

# **Bond Case Briefs**

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## **Successful Sale of MA Green and Sustainability Bonds Takes Place.**

The State Treasurer's Office officials announced that the Massachusetts Clean Water Trust (the Trust) has successfully completed the sale of approximately \$351.4 million in two series of new money Green and Sustainability Bonds. The Sustainability Bonds were the first such issuance from the Trust and the first in the nation for a state revolving fund. Additionally, it was the Trust's sixth Green Bond issuance. The sale achieved a true interest cost of 2.099% with maturities ranging from 2022-2041.

The Series 23A Green Bonds and Series 23B Sustainability Bonds (AAA/Aaa/AAA) sold to retail investors on April 28 with an institutional investor order period on April 29. The sale saw strong participation, with \$687 million in orders including five new investors and four ESG funds. Strong Massachusetts retail investor participation generated \$93 million of orders.

"This sale illustrates the strong investor demand for municipal bonds with positive environmental and social impact," said State Treasurer Deborah B. Goldberg, Chair of the Trust. "The Clean Water Trust team is leading the nation in the state revolving fund municipal markets. First, with their groundbreaking green bonds, and now with this sustainability bond issuance. We will continue to stress the importance of utilizing these opportunities in support of our local communities and our environment."

The proceeds from the sale will finance projects that are selected based on criteria that identify the most relevant public health and environmental related projects while adhering to the standards of the federal Clean Water Act and the Safe Drinking Water Act. The Series 23A Bonds are designated by the Trust as "Green Bonds" and are expected to provide environmental benefits.

The Series 23B Bonds are designated by the Trust as "Sustainability Bonds" and are expected to provide both environmental and social benefits. The bond proceeds will finance projects in communities identified as the most disadvantaged, based upon affordability criteria developed by the Trust and support additional reductions in interest rates, mitigating the construction costs of these critical infrastructure projects. The criteria apply an Adjusted Per Capita Income ("APCI") formula based on per capita income, employment rate, and population change. The communities selected are those with an APCI metric lower than sixty percent of the Commonwealth's APCI.

The Trust's State Revolving Fund Bonds, Series 23A and Series 23B underwriting syndicate was led by Morgan Stanley as the book-running senior manager and Jefferies and RBC Capital Markets as the co-senior managing underwriters.

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