

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

Meeting Minutes

Meeting Date: Wednesday, August 24, 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 Sally Peacock, Controller, Trust
Nicole Munchbach, Accountant, Trust
Pam Booker, Accountant, Trust
Sunkarie Konteh, Accountant, Trust
My Tran, Treasurer, Trust
William Kalivas, Treasury Specialist, Trust
Nate Keenan, Executive Director, 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
Jonathan Maple, Senior Policy Analyst, Trust
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Ashraf Gabour, Program Manager, MassDEP
Jennifer Pederson, Executive Director, Massachusetts Water Works Association
Marybeth Chubb, MassDEP Wastewater Section Chief

Absent Timur Yontar, Director of Finance & Administration, Trust

SUMMARY OF DISCUSSIONS

Open the Meeting: Ms. Perez opened the meeting after confirming the attendees present.

1. Update on 2023 IUP Project Solicitation:

Construction Project Evaluation Forms (PEFs) Received

Ms. Pinaud presented on the 2023 IUP project solicitation. A total of 251 PEFs for construction and asset management projects were submitted, the most ever received by DEP. The total does not include planning projects because loan applications for them are going to be accepted on a rolling basis as soon as the final IUPs are published. There were 99 PEFs for Clean Water projects and 113 for Drinking Water projects, totaling \$2.82 billion.

	<p>MassDEP needs capacity information from the Trust to develop the draft 2023 IUPs once project evaluation and ranking is completed.</p> <p>Asset Management Planning (AMP) PEFs Received</p> <p>Ms. Pinaud said that there were 39 AMP PEFs received. 27 were for Clean Water projects and 12 were for Drinking Water projects, totaling \$4.12 million in grant funding. A Board vote will be needed to allocate funding for the AMP projects.</p> <p>Ms. Perez asked if the PEF for AMP projects requests information on the expected project completion date and the consulting engineering firm that will be used.</p> <p>Ms. Pinaud said that the AMP PEFs give initial plans and estimates but more accurate information is gathered when communities submit applications for financial assistance.</p> <p>Ms. Perez responded saying that gathering more information with the PEFs will help determine how much funding will be needed for the AMP grant program. The Board of Trustees will vote on the funding to allocate to the AMP grant program in 2023 at an upcoming meeting.</p>
2.	<p><u>MassDEP Presentation on Proposed Title 5 Regulatory Revisions Related to Nitrogen Sensitive Areas:</u> Ms. Chubb, Wastewater Section Chief from the MassDEP Boston office, presented on proposed regulatory changes for nitrogen sensitive areas (NSAs) and watershed permitting. The changes will maintain current drinking water protection NSAs and establish a new designation of natural resource NSAs. The changes to the regulations will have a direct impact on septic systems. The presentation is included as an Exhibit to the Minutes.</p> <p>Ms. Perez asked if the intent of this program is to increase the number of watershed permit applicants which Ms. Chubb confirmed.</p> <p>Mr. Keenan asked what the consequences would be if a homeowner does not comply with the requirement to incorporate Best Available Nitrogen Reducing Technology (BANRT) in five years or operate under a watershed permit.</p> <p>Ms. Chubb responded saying that local governments are to enforce the requirement. MassDEP will likely help enforce it.</p> <p>Mr. Keenan also asked where the line will be drawn to require the new technology and when we expect to see general use.</p> <p>Ms. Chubb responded saying that for systems newly installed (i.e., within one year of regulation), the requirement to install BANRT will only come into play when there is a failure or new construction standard is triggered. Nitrogen removal technologies in provisional use can apply for general use after 50 systems have been installed and there is three years of data available.</p>

	<p>After Ms. Perez asked when regulations were expected to be finalized, Ms. Chubb said that draft regulations will be posted for public comment by the end of October and promulgation of final regulations is expected to begin in February or March 2023.</p>
3.	<p><u>Barnstable County Community Septic Management Program:</u> Mr. Keenan said that he has been working with Barnstable County to gain a sense of how much it will cost to repair and replace septic systems across Barnstable County. Part of working with them has also been to increase homeowner participation in the Community Septic Management Program (CSMP) in both Barnstable County and statewide.</p> <p>Barnstable County is proposing issuing 0% interest loans to homeowners with an income of 120% or less than the area median income (AMI), 2% interest loans to homeowners with an income between 120% and 180% of the AMI, and 4% interest loans to homeowners with an income greater than 180% of the AMI. This is compliant with the betterment laws.</p> <p>The Trust would like to recommend this tiered interest rate system for septic loans to the Board so that it can be implemented statewide. Under this statewide program, two loans will be issued to communities. One will be at 0% interest and the other at 2% interest. The participating communities are to submit documentation to the Trust on homeowner income. Payment requisitions are to show this information so that drawdowns are on the appropriate loans. Targeting lower income homeowners with 0% or low-interest loans is in line with Federal Clean Water Additional Subsidy guidance that promotes providing additional subsidy to cities and towns that may not qualify as an affordability community but would if they are passing the discount to lower income homeowners.</p> <p>The tiered interest rate system developed by Barnstable County is derived from housing subsidies and could be applicable statewide.</p> <p>Ms. Pinaud and Mr. Keenan discussed how more than just \$5 million set-aside from the Clean Water Intended Use Plan each year will be needed to make funds available to communities.</p>
4.	<p><u>Asset Management Planning Grants Extensions for Delays in Completion:</u> Ms. Fellmeth explained that the Trust is working to close out Asset Management Planning (AMP) grants. There is one AMP project from 2019 and 10 from 2020 that have passed the one year from Board of Trustees approval closeout deadline they were given on their AMP Grant Agreement. Due to the pandemic, internal employee turnover, and other factors, these projects are behind the initially anticipated schedule for closeout. The majority of these projects are pending closeout or are set to be completed by the fall.</p> <p>Extending the closeout deadline for these 11 projects to two years from the date the AMP Grant Agreement was approved by the Board and the Trust sending a letter to project managers informing them of the extension will help ensure compliant project completion. If there are delays beyond this, grant recipients will need to submit an explanation in writing so that the Trust can grant further extensions on a case-by-case basis.</p>

	<p>MassDEP has contacted the 11 project managers. Eight of these projects are expected to complete project closeout by this fall. The other three communities need to provide updates.</p> <p>Ms. Pinaud noted that MassDEP grants extensions on a case-by-case basis. She concurred that it makes sense to extend the deadlines to a two-year timeframe for outstanding 2019 and 2020 AMP projects.</p>
<p>Other Business (Items not reasonably anticipated by the Chair 48 hours in advance of the meeting)</p> <p><u>Massachusetts Municipal Association Conference:</u> Ms. Perez noted that the Trust will attend the Massachusetts Municipal Association Conference as an exhibitor in January.</p> <p>Ms. Pinaud expressed that MassDEP will also be interested in attending with the Trust.</p> <p><u>Grant Awards Received:</u> Ms. Tran said that the Trust has received Clean Water and Drinking Water emerging contaminants grants and the supplemental grant for Clean Water grant from the Environmental Protection Agency. The Trust is still waiting to receive the supplemental Drinking Water grant, both the Clean Water and Drinking Water base grants, and the Drinking Water lead grant.</p> <p>Mr. Keenan confirmed that Massachusetts is the first state to receive any of the grants from Bipartisan Infrastructure Law funds.</p>	
<p><u>Adjourn the Meeting:</u> 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.</p>	

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Presentation on Proposed Nitrogen Sensitive Area/Watershed Permitting Regulatory Framework

Minutes Approved: September 28, 2022