

**EXECUTIVE COMMITTEE OF THE
MASSACHUSETTS CLEAN WATER TRUST**

Meeting Minutes

Meeting Date: Thursday, July 25, 2019
Time: 12:30 PM
Location: Massachusetts Clean Water Trust
1 Center Plaza, Suite 430
Boston, Massachusetts 02108
Notice: Due public notice given
Attendees Sue Perez, Executive Director, Trust
Maria Pinaud, Director of Program Development, Trust
Maya Jonas-Silver, Director of Finance & Administration, Trust
Also Present Nate Keenan, Deputy Director, Trust
Jonathan Maple, Policy Analyst, Trust
Kathleen Baskin, Assistant Commissioner, MassDEP
Donald St. Marie, Program Manager, MassDEP
Ashraf Gabour, Program Manager, MassDEP
Absent

SUMMARY OF DISCUSSIONS

1. **Minutes Approval.** The Committee approved minutes from the June 13, 2019, June 27, 2019 and the July 11, 2019 meetings of the Executive Committee.
2. **FY 2020 State Budget Update.** Ms. Perez informed the Committee that the Trust amendment inserted in the Senate's budget, which would permit the Trust to offer grants for Bottle Filling Stations, was not included in the conference committee's final budget. The Committee determined it was unlikely at this point that the Trust would be permitted to move forward with the program unless the amendment language was inserted in a future bill. Ms. Pinaud agreed to speak with Commissioner Suuberg about other projects or programs he would like the Trust to consider and bring to the next meeting.

Ms. Pinaud addressed MassDEP's progress in compiling their FY 20 budget.

3. **0% Loan for Upper Blackstone Water Pollution Abatement District (UBWPAD).** Mr. Gabour described to the Committee the 2016 project from UBWPAD, that would have been eligible for 0% interest on eligible construction activities if the borrower had completed the necessary actions to receive the interest incentive. Mr. Gabour noted that the UBWPAD would need to complete a Land Use Control study and a Comprehensive Wastewater Management Plan (CWMP) for each community in the service area. Mr. Gabour wanted to know if the Trust would be able to change the loan terms.

Mr. Keenan noted that part of this project, under the loan number CW-16-39, was permanently financed in the Series 21 bond issuance. This accounts for approximately \$10

million. The funds financed in the bond series cannot be changed. However, the remainder of the loan under CW-16-39-A – totaling \$15 million, may still be eligible for interest incentives, but the Trust intended to include this project in the Series 22 bond issuance in September. MassDEP estimated that only \$15 million of project costs may be eligible for a zero percent loan.

The Committee determined that the remaining \$15 million could be converted to a zero percent loan if MassDEP confirmed that the borrower was able to complete the requirements for the nutrient reduction interest incentive. The Trust would continue with assumption that the project will remain at a standard interest rate until noted otherwise.

4. **MassDEP Cash Flows for Series 22.** Mr. St. Marie noted that his team was still working on compiling all the requested information and should be able to provide to the Trust next week. The Committee discussed potential MWRA projects that would be included in Series 22, noting that MWRA used interim financing which should make the process easier. Additionally, Mr. Keenan stated he would reach out to MWRA to confirm which projects would be moving forward in the Series 22 issuance.
5. **2018 Principal Forgiveness Discussion.** Ms. Perez asked for confirmation of the projects that will be eligible for Principal Forgiveness from the 2018 IUP. Mr. St. Marie advised that he was waiting on a number of projects to confirm their executed construction contracts. These contracts need to have been executed by June 30th of this year to keep their eligibility. He noted that they should be available next week.

The Committee discussed further some of the policy issues that may arise from the change in forgiveness adopted for the 2019 IUP. Specifically, as it related to carryover and multi-year/multi-contract projects. Ms. Perez confirmed that the Trust and MassDEP will need to clarify and provide guidelines to make it easier for MassDEP and the Trust to track these projects in the future.

6. **Asset Management Plan Grants 2019 – Document Process Clarification.** Ms. Pinaud confirmed that MassDEP will be treating these projects like standard planning projects as it relates to the document process. Mr. Gabour noted that MassDEP has provided to the Trust the first set of PACs and PRAs for two AMP grant projects. Mr. Gabour asked if there was any need to change or adjust the language in the current PACs and PRAs for these projects. Mr. Keenan responded that the Trust was creating program specific documents for these projects and would review the PAC and PRA language to confirm it's consistent across all the relevant documents. Additionally, the Trust will have outside counsel review the documents to make sure everything appropriate is accounted for.

**Other
Business**

(Items not reasonably anticipated by the Chair 48 hours in advance of the meeting)

7. **Title V – Project Regulatory Agreements Process.** Mr. Keenan asked MassDEP to make a process change as it relates to Title V PRAs. The Trust is now asking that MassDEP issue a new PRA instead of revising existing PRAs when it comes to these loans. Currently, MassDEP issues a revised PRA, which makes the program difficult to track from the Trust

side. Mr. Keenan noted this will make easier to track as it relates to capacity and annual intended use plan costs. MassDEP agreed to make the process change.

LIST OF DOCUMENTS AND EXHIBITS USED:

The meeting adjourned at 1:39 p.m.

Minutes Approved: 10/24/2019