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CAPE COD
COMMISSION

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January 15, 2026

Chairs of the Joint Committee on Environment and Natural Resources
Cape Cod and Islands Legislative Delegation
24 Beacon Street
Boston, MA 02133

Dear Chairs of the Joint Committee on Environment and Natural Resources and Cape Cod and Islands Legislative Delegation,

On behalf of the Cape Cod and Islands Water Protection Fund ("Fund") Management Board, enclosed, please find the *2025 Cape Cod and Islands Water Protection Fund Annual Report*, prepared in accordance with M.G.L. Chapter 29C, Section 20, which includes information on Fund revenue and expenses to date and provides a 5-year revenue projection.

As you know, the cash flow model developed in 2021 by PFM Financial Advisors LLC to support administration of the Fund was supportive of providing a 25% subsidy to eligible projects. The 25% subsidy provided by the Fund has been a primary driver of long overdue progress on local wastewater projects. The certainty of the subsidy has helped garner community support for water quality project implementation and has resulted in significant action since inception of the Fund. The Management Board remains committed to ensuring the Fund continues to be a reliable source of project subsidies well into the future.

In 2025, the Management Board took significant steps to expand the Fund's impact by committing a portion of the Fund revenue to monitoring of both coastal waters and freshwater ponds, data analysis, and maintenance of water quality databases and online resources, as allowed by M.G.L. Chapter 29C. This investment will allow the Management Board, member communities, and the broader region to better understand the impacts of infrastructure investments on water quality.

The Management Board and Cape Cod Commission appreciate the Legislature's support of the Fund. Should you have any questions regarding this report, please do not hesitate to reach out.

Sincerely,

Kristy Senatori
Executive Director

cc: Kevin Galligan, Chair, Cape Cod and Islands Water Protection Fund Management Board

Enclosure





CAPE COD AND ISLANDS
WATER PROTECTION FUND

2025 ANNUAL REPORT

PREPARED FOR:

**Chairs of the Joint Committee on Environment
and Natural Resources**

Senator Rebecca L. Rausch
24 Beacon Street, Room 215
Boston, MA 02133

Representative Christine P. Barber
24 Beacon Street, Room 167
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Cape Cod and Islands Legislative Delegation

Senator Julian Cyr
24 Beacon Street, Room 111
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Senator Dylan A. Fernandes
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Representative Kip A. Diggs
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Representative Thomas W. Moakley
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Representative Christopher R. Flanagan
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Representative David T. Vieira
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Representative Steven G. Xiarhos
24 Beacon Street, Room 542
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Representative Hadley Luddy
24 Beacon Street, Room 448
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PREPARED BY:

Cape Cod Commission, on behalf of the
Cape Cod and Islands Water Protection Fund
Management Board

3225 Main Street
P.O. Box 226
Barnstable, MA 02630

January 2026

The Cape Cod and Islands Water Protection Fund (CCIWPF) was established by the Massachusetts Legislature in 2018 (M.G.L. Chapter 29C, Section 19) to help Cape Cod and Islands towns pay for necessary wastewater infrastructure and water quality remediation projects. Creation of the CCIWPF was the result of efforts by a diverse set of stakeholders, including the Cape Cod and Islands Legislative Delegation, local officials, environmental groups, business leaders, and the Cape Cod Chamber of Commerce, who recognized the need for new financial tools to address the region's degrading water quality and lack of wastewater infrastructure.

The CCIWPF is a dedicated fund within the Massachusetts Clean Water Trust set up to solely benefit communities within the counties of Barnstable, Dukes, and Nantucket. Its source of revenue is a 2.75% excise tax on traditional lodging and short-term rentals. The fund is administered by the Clean Water Trust and overseen by a management board comprised of representatives from every member town from the region. Currently, the 15 Cape Cod communities are members of the CCIWPF.

The Cape Cod and Islands Water Protection Fund Management Board (Board) was established by M.G.L. Chapter 29C, Section 20. The Board is responsible for determining the method for allocating subsidies from the fund, including, but not limited to, an equitable distribution among participating municipalities consistent with revenue deposited from each municipality into the fund. The Board is also responsible for ensuring that the Water Protection Fund is spent only for the purposes set forth in M.G.L. Chapter 29C, Section 19.

This report has been prepared pursuant to M.G.L. Chapter 29C, Section 20, Cape Cod and Islands Water Protection Fund Management Board.

