

**MEETING OF THE MASSACHUSETTS
CLEAN WATER TRUST
BOARD OF TRUSTEES**

May 17, 2017
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

MINUTES

Attendees: James MacDonald, First Deputy Treasurer
Rachel Madden, Executive Office for Administration and Finance Designee
Steven McCurdy, Director of Municipal Services, MassDEP

Also Present: Kristin LaCroix, Chief Financial Officer, MassDEP
Sue Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
William Kalivas, Treasury Specialist, MCWT
Pamela Booker, Accountant, MCWT
Sunkarie Konteh, Accountant, MCWT
Heidi Walsh, Program Associate, MCWT
Jane Peirce, Deputy Director of Municipal Services, MassDEP

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:32 p.m.

Item #1 **MOTION- VOTE**
The motion was made by Mr. McCurdy, seconded by Ms. Madden and **voted unanimously in favor** of acceptance and approval of the minutes of the meeting held on April 19, 2017.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

The next item for vote is the Disadvantaged Business Enterprise (DBE) Rule and Kristin LaCroix from MassDEP will walk the board through the vote.

The Executive Committee met with Sean Cronin who is the Senior Deputy Commissioner of Local Services at the Department of Revenue to discuss how the Trust might be able to play a role in providing planning grants to help economic development in communities throughout the Commonwealth. The Executive Committee is in the planning stages of such a program and multiple ideas have been proposed as to how it could be implemented, as either a matching grant or based on the Affordability Metric already in place. At this time the thought is to have the process be plug and play process for communities where they can choose from a list of pre-qualified firms with a template in place for what the end result would be. The Executive Committee will keep the Board up to date as this project progresses.

Treasurer Goldberg met with the Water Infrastructure Alliance on Monday, May 15th. The Alliance is a group that is continuing the work of the Water Infrastructure Commission and they explained their goals to the Treasurer. The main discussion centered around an increase in the Contract Assistance line item from the Commonwealth budget. Additionally, the Alliance asked about an advisory group that was created out of the legislation passed in 2014 that has only met once. The Treasurer has a seat in the group but has not been notified of any meetings or been asked to nominate a representative.

The next board meeting will be held on the 21st of June and a budget is expected to be voted on if grant information becomes available in time from EPA.

Mr. MacDonald ask Ms. Perez if there was an update on the Falmouth wind turbine.

Ms. Perez replied that she has been in contact with Commissioner Suuberg from MassDEP and he is waiting on a response from the town after calling and emailing.

Item #3

MOTION – VOTE REQUESTED

Ms. LaCroix reported the following:

Since the Trust and DEP receive federal funds from the EPA they must review the DBE rule that requires borrowers to contract with a percentage of DBE firms, DBE firms are comprised of both Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). MassDEP partnered with the Donahue

Institute at the University of Massachusetts to help with the report. The report requires a two-step process. The first step is to create a baseline number by taking US Census Bureau information of all available businesses in the industry that contracts with cities and towns for projects as the denominator and then using currently certified MBE's and WBE's in those industries to come up with the baseline, which was very low, 0.91% for MBE's and 0.82% for WBE's.

The next step is to review to see if that number make sense in relation to the actual experience borrowers have in contracting with firms. In this case the actual numbers tracked closer to the numbers being proposed below. The previous numbers were 3.4% and 3.8%. Once the report is submitted, the EPA has thirty days to review and comment and after that if no comments are received it is assumed it has been accepted.

Mr. MacDonald asked how this requirement compares to the state requirements that cities and towns use minority and women owned businesses.

Mr. McCurdy explained that the two are separate because the EPA requirements are federal.

The motion was made by Mr. McCurdy, seconded by Ms. Madden and **voted unanimously in favor** of the following:

1. That the Board of Trustees of the Trust approves the submission by the Massachusetts Department of Environmental Protection ("MassDEP"), on behalf of MassDEP and the Trust, of the following fair share objectives required by the Disadvantaged Business Enterprise Rule of the Environmental Protection Agency ("EPA"):

Minority Business Enterprises – 4.2%

Women Business Enterprises – 4.5%

2. That the Board of Trustees of the Trust authorizes the Executive Director of the Trust to takes such steps and to sign such documents, if any, that she deems necessary, on behalf of the Trust, to facilitate the submission of such fair share objectives to EPA.
3. That the Board of Trustees of the Trust designates MassDEP as the lead agency to negotiate the final fair share objectives to be used in connection with financial assistance provided by the Trust to eligible borrowers, subject to prior approval by the Executive Committee of any changes negotiated by MassDEP to the herein approved fair share objectives.

Item #4

MOTION- VOTE REQUESTED

The motion was made by Mr. McCurdy and seconded by Ms. Madden and **voted unanimously in favor** of approval of the following:

Clean Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-17-04	Middleborough	\$400,000	2%
CW-17-03	MWRA	\$56,000,000	2%
CW-16-35	Nantucket	\$5,873,812 ¹	2%

Item #5

MOTION- VOTE REQUESTED

The motion was made by Mr. McCurdy and seconded by Ms. Madden and **voted unanimously in favor** of approval of the following:

Drinking Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DW-16-05	Haverhill	\$41,094,762 ²	2%
DW-17-03	New Bedford	\$10,555,700	2%

Item #6

MOTION- VOTE REQUESTED

The motion was made by Mr. McCurdy and seconded by Ms. Madden and **voted unanimously in favor** of approval of the following:

Clean Water Loans/ Local Government Obligations and Financing Agreements

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CWT-17-04	Middleborough	\$400,000	2%
CW-16-35	Nantucket	\$5,873,812	2%
CW-16-18	Revere	\$1,307,552	2%
CWP-16-09	Saugus	\$3,292,716 ³	2%

Item #7

MOTION- VOTE REQUESTED

Mr. MacDonald recused himself from the vote.

The motion was made by Mr. McCurdy and seconded by Ms. Madden and **voted in favor** by Mr. McCurdy and Ms. Madden of approval of the following:

Drinking Water Loans/ Local Government Obligations and Financing Agreements

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DW-16-08	Dedham – Westwood Water District	\$8,841,400	2%
DW-16-05	Haverhill	\$41,094,762	2%

OTHER BUSINESS:

¹ First Revision. Original PAC was voted for \$5,473,639

² First Revision. Original PAC was voted for \$37,484,000

³ Second Revision. Original PRA was voted for \$787,017

Mr. McCurdy informed the Board that the deadline for projects on the 2016 Intended Use Plan to qualify for principal forgiveness is at the end of June. The vote for principal forgiveness should be in July or August.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes, April 19, 2017
3. Disadvantaged Business Enterprise Rule
4. Project Descriptions

ADJOURN: The meeting adjourned at 1:50 p.m.