

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

December 6, 2023
1:30 PM

Location: Remote*

Minutes

Attendees: State Treasurer Deborah Goldberg, Chair
Kathleen Baskin, Assistant Commissioner, MassDEP, Designee
Timur Yontar, Capital Budget Director, Executive Office for
Administration & Finance, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Nicole Munchbach, Accountant, MCWT
Pam Booker, Accountant, MCWT
Sunkarie Konteh, Accountant, MCWT
Julian Honey, Program Associate, MCWT
Kailyn Fellmeth, Program Associate, MCWT
Josh Derouen, Senior Program Associate, MCWT
Rachel Stanton, Investor Relations and Communications Graphic
Designer, Trust
Jonathan Maple, Senior Policy Analyst, MCWT
Kathryn Armour, Data Analyst, MCWT
Greg Devine, Section Chief, MassDEP
Jennifer Pederson, Executive Director, MWWA
Emily Kowtoniuk, Legislative Director, Office of the State Treasurer
Andrew Napolitano, Director of Communications, Office of the State
Treasurer

CALL TO ORDER: The meeting was called to order by Treasurer Goldberg at 1:32 p.m.

Item #1 **MOTION- VOTE**

Acceptance and approval of minutes of the meeting held on November 1, 2023.

The motion was made by Mr. Yontar and second by Ms. Baskin and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on November 1, 2023.

Item #2 **REPORT OF THE EXECUTIVE COMMITTEE**
Series 25 Bond Deal

Ms. Perez stated the Trust closed the Series 25 bond deal, which offered new money bonds and Series 2023 refunding bonds.

The Trust received over \$2.5 billion in orders for approximately \$400 million in bonds. This allowed the Trust to adjust its pricing and obtain the best value possible. There were orders placed by 59 institutional investors and 27 Massachusetts investors, in addition to over 13 million retail orders placed by individuals. The magnitude of orders allowed for an additional price adjustment, resulting in a gross savings of \$25 million.

Treasurer Goldberg congratulated Trust staff for the success of the Investor Conference in November and the role it had in promoting the Series 25 Bond Deal.

2024 Draft Intended Use Plans

Ms. Perez noted that the draft 2024 Intended Use Plans (IUP) have been compiled and will be published in the coming weeks. As in recent years, the amount of financing being offered on the IUPs is considerable. There is approximately \$1 billion in Clean Water (CW) projects and approximately \$477 million in Drinking Water (DW) projects scheduled to be financed.

Lead Service Line Grant Allotment

Ms. Perez stated that MassDEP resurveyed public water suppliers that had not previously completed the Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) in hopes of increasing Massachusetts' Bipartisan Infrastructure Law Lead Service Line Grant allotment. The new DWINSA results were submitted to EPA for consideration.

Item #3

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin.

Ms. Perez stated that in any given year, the CW State Revolving Fund (SRF) IUP capacity allows all project priority list (PPL) projects to be financed. However, capacity limits lead to over half of all DWSRF projects going unfunded. Transferring grant funds from the CWSRF to the DWSRF helps increase overall DWSRF capacity and the number of projects that are funded. There is minimal impact on the CWSRF capacity.

If approved, DWSRF capacity will increase by \$104 million. Funds in the DWSRF are leveraged. Each transfer is a meaningful addition to the DWSRF's long-term capacity.

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

Authorization of a Permanent Transfer of Clean Water SRF Grants funds to Drinking Water SRF Grant funds in the amount of \$21,916,640

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 in an amount not to exceed 33% of the Drinking Water Grant, including the permanent transfers listed below:

Transfer From	Transfer To	Amount
Clean Water Base Grant	Drinking Water Base Grant	\$3,498,660
Clean Water Supplement Grant	Drinking Water Supplemental Grant	\$14,917,980
Clean Water Emerging Contaminants Grant	Drinking Water Emerging Contaminants Grant	\$3,500,000

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

The motion was made by Mr. Yontar and seconded by Ms. Baskin.

Ms. Perez said that the Asset Management Planning (AMP) Grant Program was launched in 2019. The first round funded \$1.9 million in projects. The program has seen increased demand.

