

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

Meeting Minutes

Meeting Date: Wednesday, September 26, 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 of the Trust
Steven McCurdy, Director of Program Development of the Trust
Maya Jonas-Silver, Director of Finance & Administration of the Trust
Also Present Nathaniel Keenan, Deputy Director of the Trust
Jonathan Maple, Program Associate of the Trust

SUMMARY OF DISCUSSIONS (INCLUDING DECISIONS MADE/ACTIONS TAKEN/ VOTES):

1. **Minutes Approval:**
Approval of minutes has been postponed until the next meeting due to lack of time to review previous minutes.
2. **Disadvantaged Business Enterprise (DBE):** Mr. McCurdy provided an update to the committee on the progress of the DBE Request for Information (RFI). He noted that no responses were received by the deadline. He reported that some interest was shown after the deadline, but no one provided a submission to the RFI. Ms. Perez suggested that DEP move forward with a Request for Proposal (RFP) – as a RFP would be more likely to receive responses. Mr. McCurdy explained the DBE requirements to Ms. Jonas-Silver and confirmed that the new Fair Share Objective is required by September 30, 2019. Mr. McCurdy planned on scheduling a meeting between himself and Ms. Lacroix (MassDEP CFO) who posted the RFI.
3. **Group of Project Amendments:** Mr. Keenan updated the committee on the progress of the Trust's project amendments for Federal Funding Accountability and Transparency Act (FFATA) reporting. 2016 projects have been amended, and the Trust completed the reporting process on September 25, 2018.
4. **Discussion of Contract Assistance for FY 2018 (Continued):** Mr. Keenan provided cost estimates for setting a fixed principal forgiveness percentage for an Intended Use Plan year. The percentage reduction would be based on the affordability tier assigned to the borrower using the Adjusted Per Capita Income score. The example provided showed the cost of principal forgiveness if a Tier 1 community received a 3.3% reduction, a Tier 2 community would receive a 6.66% reduction, and a Tier 3 community would receive a 10% reduction. Based on an average of the last three IUP years, this would equate to \$25.8 million in principal forgiveness if the Trust had no project attrition. Mr. Keenan noted that the Trust commonly receives 25% project attrition and the cost would likely be closer \$19.3 million. Ms. Perez noted that this lack of uniformity was one of the structural issues with the Trust's

principal forgiveness program. She stated that the current system could range from a tier 3 community receiving 4% one year and 14% the next year. Keeping level percentages would make borrowing from the Trust more predictable and attractive. Ms. Jonas-Silver asked what would happen in the event of a worst-case scenario – 0% attrition. Ms. Perez explained that the Trust was required to provide 10% of the annual capitalization grant each year to principal forgiveness. This will amount to roughly \$10 million for the 2018 grant. Mr. McCurdy stated that he had never seen an attrition rate below 15%, and a 0% attrition rate was highly unlikely. Ms. Perez replied that the Trust would make up the gaps in the state portion of funding. Ms. Jonas-Silver asked if there was any way to walk back the annual funding amount if needed. Ms. Perez stated that she was not inclined to do this, and that it was likely the Trust could simply bank forward any excess funding to avoid shortfalls. Mr. Keenan noted that he would write a memo for review by the committee.

5. **Annual Report Status Update:** Mr. Keenan noted that the Annual Report was almost completed in draft form. EPA confirmed that the Trust could send a raw draft on Friday (09/28/2018) and forward a finalized version once complete.
6. **Regulation Changes:** Mr. Keenan confirmed that the regulation changes had been drafted and signed off by the Trust's program counsel. Once Ms. Perez signs off on the amendments, it will go to MassDEP. MassDEP will then submit the change through the process for amending state regulations.

**Other
Business**

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

7. **Executive Meeting Location Change:** Mr. Keenan asked the committee if future meetings of the Executive Committee can be held at the office of the Trust. Mr. McCurdy and Ms. Jonas-Silver agreed to the location change.

The meeting adjourned at 2:12 p.m.