

Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust

DATE: May 31, 2018

START TIME: 1:30 p.m.

PLACE: State House, Room 327

NOTICE: Due public notice given

MEMBERS OF THE EXECUTIVE COMMITTEE –

PRESENT: Sue Perez, Executive Director of the Trust
Steve McCurdy, Director of Program Development of the Trust
Rachel Madden, Director of Finance and Administration of the Trust

ALSO PRESENT: Nate Keenan, Deputy Director of the Trust
Jonathan Maple, Program Associate of the Trust

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

1. Admin Set Asides: Mr. Keenan asked to confirm if there were any objections to voting on changing how Set Aside funds are identified in the grant application. This was previously discussed in the May 23, 2018 executive meeting. The Trust will reduce Set Asides requested in the application and use funds in the Trust's Administrative account. This will allow the Trust to use more grant funds for Drinking Water projects. Increasing project funding to \$20.4 million from \$17.8 million. This vote will be in the June 13, 2018 Board of Trustees meeting.
2. Series 2017 Refunding Bonds Saving Allocation: Mr. Keenan notified the committee that the Trust would be voting to confirm the allocation of realized saving from the Series 2017 refunding bond. This vote will be in the June 13, 2018 Board of Trustees meeting.
3. Bond Authorization: Mr. Keenan noted this coming board meeting will request authorization to allow the Executive Director to execute the Series 21 Green Bond issue. This vote will be in the June 13, 2018 Board of Trustees meeting.
4. Interim Budget for fiscal year beginning July 1, 2018: Mr. Keenan notified the committee that the Trust will be voting for authorization of 1/6 of the amount authorized for FY18. This vote will be in the June 13, 2018 Board of Trustees meeting.
5. Principal Forgiveness from Contract Assistance: Mr. Keenan noted that the Trust will be voting to increase the amount of principal forgiveness for 2018 IUP projects. The increase of \$3,039,100, to total of \$10,604,300, was due to increases in federal grant funding and the Trust is voting to adjust the number to the actual grant amount.

6. Asset Management Planning: Mr. Keenan notified the board that the Trust's Asset Management Planning Grant program will be in the next board meeting. Requesting the \$2 million be allocated for this purpose. The committee discussed possible MassDEP FTE constraints which have been the subject of the last two executive meetings. Mr. McCurdy noted that he was attempting to bring someone onboard for the purpose. This vote will be in the June 13, 2018 Board of Trustees meeting.
7. Housing Choice: The committee discussed bringing Housing Choice Initiative incentive provided by the Trust to the next board meeting. Ms. Perez suggested that the Trust commit to "up to 50 bps" subject to appropriation. The Trust will evaluate the efficacy of these incentives and adjust next year based on contract assistance appropriations. Additionally, the committee agreed that the incentive would not apply in situations where the interest rate would be less than 0%. This vote will be in the June 13, 2018 Board of Trustees meeting.
8. Lead Service Lines Programs: Mr. McCurdy asked if the Trust agreed with the language to be used in the solicitation that explained the LSL incentives to be offered. Additionally, Mr. McCurdy confirmed a MassDEP policy shift – where the department will no longer fund partial LSL replacements.
9. Project Evaluation Report: Ms. Perez and Mr. McCurdy discussed the Massachusetts 2017 Annual Project Evaluation Report. James Bourne noted a reporting inconsistency between Trust supplied information and the CBR database and how Principal Forgiveness was assigned. Mr. McCurdy resolved the issue by noting the data has been corrected.
10. Springfield Water and Sewer Commission: Mr. Keenan notified the committee of a call with the Springfield Water and Sewer Commission planned for later that day. The purpose of the call is to strategize with the SWSC on how the Trust can assist the SWSC with their debt service reserve fund (DSRF) requirement. The Trust is proposing SWSC amend its bond resolution to waive the DSRF requirement for loans made by the Trust due to the borrower's credit rating and the Trust having local aid intercept to the City of Springfield. The DSRF is a requirement of the SWSC Bond Indenture, and is not required under the Trust indenture.
11. Stormwater Assistance: Mr. Maple and Mr. Keenan discussed how the Trust should pursue supporting communities with stormwater planning considering new MS4 permit requirements. The committee discussed two strategies: direct community funding for Stormwater Management Plan, or funding directed at regional stormwater coalitions – via regional planning organizations. The committee agreed that it preferred a regional approach. Mr. McCurdy stated he would discuss this idea with Commissioner Suuberg and ask for MassDEP to provide technical assistance in how to best implement a program. He will report back to the committee.

12. Series 21: The committee discussed the start of the Series 21 bond issue. The issue is shaping up to roughly \$250 million, closing in approximately the second week of September 2018.

The meeting adjourned at 2:15 p.m.

Approved: 09/12/2018