

Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust

DATE: December 30, 2015

START TIME: 1:30 pm

PLACE: State House Room 372

NOTICE: Due public notice given

MEMBERS OF THE EXECUTIVE COMMITTEE –

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

ALSO PRESENT: Bernard Greene, Senior Legal Counsel of the Trust
Joe Delaney, Department of Environmental Protection
Nate Keenan, Deputy Director of the Trust

MINUTES APPROVED:

November 18, 2015

October 28, 2015

October 21, 2015

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

1. Contract Assistance. The Committee discussed a draft letter that Ms. Perez plans to send pursuant to Section 23(g) of Chapter 259, Acts of 2014. That provision requires the Trust to explain to the State Treasurer, DEP, and certain legislative leaders the reasons for any inability to commit at least 80% of the \$138 million maximum commitment of contract assistance in any one fiscal year. The letter is due by January 1 of each fiscal year. The letter will explain that for the half of fiscal year 2016 that ended on December 31, 2015, only \$63.7 million of the fiscal year 2016 contract assistance had been appropriated. Ms. Perez also proposed to the Committee that the Commonwealth's share in savings from previous refundings amounted to \$11.6 million in contract assistance usage, which she recommends be deposited in a contract assistance trust account to be set aside for future additional subsidization. The Committee voted unanimously to approve the transfer of \$11.6 million to a contract assistance trust account.
2. Falmouth. Ms. Perez reported that she received a letter from Falmouth's Town Manager concerning the Town's \$4.865 million loan used to finance the Wind II ARRA wind turbine project. The letter acknowledged receipt of the Trust's April 2, 2013 letter that warned that dismantling the Trust financed turbine could result in the loss of ARRA funded principal forgiveness. While the Falmouth letter stated that the Town was making all legal efforts to operate Wind II as an "energy

efficiency project,” the Town has not given the Trust the specific “further assurances” that was requested in the 2013 letter. Mr. Keenan suggested that he call the Town directly, instead of sending another letter.

3. Regulations. Mr. McCurdy reported that DEP has completed its review of the regulations required to be promulgated by section 23 of Chapter 259, Acts of 2014. The regulations have been sent to the E/O of Energy and Environmental Affairs for their review.
4. Intended Use Plan. Mr. McCurdy reported on the status of the review by the E/O of Energy and Environmental Affairs of the 2016 Intended Use Plan. The next step would be review by the Governor’s Office.
5. Cape Cod Commission. Ms. Perez reported that the Cape Cod Commission is asking for an additional \$3 million from the Trust for its Watershed Team Technical Assistance Program to assist communities to develop eligible projects for funding. The Commission is also discussing the creation of a new funding entity that would borrow from the Trust and lend to communities for Section 208 Plan projects. The Committee discussed alternatives to this funding scheme, including direct loan assistance to the communities by the Trust, assistance from the State under the environmental bond bill, or State economic development grants.
6. Board Meeting. Ms. Perez reported that the January 6 Board meeting will be a regular meeting of the Board. The annual meeting and the meeting of the Audit Committee will be scheduled for a later date.
7. Series 19 Bonds. Ms. Perez gave the Committee an update on the Series 19 Bonds. The Trust will issue approximately \$205 million par amount of bonds that will be sold competitively. Bids are scheduled to be received and opened at 11:00 am on January 26 using the Parity bidding platform. The closing is scheduled for February 17. Meetings with the rating agencies will be scheduled for early in the week of January 3. The preliminary Official Statement is scheduled to be posted on January 19.
8. Correspondence to Congressional Delegation. Ms. Perez reported that the Trust’s Annual Report was sent to the U.S. Congressional delegation with a cover letter indicating the projects funded in their respective districts.

LIST OF DOCUMENTS AND EXHIBITS USED:

Draft of letter pursuant to section 23(g) of Chapter 259, Acts of 2014

The meeting adjourned at 2:30 p.m.

Approved: May 18, 2016