The draft 2024 IUP are to list 69 AMP projects totaling approximately \$8.4 million in grant funds. Including 2024 projects, the AMP Grant Program has financed 201 projects, totaling approximately \$21.6 million in grants awarded.

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

Authorize up to \$8,412,000 for the Asset Management Grant Program for the 2024 IUP Solicitation

The Trust designates up to \$8,412,000, from the unrestricted funds on deposit in the Equity Funds under the Master Trust Agreement, to offer a continuation of the Asset Management Grant Program on the 2024 IUP Solicitation.

Item #5

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin.

Mr. Maple stated that the Fair Share Objectives (FSOs) are a procurement requirement for borrowers and grantees with contracts over \$250,000. FSOs ensure that percentages of contracts entered into by borrowers through the Financing Agreement with the SRFs are qualified Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

In 2019, the Trust procured an availability analysis to comply with the EPA's FSO requirements. The Trust then began working to renegotiate and reissue its own FSOs.

However, on October 1, 2019, the EPA issued RAIN-2019-G10, waiving the FSO requirements set forth under 40 CFR Part 33, Subpart D. Because the EPA waived the requirements, a December 2019 meeting of the Executive Committee affirmed that the Trust would maintain its existing FSOs.

Earlier this year, the EPA issued RAIN-2023-GO2, which partially rescinds RAIN-2019-G10 and reinstates FSO requirements. These changes must be implemented no more than 120 days after acceptance of a financial assistance award received on or after October 1, 2023.

Keen Independent Research (KIR), the firm that conducted the availability assessment in 2019, provided analysis of the current capacity of DBEs to participate in SRF projects. KIR recommended the inclusion of multiple adjustment factors to set the Trust's new FSOs. However, the 2019 analysis from KIR recommended FSOs that are lower than the Trust's current MBE and WBE engagement.

MassDEP and the Trust reevaluated disbursement data from 2019-2022 and confirmed that DBE and WBE participation exceeds the existing FSOs. However, the Trust and MassDEP agreed retaining the existing FSOs would further the purpose of the EPA FSO program.

The Trust and MassDEP met with Mr. Wells, the Fair Share Objectives (FSO) coordinator for EPA Region 1, on November 12th. Mr. Wells stated the Trust may resubmit its 2016 FSOs.

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

Authorize Fair Share Objectives (FSO)

1. That the Board of Trustees of the Trust approves the submission by the Massachusetts Department of Environmental Protection ("MassDEP"), on behalf of MassDEP and the Trust, of the following fair share objectives required by the Disadvantaged Business Enterprise Rule of the Environmental Protection Agency("EPA"):

Minority Business Enterprises – 4.2%

Women Business Enterprises – 4.5%

2. That the Board of Trustees of the Trust authorizes the Executive Director of the Trust to takes such steps and to sign such documents, if any, that she deems necessary, on behalf of the Trust, to facilitate the submission of such fair share objectives to EPA.
3. That the Board of Trustees of the Trust designates MassDEP as the lead agency to negotiate the final fair share objectives to be used in connection with financial assistance provided by the Trust to eligible borrowers, subject to prior approval by the Executive Committee of any changes negotiated by MassDEP to the herein approved fair share objectives.

Item #6

MOTION- VOTE

The motion was made by Ms. Baskin and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Asset Management Program Grant Commitments and Grant Agreements

<u>PAC No.</u>	<u>Recipient</u>	<u>Amount</u>
DWA-23-115	Chester	\$68,100
CWA-23-44	Concord	\$107,970
DWA-23-120	Douglas	\$84,000
CWA-23-41	Dover	\$99,000
CWA-23-45	Everett	\$120,042
DWA-23-132	Fitchburg	\$61,200
CWA-23-35	Hadley	\$72,000
CWA-23-12	Hudson	\$31,800
CWA-23-46	Lawrence	\$129,000
CWA-23-37	Littleton	\$109,500
CWA-23-55	New Bedford	\$150,000
CWA-23-39	Rockland	\$150,000
DWA-23-114	Russell	\$90,600
CWA-23-23	Sturbridge	\$150,000
CWA-23-32	Winchendon	\$81,375

