

EXECUTIVE COMMITTEE OF THE MASSACHUSETTS CLEAN WATER TRUST

Meeting Minutes

Meeting Date: Tuesday, November 20, 2018
Time: 1:30 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 Martin Suuberg, Commissioner, MassDEP
Nathaniel Keenan, Deputy Director, Trust
Stephanie Cooper, Deputy Commissioner, MassDEP
Jonathan Maple, Policy Analyst, Trust

SUMMARY OF DISCUSSIONS

1. **Minutes Approval:** The Committee approved minutes from May 16, 2018, August 22, 2018, September 12, 2018, and October 17, 2018.
2. **\$10 million supplemental budget:** Ms. Perez brought up for discussion with the Committee the idea of utilizing the supplemental \$10 million to procure water filling stations for schools that participated in the technical assistance program that tests for lead and copper in public schools. Ms. Perez noted that this would be a helpful initiative to pair with the testing program, and that it would serve the Commonwealth as a whole. Commissioner Suuberg noted that this was timely issue given EPA's new position of there not being a safe level of lead in drinking water, as opposed to the previous guidance of 15 parts per billion. Lead testing initiatives in the Commonwealth were going to get an increase in funding with WIIN Grant program for testing for lead in schools. MassDEP believes that the Commonwealth will be awarded approximately \$200,000. The Commissioner stated that he liked that the program was targeted at providing drinking water sources instead of focusing on all school fixtures. The Committee discussed the cost of refilling stations, and the need to determine how far funding could go to supply refilling stations.

Ms. Perez recommended that a program could prequalify suppliers which should allow for bulk pricing and a standard unit or units which should decrease the overall cost of the refilling stations. The Committee discussed using a similar model to how the Trust provided asset management grants, where the Trust supplies the unit and a match or in-kind services(IKS) could be provided the community. In this case the match/IKS would be installation and services related to replacing filters at recommended intervals. It was noted that there could be some hurdles related to using the supplemental funds as they appear on the contract

assistance line item but will work with legal counsel and report back at a later Executive Committee meeting.

Ms. Perez asked if the Trust and MassDEP should set up a working group to develop a working group to write up a proposal and see if there was actual demand from the schools. The commissioner stated that MassDEP was using their funding to engage with UMass for additional testing. He suggested that MassDEP could include a question related to determining the demand. The Commissioner noted that they are working with Department of Public Health on messaging around the program. Additionally, the Committee discussed the technical components related to the program such as, what schools should the program target (i.e. ages/grades, what level of lead indicates or qualifies a school for assistance). Ms. Cooper noted that this type of program has been suggested internally in MassDEP's Drinking Water department, and that the suggested program would assist in clearing up issues related to how to get units to communities and how to target this assistance.

The Commissioner raised concerns related to using all the funding on this program when there is the possibility of emerging contaminants like Per- and polyfluoroalkyl substances (PFAS). MassDEP received a petition from Conservation Law Foundation related to enhanced filtering on all sources of contaminants. Some of this funding may be needed for design and planning for dealing with these emerging contaminants.

The Committee determined that the Trust or a working group need to establish a demand for filling stations, and the real cost of the units. The Committee discussed coming back in two weeks to discuss the program again.

3. **Updates on 2019 Intended Use Plan:** Mr. McCurdy noted that the draft IUP was completed and under review by MassDEP senior staff. Mr. Keenan asked for an update on the lead service line (LSL) removal incentive and the Asset Management Grant program. Mr. McCurdy noted that there were two proposals for LSL removal which could potentially utilize the LSL incentives. He estimated that there were roughly 8-10 AMP grant proposals that would be eligible for funding if they moved forward with the program. Mr. Keenan, noted that new agreements will need to be established relating the LSL programs and AMP grants, and that he would start that process.
4. **Drinking Water IUP and Commitments:** Mr. Perez noted that there was a large decrease in published versus actual commitments in the 2018 Drinking Water IUP. There was a decrease from the published amount, and Ms. Perez asked if there was anything the Trust could do at earlier stages in the IUP proposal process that could potentially mitigate this type of decrease. The Committee discussed the logistical issues related to projects on the IUP. Larger projects dropping create holes that are difficult to fill. Additionally, cities and towns are the unknown factor as authorization of projects is not always guaranteed, and the cause of the largest drops. Ms. Jonas-Silver asked if there was a shovel-ready component to the process, and Mr. McCurdy noted that is a readiness to proceed element, but that the timeline can be challenging for communities to adopt all the specific elements. The Committee discussed strategies for possibly mitigating issues with larger projects, such as allotting a

smaller portion of funding for multi-year projects and having a deeper secondary list of projects that did not achieve the IUP.

Ms. Perez noted that the 2018 IUP was the first year that the Commonwealth would be matching the EPA Additional Subsidy amount. This would provide over \$10 million in additional subsidy for Drinking Water projects. With the large drop in projects this would lead to levels of subsidy that were never intended. The Committee discussed adopting a flat percentage additional subsidy amount that would top out at 9.9%. This would allow the program to be more predictable for borrowers and avoid issues of additional subsidy. Ms. Perez agreed to providing a proposal and information for the Committee relating to the guaranteed percentage amounts of principal forgiveness.

- 5. Additional Subsidy for IUP years 2018 and onward:** Ms. Perez noted that in MGL Ch 29C § 6(h), starting with calendar year 2016, and subsequent years, that the board shall not commit contract assistance to provide additional subsidy unless it has established a sewage or water enterprise fund. So, prior to presenting vote to the board for additional 2018 additional contract assistance, we need to understand how we have determined and documented compliance with this provision. According to Ch 259 of the Act of 2014 – Section 55, favorable consideration of projects would be based on demonstrating the adoption of best management practices established earlier in the section. The Committee needs to determine if the adoption of Best management practices is included in the MassDEP ranking consideration process. The committee discussed that a self-certification could be added to the contract language, and that we have not voted for additional subsidy at this point for 2018, and that the Trust could add a compliance component to this, and that starting with 2020 compliance will need to be part of the IUP process.
- 6. New Deputy:** Mr. McCurdy informed that Committee that a new Deputy would be starting December 2. The new deputy will be assigned to modifying the Community Septic Management Manual.
- 7. DBE Request for Proposals:** Mr. Keenan informed the Committee that the process was moving forward and that there was a meeting later in the day to discuss the progress and next steps.

The meeting adjourned at 2:36 p.m.

Minutes Approved: December 19, 2018