

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

**Meeting Minutes**

**Meeting Date:** Thursday, October 24, 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  
Steve McCurdy, Acting Chief Financial Officer, MassDEP  
Jonathan Maple, Policy Analyst, Trust  
Michele Higgins, Environmental Engineer, MassDEP  
**Absent**

**SUMMARY OF DISCUSSIONS**

1. **EPA Disadvantaged Business Enterprise Program Requirements Update:** Mr. McCurdy advised the Committee on changes to EPA's Disadvantaged Business Enterprise (DBE) Program Requirements. On October 1, 2019, EPA advised all state grant recipients that they would no longer require recipients to negotiate fair share objectives for procurement. This negotiation occurred every three years and established procurement objectives for Minority Owned Business Enterprises (MBE) or Women Owned Business Enterprises (WBE). EPA also announced that it was permanently suspending its certification program for MBEs and DBEs.

Mr. McCurdy explained that the SRF program has the option to establish new goals, maintain old goals, or to stop using goals all together. He noted that the program would still be required to document and report on DBE utilization and follow the six affirmative steps of encouraging DBE to participate. He advised that the waiver of negotiation requirements was technically temporary and could be reinstated at any time. The Committee discussed the option of adopting the recommended goals from the newly submitted availability analysis completed by Keen Independent research or staying with the previously established goals. The Committee determined to circulate the final draft of the DBE analysis and bring the issue to the Board of Trustees in the December meeting.

2. **Emergency Funding Requests:** Ms. Pinaud updated the committee on the emergency funding request received from Andover and a joint application from Holbrook and Randolph. Ms. Pinaud confirmed that MassDEP responded to the Town of Andover's emergency funding request on September 30, 2019 related to proposed work throughout the water distribution system resulting from construction related activities by the Columbia Gas incident. The response notified Andover that the proposed phase 1 contract activities totaling approximately \$4.79 million was consistent with funding activities related to

the Columbia Gas incident and could proceed to apply for financing. Other phases of the project would be considered for the FY 2020 Intended Use Plan (IUP).

Ms. Pinaud noted that Randolph and Holbrook submitted an emergency funding request for the replacement of a generator and electrical systems for \$2.5 million. MassDEP has not received an application at this time. Barnstable may be requesting additional funding for PFAS mitigation but has not submitted an application at this time. Ms. Pinaud confirmed that there were a number of projects that have dropped from the 2019 IUP and that the Trust should have the capacity to accept these projects. The Committee determined that they review the requests as the applications are submitted and will bring them before the Board for consideration.

3. **Cherry Valley Sewer District Update:** Mr. Keenan updated the Committee on responses from Cherry Valley. The District reached out to USDA Rural Development about what would happen if they defaulted on their 3 loans. USDA responded that they are not sure and would review it further. Mr. Keenan noted that the overall debt service savings from the Trust refinancing their loans would not substantially cure their funding deficiencies. The Trust has an obligation to ensure that Trust funding will be available in perpetuity. Given the that Cherry Valley would likely default on any loans issued by the Trust, the Committee could not recommend refinancing the USDA loans. Ms. Pinaud confirmed that MassDEP is unable to provide any assistance unless or until the system has defaulted. The committee confirmed that the District's current default timeline is roughly a year and half, and in the meantime will raise rates and collections which could lead to defaults on the sewer bills. The Committee was sympathetic to the district's residents but does not see that it has a role or tools available to assist the district at this time.
4. **Clean Water and Drinking Water SRFs Fund Transfer Amendment:** Mr. Keenan reported on a legislative change (Public Law No. 116-63, 133 Stat. 1120 (2019)) recently signed by the President on October 4<sup>th</sup>, 2019. This legislation, titled "A bill to permit States to transfer certain funds from the clean water revolving fund of a State to the drinking water revolving fund of the State in certain circumstances, and for other purposes", temporarily expands the Clean Water State Revolving Fund (CWSRF) to Drinking Water State Revolving Funds (DWSRF) transfer authority for lead-related threats to public health in drinking water until October 5, 2020. States may transfer up to 5% of the State's cumulative CWSRF federal grants to the DWSRF to address a threat to public health as a result of heightened exposure to lead in drinking water.

The Committee noted that there are number of policy questions related to the transfer power, and the Trust would need to review the potential capacity changes to the CWSRF. MassDEP and the Trust will compile policy questions and program considerations to address with EPA before any actions are proposed.
5. **MassDEP Update on SRF Regulatory Amendments:** Ms. Pinaud confirmed that the regulatory changes that amend the financing criteria section of both sets of State Revolving Fund regulations to clarify that the enhanced subsidies may be offered to borrowers for categories of projects designated by the Massachusetts Clean Water Trust in the annual project solicitation as current priority projects have been finalized as of October 18, 2019.

6. **School Water Improvement Grant Update and Moving Forward:** Mr. Maple walked the Committee through a presentation of the current state of the School Water Improvement Grant (SWIG) program, and what is needed to move the program forward to an operational status. The program is largely developed, and the Trust will need to host the working group meeting to finalize the details and logistics of the program. There a number of outstanding factors, specifically related to the SWIG program authorization language in the Commonwealth's House and Senate Supplemental FY 2019 appropriations budgets that could affect the SWIG programs distribution process and steps the program will need to complete to move forward.

Mr. Maple noted three open policy questions for the Committee to consider: 1) program reporting and marketing requirements, 2) Expanded point-of-use (POU) fixture eligibility, and 3) how technical assistance will be used in conjunction with EPA funded school assistance water testing. The Committee agreed to include a reporting requirement for the program and provide an option for school districts to opt into potential marketing opportunities. The committee determined that the program should focus solely on bottle filling station POU fixtures and may consider expanding in the future. The Committee will need to review the potential technical assistance program interactions after a working group meeting. The Committee agreed that the Trust should move forward with the working group meeting.

7. **Series 22 Green Bonds Post-Sale Update:** Ms. Perez informed the Committee that the Trust has completed the sale of Series 22 Green Bonds for \$191.6 million. The sale saw strong retail participation 143 unique orders. \$45.9 million of total orders was from Massachusetts investors. The proceeds from the Green Bond sale and Trust program funds will finance \$332.9 million in low interest loans to 48 different borrowers throughout the Commonwealth. Ms. Perez confirmed that the Trust received a very advantageous yield, which may cause some rebate implications in the future, but these are not detrimental to the program's funding.
8. **Minutes:** The Committee approved the minutes from the July 25, 2019, August 1, 2019, August 29, 2019 and September 19, 2019 meetings of the Executive Committee.

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

9. **Supplemental FY 2019 Appropriations Budgets:** Ms. Jonas-Silver noted that the Trust has two-line items in the supplemental budget. 1595-1200 provides \$20 million to support drinking water programs to remediate PFAS contamination of public water supplies. 1595-1205 provides funding for increased project capacity. The Committee discussed how the funds could be used as an additive subsidy for PFAS remediation and structure the additional funds as an additional incentive. It was determined that the Trust would watch the supplemental budget and discuss potential program incentives once the information is finalized.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. EPA and DBE Fair Share Objectives – Update as of October 1, 2019.
2. School Water Improvement Grants (SWIG) Program Update – October 2019
3. Mass. Expanded Assistance Program for Lead in School and Childcare Drinking Water Flyer.

The meeting adjourned at 1:42 p.m.

Minutes Approved: 01/02/2020