

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

Meeting Minutes

Meeting Date: Thursday, May 13, 2021
Time: 12:30 PM
Location: By Telephone
Notice: Due public notice given
Attendees Sue Perez, Executive Director, Trust
Maya Jonas-Silver, Director of Finance & Administration, Trust
Also Present Nate Keenan, Deputy Director, Trust
Sally Peacock, Controller, Trust
Joshua Derouen, Program Associate, Trust
Jonathan Maple, Policy Analyst, Trust
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Gregory Devine, Environmental Engineer, MassDEP
Absent Maria Pinaud, Director of Program Development, Trust

SUMMARY OF DISCUSSIONS	
	<u>Open the Meeting:</u> Ms. Perez opened the meeting after confirming the attendees present.
1.	<u>Minutes:</u> The Committee approved meeting minutes from the 3/11/2021 and 3/18/2021 meetings of the Executive Committee.
2.	<p><u>Asset Management Planning (AMP) Grant Program Updates:</u> Mr. Maple said that the Trust has been working with MassDEP to draft a request for responses (RFR) to expand the prequalified list of engineering firms that communities can use when participating in the AMP Grant Program.</p> <p>The new RFR is different from the original in some respects. The new RFR will ask new questions to better assure that the firms can help create a quality asset management plan. There will also be questions asking about the cybersecurity components that may be added as an eligible activity for the AMP Grant Program going forward.</p> <p>Mr. Maple noted that the 2022 program guidance produced by MassDEP and a number of grants awarded under the 2021 Intended Use Plan (IUP) will need to be updated to match the updated project expiration timeframe of 2 years.</p> <p>The Trust's intern may help with selecting completed projects from the AMP Grant Program to use for case studies.</p>

	<p>Ms. Perez said that there needs to be more discussion before finalizing plans for cybersecurity to be an eligible component of the AMP Grant Program. With \$2 million to offer each IUP, it is important to ensure that there are funds available to help communities of all sizes develop or improve upon asset management plans. It may raise a concern if only larger communities are awarded the funds for solely cybersecurity.</p> <p>Ms. McNamara said that offering cybersecurity as an eligible activity under the AMP Grant Program may help increase demand for the program. Although there has been \$2 million offered each IUP, there has yet to be a year where either the number of applications or total amount awarded has reached \$2 million.</p> <p>Ms. Perez said that this may be a possible request for funds from the American Rescue Plan Act of 2021 (ARPA) to offer cybersecurity funding outside of the AMP Grant Program.</p> <p>Ms. Jonas-Silver stated that although ARPA guidance does allow for funds to go towards cybersecurity, it is not clear how APRA funds will be used in Massachusetts since the Massachusetts State Legislature will need to vote on it. It may be useful to develop initial plans with a different funding source in mind.</p>
3.	<p><u>School Water Improvement Grant (SWIG) and ESWIG Program Updates:</u></p> <p><u>SWIG Pilot Round</u></p> <p>Mr. Maple said that so far in the pilot round of SWIG, 150 water fountains have been replaced with filtered water bottle filling stations serving approximately 47,000 students.</p> <p>10 school districts have grants that have been closed out. Closed out grants are designated as such when all program requirements have been met. Seven districts have been given extensions to allow for more time for them to meet the requirements. There are four districts that still have grants in progress. Grants in progress are those where post-installation testing has been completed but the grant closeout package has yet to be submitted to the Trust.</p> <p>There are also 16 districts that have submitted closeout packages with issues that need to be addressed. Four of these districts have packages that are being reviewed by UMass. Two of the districts have packages that are incomplete either due to incomplete forms or pending post-installation test results. The other 10 districts need to redo the post-installation testing.</p> <p>Post-installation testing needs to be redone in some cases due to some of the districts using incorrect protocol or failing to provide correct documentation. Testing needs to be done according to Lead Contamination Control Act (LCCA) protocol. Sampling results must also be reported in the LCCA Program Management Tool (PMT) for transparency.</p> <p>The Trust is considering establishing a “good faith waiver” for districts that are retesting so they do not have to report results in the PMT. The purpose of this waiver is to save the districts from the costs of retesting a second time along with the logistical burden of using the PMT so far into the process.</p>

At the conclusion of the SWIG pilot round, applications from 55 districts for 191 schools were received. Grants were awarded to 37 of those districts for 128 schools.

There were 18 districts and 63 schools that were not awarded grants. 11 of those districts with 53 schools were ineligible because their schools did not have eligible fixtures, testing results that were not submitted through MassDEP's program, or there were ineligible schools that were either private or not operated by the public school district. The other 7 districts with 10 schools withdrew or never submitted a complete application.

SWIG Second Round

Mr. Maple said that the second round of SWIG will be launched with an improved application process and a particular focus on public elementary schools. Public elementary schools will be defined as public schools serving students in kindergarten through fifth grade.

