



To: MASSACHUSETTS WATER RESOURCES AUTHORITY ("Party B")
Attn: Treasurer
Fax No: (617) 788-4895
From: BARCLAYS BANK PLC ("Party A")
Date: November 25, 2008
Reference: Global ID: 40000353 / Summit ID: 2831250B

Muni Swap Confirmation

The purpose of this communication (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation supersedes any previous Confirmation or other communication with respect to the Transaction and evidences a complete and binding agreement between us as to the terms of the Transaction. This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement referred to below.

The definitions and provisions contained in the 2006 ISDA Definitions (the "2006 Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and this Confirmation, this Confirmation will govern for the purposes of the Transaction. References herein to a "Transaction" shall be deemed to be references to a "Swap Transaction" for the purposes of the 2006 Definitions. Capitalized terms used in this Confirmation and not defined in this Confirmation or the 2006 Definitions shall have the respective meanings assigned in the Agreement. Each party hereto agrees to make payment to the other party hereto in accordance with the provisions of this Confirmation and of the Agreement.

1. This Confirmation supplements, forms a part of, and is subject to the ISDA Master Agreement dated as of October 28, 2008, as amended and supplemented from time to time (the "Agreement") between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Each party represents to the other party that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary): -

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into the Transaction and as to whether the Transaction is appropriate or proper based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into the Transaction: it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. No communication (written or oral) received from the other party shall be deemed to be an

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NYK 1184070-3.071370.0011

- assurance or guarantee as to the expected results of the Transaction.
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the risks of the Transaction.
- (c) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of the Transaction.
- (d) **Purpose.** It is entering into the Transaction for the purposes of hedging its assets or liabilities or in connection with a line of business.

The terms of the particular Transaction to which this Confirmation relates are as follows:

2.	TRADE DETAILS
Notional Amount:	USD 70,400,000.00, which shall reduce in such amounts and on such dates as set forth in Annex I hereto.
Trade Date:	November 24, 2008
Effective Date:	August 1, 2030
Termination Date:	August 1, 2037, subject to adjustment in accordance with the Modified Following Business Day Convention
Fixed Amounts:	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Semiannually on each February 1 and August 1, from (and including) February 1, 2031 to (and including) the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention
Fixed Rate Payer Period End Dates:	Semiannually on each February 1 and August 1, from (and including) February 1, 2031 to (and including) the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention
Fixed Rate:	6.935%
Fixed Rate Day Count Fraction:	30/360
Floating Amounts:	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	Semiannually on each February 1 and August 1, from (and including) February 1, 2031 to (and including) the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Payer Period End Dates:	Semiannually on each February 1 and August 1, from (and including) February 1, 2031 to (and including) the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention
Floating Rate Option:	USD-SIFMA Municipal Swap Index
Spread:	None
Floating Rate Day Count Fraction:	Actual/Actual
Compounding:	Inapplicable
Business Days:	New York

Global ID: 40000353 / Summit ID: 2831250B

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Calculation Agent:	As per the Agreement
Governing Law:	As per the Agreement
3.	ACCOUNT DETAILS
Payments to Party A:	Bank: Federal Reserve Bank of New York, New York ABA No:026-0025-74 A/C: Barclays Bank Plc, New York Favor: Barclays Swaps & Options Group, New York A/C No: 050-01922-8
Payments to Party B:	US Bank NA-Corporate Trust Boston ABA# 091000022 AC #173103321092 For: 106464-016
4.	OFFICES
Party A:	<u>Address for Notices:</u> Barclays Bank PLC 200 Park Avenue New York, New York 10166 United States of America Tel: +1 212 412 5700 Fax: +1 212 412 1694 Attention: Head of Global Transaction Documentation and Management
Party B:	<u>Address for Notices:</u> Massachusetts Water Resources Authority Charlestown Navy Yard 100 First Avenue Boston, Massachusetts 02129 Attention: Treasurer Facsimile No.: (617) 788-4895 Telephone No.: (617) 242-6000

5. Optional Termination:

Party B may, on any Business Day (the "Optional Termination Date"), terminate and cash settle all or a portion of this Transaction by providing prior written notice to Party A designating a day not earlier than the second (2nd) Business Day following the day on which such notice is effective as the Optional Termination Date. The amount due with respect to any such termination shall be determined pursuant to Section 6 of the Agreement as if (a) the Optional Termination Date is the Early Termination Date, (b) Party B is the sole Affected Party (for all purposes other than the election to terminate), (c) this Transaction is the sole Affected Transaction, (d) Market Quotation and Second Method are selected for purposes of Payments on Early Termination. Party B agrees that it shall not optionally terminate this Transaction unless it has or will have on the Optional Termination Date, sufficient funds available to pay any Settlement Amount which may be due and payable as a result of such early termination. Notwithstanding anything herein to the contrary, the parties will be obligated to pay any accrued amounts that would otherwise be due on the Optional Termination Date.

6. Upfront Payment:

Party A shall pay to Party B \$4,001,000.00 on November 26, 2008 and such amount is reflected in the increased Fixed Rate to be paid by Party B to Party A hereunder.

7. Acknowledgments.

(i) Party B is not relying on the advice of Party A for legal, accounting, tax or investment matters;

(ii) Party B has sought and is relying on the advice of its legal and financial professionals and advisors for such matters and has made an independent analysis and decision regarding, among other things, the determination to enter into this Transaction;


(iii) Party B has determined, without reliance upon Party A, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences, of its determination to enter into this Transaction and is capable of assuming such risks.

8. Miscellaneous:

The time of dealing will be confirmed by Party A upon written request. Party A is regulated by the Financial Services Authority. Party A is acting for its own account in respect of this Transaction.

Please confirm that the foregoing correctly sets forth all the terms and conditions of our agreement with respect to the Transaction by responding within three (3) Business Days by promptly signing in the space provided below and both (i) faxing the signed copy to Incoming Transaction Documentation, Barclays Capital Global Transaction Documentation and Management, Global Operations, Fax (212) 412-1694, Tel (212) 412-5700, and (ii) mailing the signed copy to Barclays Bank PLC, 200 Park Avenue, New York, New York 10166, Attention of Incoming Transaction Documentation, Barclays Capital Global Transaction Documentation and Management, Global Operations. Your failure to respond within such period shall not affect the validity or enforceability of the Transaction as against you. This facsimile shall be the only documentation in respect of the Transaction and accordingly no hard copy versions of this Confirmation for this Transaction shall be provided unless Party B requests.

For and on behalf of
BARCLAYS BANK PLC



NAME *Gary M. Blinn*
Authorised Signatory
Date:

For and on behalf of
MASSACHUSETTS WATER RESOURCES
AUTHORITY

NAME
Authorised Signatory
Date:

ANNEX I
to Confirmation, dated November 25, 2008,
between Barclays Bank PLC
and Massachusetts Water Resources Authority

Reduction Date*	Notional Amount Reduction	Revised Notional Amount
8/1/2030	-	70,400,000.00
8/1/2032	5,600,000.00	64,800,000.00
8/1/2033	11,200,000.00	53,600,000.00
8/1/2034	12,100,000.00	41,500,000.00
8/1/2035	12,900,000.00	28,600,000.00
8/1/2036	13,800,000.00	14,800,000.00
8/1/2037	14,800,000.00	-

*each Reduction Date, excluding 08/01/2030, shall be subject to adjustment in accordance with the Modified Following Business Day Convention.