

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

Meeting Minutes

Meeting Date: Thursday, January 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
Steven McCurdy, Director of Program Development, Trust
Maya Jonas-Silver, Director of Finance & Administration, Trust
Also Present Nate Keenan, Deputy Director, Trust
Maria Pinaud, Deputy Director, MassDEP
Jonathan Maple, Policy Analyst, Trust
Absent

SUMMARY OF DISCUSSIONS

1. **Minutes Approval:** The Committee approved minutes from the December 19, 2018 meeting.
2. **Principal Forgiveness – 2018 and Beyond:** Ms. Perez supplied the Committee with an estimated principal forgiveness (PF) calculation for 2018. MassDEP substituted new projects to replace dropped projects which increased the PF beyond the amount of available funding, if a set percentage for forgiveness was applied to the 2018 projects.

The Committee discussed the fact that, even without the implementation of guaranteed tiers, 2018 Drinking Water PF would exceed the intent of the Trust additional subsidy program by providing an overly large subsidy (potentially exceeding 40% principal reductions for tier 3 communities). Ms. Jonas-Silver noted that the point of the guaranteed tier program was related to reducing drops and making loan planning easier for potential borrowers – which would not apply to communities in the 2018 Intended Use Plan (IUP) as they have already submitted their applications.

The Committee determined that 2018 PF would be distributed using the original methodology and guaranteed tiers of forgiveness would be applied to 2019 and beyond. Additionally, Ms. Perez noted that with the program adopting guaranteed tiers of forgiveness, that the Trust will need to be more involved with the creation of the IUP and IUP project substitutions for dropped projects in the future. The Committee concurred that in the future, any increase over 10% of the current IUP amounts would require a capacity review from the Trust.

The Committee determined that the program will discontinue the policy of tier 3 communities getting PF in the second year of projects, which will push projects into multi-year status. If

the change in tiers drives projects to drop less often, then the Trust will need to revise the cap on funding that is based on the historical drop rate.

Finally, the Committee discussed what steps would be needed to apply the guaranteed tiers to the 2019 IUPs. The Trust will need to provide an updated policy statement on its website and update the language in the 2019 IUPs. Mr. Keenan noted that a Board vote was needed to vote to amend the distribution of additional subsidy policy established by Board vote in 2015. Ms. Perez stated the Trust would supply an updated policy and the redlined IUP at the next committee meeting.

- 2 **Bottle Filling Station – Program Working group:** Ms. Perez noted that the Trust will be leading a working group that includes MassDEP, DESE, OSD, and EEC. A notice would be sent out to all recommended contacts after the meeting. The group will present information or questions to the Executive Committee as they arise once initiated. The Trust will invite all recommended individuals submitted by committee members and create a standing meeting time for the future. The committee confirmed that the OSD FAC100 statewide contract has vendors that supply the fixtures that meet MassDEP's point of use requirements.

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

- 3 **Budget Update:** Ms. Jonas-Silver explained the budget that was submitted by the Governor, which contained an additional \$20 million allocated as one-time spending related to school deleading efforts. These additional funds would be provided by sales tax acceleration. This would be a one-time allocation. The Trust will monitor the budget as it moves forward in the process.

Mr. Keenan noted that the line item change for the Supplemental budget was contained within the budget as well, which would allow the Trust to use the supplemental contract assistance funds for the bottle filling station school grant program. The Committee discussed using interim funding while waiting for EPA to respond or the budget getting passed.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Clean and Drinking Water 2018 IUP Spreadsheets calculating Principal Forgiveness
2. Presentation: Clean Water and Drinking Water 2018 Principal Forgiveness

The meeting adjourned at 2:00 p.m.

Minutes Approved: _____