

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

December 5, 2018

1:30 PM

1 Center Plaza, Suite 430
Boston, Massachusetts

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Designee
Steve McCurdy, Director of Municipal Services of MassDEP, Designee
Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations,
Executive Office of Administration and Finance, Designee

Also Present: Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Jonathan Maple, Policy Analyst, MCWT
Joshua Derouen, Program Associate, MCWT
Stephanie Cooper, Deputy Commissioner for Policy and Planning, MassDEP
Maria Pinaud, Deputy Director of Municipal Services, MassDEP

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:34 p.m.

Item #1

MOTION- VOTE

Acceptance and Approval of November 14, 2018 Minutes

The motion was made by Mr. McCurdy and seconded by Mr. MacDonald and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on November 14, 2018.

REPORT OF THE EXECUTIVE COMMITTEE

Mr. Keenan brought it to the attendees' attention that copies of the Fiscal Year 2018 Financial Statements and Required Supplementary Information, Fiscal Year 2018 A-133 Audit, and a draft of the Trust's Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR) and Independent Auditor's Report were available for their review.

Mr. Keenan explained how the \$10 million in Contract Assistance from the Supplemental Budget for Fiscal Year 2018 could be used for financing water bottle filling stations in Massachusetts public schools. He stated that this idea was brought to Commissioner Suuberg's attention and will be discussed further during the Trust's next Executive Committee meeting.

Mr. MacDonald asked the attendees about how much of the \$10 million in Contract Assistance is expected to go towards the water bottle filling stations.

Ms. Cooper said that MassDEP recommends that \$3 million should go towards the water bottle filling stations.

Mr. MacDonald then asked the attendees about their ideas for the remaining \$7 million of the \$10 million.

Ms. Cooper stated that some of the remaining funds could be dedicated towards the planning of contaminant removal projects for certain drinking water projects.

Mr. McCurdy added that some of the remaining funds can be reserved for emergency projects that may arise.

Mr. Keenan talked about how the 2019 Intended Use Plan (IUP) is in the process of being finalized and published. He also mentioned that the Trust's new asset management planning (AMP) grant program and lead service line (LSL) replacement program have had some new developments. He explained how the 2019 IUP in its current state lists projects that would be part of the AMP grant program. He then added that the 2019 IUP in its current state also has two projects that would be part of the LSL replacement program assuming the projects move forward.

Item #3

MOTION- VOTE

The motion was made by Mr. McCurdy and seconded by Ms. Jonas-Silver.

Mr. Keenan said that this is an extension for the Trust's legal counsel for everyday business, Mintz Levin. A request for responses (RFR) was published and the Trust has received responses. Mr. Keenan said that the Trust needs legal service coverage as responses are being reviewed.

The motion was voted unanimously in favor of acceptance and approval of the following:

Approval of Program Counsel Contract Extension

1. That the Board of Trustees approves the extension of the Program Counsel contract until January 15, 2019.
2. That the Board of Trustees authorizes the Executive Director to negotiate, reach an agreement and execute a contract extension with Program Counsel in accordance with the RFR and the Engagement Agreement.

Item #4

MOTION- VOTE

The motion was made by Mr. McCurdy and seconded by Ms. Jonas-Silver.

Mr. Keenan stated that this is the first time that the Massachusetts Water Resources Authority (MWRA) will be using interim financing through the Trust. He added that this should provide considerable savings to the MWRA on their short-term borrowing.

Mr. MacDonald asked for more information on the Springfield Water & Sewer Commission's (SWSC) loan.

Mr. McCurdy said that CW-18-18 is going to finance a project that addresses the discharge that has been flowing into the Connecticut River. This is an incident that is now under EPA watch. Mr. McCurdy added that SWSC is looking to expand its customer base to generate more revenue for repaying this loan. Mr. McCurdy concluded the discussion by stating that CW-18-18 will most likely be a 0% interest loan since its main objective is to address nutrient enrichment.

The motion was voted unanimously in favor of acceptance and approval of the following:

Clean Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-18-37	Marion	\$2,500,000	2%
CW-17-35	MWRA	\$4,786,700 ¹	2%
CW-18-39	MWRA	\$1,070,733	2%
CW-18-40	MWRA	\$28,727,859	2%
CW-18-41	MWRA	\$2,971,701	2%
CW-18-46	Plymouth	\$200,000	2%
CW-18-18	SWSC	\$100,000,000	2%

Item #5

MOTION- VOTE

The motion was made by Mr. McCurdy and seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

Drinking Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DW-18-04	Adams Fire District	\$950,000 ²	2%
DW-16-06	MWRA	\$18,401,397 ³	2%
DW-18-16	MWRA	\$5,363,933	2%

¹ First Revision: Previous PAC amount was \$39,210,295

² First Revision: Previous PAC amount was \$750,000

³ First Revision: First PAC amount was \$11,770,000

Item #6

MOTION- VOTE

The motion was made by Mr. McCurdy and seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

Clean Water Loans/ Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-18-39	MWRA	\$1,070,733	2%
CW-18-40	MWRA	\$28,727,859	2%
CW-18-41	MWRA	\$2,971,701	2%
CWT-18-46	Plymouth	\$200,000	2%

Item #7

MOTION- VOTE

The motion was made by Mr. McCurdy and seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

Drinking Water Loans/ Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DWP-18-04	Adams Fire District	\$950,000	2%
DW-16-06-A	MWRA	\$14,355,913	2%
DW-18-16	MWRA	\$5,363,933	2%

OTHER BUSINESS: Mr. McCurdy stated that this month, the planning of the Annual Meeting for the Massachusetts Clean Water Trust Board of Trustees will begin. He went on to explain that the goal is to have the meeting in January 2019. He concluded by stating that this Annual Meeting, like ones in the past, involve reviewing the annual audit and voting on the many loan commitments and agreements that will be requested for vote.

ADJOURN: The motion was made by Mr. McCurdy and Seconded by Ms. Jonas-Silver and voted unanimously in favor of adjourning the meeting at 1:43 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes, November 14, 2018
3. Fiscal Year 2018 Financial Statements and Required Supplementary Information
4. Fiscal Year 2018 A-133 Audit
5. Draft of the Massachusetts Clean Water Trust Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR) and Independent Auditor's Report
6. Project Descriptions