

**MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

September 7, 2022
1:30 PM

Location: Remote*

Minutes

Attendees: State Treasurer Deborah Goldberg, Chair
Martin Suuberg, Commissioner of MassDEP
Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Sunkarie Konteh, Accountant, MCWT
Nicole Munchbach, Accountant, MCWT
Pam Booker, Accountant, MCWT
William Kalivas, Treasury Specialist, MCWT
Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT
Kathryn Armour, Data Analyst, MCWT
Jonathan Maple, Senior Policy Analyst, MCWT
Josh Derouen, Senior Program Associate, MCWT
Kailyn Fellmeth, Program Associate, MCWT
Victoria Phillips, Acting Chief of Staff, MassDEP
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Greg Devine, Section Chief, MassDEP
James MacDonald, First Deputy Treasurer, Office of the State Treasurer
Emily Kowtoniuk, Director of Policy and Legislative Affairs, Office of the State Treasurer
Alberto Anzola, Deputy Director of Policy and Legislative Affairs, Office of the State Treasurer
Mary Wilkins, Communications Executive Assistant, Office of the State Treasurer
Andrew Napolitano, Deputy Director of Communications, Office of the State Treasurer
Alexa Michon, Policy Associate, Office of the State Treasurer

CALL TO ORDER: The meeting was called to order by Treasurer Goldberg at 1:33 pm.

Item #1 **MOTION- VOTE**

Acceptance and Approval of August 3, 2022 Minutes

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on August 3, 2022.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Bipartisan Infrastructure Law (BIL) Funds

Ms. Perez stated that the EPA recently informed the Trust and MassDEP that Massachusetts is the first state to receive BIL funds. There will likely be a press event to follow.

2% Technical Assistance Set-Aside Grant

Ms. Perez noted that there are working groups for the new 2% Technical Assistance Set-Aside grant for small, rural, and tribal publicly owned treatment works. \$1.2 million will be set aside from 2022 grants and \$2 million will be set aside for 2023 grants to fund this.

Economic Bill

Ms. Perez explained that the economic bill introduced to the Massachusetts House of Representatives did not pass. This bill contained a portion of the BIL state match funds. The Trust has the state match for the BIL funding from a general bond bill through 2024.

Mr. Yontar explained that the economic bill not passing was unexpected. It will be refiled in the new year with the new administration and session of the legislature.

Fiscal Year 2022 Budget

Ms. Perez said that there is presently a \$1.2 million deficit in the FY 2022 budget, but the Trust expects it to even out after spending and bargaining agreements pick up.

2023 Intended Use Plan (IUP) Solicitation

Ms. Perez stated that MassDEP received a record number of responses to the 2023 IUP solicitation and are working to rank the new applications for projects.

Item #3

MOTION- VOTE

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar.

Mr. Keenan presented on updates to the Community Septic Management Program (CSMP). He noted that Barnstable County would like the Trust to offer 0% interest rates to homeowners with certain income thresholds in its CSMP. The CSMP finances homeowner repairs and replacement of failed septic systems. It also finances sewer connections for homeowners with failed septic systems.

The County aims to do this by offering 0% interest rate loans to homeowners with an income of 120% or below the area median income (AMI), 2% interest rate loans to homeowners with an income between 120% and 180% of the AMI, and 4% interest rate loans to homeowners with an income above 180% of the AMI. The Trust would issue two loans. One loan would be at 0% interest to fund loans to homeowners with an income of 120% or below the AMI. The other loan would be at 2% interest to fund loans to homeowners with incomes over 120% of the AMI.

Barnstable County manages the largest CSMP in the Commonwealth. It has issued \$54 million in loans to residents since 2007. As Cape Cod communities begin to implement the 208 Plan by constructing costly wastewater infrastructure, the County wants to provide a low-cost financing option for lower income residents.

The Trust recommends adopting the County's proposal statewide. Communities would be responsible for income verification and all traditional CSMP requirements. By doing this, the Trust hopes that more homeowners on the Cape and across the Commonwealth will be incentivized to upgrade their septic systems or connect to available sewer systems. Further, by implementing this interest rate reduction statewide the Trust will be adopting EPA's recommendations for providing further subsidies to communities who are directly passing savings onto lower income residents.