CCIWPF Revenue

As received from the Department of Revenue through the Clean Water Trust (CWT), fund revenue to date (July 2019 through November 2025) totals \$125,507,011.70. Income generated by the fund for this period totals \$8,373,591.13.

Subsidies for projects listed on Intended Use Plans (IUP) for the Clean Water State Revolving Fund dating back to the creation of the CCIWPF (2018) through 2022 have been paid. Projects listed on the 2023 IUP, and those of future IUPs, will be paid over the life of each loan, while subsidies for eligible pre-existing debt incurred for clean water projects that pre-date the CCIWPF will be paid over 10 years. The balance of the Fund at the end of the calendar year 2025 is \$83,663,062.58.

CCIWPF	Amounts
Revenue to Date	\$125,507,011.70
Fund Income to Date	\$8,373,591.13
Administrative Expenses to Date	\$354,083.25
Subsidy Transfers to Date	\$43,571,698.65
Pre-Existing Debt Payments	\$5,361,644.00
Monitoring Transfers	\$974,620.00
Balance	\$83,663,062.58

Expenses and Project Summaries

In 2025, the Board voted to award subsidies to qualified and eligible water quality projects in several Cape Cod towns. Per the regulations established by the Board in 2020, projects in excess of \$1 million received subsidies equal to 25% of the project costs. Projects of \$1 million or less received 50% subsidies.

Projects eligible for funding include, but are not limited to, innovative strategies and alternative septic system technologies, water quality and wastewater management planning, the construction of sewer collection systems and wastewater treatment plants, and the implementation of drainage improvements and water treatment programs to improve water quality in freshwater ponds and marine resources. Member communities must go through the Clean Water State Revolving Fund program, or SRF, and be listed on the Clean Water SRF Intended Use Plan (IUP) to receive funds. Contingent commitments are made upon release of the annual IUP. Final commitments are made prior to the execution of a loan agreement between the qualified borrower and the CWT.

At its meeting on April 29, 2025, the Management Board voted contingent commitments for projects listed on the 2025 IUP.

Contingent Commitments for 2025 Intended Use Plan Projects

Town	Project	2025 IUP Cost	Contingent Subsidy
Barnstable	Centerville Village Sewer Expansion – South Phase	\$10,000,000	\$2,500,000
Barnstable	Phinney's Lane Neighborhoods Sewer Expansion	\$10,000,000	\$2,500,000
Chatham	Sewer Extension Phase 1F	\$31,190,000	\$7,797,500
Eastham	Wastewater Phase 1	\$50,000,000	\$12,500,000
Falmouth	TASA Phase 1 Collection and Recharge	\$50,000,000	\$12,500,000
Harwich	Great Sand Lakes Sewer Expansion	\$31,130,000	\$7,782,500
Mashpee	Mashpee-Wakeby Watershed Wastewater System	\$17,230,000	\$4,307,500
Orleans	Lakes and Ponds Area Collection System and PS	\$34,670,000	\$8,667,500
Provincetown	Satellite Treatment Facility	\$25,000,000	\$6,250,000
Barnstable	Route 28 West Sewer Expansion Project*	\$10,000,000	\$2,500,000
Barnstable	Nitrogen Removal Improv. & New Headworks Facility*	\$20,000,000	\$5,000,000
Dennis	Phase 1 – WRRF and Collection System*	\$50,000,000	\$12,500,000
Mashpee	Phase 2 Treatment and Collection System*	\$32,770,000	\$8,192,500
Yarmouth	Phase 1 – WRRF and Collection System*	\$50,000,000	\$12,500,000
Total		\$421,990,000	\$105,497,500

At its meeting on December 18, 2025, the Management Board voted final commitments for certain projects listed on the 2023 and 2024 IUPs that are about to be financed by the Massachusetts Clean Water Trust.

Final Commitments for 2023-2024 Intended Use Plan Projects

Town	Project	Total Loan Amount	Subsidy
Barnstable	Sewer Extension and Vacuum Sewer Removal	\$1,790,143	\$447,536
Barnstable	Park City Wind Route Sewer Expansion	\$24,074,825	\$6,018,707
Barnstable	2023 Wastewater Pump Station Improvements	\$3,275,585	\$818,896
Chatham	WPCF Sludge Processing Upgrades	\$3,671,588	\$917,897
Dennis	Phase 1 – WRRF and Collection System	\$50,000,000	\$12,500,000
Harwich	Route 28 Sewer Construction Project	\$7,205,896	\$1,801,474
Mashpee	Phase 1 Treatment and Collection System	\$5,400,000	\$1,350,000
Yarmouth	Phase 1 – WRRF and Collection System	\$50,000,000	\$12,500,000
Total		\$145,418,037	\$36,354,510

Pre-Existing Debt

Consistent with the provision in M.G.L. Chapter 29C, Section 19, certain Cape Cod and Islands communities are eligible for subsidies for debt incurred for water pollution abatement projects apart from the CWT prior to the establishment of the CCIWPF.

