

the CWSRF to the DWSRF program in the amount of \$3.5 million (33% of the 2024 DWSRF Base Grant amount of \$10.6 million). BIL allows states the flexibility to move funds between the CWSRF and DWSRF programs. Massachusetts will transfer funds from the CWSRF Supplemental Grant in the amount of \$16.3 million representing 33% of the 2024 DWSRF supplemental grant amount of \$49.3 million. Due to great demand for PFAS remediation in drinking water projects, Massachusetts is expected to transfer \$5.2 million of CWSRF Emerging Contaminant supplemental funds to the DWSRF Emerging Contaminant program (nearly 33% of the DWSRF Emerging Contaminant grant amount). This transfer will not adversely impact the CWSRF project financing in the CWSRF IUP. Furthermore, Massachusetts reserves authority of future transfers of Supplemental BIL funds

F. Estimated Sources and Uses

The sources of funds available to the Massachusetts DWSRF include the federal Base Grant, the federal Supplemental BIL grants, state match, and borrower loan repayments. The Trust may leverage these funds up to three times. Under this authority, the Trust will offer to finance approximately \$477 million of DWSRF eligible projects.

G. Additional Subsidy and the Disadvantaged Communities Program

As is required in federal law applicable to the 2024 DWSRF Base Grant, 26% of the grant amount shall be provided as additional subsidy, but no more than 35%, to Disadvantaged Communities, provided eligible applicants exist. In the 2024 DWSRF IUP, Massachusetts intends to award a minimum of \$2.8 million of the Base Grant in additional subsidy to eligible projects. In addition, Massachusetts expects to receive \$49.3 million for the BIL Supplemental DWSRF Grant, \$33.7 million for the LSL Replacement Grant, and \$16.4 million for the Emerging Contaminants Grant, focusing on PFAS. Each of these grants requires that Massachusetts provide a portion of the funding as loan forgiveness. The Supplemental DWSRF Grant requires that \$24.2 million, or 49% of the total grant, be provided as loan forgiveness to Disadvantaged Communities. The LSL Replacement Grant requires that \$16.4 million, or 49% of the total grant, be provided as loan forgiveness to Environmentally Disadvantaged Communities (Environmentally Disadvantaged Communities is defined in Section II.A). The Emerging Contaminants Grant requires that the full amount of the grant, \$16.4 million be provided as loan forgiveness and that at least 25% of the grant be provided to Disadvantaged Communities.

VI. Program Management

A. Assurances and Special Conditions

MassDEP and the Trust have provided the required assurances and certifications as part of the Operating Agreement (OA) between Massachusetts and the USEPA. The OA describes the mutual obligations among USEPA, MassDEP, and the Trust. The purpose of the OA is to provide a framework of procedures to be followed in the management and administration of the DWSRF.