

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

September 6, 2017
1:30 PM

State House
Room 227
Boston, Massachusetts

MINUTES

Attendees: Treasurer Deborah Goldberg
Commissioner Martin Suuberg, Department of Environmental Protection
Rachel Madden, Designee of the Secretary of Administration and Finance

Also Present: James MacDonald, First Deputy Treasurer
Steve McCurdy, Director of Municipal Services of MassDEP
Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
Bernard Greene, Senior Legal Counsel, MCWT
Sally Peacock, Controller, MCWT
Dan Truong, Assistant Communications Director, Office of the State Treasurer

CALL TO ORDER: The meeting was called to order by Treasurer Goldberg at 1:50 p.m.

Item #1 **MOTION – VOTE**
Minutes for August 2, 2017

The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the minutes of the meeting of the Board held on August 2, 2017.

Item #2 **REPORT OF THE EXECUTIVE COMMITTEE**

Ms. Perez noted that at the meeting of the Board on June 21 Commissioner Suuberg proposed three new programs for the Trust to consider funding. The programs were funding for: (1) the replacement of lead service lines; (2) planning grants to supplement current grant programs run by DEP; and (3) storm water permitting

assistance. The Trust has put together a task force comprised of the Trust, A&F, and DEP to research how to set up and implement these programs. The Trust hopes that it can dedicate a new staff person to oversee the work of the task force.

Ms. Perez described how the Trust will allocate the \$92 million of savings realized, or to be realized from the 2014 Refunding: (i) \$24 million will be allocated to program equity; (ii) \$29.6 million will be allocated to contract assistance to provide additional subsidy in the form of principal forgiveness as provided under Chapter 259 of the Acts of 2014; and (iii) \$38 million will be an additional amount allocated to provide funding for additional projects the Trust is looking to implement. The \$38 million, under previous rules, would have been allocated to the borrowers, which is no longer required but now will subsidize other programs aimed at assisting borrowers. The present value of the future savings in items (ii) and (iii), \$25.2 million and \$32 million, respectively, is proposed to be immediately deposited into the respective funds. We will bring it to the Board for a formal vote.

Item #3

MOTION- VOTE

Authorization of a Permanent Funds Transfer from Clean Water to Drinking Water Equity in the amount of \$5,055,270

Ms. Perez explained that the Trust can transfer an amount equal to 30% of its drinking water grant between programs. The drinking water program has frequently not been able to fund all available projects and transfers from the clean water program, which has available funds, has been used to address this problem.

The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the following:

1. That, pursuant to and as further implementation of the Funds Transfer Program approved by the Board on January 8, 2014, the Board hereby re-affirms and approves the Executive Director's authority to make such transfers between the Clean Water SRF and the Drinking Water SRF as she determines to be necessary, including a permanent transfer of \$5,055,270 from the Clean Water SRF to the Drinking Water SRF.
2. That the Executive Director is further authorized to take all necessary steps to effectuate such transfer, including executing and delivering all letters, certificates, and other instruments and documents necessary or desirable in connection therewith and obtaining any necessary opinions of counsel.

Item #4

MOTION- VOTE

Clean Water Loan Commitments

The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the following:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-17-08	Taunton	\$760,000	2%

Item #5

MOTION- VOTE

Clean Water Loans/ Local Government Obligations and Financing Agreements

The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the following:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-16-14	Lawrence	\$2,700,000	2%
CWP-16-07 ⁱ	Plymouth	\$44,213,819	2%
CWP-16-07-A	Plymouth	\$3,986,181	2%
CWP-16-18 ⁱⁱ	Revere	\$2,403,959	2%
CW-17-08	Taunton	\$760,000	2%
CW-16-26-A ⁱⁱⁱ	Uxbridge	\$26,076,000	0%
CW-16-26-B	Uxbridge	\$3,124,000	0%

Item #6

MOTION- VOTE

Drinking Water Loans/ Local Government Obligations and Financing Agreements

The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the following:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DWP-17-03	New Bedford	\$10,200,000	2%

Item #7

MOTION- VOTE

Authorization of Principal Forgiveness for Affordability Communities

Ms. Perez noted that the list of these projects has been distributed to the Board and that a press release will be prepared for the communities that will be receiving principal forgiveness. The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** acceptance and approval of the following:

1. That the final amounts of principal forgiveness for Loans or Local Governmental Obligations are hereby approved by the Board for the Water Pollution Abatement Projects and Drinking Water Projects of the Borrowers listed in Schedules 1 and 2 in the listed amounts; subject to the terms and conditions of the Financing Agreements.

OTHER BUSINESS: None

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes, August 2, 2017
3. Project Descriptions
4. New Program Development and Implementation
5. Clean Water and Drinking Water SRF Principal Forgiveness

ADJOURN: The Motion was made by Ms. Madden and Seconded by Commissioner Suuberg and **voted unanimously in favor of** adjourning the meeting at 2:05 p.m.

ⁱ The original loan, CWP-16-07 voted on March 29, 2017, is being separated into two loans to remove the architectural and engineering services from the construction contracts to meet the federal Clean Water grant requirements.

ⁱⁱ First Revision. Original PRA amount was \$1,307,552.

ⁱⁱⁱ The original loan, CW-16-26-A voted on June 21, 2017, is being separated into two loans to remove the architectural and engineering services from the construction contracts to meet the federal Clean Water grant requirements.