

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

April 11, 2019
12:30 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,
Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
Sally Peacock, Controller, MCWT
Jonathan Maple, Policy Analyst, MCWT
Maria Pinaud, Acting Director of Municipal Services, MassDEP
Sally Peacock, Controller, MCWT
My Tran, Treasurer, MCWT

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 12:30 p.m

Item #1

MOTION- VOTE

Acceptance and Approval of March 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 March 6, 2019

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the progress of the proposed school assistance program that would provide grants for bottle filling stations. The Trust needs a technical change to its contract assistance line item or statute to use the appropriated funds. The Trust has been unable to get the legislature to include the amendment in recent appropriations bills or the recently released budget by the House Ways and Means Committee. The Trust will continue to work to have the amendment added to the budget. Also, the Trust is working on a parallel track and is currently drafting a deviation request for the US EPA to consider the proposed program as an eligible project under the Safe Drinking Water Act.

Ms. Jonas-Silver asked that the Trust draft a one-page memorandum to provide to Board and other agency principals consolidated talking points and information about the proposed amendment. It was agreed this would be drafted.

Ms. Perez informed the Board that the Trust has been invited to the inaugural meeting of the Cape Cod and Islands Water Protection Fund Management Board on May 14th. The Trust has been invited to provide an overview of Trust's programs and process.

Commissioner Suuberg informed the Board that Steven McCurdy has taken over as the Acting Chief Financial Officer position at MassDEP vacated by Kristin LaCroix. Maria Pinaud would be stepping in as the Acting Director of Municipal Services.

Commissioner Suuberg notified the community that MassDEP is working on rule changes related to emerging contaminants, specifically Per- and polyfluoroalkyl substances (PFAS). Six or seven communities are specifically concerned due to their proximity to areas known to have high levels of PFAS exposure. MassDEP held a working group kick off meeting today to address the issue. The Commissioner believes that this evolving issue will eventually need to be addressed by the SRF program after water suppliers have tested their water for the emerging contaminate.

Item #3

MOTION- VOTE

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

Ms. Perez informed the Committee that the bank Portigon contacted her about terminating or transferring the Guaranteed Investment Contract (GIC) that the bank has with the Trust. The Trust used the GIC agreements in the past as part of debt service reserve funds that were tied to bond issuances but has since transferred the GIC to equity fund as an investment. Portigon is required to liquidate their balance sheet by June 30th. The Trust has two options, 1) accept an agreed upon termination payment and closeout the investment agreement, or 2) transfer the agreement to another bank that will honor the payout schedule.

Ms. Perez noted the motion would provide authority for the Executive Director to negotiate and resolve the issue. The Trust will work with its lawyers and investment advisors to determine which option will result in the best value to the Trust.

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

Approval of Termination and/or Amendment of Repurchase Agreement

1. That the Trust approves the termination or amendment of an investment of the Equity Fund, the Repurchase Agreement dated as of December 23, 1998 among Portigon, AG, as successor seller (“Portigon”), U.S. Bank National Association, as successor trustee, and Wells Fargo Bank, National Association, as successor custodian (as amended, the “Investment Agreement”), such that the Investment Agreement ceases to exist or Portigon’s interest in the Investment Agreement is transferred to a third-party.
2. That the Board of Trustees hereby delegates to the Executive Director authority to negotiate the final terms of such termination or amendment, including without limitation the negotiation of any termination payment and/or approval of such third-party, and authorizes the Executive Director to do all things necessary or desirable to implement such termination or amendment as contemplated by this vote, including without limitation, executing a termination agreement and/or amendment agreement, and providing certifications, direction and notices to the trustee and/or the custodian.

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:

Community Septic Management Program Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-17-31	Essex	\$400,000¹	2%

¹ First Revision: Previous PAC amount was \$200,000

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:

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-17-31	Essex	\$400,000²	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:

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-14-17-A	Bridgewater	\$56,268	2%
CW-13-10-A	Chatham	\$12,608,416³	0%

OTHER BUSINESS

(Items not reasonably anticipated by the Chair 48 hours in advance of the meeting)

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, March 6, 2019
3. Project Descriptions

² First Revision: Previous PRA amount was \$200,000

³ First Revision: Previous PRA amount was \$3,147,004