trust’s bonds have ever defaulted	Rank	Borrower	Loan Principal Outstanding (as of 8/1/2022 plus Series 24 loans)	% of Total	Rating (Moody’s/ S&P)	
	1	Massachusetts Water Resources Authority ³	\$777,402,134	19.90%	Aa1/AA+ ²	
	2	Springfield Water & Sewer Commission ³	205,333,311	5.26%	---/AA ⁴	
	3	Fall River	158,218,627	4.05%	A3/---	
	4	New Bedford	131,309,515	3.36%	A1/AA-	
	5	Upper Blackstone Clean Water	116,781,933	2.99%	Aa3/---	
	6	Chicopee	110,211,898	2.82%	---/AA-	
	7	Revere	97,506,274	2.50%	Aa3/AA	
	8	Lowell	92,359,805	2.36%	A1/AA-	
	9	Taunton	89,864,826	2.30%	---/AA+	
	10	Haverhill	76,839,472	1.97%	A1/AA	
	11	Lawrence	72,550,218	1.86%	A2/A+	
	12	Eastham	70,092,775	1.79%	---/AA+	
	13	Nantucket	69,421,815	1.78%	Aaa/AA+	
	14	Pittsfield	67,368,813	1.72%	A1/A+	
	15	Billerica	63,561,061	1.63%	Aa2/AA+	
	16 – 258	All others	1,707,228,514	43.71%		
Grand Total			\$3,906,050,992	100.00%		

Note: With the exception of MWRA, none of the top 15 borrowers maintain Fitch ratings

¹ Table sets forth the amount of loans expected to be outstanding upon issuance of the Bonds

² Reflects ratings on MWRA’s senior lien General Revenue Bonds

³ Loans to MWRA and the Springfield Water and Sewer Commission carry both a GO pledge, as well as a subordinate pledge of dedicated revenues under the applicable bond resolution

⁴ Reflects ratings on Springfield Water and Sewer Commission’s senior lien General Revenue Bonds



Series 24 and 2022 Financing



Green Bonds and Sustainability Bonds: Overview

- The Series 24A and Series 24B Bonds will be designated as **Green Bonds** and **Sustainability Bonds**, respectively
 - **Series 24A (Green Bonds)** will be the Trust's seventh Green Bond issuance, continuing a program that was launched in 2014 and surpassing \$1 billion in total par amount of Green Bonds issued
 - **Series 24B (Sustainability Bonds)** will be the second issuance of Sustainability Bonds for the Trust
 - Expected to provide both environmental *and* social benefits as proceeds will finance projects in communities in need of an additional reduction in interest rates to help mitigate the construction costs of these essential water infrastructure projects
 - Provides investors an opportunity to support the Massachusetts communities identified as the most disadvantaged
- For its Green Bonds and Sustainability Bonds, the Trust intends to generally track guidelines promulgated by the International Capital Market Association ("ICMA")
 - By also referencing ICMA's *Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals* (June 2022), the Trust intends that proceeds will be used in a manner expected to be consistent with certain United Nations Sustainable Development Goals ("UN SDGs"), as highlighted herein
 - While the Trust currently intends the projects financed by the New Money Bonds will generally adhere to certain UN SDGs, the Trust does not guarantee that such criteria will ultimately be met, either in substance or with respect to any particular timelines set forth in the UN SDGs
- Holders of Green Bonds or Sustainability Bonds share the same security as other MTA Bonds and do not assume any specific risk with respect to any of the funded projects