Eligible fixtures will be more clearly defined. The application will require districts to identify their eligible fixtures using the LCCA PMT map that identifies where fixtures are in the school that they would like to have replaced with filling stations. Fixtures such as water fountains in a classroom are not eligible because they are not in an area accessible for all students.

The amount of filling stations that will be awarded for schools will be capped at one per 100 students. Although this cap is no longer tied to the plumbing code, this cap will allow for a more efficient application review than the pilot round where the cap was one filling station per 75 students. The new one per 100 cap will also be rounded up meaning that if there are 517 students in a school, the cap would be six fixtures for that school.

The second round will also involve targeting outreach to disadvantaged districts. Districts in disadvantaged communities according to the Trust's annual affordability calculation and have completed water quality sampling through the LCCA will be targeted. 70% of the districts awarded grants in the pilot round were located in disadvantaged communities.

The pilot round demonstrated that the \$3,000 award for installing each new filling station will be sufficient for the second round. The price of installing filling stations varied especially between districts that had internal resources to install them and districts that needed to use external resources.

ESWIG Update

Mr. Maple said that the EPA is still reviewing the Trust's plans for ESWIG. There is a meeting with the EPA scheduled for next week that will hopefully lead to the finalization of plans.

The Trust is currently working with MassDEP to prepare materials for the ESWIG launch.

The Trust's summer intern will likely be assigned to help with outreach efforts that will lead to disadvantaged community participation.

4.	<p><u>Series 21 and 22 Swap Updates:</u> Ms. Perez said that swaps are when unused project funds are repurposed after they have not been used within two years of a bond series closing.</p> <p>Mr. Derouen said that there are two communities with three Series 21 loans where loan proceeds are still available to draw. One community has completed their project so the unused loan proceeds will be swapped out by the end of the fiscal year.</p> <p>The other community sent an e-mail to the Trust and MassDEP recently saying that they plan on using some but not all remaining proceeds from the two loans for their project by mid-June.</p> <p>There are 39 loans from Series 22 with loan proceeds remaining. There have been Closeout Acknowledgement Letters issued by MassDEP for over 20 of those loans so the unused loan proceeds will just be swapped out this October, the two-year anniversary of Series 22 closing.</p> <p>The Trust will reach out to the other communities with Series 22 loans a couple of months ahead of the October swap asking for updated cashflows and reminding them about the need to use any needed loan proceeds before the swap date.</p>
5.	<p><u>Cape Cod Water Protection Fund Update:</u> Mr. Keenan said that the Cape Cod and Islands Water Protection Fund Management Board recently approved grants from the Cape Cod Water Protection Fund to go towards loans that Cape Cod communities have with the Trust.</p> <p>Seven communities will be receiving a subsidy of 25% in loan forgiveness to go towards Trust loans for 15 projects. The subsidies will be applied over four years with the first year's award totaling \$13.7 million.</p> <p>The 25% in loan forgiveness awarded to each loan will be in addition to any loan forgiveness that is awarded for eligible loans.</p> <p>The subsidy is being funded by the new short-term rental tax on Cape Cod. The Trust is working with the Cape Cod Commission to execute the transfer of funds and developing a procedure for applying this subsidy.</p>
6.	<p><u>EPA Marketing Survey:</u> Mr. Maple said that the Trust requested technical assistance from EPA to help with outreach to communities that are not using State Revolving Fund (SRF) financing. The EPA accepted the request and is having their contractor, Northbridge, provide the assistance.</p> <p>The Trust hopes to distribute a survey developed by Northbridge by the end of this month that will help develop a focus group by the end of this year.</p> <p>The main goal of the survey is to identify anything that prevents or deters communities from applying for or being awarded SRF financing.</p>

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

Funding from the American Rescue Plan Act of 2021: Ms. Jonas-Silver said that \$4 billion from the American Rescue Plan Act of 2021 (APRA) has been awarded by the U.S. Department of Treasury to Massachusetts.

There have been no decisions made on what those funds will be used towards and how much will be used for specific areas.

However, there is guidance available that could help the Trust develop ideas for how ARPA funds could be used in the event that the Trust will be able to do so. The guidance says that funds should be targeted towards communities that have lead in water and were most severely impacted by the COVID-19 outbreak.

Ms. McNamara said that the new Lead and Copper Rule is requiring communities to do a lead inventory which could lead to specific communities that the Trust could target.

Ms. Jonas-Silver said that ARPA guidance allows for funding to go towards private sources of lead contamination. It is worth it for the Trust to consider this when creating ideas for how ARPA funds would be used to address lead in water.

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

LIST OF DOCUMENTS AND EXHIBITS USED:

1. SWIG Pilot Update and Lessons Learned Presentation

Minutes Approved: June 17, 2021