At its meetings on April 14, 2021 and January 11, 2022, the Board voted to approve final subsidies to qualified and eligible town projects for verified pre-existing debt in the towns of Barnstable, Chatham, Falmouth, and Provincetown. At its meeting on December 10, 2024, the Board voted to approve final subsidies for verified pre-existing debt in the town of Provincetown that had not been previously considered in 2021 and 2022. The following are the total subsidy amounts approved for pre-existing debt and the amounts transferred to the towns in calendar year 2025:

Town	Eligible Pre-Existing Debt	Total Subsidy	2025 Transfer
Barnstable	\$4,842,300	\$1,210,575	\$121,058
Chatham	\$24,606,410	\$6,151,603	\$615,160
Falmouth	\$7,675,200	\$1,918,800	\$191,880
Provincetown	\$19,212,902	\$4,803,225.50	\$525,662
Totals	\$56,336,812	\$14,084,203.50	\$1,453,760

Water Quality Monitoring

Pursuant to M.G.L. c. 29C §§ 19-20, the Management Board may use up to 10% of annual CCIWPF revenue to monitor the water quality and watersheds of areas in the coastal waterways of Barnstable, Dukes, and Nantucket counties, including to evaluate and report on the efficacy of adaptive management measures to reduce nitrogen pollution undertaken pursuant to an area wide wastewater management plan (or equivalent plan), and to support further assessment of water quality monitoring to further refine an area wide wastewater management plan.

At its meeting on January 13, 2025, the Board authorized a set aside of \$1.5 million annually for the purposes of coastal and freshwater quality monitoring, maintenance of the water quality databases and provision of trend analyses. The Board authorized the Cape Cod Commission to issue Requests for Proposals to continue existing monitoring programs and to contract with responsible vendors. At its meeting on December 18, 2025, the Board further authorized Commission staff to utilize a portion of the set aside funds for expansion of freshwater pond monitoring.

The total amount transferred for the purposes of water quality monitoring in 2025 was \$324,810.

The funds dedicated to monitoring support continued collection of water quality data and sample analysis from 284 coastal monitoring stations and 75 freshwater ponds in the region, as well as access to the data and trend analyses through the [Cape Cod Water Quality Data Portal](#).

Administrative Expenses

The Cape Cod Commission is charged with providing administrative and technical support to the Board. On behalf of the Management Board, the Commission contracts with consultants to provide additional financial and legal support, as necessary and requested by the Board. Costs associated with this support from January 2025 through December 2025 total \$65,423.20 as detailed below. At its August 8, 2025 meeting, the Executive Committee voted to reimburse the Commission for January through June 2025 expenses of \$20,917.55 and at its January 12, 2026 meeting, the Management Board voted to reimburse the Commission for July through December 2025 expenses of \$44,505.65.

Expenditures	Amount
Cape Cod Commission Personnel	
Salaries, including fringe benefits and indirect costs	\$48,200.70
Contractual Services	
Pierce Atwood – legal	\$1,960.00
PFM Financial Advisors	\$15,262.50
Total Expenditures	\$65,423.20

5-Year Revenue Projections

The Board, through Barnstable County through the Cape Cod Commission, contracted with PFM Financial Advisors to provide advisory services relative to subsidy allocations and revenue projections. In consultation with the Board and based on their expertise in forecasting and financial modeling, PFM Financial Advisors developed the following 5-year revenue projections.

	2026	2027	2028	2029	2030	2031
Revenue	\$22,139,059	\$22,603,574	\$22,919,905	\$23,339,818	\$23,911,055	\$24,548,803
Revenue Growth	4.3%	2.1%	1.4%	1.8%	2.4%	2.7%

In summary, the Cape Cod and Islands Water Protection Fund receipts through November 2025 totaled \$125,507,011.70. In 2025, the Board voted to award subsidies for 14 new projects, the total cost of which equals \$421,990,000. The amount transferred from the CCIWPF in 2025 for project subsidies totaled \$1,453,760. With the addition of fund investment income totaling \$8,373,591.13, the balance of the fund at the end of the calendar year 2025 was \$83,663,062.58.