

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

July 10, 2019
1:30 PM

1 Center Plaza, Suite 430
Boston, Massachusetts

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Designee
Maria Pinaud, 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: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Jonathan Maple, Policy Analyst, MCWT
Joshua Derouen, Program Associate, MCWT
Malek Colaylat, Intern, MCWT
Elizabeth Zelnick, Senior Policy Analyst, Office of the State Treasurer

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

Item #1

MOTION- VOTE

Acceptance and Approval of June 5, 2019 Minutes

The motion was made by Ms. Jonas-Silver and seconded by Ms. Pinaud and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on June 5, 2019.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez announced that the solicitation for projects to select for the 2020 Intended Use Plan went out at the beginning of July 2019.

The Trust has been in discussions with EPA about increasing the capacity in the Drinking Water SRF (DWSRF). Other EPA Regions have allowed states to make transfers from the Clean Water SRF (CWSRF) to the DWSRF in amounts up to 33% of all Drinking Water grants received. However, EPA headquarters and Region 1 did not approve that approach. The Trust asked again, and this time EPA headquarters said the transfers could go back to the first grant. EPA will be releasing an official memo outlining this policy change. The change will allow the Trust to increase the Drinking Water capacity and should not impact the Clean Water capacity. The Board will be kept up to date as the Trust continues to go through the process.

The Trust is reviewing its Fiscal Year 2020 Budget with MassDEP and will present it for approval at the next board meeting in August.

Item #3

MOTION- VOTE

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

Resolution Authorizing the Issuance of Bonds

1. That the Executive Director is hereby authorized to provide for the issuance by the Trust of a series of new money State Revolving Fund Bonds (the “Bonds”) to be sold by negotiated sale and issued for the purpose of financing or refinancing costs of water pollution abatement and drinking water projects for local governmental units and other eligible borrowers; and in furtherance thereof the Executive Director, with respect to the issuance of the Bonds, is hereby delegated all powers of the Board of Trustees of the Trust under Section 9 of Chapter 29C of the Massachusetts General Laws and authorized to do any and all acts and things and to approve, adopt, execute, and deliver any and all supplemental trust agreements, offering documents, purchase agreements, documents, certificates, notices, and other instruments as the Executive Director, with the advice of counsel, shall determine to be necessary or desirable in connection with the issuance and sale of the Bonds.

MOTION- VOTE

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

Ms. Perez explained the process of issuing the procurement for the Trust's Request for Responses (RFR) for Underwriting Services for its Series 22 Green Bonds sale. The Trust received 32 responses. The highest scores had previous experience working with the Trust and proposed unique ideas for issuance.

One of the questions in the RFR asked about the impact that reducing the number of credit rating agencies from three to two would have. The responses suggested the state revolving funds that only use two agencies generally just started leveraging or just resumed leveraging. Based on the answers to those questions, the Trust will keep three rating agencies for Series 22.

The highest scoring response was from Jeffries.

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

Selection of Underwriter

1. That the recommendation of the Procurement Management Team, established pursuant to the Trust's Request for Responses: Underwriting Services, dated May 23, 2019 (the "UW-RFR") for the negotiated sale of the Trust's Series 22 Green Bonds, previously distributed to the Board, is hereby approved.
2. That the Board hereby delegates to the Executive Director all necessary power and authority to negotiate and reach agreement with the lead underwriter, acting on behalf of the underwriting syndicate, and to execute and deliver to the lead underwriter a bond purchase agreement for the sale of the Series 22 Green Bonds.
3. That the Board further delegates to the Executive Director all necessary power and authority to execute and deliver such other agreements, certificates, notices, and other instruments as the Executive Director deems necessary to ensure the successful sale of the Series 22 Green Bonds.

Item #5

MOTION- VOTE

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

Ms. Perez said that the Intended Use Plan (IUP) amount for the Fall River CW-18-38 was around \$8 million and as seen in the vote is now at over \$23 million. The Commitment amount for this project has increased due to unforeseen additional upgrades needed to complete the project. The Trust and MassDEP have been discussing this recent trend of initial proposal estimates being significantly lower than final estimates after bid results and project design.

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-19-07	Bourne	\$5,671,565	2%
CW-18-38	Fall River	\$23,321,194¹	2%
CW-18-43	Norton	\$5,289,438²	2%
CW-16-39	Upper Blackstone Water Pollution Abatement District	\$27,100,000³	2%

Item #6

MOTION- VOTE

The motion was made by Ms. Pinaud 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-19-05	Dunstable	\$2,640,000	2%
DW-18-12	Southampton	\$1,700,000⁴	2%

¹ First Revision: Previous PAC Amount was \$12,350,000

² First Revision: Previous PAC Amount was \$3,820,000

³ First Revision: Previous PAC Amount was \$25,000,000

⁴ First Revision: Previous PAC Amount was \$1,030,000

Item #7

MOTION- VOTE

The motion was made by Ms. Jonas-Silver and seconded by Ms. Pinaud 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>
CWP-18-36	Fall River	\$3,087,068	2%
CWP-18-38	Fall River	\$22,372,932	2%
CW-18-44	Fall River	\$400,000	2%
CW-18-45	Fall River	\$500,000	2%
CWP-18-23	Harwich	\$14,082,547	0%
CW-18-22	Hull	\$1,436,820	2%
CWP-18-29	Hull	\$8,328,254	2%
CWP-18-43	Norton	\$5,289,438	2%
CWP-18-28	Revere	\$4,700,000	2%
CWP-18-18	Springfield Water and Sewer Commission	\$80,791,549 ⁵	2%
CWP-18-18-A	Springfield Water and Sewer Commission	\$12,341,902	2%
CWP-16-39-B	Upper Blackstone Water Pollution Abatement District	\$2,100,000	2%

Item #8

MOTION- VOTE

The motion was made by Ms. Jonas-Silver and seconded by Ms. Pinaud 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-18-10	Barnstable	\$10,480,061	2%
DWP-18-15	Fall River	\$1,407,170	2%
DWP-18-06	Haverhill	\$8,547,666	2%
DWP-18-09	Revere	\$875,242	2%
DWP-18-12	Southampton	\$1,700,000	2%
DWP-18-07	Taunton	\$4,000,000	2%

OTHER BUSINESS: None

ADJOURN: The motion was made by Mr. MacDonald and seconded by Ms. Jonas-Silver and voted unanimously in favor of adjourning the meeting at 1:41 p.m.

⁵ First Revision: Previous PRA Amount was \$23,812,911

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes, June 5, 2019
3. Series 22 Underwriter Recommendation Memo
4. Project Descriptions