Item #7

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin and voted unanimously in favor of acceptance and approval of the following:

Approval of Lead Service Line Planning Program Grant Commitments and Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
DWL-23-147	Groveland	\$147,885
DWL-23-145	North Chelmsford Water District	\$475,000

Item #8

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin and voted unanimously in favor of acceptance and approval of the following:

Approval of Community Septic Management Program Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-23-59	Plymouth	\$400,000	2%

Item #9

MOTION- VOTE

The motion was made by Ms. Baskin and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of Clean Water Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-23-11	Barnstable	\$1,125,000	1.5% ¹
CW-22-33	Chatham	\$3,605,672 ²	0% ³
CW-22-67	Fairhaven	\$70,000,000 ⁴	2%
CW-23-55	New Bedford	\$111,500	2%
CW-22-63	New Bedford	\$29,525,807 ⁵	2%
CW-23-36	Revere	\$10,000,000	1.5% ¹

Item #10

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin and voted unanimously in favor of acceptance and approval of the following:

Approval of Drinking Water Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-23-121	Franklin	\$6,500,000	1.5% ¹
DW-23-131	Lynnfield Center Water District	\$15,000,000	2%
DW-22-02	Mansfield	\$7,154,920 ⁶	0% ⁷
DW-23-122	Stoughton	\$5,279,500	1.5% ¹
DW-23-116	Woburn	\$15,000,000	2%

Item #11

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Baskin and voted unanimously in favor of acceptance and approval of the following:

Approval of Community Septic Management Program Loan and Financing Agreement

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWT-23-59	Plymouth	\$400,000	2%

¹ Housing Choice Loan

² First Revision. Previous PAC amount was \$2,826,500.

³ Nutrient Enrichment Reduction Loan

⁴ First Revision. Previous PAC amount was \$67,219,862.

⁵ First Revision. Previous PAC amount was \$28,840,000.

⁶ First Revision. Previous PAC amount was \$6,999,694.

⁷ PFAS Remediation Loan

Item #12 **MOTION- VOTE**

The motion was made by Ms. Baskin and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the following:

Approval of the Clean Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-22-30	Chatham	\$15,754,810	0%³
CW-22-33	Chatham	\$3,605,672	0%³
CWP-22-67	Fairhaven	\$65,151,891	2%
CWP-22-67-A	Fairhaven	\$4,848,109	2%
CWA-23-55	New Bedford	\$111,500	2%
CWP-22-63	New Bedford	\$26,860,307	2%
CWP-22-63-A	New Bedford	\$2,665,500	2%
CWP-22-71	New Bedford	\$11,800,950	2%
CWP-22-71-A	New Bedford	\$730,000	2%
CWP-22-32	Oak Bluffs	\$26,000,000	2%
CW-22-40	Revere	\$1,200,000	2%

Item #13 **MOTION- VOTE**

The motion was made by Mr. Yontar and seconded by Ms. Baskin and voted unanimously in favor of acceptance and approval of the following:

Approval of the Drinking Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWPEC-22-23	Abington	\$7,297,686	0%⁷
DWPEC-22-02-A	Mansfield	\$155,226	0%⁷
DWP-22-46	New Bedford	\$10,000,000	2%
DWPEC-22-67	Rockland	\$7,297,686	0%⁷
DWP-22-43-A	Somerset	\$2,616,965	2%

OTHER BUSINESS: None.

ADJOURN: The Motion was made by Ms. Baskin and seconded by Mr. Yontar and voted unanimously in favor of adjourning the meeting at 1:54 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes November 1, 2023
2. Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, December 6, 2023 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation in accordance with M.G.L.c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, and c.2 of the Acts of 2023.

³ Nutrient Enrichment Reduction Loan

⁷ PFAS Remediation Loan

Those who would like to attend the meeting, please e-mail masswatertrust@tre.state.ma.us to request meeting information. Information to access the meeting will be available through the duration of the meeting. However, we encourage participants to request the information by 5:00 PM the day before the meeting.

To ensure that the audio is clear to all attendees, unless you are actively participating in the meeting, please mute your audio. If you have technical difficulties joining the meeting, please email masswatertrust@tre.state.ma.us.

Please Note: There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.