

**Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust**

DATE: February 21, 2018

START TIME: 1:35 p.m.

PLACE: State House, Room 327

NOTICE: Due public notice given

MEMBERS OF THE EXECUTIVE COMMITTEE –

PRESENT: Sue Perez, Executive Director, MCWT
Rachel Madden, Director of Finance & Administration, MCWT
Steve McCurdy, Director of Program Development, MCWT

ALSO PRESENT: Bernard Greene, Senior Legal Counsel, MCWT
Nate Keenan, Deputy Director, MCWT
Jonathan Maple, Program Associate, MCWT
Yvette Depeiza, MassDEP
Maya Jonas-Silver, E/O Administration and Finance

MINUTES APPROVED:

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

1. Lead Service Lines. The Committee was introduced to Yvette Depeiza, Director of the Division of Water Supply of DEP to participate in the discussion of the lead service line replacement initiative DEP wants to begin. It was noted that although many water systems are not willing to go forward without legislation, there are ideas that could be offered without legislation that communities may be willing to consider. Mr Keenan noted that when a community is replacing a water pipe and lead service lines are found, the Trust could make a loan or grant for the replacement of the private lead service lines because they pose a risk to water quality. The cities of New Bedford and Fall River are undertaking such a program for a multi-year program of replacement of lead pipes tied to their water main replacement program. Ms. Depeiza noted that it is important to also have an education component to the program to inform people that they should also be concerned with inside plumbing, which she sees as an issue that will be coming up next. There may have to be mandatory disclosure at the point of sale. As the next steps, Mr. Keenan will write up a proposal and discuss it with EPA and the Trust's financial advisor and program counsel. The proposal may be available for the Board meeting in April.
2. Housing Choice. The Committee was introduced to Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations at A&F to participate in the

discussion of the Governor's Housing Choice initiative. She said that the Governor is interested in giving incentives to increase housing production across the Commonwealth. The incentives would be given to municipalities that are designated Housing Choice communities. The Committee discussed ways in which the Trust could participate in this effort and ideas that could be taken to the Board. An interest rate subsidy for communities that have the Housing Choice designation was presented as one way to offer an incentive to communities that participate. Such a subsidy would be funded by contract assistance from the Commonwealth over the life of the loan.

3. Contract Assistance Agreement. Ms. Perez reported that the Trust is working with its program counsel to rewrite the contract assistance agreement so that it is more easily read and understood. It will also more accurately reflect how the Trust has evolved since the passage of the legislation in 2014. She expects that the final draft will be ready to present to the April 4 Board meeting. Once it is approved by the Board, the Trust can draw down the remaining contract assistance funds.
4. Springfield Water and Sewer Commission. The Committee discussed the Springfield Water and Sewer Commission (SWSC) and its bond resolution requirement that it maintain a debt service reserve fund (DSRF) that is equal to 10% of its maximum annual debt service, which includes Trust loans. It was suggested that the Trust accept a subordinate pledge from SWSC instead of loaning the DSRF to SWSC. The Committee did not approve of this approach but wanted a further discussion on the issues. It was decided there would be another call with SWSC to discuss this issue. The Committee did agree that SWSC must obtain a financial advisor to help with future financial planning and debt structuring and that the Trust would relay this message to the SWSC.
5. Procurements. Ms. Perez reported that the bond counsel procurement resulted in Hinckley Allen being selected for the next bond issuance, which will be in August. Procurement of the senior managing underwriter for the issue will be finalized next week and presented to the Board at its March meeting, along with the bond counsel selection. The responses to the RFR for a prequalified list of consulting engineers that will be available for hire by cities and towns to prepare asset management plans have been reviewed. The recommendation of the procurement management team will be prepared and ready to present to the Board at its March meeting also.
6. Announcement of the Intended Use Plan. Mr. McCurdy reported on the announcement of the Intended Use Plan in Billerica. Only one person from the press showed up, but the story was picked up by other news outlets. The borrowers' meeting will be held in April.

The meeting adjourned at 2:35 p.m.

Approved: 09/12/2018