

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

Meeting Minutes

Meeting Date: Wednesday, December 21, 2022
Time: 1:30 PM
Location: Remote
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
My Tran, Treasurer, Trust
Sally Peacock, Controller, Trust
Pam Booker, Accountant, Trust
Sunkarie Konteh, Accountant, Trust
Nicole Munchbach, Accountant, Trust
Joshua Derouen, Senior Program Associate, Trust
Rachel Stanton, Investor Relations and Communications Graphic Designer, Trust
Julian Honey, Program Associate, Trust
Jonathan Maple, Senior Policy Analyst, Trust
Robin McNamara, Deputy Director of Municipal Services, DEP
Ashraf Gabour, Program Manager, DEP
Absent Mike Nelson, Professional Engineer, Fuss & O'Neill Inc.
Timur Yontar, Director of Finance & Administration, Trust

SUMMARY OF DISCUSSIONS

	<u>Open the Meeting:</u> Ms. Perez opened the meeting after confirming the attendees present.
1.	<u>Review and approval of minutes from the 11/9/2022 meeting of the Executive Committee:</u> The Committee approved meeting minutes from the 11/9/2022 meeting of the Executive Committee.
2.	<u>Federal Lead Grant Discussion:</u> Ms. Perez said that the Trust is working to monitor the requirements of the \$65.783 million federal lead grant. Per the grant award, \$20.4 million was provided for set-asides be used to either administer this capitalization grant or meet the statutory purpose of these funds: “for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.” Of the total grant amount, 49% is to be awarded as loan forgiveness to disadvantaged communities. The Trust plans to award 30% loan forgiveness for all lead construction project loans. Lead planning projects will continue to be awarded 100% loan forgiveness. Disadvantaged communities undergoing lead construction projects will receive the 30% loan forgiveness in addition to the percentage based on their affordability tier ranking.

	<p>To ensure that requirements are met, the Trust is to issue \$23.5 million in lead construction project loans. According to the Trust's records, 2022 Intended Use Plan (IUP) lead construction projects that are proceeding will total approximately \$22.9 million.</p> <p>Mr. Keenan said that the federal lead grant will fund the 100% loan forgiveness lead planning projects.</p> <p>Mr. Gabour confirmed that New Bedford and Boston Water Sewer Commission's lead construction projects on the 2022 IUP are moving forward. The Project Approval Certificates (PACs) for these projects will be issued by MassDEP.</p> <p>Ms. Pinaud said that project costs will likely be higher than the IUP costs due to outside economic factors. MassDEP asks that the Trust remove the \$15 million project cost cap for lead construction projects.</p> <p>Ms. Perez said that the Trust will remove the \$15 million cap for lead construction projects on the 2022 IUP.</p>
3.	<p><u>American Rescue Plan (ARPA) Loan Forgiveness from New Appropriation:</u></p> <p>ARPA Funds Overview Ms. Perez said that the Trust's Board of Trustees approved approximately \$107 million in loan forgiveness for 2021 IUP loan commitments at its December meeting. This loan forgiveness will be funded by ARPA. The Trust received approximately \$86.6 million in ARPA funds then another \$115 million from the Economic Development Bill.</p> <p>The total amount in loan commitments from the 2022 IUP needs to be reviewed to determine uses of grant subsidies as well as ARPA funds. We should be thinking of other projects now that may be able to utilize any excess ARPA funds should there be any as there is a timeline for spending the ARPA funds. ARPA funds need to be for loan agreements executed prior to December 31, 2024 and disbursed prior to December 31, 2026.</p> <p>Ms. Pinaud suggested that the Trust consider issuing 100% loan forgiveness loans for PFAS planning and design projects using ARPA funds to replace the PFAS grants that were previously offered by MassDEP. Applications will be accepted on a rolling basis to ensure the timely use of funds.</p> <p>Ms. Perez said that putting ARPA funds towards 100% loan forgiveness PFAS planning and design loans is something to consider. These projects just need to meet the ARPA fund expenditure timeframe.</p>
4.	<p><u>2022 Project Approval Certificate PAC Updates:</u> Ms. Pinaud said that SRF guidelines require that all PACs for 2022 IUP projects be issued by December 31, 2022. MassDEP is set to meet this deadline. All PACs issued by the deadline will be brought to the January Board meeting for approval.</p>

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

January Board Meeting

Ms. Perez noted that the Trust's Board of Trustees will have two new members joining in the new year. Officials from the new administration will not be sworn in until January 5, 2023. This meeting is now likely to take place on January 11, 2023.

2023 Draft IUP

Ms. Pinaud confirmed that the 2023 Draft IUP has been published. There is a public hearing on January 19, 2023 at 10:00 AM. Those interested in attending the meeting may use the following link: <https://www.mass.gov/doc/2023-iup-public-hearing-notice/download>.

Possibility of Grants Instead of Loans for Lead Planning Projects

Mr. Derouen stated that \$20 million has been made available for 100% loan forgiveness lead planning project loans. Just over \$2.9 million in these loans have been issued so far. Mr. Nelson stated that his firm has clients that are not interested in the 100% forgivable loans because they require borrowing authorizations. He asked if pending loan applications would be considered for grants for these projects.

Mr. Keenan said that the Trust is working with the EPA to see if the program can be transitioned to a grant program without stringent requirements. Any pending applications for lead planning project loans would be considered for a grant program.

Adjourn the Meeting: Ms. Perez requested a motion to adjourn the meeting. Ms. Pinaud moved the motion. A roll call was held, and all members approved the motion.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Public Hearing Notice – 2023 Clean Water and Drinking Water SRF Draft Intended Use Plans

Minutes Approved: February 22, 2023