

PROPOSED REGULATORY AMMENDMENTS

310 CMR 45.00: The Drinking Water State Revolving Fund

45.07: Financing Criteria

(1) In General. The Trust is authorized to structure the debt service costs on loans and other forms of financial assistance for Eligible Projects that provide the financial equivalent of a loan made at an interest rate equal to 2%. Notwithstanding the foregoing, subject to the limits on contract assistance provided in M.G.L. c. 29C, § 6, the Trust may provide additional financial assistance that is the financial equivalent of a loan made at an interest rate less than 2%, which may include principal forgiveness, as determined by the Trust, for Qualifying Designated Projects, as provided in 310 CMR 45.07(2).

(2) Qualifying Designated Projects.

(a) Subject to the limits on contract assistance provided in M.G.L. c. 29C, § 6, a LGU applying for financial assistance for a Qualifying Designated Project on the IUP for calendar year 2017 or later, unless otherwise authorized by the Legislature, is eligible for additional financial assistance in accordance with 310 CMR 45.07(2) that may include loans and other forms of ~~financial assistance~~ subsidies at the financial equivalent of a loan made at an interest rate less than 2% or other additional subsidies such as principal forgiveness, as determined by the Trust, if the LGU demonstrates to the Department's satisfaction that it meets all of the following criteria:

~~(a) the project is an eligible project described in 310 CMR 45.04(1)(g) through (k);~~

~~1.(b)~~ the project is consistent with the current priorities established by the Trust, as set forth in the Department's annual project solicitation;

~~2.(c)~~ the project implements Best Management Practices; and

~~3.(d)~~ the LGU meets the Trust's affordability criteria established pursuant to § 1452(d) of the SDWA, 42 U.S.C. § 300j-12(d), but only to the extent required by federal law ~~and is consistent with the Trust's guidelines for best management practices in water management, including, without limitation, the practice of full cost pricing, sound financial management, the use and protection of enterprise funds, the coordination of intra-municipal and inter-municipal projects involving inter-related infrastructure, the adoption of an asset management plan and a plan for leak detection.~~

(b) Projects considered for the additional subsidies described in 310 CMR 45.07(2)(a) may include eligible projects described in 310 CMR 45.04(1)(g) through (k).