Green Bonds and Sustainability Bonds: Designation

	Series 24A (Green Bonds)	Series 24B (Sustainability Bonds)
Basis for Designation	<ul style="list-style-type: none"> Adherence to environmental standards of the federal Clean Water Act and the Safe Drinking Water Act 	<ul style="list-style-type: none"> Adherence to environmental standards of the federal Clean Water Act and the Safe Drinking Water Act Designation of Series 24B Borrowers as Disadvantaged Communities <ul style="list-style-type: none"> Comprised of projects in communities categorized as 'Tier 3,' which have an adjusted per capita income ("APCI") that is less than 60% of the Commonwealth APCI
Guidance	<ul style="list-style-type: none"> ICMA's <i>Green Bond Principles</i> Goals 3 (Good Health and Well-Being), 6 (Clean Water and Sanitation), 12 (Responsible Consumption and Production) and 14 (Life Below Water) of the UN SDGs 	<ul style="list-style-type: none"> ICMA's <i>Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines</i> Goals 3 (Good Health and Well-Being), 6 (Clean Water and Sanitation), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequalities), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production) and 14 (Life Below Water) of the UN SDGs
Use of Proceeds/ Project Categories	<ul style="list-style-type: none"> Bond proceeds fund CWSRF and DWSRF projects across the Commonwealth CWSRF Eligible Project Categories – Wastewater treatment projects; infiltration/inflow and sewer system rehabilitation projects; collector and interceptor sewer projects; combined sewer overflow correction projects; non-point source sanitary landfill; non-point source decentralized wastewater treatment system stormwater infrastructure; planning projects DWSRF Eligible Project Categories – Drinking water treatment projects; drinking water transmission and distribution projects; drinking water source and storage projects; drinking water planning and design projects 	
Additional Relevant Topics	<ul style="list-style-type: none"> Project Evaluation/Selection – Projects to be funded are selected annually by MassDEP, with information published on the Intended Use Plan Management of Proceeds – Proceeds are deposited into segregated clean water and drinking water accounts in the Project Fund that are individually tracked by the Trust and MassDEP Post-Issuance Reporting – The Trust will report on the net proceeds of the New Money Bonds once a year in its Annual Report to EPA (and in its own Annual Report) and will list project progress until all proceeds have been spent 	



Green Bonds and Sustainability Bonds: UN SDG Alignment*

- The following table highlights the alignment of select CWSRF and DWSRF project categories to certain of the UN SDGs

	Project Category	UN SDG Alignment
CWSRF Eligible Projects	Wastewater treatment	3.9, 6.3, 6.4, 12.4
	Collector and interceptor sewers	3.9, 6.3, 6.4, 14.1
	Combined sewer overflow correction	3.9, 6.3, 6.b, 12.2, 14.1
	Infiltration/inflow and sewer system rehabilitation	3.9, 6.3, 6.b, 14.1
	Non-point source sanitary landfill	3.9, 6.3, 6.b, 12.2, 12.4, 14.1, 14.2
	Non-point source decentralized wastewater treatment system	3.9, 6.3, 6.b, 12.2, 12.4, 14.1, 14.2
	Stormwater infrastructure	3.9, 6.3, 6.b, 12.4
	Planning projects	3.9, 6.3, 6.b, 12.2, 14.1, 14.2
DWSRF Eligible Projects	Drinking water treatment	3.9, 6.3, 6.4, 6.5, 6.b, 12.2, 14.1
	Drinking water transmission and distribution	3.9, 6.1, 6.4, 6.5, 12.4
	Drinking water source and storage	3.9, 6.1, 6.4, 12.2
	Drinking water planning and design	3.9, 6.1, 12.2, 12.4

- Additionally, those projects that fall within Tier 3 Disadvantaged Communities also align to UN SDGs 9, 10 and 11
- See Appendix C of the POS for additional detail on project alignment, as well as description of all projects being financed with New Money Bond proceeds and SRF Program Funds
 - Each project is mapped to the applicable UN SDGs
 - Disadvantaged Community Level is provided for each project



* While the Trust currently intends the projects financed by the Bonds will generally adhere to the UN SDGs noted above, the Trust does not guarantee that such criteria will ultimately be met, either in substance or with respect to any particular timelines set forth in the UN SDGs

