

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

**DATE:** March 8, 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  
Kristin LaCroix, Budget Director, MassDEP

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

1. Disadvantaged Business Enterprise Fair Share Goals. Kristin LaCroix, DEP's Budget Director reported to the Committee on the University of Massachusetts Donahue Institute's deeper analysis of their "Step 2" adjustments to the base percentages for M/WBE goals as requested at the Committee's February 1, 2017 meeting. They re-analyzed the data and found several projects where the payments to MW/BE firms compared to non-M/WBE firms was higher than expected, including several where the M/WBE payments were greater than the total payments for the project. This skewed the data and created anomalies. She explained that this can be attributed to the use of non-SRF funding for parts of a project but attributing the entirety of the M/WBE payments to the SRF loan. Mr. McCurdy noted an example of a borrower wanting to use SRF funding for a portion of a project and putting their M/WBE goals in but later deciding not to use SRF funding because of the cross-cutter requirements. Ms. LaCroix cited Haverhill and Framingham as other borrowers who skewed the numbers in a similar fashion, though the great majority of projects do not have such anomalies. Where you do have such anomalies, step one and step two are not "apples-to-apples" because the numerator in the calculation (number of qualified M/WBE firms that would be available in the absence of discrimination) would show greater actual participation than the numbers available. The Committee discussed options for going forward, including pulling out the projects that skew the data and adding a footnote to explain their absence.
2. Falmouth Litigation. Ms. Perez reported that she will be deposed on Friday in the lawsuit against the Falmouth Board of Zoning Appeals. The Trust is not a party to that litigation.

3. National Pollutant Discharge Elimination System (NPDES). Ms. Madden reported that legislation to transfer National Pollutant Discharge Elimination System (“NPDES”) permitting from the federal EPA to the state was filed by Governor Baker on March 8. The legislation will amend the Commonwealth’s Clean Waters Act, which will permit the state to apply to EPA to administer the NPDES program. The NPDES program controls water pollution by regulating point sources that discharge pollutants to surface waters. Ms. Madden noted that environmentalists appear to be happy that the permitting will be undertaken by the state not the federal government.
4. Series 20 Bonds. Ms. Perez reported that work on the Series 20 Bonds is moving forward. There will be a small issue of refunding bonds of approximately \$100 million and new money bonds of approximately \$220 million. The new money bonds will be marketed as Green Bonds but the refunding bonds will not be marketed as Green Bonds. The bonds are scheduled to be sold in the first week of April. The interest rates on the bonds are expected to be favorable to the Trust, despite an expected increase in rates by the Federal Reserve, because the Trust is a triple A credit. The Trust is planning a luncheon for investors on April 30 at the local office of Bank of America – Merrill Lynch, the senior manager, and there will be an internet road show as part of the printer contract.
5. Southbridge. Ms. Madden reported that the commonwealth has \$5 million in bond authority that could be made available to remediate the contamination of the Southbridge water wells. It is not clear, however, whether the town will ask for SRF emergency assistance as an additional source of financing. The Town will be helped in the financing by payments from Casella Waste Systems, the owner of the town landfill that is alleged to have caused the contamination. The Town can borrow half the cost and the state will cover the other half with a grant up to \$5 million.
6. Annual Meeting. The annual meeting is scheduled for April 19 at 1:30 p.m. in the Treasurer’s office at the State House. Ms. Madden reported that the Secretary of the E/O of Administration and Finance will not be able to attend. The Audit Committee will also meet on that day with KPMG.

The meeting adjourned at 2:20 p.m.

**Approved:** May 3, 2017