

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

March 6, 2019

1:30 PM

1 Center Plaza, Suite 430
Boston, Massachusetts

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Designee
Martin Suuberg, Commissioner of MassDEP
Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations,
Executive Office of Administration and Finance, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
Sally Peacock, Controller, MCWT
Joshua Derouen, Program Associate, MCWT
Steve McCurdy, Director of Municipal Services of MassDEP
Maria Pinaud, Deputy Director of Municipal Services, MassDEP

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:30 p.m.

Item #1

MOTION- VOTE

Acceptance and Approval of February 6, 2019 Minutes

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on February 6, 2019.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez announced that a target date of March 20th has been set for the Trust to launch its school water bottle filling station program. The working group is still determining an official name for the program.

Commissioner Suuberg said that MassDEP has been contacted by people interested in the school water program bottle filling station program.

Mr. MacDonald asked if there will need to be legislative changes to proceed with the program.

Ms. Perez said that there will need to be legislative changes before funds are given out as a full grant. She concluded by saying that she will consult with the Trust's legal counsel to determine if disbursements and use of funds can begin on schedule without the legislative change.

Item #3

MOTION- VOTE

The motion was made by Commissioner Suuberg and seconded by Ms. Jonas-Silver.

Discussion: Mr. Keenan said that during a Council of Infrastructure Financing Authorities (CIFA) Board of Directors conference call in December of 2017, it was brought to his attention that the Springfield Water and Sewer Commission (SWSC) had submitted a comment through the advocacy group the National Association of Clean Water Agencies (NACWA), that was included in a letter to EPA. The letter asked for the EPA to help streamline the state revolving funds (SRFs). SWSC wanted the EPA to work with the states to allow for borrowers of the SRFs to borrow for the debt service reserve fund requirement that is required under the borrowers' bond indenture. Not all borrowers have this requirement, but districts and revenue credits can have it as additional security on their debt. When SWSC borrows from the Trust, they fund a debt service reserve fund with cash instead of bond proceeds as is done when issuing their own debt in the market. This creates a budget issue for SWSC because they must have enough cash on hand to meet the requirement.

Once learning of the requirement, the Trust began discussions with SWSC directly and informed them that the debt service requirement was not imposed by the Trust, rather it was imposed from their own bond indenture.

Ms. Perez explained for SWSC to approve of any changes to its bond indenture, it needs to get 66.67% of bondholders to consent. By voting to approve this motion, it will provide SWSC with the final bond holder consent needed to amend the indenture and remove the debt service reserve fund requirement when borrowing from the Trust.

By voting in favor of this motion the Board would save SWSC millions of dollars in the future by not having to set aside cash when borrowing from the Trust.

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

Consent to the Amendment of the Springfield Water and Sewer Commission's General Bond Resolution

1. That the Trust, as bondholder with respect to certain bonds issued by the Springfield Water and Sewer Commission (SWSC) under its General Bond Resolution, hereby consents to the amendment of such General Bond Resolution in substantially the form presented at this meeting.
2. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary or desirable to evidence the consent contemplated by this vote, including without limitation, executing and delivering one or more certifications to the trustee for the SWSC.

Item #4

MOTION- VOTE

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

Clean Water/Community Septic Management Program Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-17-06 ¹	Easton	\$1,000,000 ²	2%

Item #5

MOTION- VOTE

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

Clean Water and Community Septic Management Program Loans/ Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CWT-17-06 ³	Easton	\$1,000,000 ⁴	2%

Item #6

MOTION- VOTE

The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg 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>
DW-17-01	Eastham	\$13,114,000 ⁵	2%

¹ Community Septic Management Program Loan Commitment

² First Revision: Previous PAC amount was \$500,000

³ Community Septic Management Program Loan Agreement

⁴ First Revision: Previous PRA amount was \$500,000

⁵ First Revision: Previous PRA amount was \$9,364,870

OTHER BUSINESS: Ms. Perez said that Lieutenant Governor Polito and Treasurer Goldberg are going to work on an event to highlight the release of the final 2019 Intended Use Plans (IUP). She also stated that the scheduling of this event will not interfere with the release date of the final IUP letters.

Ms. Perez announced that there have been discussions with the City of Lawrence about a new loan to be issued for approximately \$18 million. It was said that Lawrence would qualify for principal forgiveness as an additional subsidy. It was also said that the loan may be awarded a 0% interest rate because of the extraordinary environmental circumstances Lawrence has experienced recently. The 0% interest rate would be brought to the Board of Trustees for approval after further discussion by the Executive Committee.

ADJOURN: The motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of adjourning the meeting at 1:40 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes, February 6, 2019
3. Springfield Water & Sewer Commission Amendment written by PFM Financial Advisors LLC
4. A Letter from Springfield Water & Sewer Commission to Treasurer Goldberg on the Amendment
5. Project Descriptions