MTA Projected Coverage*

MTA Debt Service Coverage Table *

Fiscal Year Ending June 30,	MTA Revenues						(Total Revenues + Transfers to Equity Fund) / Debt Service	
	Debt Service	Borrower Payments ²	Contract Assistance Payments	Portion of Prior Bond Revenues related to Refunded Prior Bonds ³	Total Revenues	Total Revenues / Debt Service ⁴	Transfers to Equity Funds ⁵	
2023 ¹	\$70,282,428	\$81,139,877	\$3,289,121	\$9,024,207	\$93,453,205	133%	\$5,040,902	140%
2024	166,902,764	147,882,454	11,220,966	38,125,192	197,228,611	118%	66,738,794	158%
2025	168,952,894	147,166,222	10,627,926	41,911,806	199,705,953	118%	60,524,370	154%
2026	164,424,344	145,575,064	10,248,987	38,281,305	194,105,356	118%	57,081,907	153%
2027	164,216,619	142,410,588	9,890,560	43,528,410	195,829,558	119%	50,891,081	150%
2028	160,208,544	142,288,677	9,510,884	40,423,608	192,223,169	120%	45,027,669	148%
2029	158,827,669	142,209,286	9,132,736	39,897,068	191,239,090	120%	40,599,008	146%
2030	157,144,044	141,843,299	8,748,456	39,359,506	189,951,261	121%	38,974,748	146%
2031	149,005,294	140,806,815	8,359,535	32,614,633	181,780,983	122%	36,467,011	146%
2032	146,083,544	139,681,621	7,990,434	31,431,317	179,103,372	123%	25,295,140	140%
2033	145,008,319	139,650,592	7,601,494	31,184,140	178,436,226	123%	25,966,945	141%
2034	123,773,594	138,764,006	7,232,031	10,809,018	156,805,055	127%	14,728,601	139%
2035	122,778,894	138,685,410	6,838,419	10,726,090	156,249,919	127%	13,170,019	138%
2036	107,850,769	123,133,430	6,199,404	10,627,282	139,960,115	130%	10,858,314	140%
2037	97,150,188	110,658,755	5,841,504	10,543,289	127,043,548	131%	9,480,014	141%
2038	84,979,566	95,640,477	4,962,906	10,452,330	111,055,714	131%	6,609,904	138%
2039	84,208,450	94,949,142	4,518,936	10,367,182	109,835,259	130%	3,402,121	134%
2040	72,740,300	84,075,159	4,163,784	10,278,696	98,517,638	135%	3,338,096	140%
2041	58,027,275	69,523,748	3,869,039	10,181,945	83,574,731	144%	3,425,605	150%
2042	30,823,550	48,492,658	3,582,798	5,478,700	57,554,157	187%	2,298,095	194%
2043	30,428,800	48,443,344	3,310,945	5,434,050	57,188,339	188%	2,357,010	196%
2044	7,830,050	31,034,873	1,532,069	-	32566942.78	416%	-	416%
2045	7,710,500	31,026,254	1,321,982	-	32348235.46	420%	-	420%
2046	4,620,900	27,195,658	1,029,944	-	28225601.61	611%	-	611%
2047	2,714,250	22,137,103	844,385	-	22981487.83	847%	-	847%
	<u>\$2,486,693,545</u>	<u>\$2,574,414,512</u>	<u>\$151,869,244</u>	<u>\$480,679,772</u>	<u>\$3,206,963,528</u>		<u>\$522,275,352</u>	

* Preliminary, and subject to change; totals may not add due to rounding; includes anticipated debt service on the Bonds and anticipated payments relating to the Loans to be funded in connection with the issuance of the Bonds

¹ Reflects amounts for second half of fiscal 2023.

² Includes a portion of excess Borrower Payments from loans funded by Prior Bonds that the Trust has directed the Prior Bond Trustee to transfer to the Master Trustee for deposit in the Revenue Fund under the MTA but otherwise excludes Borrower Payments related to Prior Loans.

³ Reflects debt service on Refunded Prior Bonds, which amounts are transferred to the Revenue Fund held under the MTA. See "THE MTA BONDS – Flow of Funds under the Master Trust Agreement – Revenue Fund."

