

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

**Meeting Minutes**

**Meeting** Friday, May 20, 2022  
**Date:**  
**Time:** 10:00 AM  
**Location:** Remote  
**Notice:** Due public notice given  
**Attendees** Sue Perez, Executive Director, Trust  
Maria Pinaud, Director of Program Development, Trust  
Timur Yontar, Director of Finance & Administration, Trust  
**Also Present** Nate Keenan, Deputy Director, Trust  
Pam Booker, Accountant, Trust  
Sunkarie Konteh, Accountant, Trust  
Nicole Munchbach, Accountant, Trust  
My Tran, Treasurer, Trust  
Jonathan Maple, Senior Policy Analyst, Trust  
Joshua Derouen, Senior Program Associate, Trust  
Rachel Stanton, Investor Relations and Communications Graphic Designer, Trust  
Kailyn Fellmeth, Program Associate, Trust  
Julian Honey, Program Associate, Trust  
Robin McNamara, Deputy Director of Municipal Services, MassDEP

SUMMARY OF DISCUSSIONS	
	<b><u>Open the Meeting:</u></b> Ms. Perez opened the meeting after confirming the attendees present.
1.	<b><u>Minutes:</u></b> The Committee approved meeting minutes from the 4/20/2022 and 4/27/2022 meetings of the Executive Committee.
2.	<b><u>MassDEP staffing plans update:</u></b> Ms. Pinaud said that there were two postings last week for open Environmental Engineer IV positions. DEP is hoping to fill these positions in the next few months.
3.	<b><u>Federal infrastructure funding/Bipartisan Infrastructure Law (BIL):</u></b> Ms. Perez said that with almost \$266 million in federal and state match funds to work with, we need to be effective with tracking and communicating the uses of these funds. The same messages should be communicated to all the borrowing communities.  Ms. Perez noted that she wanted to talk about a few things to arrive at a consensus of approach. The first is the principal forgiveness (PF) to be provided on the 2022 IUP – this is worded in

the IUP as “Loan forgiveness will be disbursed over construction contracts that are executed by June 30, 2023 and may be limited to the lesser of the executed contracts or the IUP Cost.”

IUP Cost is defined as the column in Table 1 labeled as “2022 IUP Cost” – this means for projects over the cap it is limited to the cap and therefore may result in a number of projects becoming multi-year projects and the PF will be calculated each year – our expectation is that we will be maintaining the same percentage amounts for the categories of PF so that should not matter to the community.

Since the IUPs were so large this year, over \$900 million for CW new and carryover projects and almost \$350 million for DW new and carryover projects, we will need to assess the dollar amount of projects that are moving forward to construction to determine which amount will be used for PF.

So, it is important that we are communicating the same message, at this time we cannot guarantee that the full PRA amounts will be used for calculated PF – we need to use the language that is included in the IUPs. This is the first hurdle of our calculation. We will calculate the total expected PF using the PACs that we provide in December and will then need to determine if we need to limit the PF to the PAC amount – so if PRAs come in exceeding the PAC amount – the PF may be limited to the PAC amount.

She asked if there were any questions.

The 2022 Intended Use Plan (IUP) details the June 30, 2023 deadline for construction contracts to be executed for eligible communities to receive loan forgiveness. Ms. Pinaud said that 2022 IUP communities are already requesting extensions to the June 30, 2023 deadline for construction contracts to be executed for eligible communities to receive loan forgiveness.

There are also communities with 2021 IUP construction projects signaling that their projects will cost more than the estimated amounts. Those communities are requesting extensions to either reissue the bids or go back to for additional borrowing authorizations.

Ms. Pinaud said that there needs to be clarification on subsidies awarded through ARPA funds and the Trust’s intent to award similar percentages for BIL subsidies for communication with 2022 borrowers and language in future IUP amendments.

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

**Use of 2022 Grants and the Admin and Set-Aside Funds:**

Ms. Perez stated that for Clean Water (CW) and Drinking Water (DW) Base Grants, we will follow the same approach as we always have and the use of funds is expected to be the same. We have the additional 2% on the CW Base Grant that is expected to be used “for the purpose of hiring staff, nonprofit organizations, or regional, interstate or municipal entities to assist rural, small and trial publicly owned treatment works”

She noted that she assumes we will be taking the full 2% for this purpose and that we may not have an answer now, but that she would like to hear at a future meeting what we have planned for these funds.

Ms. Perez elaborated that there is one change, we will not be using the admin fund for the 10% State Management set aside for 2022, and most likely not for any year that we have these supplemental grant funds.

She stated that for the PFAS Grant, we plan on giving away the entire amount of grant funds for additional subsidy and therefore not planning on taking any set-asides.

Ms. Perez stated that she knows we are working on developing the specifics of providing PFAS design and planning grants to communities, especially smaller communities. She noted this can still be done, and that she expects that we would utilize the Supplemental DW Grant Fund set-asides to do that.

For CW and DW Supplemental Grants, Ms. Perez proposed that we plan on using all the admin and set-aside funds and requested that we bring the proposed planned use of the funds to this meeting. She stated that we should view these funds as resources for new programs such as the PFAS Design grants and other Design grants possibly as well as outreach, technical assistance, etc. and that we should consider some of the initiatives that came out of our survey results.

In terms of the Lead Grant, Ms. Perez stated that again we should take all the allowable set-asides – this grant allows these to be used for inventory and planning project grants which she believes will be our primary intended use. There will be more discussion on this soon.

### **Payroll and Salaries**

Ms. Pinaud and Ms. McNamara said that DEP needs to budget for additional payroll. The salary amounts being paid using the administrative fund and set-asides are both increasing.

Ms. Perez and Mr. Keenan said that paying higher salary amounts should not be a concern. The Board of Trustees will understand that more funds will need to go to payroll since the Trust and DEP will be working with more funds used to finance projects. With more loans being issued, more administrative fee revenue will be collected.

**Clean Water State Revolving Fund (CWSRF) Ranking Changes:** Ms. Pinaud said that DEP is proposing revisions to the ranking system for the CWSRF Project Evaluation Form (PEF) project ranking process to make it a five-tier system similar to the Drinking Water State Revolving Fund (DWSRF) ranking process. The proposed CWSRF rankings would have a base set of points for each tier and then additional points can be awarded for secondary factors. This new ranking system would add consistency and better categorize projects. The tiers were established based on a review of five years of ranking data from past IUPs. DEP expects to be implemented in time for the 2023 IUP solicitation.

DEP will hold a 30-day public comment period that will start when the Environmental Monitor publishes the notice on May 25, 2022. The notice will also be posted on MassDEP's website. The comment period

will end on June 24, 2022. A public hearing on the Proposed Clean Water SRF Tier System will take place virtually on Friday June 24, 2022, at 10 AM.

<https://www.mass.gov/doc/proposed-revisions-to-clean-water-state-revolving-fund-criteria-for-2022-project-evaluation-form/download>

**Fiscal Year 2022 Supplemental Budget:** Mr. Keenan said that additional funding to finance projects on Cape Cod is included in the supplemental budget recently released by the Baker Administration.

Ms. Perez added that the supplemental budget includes \$200 million for communities participating in the Cape Cod & Islands Water Protection Fund and Barnstable County's septic and sewer connection financing program, targeted to disadvantaged homeowners.

Additionally, there is the state bond bill that includes the state matching components the Trust needs for the BIL grants.

**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.

Minutes Approved: July 13, 2022