Commissioner Suuberg commented that this program is helpful, as MassDEP continues to work on nitrogen regulations.

Treasurer Goldberg said that the CSMP is a great program and will be sure to help those affected by water challenges like those happening on Cape Cod.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approval of 0% CW Loans to Borrowers for Income-Based Community Septic Management Loan Programs

That the Trust approves a reduced interest rate of 0% for loans to Borrowers that provide reduced interest rate loans to homeowners under their Community Septic Management Programs based on such homeowners' annual income as compared to Area Median Income (AMI).

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

Approval of Asset Management Program Commitments

<u>PAC No.</u>	<u>Recipient</u>	<u>Amount</u>
CW-22-15	Agawam	\$120,000
CW-22-13	North Brookfield	\$110,446

Item #5

MOTION- VOTE

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Community Septic Management Program Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-22-14	Rowley	\$200,000	2%

Item #6

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

Approval of Clean Water Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-21-48	Spencer	\$46,713,406 ¹	2%

Item #7

MOTION- VOTE

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Lead Service Line Planning Program Loan Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Loan Forgiveness</u>
DW- 22-14	Millis	\$139,000	2%	100%

Item #8

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

Approval of Drinking Water Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-22-13	Brockton	\$11,000,000	1.5% ²
DW-20-10	Peabody	\$11,569,061 ³	2%
DW-21-03	Springfield Water & Sewer Commission	\$11,573,681 ⁴	2%

Item #9

MOTION- VOTE

¹ First Revision. Previous PAC amount was \$37,915,800.

² Housing Choice Loan

³ First Revision. Previous PAC amount was \$10,729,061.

⁴ First Revision. Previous PAC amount was \$10,089,000.

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Asset Management Program Grants and Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
CWA-22-15	Agawam	\$120,000
CWA-22-13	North Brookfield	\$110,446

Item #10 **MOTION- VOTE**

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

Approval of the Community Septic Management Program Loan/Local Government Obligation and Financing Agreement

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWT-22-14	Rowley	\$200,000	2%

Item #11 **MOTION- VOTE**

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of the Clean Water Loans/Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-21-41	Acton	\$3,466,850	1.5% ²
CWP-21-48	Spencer	\$43,463,606	2%
CWP-21-48-A	Spencer	\$3,249,800	2%

Item #12 **MOTION- VOTE**

The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the following:

Approval of Lead Service Line Planning Program Loan/Local Government Obligation and Financing Agreement

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Loan Forgiveness</u>
DWL-22-14	Millis	\$139,000	2%	100%

Item #13 **MOTION- VOTE**

The motion was made by Commissioner Suuberg and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of the Drinking Water Loans/Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWP-19-06	Eastham	\$11,114,038 ⁵	2%
DWP-20-23	Eastham	\$13,561,401 ⁶	2%
DWP-20-10	Peabody	\$11,569,061 ⁷	2%
DWP-21-03	Springfield Water & Sewer Commission	\$11,573,681 ⁸	2%

OTHER BUSINESS: Ms. Perez expressed enthusiasm about awarding the Lead Service Line (LSL) Planning Program loan to Millis DWL-22-14. It is the second 100% loan forgiveness LSL Planning Program loan to be issued. This program has been made possible by the BIL funds that the Trust is to receive.

ADJOURN: The motion was made by Mr. Yontar and seconded by Commissioner Suuberg and voted unanimously in favor of adjourning the meeting at 1:52 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, August 3, 2022
2. Presentation on Updates to the Community Septic Management Loan Program
3. Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, September 7, 2022 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L.c.30A, §20, as modified by c.20 of the Acts of 2021 and c.22 of the Acts of 2022.

Those who would like to attend the meeting, please e-mail masswatertrust@tre.state.ma.us to request meeting information. Information to access the meeting will be available through the duration of the meeting. However, we encourage participants to request the information by 5:00 PM the day before the meeting.

To ensure that the audio is clear to all attendees, unless you are actively participating in the meeting, please mute your audio. If you have technical difficulties joining the meeting, please email masswatertrust@tre.state.ma.us.

Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.

⁵ First Revision. Previous PRA amount was \$10,538,250.

⁶ First Revision. Previous PRA amount was \$12,291,758.

⁷ First Revision. Previous PRA amount was \$10,729,061.

⁸ First Revision. Previous PRA amount was \$10,089,000.