⁴ Additional Senior MTA Bonds may be issued if the debt service coverage, including such additional Senior MTA Bonds, is at least 105% for each fiscal year.

⁵ Amounts expected to be transferred to the Equity Funds from the Program Trustee. See Appendix H – "Prior Bonds and Prior Resolutions."



Conclusion

- Preliminary transaction timeline:

November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

Mail Preliminary Official Statement:	November 21
Retail Order Period:	November 30*
Pricing:	December 1*
Closing:	December 14

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- Representatives from the Trust are available for one-on-one discussions
- For additional information or to schedule a one-on-one call, please contact:

Massachusetts Clean Water Trust	BofA Securities
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Appendix



Principal Amortization*

Maturity (2/1)	Series 24A (Green Bonds)	Series 24B (Sustainability Bonds)	Series 2022 (Refunding)	Aggregate
2024	\$5,430,000	\$4,490,000	\$9,000,000	\$18,920,000
2025	5,955,000	5,240,000	10,080,000	21,275,000
2026	6,065,000	5,440,000	10,480,000	21,985,000
2027	6,185,000	5,650,000	10,905,000	22,740,000
2028	6,310,000	5,870,000	10,255,000	22,435,000
2029	6,435,000	6,060,000	10,615,000	23,110,000
2030	6,570,000	6,300,000	11,045,000	23,915,000
2031	6,710,000	6,555,000	11,500,000	24,765,000
2032	6,860,000	6,820,000	11,735,000	25,415,000
2033	7,010,000	7,095,000	12,225,000	26,330,000
2034	7,170,000	7,390,000	1,915,000	16,475,000
2035	7,340,000	7,705,000	1,995,000	17,040,000
2036	7,515,000	8,035,000	-	15,550,000
2037	7,705,000	8,380,000	-	16,085,000
2038	7,900,000	8,750,000	-	16,650,000
2039	8,005,000	9,135,000	-	17,140,000
2040	8,205,000	9,540,000	-	17,745,000
2041	8,425,000	9,960,000	-	18,385,000
2042	8,650,000	10,410,000	-	19,060,000
2043	8,885,000	10,875,000	-	19,760,000
Total	\$143,330,000	\$149,700,000	\$111,750,000	\$404,780,000

* Preliminary, subject to change



Series 24 Borrowers*

Borrower	Loan Amount
Ayer	\$5,253,989
Barnstable	547,542
Barnstable Fire District	1,362,187
Billerica	10,985,731
Blackstone	5,390,280
Bourne	3,341,513
Bridgewater	12,598,813
Brockton**	5,006,804
Chatham	5,800,258
Chicopee**	5,804,040
Concord	300,000
Dartmouth	1,174,616
Deerfield Fire District	688,291
Dracut Water Supply District	8,343,085
Dudley	4,922,861
East Brookfield	3,472,000
Eastham	21,661,878
Easton	11,220,026
Fall River**	7,313,848
Fitchburg**	7,810,236
Gloucester	180,000
Hanson	200,000
Harwich	16,092,328
Holyoke**	10,128,693
Kingston	23,879,500
Lakeville	960,000
Lawrence**	6,696,691
Leominster	11,649,712

Borrower	Loan Amount
Leverett	\$1,182,752
Lowell**	4,121,168
Lynn Water & Sewer Commission**	10,017,036
Massachusetts Water Resources Authority	18,784,945
Middleborough	500,000
Millville	160,410
Nahant	9,767,852
Nantucket	6,995,000
New Bedford**	4,698,017
Orleans	14,852,300
Peabody	18,832,825
Pittsfield**	5,300,640
Plymouth	300,000
Quincy	5,908,620
Revere**	21,659,831
Saugus	571,162
Scituate	6,586,387
South Essex Sewerage District	1,788,940
Springfield Water & Sewer Commission**	73,416,494
Sudbury	500,000
Taunton**	19,304,825
Tyngsborough	10,697,645
Wareham**	8,109,000
Water Supply District Of Acton	11,796,097
West Boylston Water District	7,711,745
West Springfield	7,035,309
Westport	500,000
Winthrop	7,272,545
Grand Total	\$471,156,467

