

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

**Meeting Minutes**

**Meeting Date:** Friday, November 15, 2019  
**Time:** 1:45 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  
**Also Present** Nate Keenan, Deputy Director, Trust  
Jonathan Maple, Policy Analyst, Trust  
Ashraf Gabour, Program Manager, MassDEP  
**Absent** Maya Jonas-Silver, Director of Finance & Administration, Trust

**SUMMARY OF DISCUSSIONS**

1. **Program Capacity Discussion:** The Committee discussed the program capacity moving forward with the 2020 Intended Use Plans (IUPs). Both agencies agreed that the Clean Water SRF capacity was stable and not in need of adjustment. The committee discussed Drinking Water SRF capacity with the Trust setting a limit of \$175 million for the 2020 Drinking Water IUP, with the expectation of a 20% drop in projects. As projects drop, MassDEP and the Trust will review capacity and offer financing to projects that did not make the original list if funding is available. The Committee also set aside \$3 million for emergency funding for both Clean Water and Drinking Water.

Ms. Perez noted that project costs have been coming in extremely high over their original estimates in the project applications. For 2020, the Trust wants to ensure that program cash commitments do not exceed the established capacity cap. The Committee noted that there were examples of projects coming in many times over their original project estimates, MassDEP and the Trust will need to monitor contract estimates compared to actual contract cost going forward.

Ms. Perez wanted to ensure that MassDEP is prioritizing and considering projects with enterprise funds. Ms. Pinaud noted that the stated requirements were part of the Project Evaluation Form process during the application period in accordance with our governing statute.

Finally, the Committee discussed that there was an increase in demand for the PFAS funds and that there would be no changes to capacity until the Committee knew the exact content of the SFY 19 closeout supplemental budget and what other funding may be available for these projects.

2. **School Water Improvement Grants Update:** Mr. Maple provided a brief update on the status of the program, and detailed that the Trust was working with counsel to complete necessary program documents. Additionally, the Trust is working on building out the website and settling data issues that are integral to program operations. The program is on track, but the Trust is waiting for end of year

supplemental budget language before proceeding. Additionally, Mr. Maple provided to the committee an example of program logos.

3. **Lynn Water and Sewer Commission – Subsidy Eligibility.** Mr. Keenan brought to the Committees attention a consideration on how the Trust calculates community affordability tiers for regional entities. Generally, the affordability calculation is based on a single community's variables, but regional districts are calculated as a composite of the communities served by the district. Normally, the Trust will use the proportion of flow or services used by the communities as the way of calculating the regional entities affordability tier.

In Lynn Water and Sewer Commission's (LWSC) case their calculation is inflated by wealthier neighboring communities that utilize some capacity of the LWSC's system, but that inflation reduces Lynn from a tier 3 community to a tier 2 community. In LWSC's case, the surrounding communities maintain their own transmission infrastructure. The Trust in this case would like to consider work done specifically for Lynn, should only take Lynn's affordability score into consideration. The Committee agreed that the Trust should review Lynn's situation. Mr. Keenan will reach out to Lynn to obtain documentation that confirms that the system structure is only financing Lynn projects for Lynn, especially as Mr. Gabour points out, that this is a Combines Sewer Overflow project.

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

- 4 **Chicopee Reduced Funding Request.** Mr. Gabour raised a possible issue with the principal forgiveness amount for a loan to Chicopee, CW-16-25, that was put into repayment as part of Series 22. The city only borrowed \$1 million of the \$3.6 million approved by the board due to a grant from MassDEP for the other \$2.6 million in project costs. The city was provided principal forgiveness based upon the \$3.6 million contract amount that was in place at the time principal forgiveness was distributed.

Mr. Gabour asked if the Trust would be requesting any principal forgiveness funds back since the city borrowed less than expected. Mr. Keenan stated that the Trust does not retroactively request principal forgiveness funds back if projects come in under budget. The Trust is required to give away a certain amount under the federal grant conditions and since the loan is already in repayment in Series 22 changing the repayment terms would be administratively burdensome. The Committee agreed not to intervene to request the funds be repaid. The Committee will monitor this issue to make sure it is not occurring regularly.

#### **LIST OF DOCUMENTS AND EXHIBITS USED:**

1. SWIG Logo Examples

The meeting adjourned at 2:18 p.m.

Minutes Approved: 01/02/2020