

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

**DATE:** February 1, 2017

**START TIME:** 1:35 p.m.

**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  
Nate Keenan, Deputy Director of the Trust  
Jane Peirce, DEP  
Kristen LaCroix, Budget Director, DEP

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

1. Falmouth Wind Turbine. Ms. Perez reported that she and Mr. McCurdy talked to Falmouth's State Representative regarding the wind turbine financed by the Trust. She emphasized that federal money cannot be used for a project that does not have a plan that ensures the continuing operation of the project.
2. Falmouth Prevailing Wage Complaint. Ms. Perez reported that the Attorney General's Office issued three citations against a contractor that is a diving company hired by Falmouth to inspect underwater intake pipes on a project financed by the Trust. The Attorney General assessed a \$64,000 penalty against the contractor. Since this is a SRF project, a violation of the state's prevailing wage law is also a violation of the federal Davis Bacon law and DEP reported it to the EPA as required. Consequently, the EPA inspector general may become involved with the matter.
3. Barnstable County. Mr. McCurdy reported that he talked to Kendall Ayres, the administrator of the Community Septic Management Loan Program about the business loan program they have created. He told Ayres that the Title V money from the Trust cannot be used for this purpose. He suggested that Ayres talk to George Heufelder, Director of the County's Department of Health and Environment who has suggested that the County use the Title V money for technical assistance or innovative septic systems.

4. Eastham. Mr. McCurdy reported that the Town of Eastham has set up a meeting with the Rural Development program of the U.S. Department of Agriculture. This program makes infrastructure loans to small rural systems. The Rural Development program is currently providing funding to the Town for engineering services.
5. Board of Trustee Meeting. Items that are expected to be on the agenda for the February 8 Board meeting will include (a) procurements for bond counsel and underwriters, (b) the Bond Resolution for the Series 20 Bonds, (c) approval of the updated financing agreement to incorporate the Clean Water Act amendments, and (d) vote on the DBE Fair Share numbers.
6. Sheffield Water Company. The acquisition of Sheffield Water by Mountain Water Systems, Inc. is scheduled to close on February 10. Mountain Water will be using bank financing to pay-off the Trust's loan. The Sheffield loan is not part of any bond issue.
7. IRS Refund. Ms. Perez reported that the Trust received a \$1 million rebate refund. The IRS sent it in three checks without any explanation. We were able to obtain this refund because the Trust's rebate consultant reviewed past deals and found that the Trust had over-paid on its rebate payment to the IRS.
8. New Bedford. Mr. McCurdy reported that New Bedford wants the Trust to make a loan for a planning project to be paid over thirty years. The project involves their combined sewer overflow system. Ms. Perez said that the city should make a request to the Trust to see if there is any sources of funding that could be used for such a project. Generally, however, chapter 44 imposes a limit of 5 years on such loans.
9. Worcester. Mr. McCurdy reported that he spoke to city officials who told him that they no longer want SRF money for their sewer extension project.

Disadvantaged Business Enterprise Fair Share Goals. Kristin LaCroix, DEP's Budget Director reported to the Committee on the update of the Trust's disadvantaged business enterprise Fair Share Goals. The goals are used by city and town borrowers to achieve fair utilization of minority and women vendors. DEP contracted with the Donahue Institute at the University of Massachusetts to perform the analysis. She described a two-step process to determine the goals. In step one a base figure of vendors in the relevant industries is divided into the number of qualified MBE and WBE firms that would be ready, willing, and able to perform in the absence of discrimination and that are U.S. citizens. Under the EPA's DBE Rule, the step one goals can be adjusted in a step two by examining other available evidence. Such evidence included past experience of the utilization of MBE and WBE firms, the Census Bureau's 2012 Survey of Business Owners, and other studies, such as DCAMM's 2010 Disparity Study. This adjustment was performed, which brought the numbers up to the current goals of 3.4% for MBE firms and 3.8% for WBE firms. The Committee discussed the process used to arrive at the

goals. They asked for additional information on the step two adjustment to present to the Trust's Board. Ms. LaCroix said that she would obtain additional analysis from the Donahue Institute.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

US EPA Minority and Women Owned Business Enterprise Fair Share Objectives  
Availability Analysis (prepared by UMass Donahue Institute)

The meeting adjourned at 2:40 p.m.

**Approved:** May 3, 2017