* Preliminary, and subject to change

** All or a portion of the borrower's loans will be funded with proceeds of Series 24B (Sustainability Bonds)



Other Subsidy Programs Offered by the Trust

- **Lead Abatement Programs:** Lead has been a long-standing public health issue; especially given the severe health risk lead poses to infants and small children. The Trust has committed over \$30 million for loan forgiveness to DWSRF projects that remediate lead in drinking water or planning projects that identify sources of lead for remediation. Additionally, the Trust is providing 100% loan forgiveness for projects that assist public water suppliers with developing lead service line inventories and full replacement programs.
- **0% Interest Rate Nutrient Enrichment Reduction Loans:** This loan program is for CWSRF loans that are primarily intended to remediate or prevent nutrient enrichment of a surface water body or water supply which can cause environmental degradation of the surrounding water bodies.
- **0.5% Loan Interest Rate Reduction for Housing Choice Designation:** Recognizing inadequate housing production and rising home prices, the Commonwealth developed its Housing Choice Initiative, a multi-pronged effort to help communities seeking assistance in increasing their housing supply. Communities that have achieved the “Housing Choice” designation are eligible for an interest rate reduction up to **0.50%** from the standard rate of 2%.
- **0% PFAS Mitigation Loans:** Per- and polyfluoroalkyl substances (PFAS) are a family of chemicals that are classified as emerging contaminants and are known to cause health issues when found in drinking water. Projects that have the purpose of reducing PFAS in water are eligible for **0%** interest loans.
- **Asset Management Planning Grants:** Asset management for water infrastructure is a systematic approach to making financial decisions that are most likely to achieve long-term sustainability and deliver consistent service in a cost-efficient manner. By helping a utility make better decisions regarding the timing and location for asset repairs, replacements or rehabilitation, and by developing a long-term funding strategy, the utility can ensure its ability to deliver the required level of service perpetually. The Trust has committed \$5.4 million to this grant program since its launch in 2019.



Loan Portfolio: Selection and Surveillance Procedures

- Borrowers are subject to thorough diligence on the project(s) being financed and the security for repayment
- Ongoing project and financial oversight from MassDEP and the Trust contributes to the continued strength and performance of the loan portfolio

Project Selection

MassDEP evaluates projects using a rigorous selection process

- Funding applications are submitted annually and includes plans and specifications for the project, evidence of the authorization of sufficient funds to finance the project and information on the borrower's financial capability
- MassDEP engineers review detailed project specifications and rank projects using criteria that measure the severity of the program, the sensitivity of the environmental hazard, the public health risk, and the appropriateness of the proposed solution
- MassDEP completes an Intended Use Plan ("IUP") annually for CWSRF and DWSRF, which is filed with EPA and establishes the list of projects eligible for Trust funding in a given year

Project Development/Oversight

On an ongoing basis, MassDEP manages project development and oversight while the Trust manages the flow of funds

- MassDEP and the borrower enter into a project regulatory agreement for an approved project which outlines the disbursement schedule, procedures for approval and payment of requisitions, and a set of conditions related to borrower compliance with certain regulations established by MassDEP, the Commonwealth and the federal government
- MassDEP conducts site inspections and other related oversight activities to ensure the project has been constructed in accordance with previously approved plans and specifications

Ongoing Loan Surveillance

No loans pledged to the Trust's bonds have ever defaulted

- Loan payments are due semi-annually, 15 days before each Trust bond debt service payment date
- Borrowers whose loans comprise more than 20% of the portfolio are considered 'obligated persons' and agree to certain continuing disclosure requirements under Rule 15c2-12
 - No Borrower meets such requirement; however, the principal amount outstanding with respect to the MWRA prior to the issuance of the Bonds exceeded the threshold and will be 19.9% after the issuance.
- The Trust has repeat borrowers, especially the larger borrowers in the program, and is in consistent contact with those borrowers

