

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

July 10, 2024
1:30 PM

Location: Remote*

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Office of the State Treasurer, Designee
Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee
Maria Pinaud, Director of Municipal Services, MassDEP, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
William Kalivas, Treasury Specialist, MCWT
Nicole Munchbach, Assistant Controller, MCWT
Sunkarie Konteh, Accountant, MCWT
Pam Booker, Accountant, MCWT
Josh Derouen, Senior Program Associate, MCWT
Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT
Kathryn Armour, Data Analyst, MCWT
Martin Mont, Intern, Trust
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Greg Devine, Section Chief, MassDEP
Bridget Munster, Program Manager, MassDEP
Andrew Napolitano, Director of Communications, Office of the State Treasurer

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 minutes of the meeting held on June 12, 2024.

The motion was made by Mr. Yontar 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 12, 2024.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez said that as of the end of Fiscal Year (FY) 2024, there were Lead Service Line Replacement Grants awarded to 139 communities. Over \$34 million in grant funds have been disbursed to those communities.

For all loan and grant programs in FY 2024, there was over \$550 million disbursed which is 72% higher than average. This increase was due to over \$86 million in American Rescue Plan Act funds disbursed.

Item #3

MOTION- VOTE

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

Ms. Pinaud shared some of Ms. Munster's professional and educational background. This included how Ms. Munster has been working for DEP for over 13 years and is currently a Program Manager in DEP's Bureau of Water Resources. She has also worked closely with DEP's Drinking Water Program on PFAS related projects such as the design and implementation of the new Emerging Contaminants in Small and Disadvantaged Communities Grant program. She earned a bachelor's degree in legal studies and environmental policy from the University of Buffalo and a master's degree in environmental management and sustainability from Harvard University.

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

Appointment of Officer and member of the Executive Committee

That the Board of Trustees appoints and confirms the following individual as an officer of the Massachusetts Clean Water Trust and, as such officer, as a member of the Executive Committee, in accordance with the provisions of the By-Laws, which the individual has been nominated as such officer by the Trustee listed next to their name:

<u>OFFICE</u>	<u>NAME</u>	<u>NOMINATED BY</u>
Deputy Director of Program Development	Bridget Munster	Commissioner, Department of Environmental Protection

Item #4

MOTION- VOTE

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

Ms. Perez presented on the State Fiscal Year (FY) 2025 budget explaining how administrative fund and federal grant revenue will fund the year's expenses.

The goal is to close out our grants within two years of receipt which means using the remaining Federal Fiscal Year (FFY) 2022 grant funds and using a portion of the FFY 2023 grant funds.

There is a deficit in excess of \$2.3 million which is due to administrative fee revenue being a lesser amount than budgeted costs for the year. However, there is over \$48 million in the Administrative Fund which accrues investment earnings.

The FY 2024 budget was approved with a \$1.6 million deficit. However, it is estimated that there will be a surplus of approximately \$1.2 million due to open positions and contracts not being spent during FY 2024.

The DEP payroll budget includes 18 new positions for PFAS mitigation and lead service line programs. Of these positions, 10 have been moved to a contract with UMass. There still needs to be a posting for the remaining eight positions.

The Trust executed its new lease and will be staying in the same office space. This means that the moving expenses from the FY 2024 budget were not incurred. Funds for new furniture and renovations are part of the FY 2025 budget and will be partially funded by the landlord.

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

Approval of the Fiscal Year 2025 Budget

1. That the Board of Trustees approves the Trust's fiscal year 2025 budget request, distributed to the Board, for funds from the Administrative Fund for the costs of administering its programs paid through the MCWT's Expendable Trust and the Department of Environmental Protection's Expendable Trust.
2. That the Board of Trustees approves the Trust's fiscal year 2025 budget request of the Department of Environmental Protection, distributed to the Board, for funds from the Clean Water and Drinking Water administrative grant funds and set-aside funds for the administration of the state revolving fund.

Item #5

MOTION- VOTE

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

Ms. Perez said that the next bond deal is expected to be priced in January and close in February. The first interest payments for loans put into repayment with the closing of this deal will be due in July 2025. The first principal payments will be due in January 2026.

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

Resolution Authorizing the Issuance of Bonds

That the Executive Director is hereby authorized to provide for the issuance by the Trust of one or more series of bonds (the “Bonds”), which may include (i) State Revolving Fund Bonds 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/or (ii) State Revolving Fund Refunding Bonds for the purpose of refinancing all or any portion of the Trust’s outstanding bonds; that the Bonds are to be sold by negotiated sale and on a tax-exempt or taxable basis; and in furtherance thereof the Executive Director, with respect to the issuance and sale 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, preliminary and final offering documents, purchase agreements, refunding escrow agreements, and such other 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 Mr. Yontar and seconded by Ms. Pinaud.

Ms. Perez stated the Trust received 31 responses to the request for responses to be Senior Manager Underwriter for the Trust's Series 26 bond deal. Of these, 15 responses were for senior manager and 15 were for co-manager. The procurement management team is recommending Jeffries to serve as the book running senior manager. Jeffries submitted a strong response that demonstrated its knowledge of State Revolving Funds and the Trust in particular. Their response also demonstrated a useful defeasance recommendation and showed that they have well-qualified personnel.

JP Morgan and Loop Capital Markets are being recommended as the co-senior managers. BNY Mellon, Fidelity, Oppenheimer, and TD Securities are being recommended as the co-managers.

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

Selection of Senior Manager Underwriter

1. That the recommendation of the Procurement Management Team, established pursuant to the Trust's Request for Responses: Senior Manager Underwriter, dated May 14, 2024, for the negotiated sale of the Trust's Series 26 Bonds and 2025 Refunding Bonds 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 this sale.
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.

Item #7

MOTION- VOTE

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

Approval of Asset Management Program Grant Commitment and Grant Agreement

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
CWA-24-07	Montague	\$75,000

Item #8

MOTION- VOTE

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

Approval of Asset Management Program Grant Agreement

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
DWA-23-137	Peabody	\$90,000

Item #9

MOTION- VOTE

The motion was made by Ms. Pinaud and seconded by Mr. Yontar 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-24-31	Andover	\$445,000
DWL-24-30	Lawrence	\$664,000
DWL-24-28	Mansfield	\$300,000
DWL-24-27	Marshfield	\$382,492
DWL-23-55	Maynard	\$313,610¹
DWL-24-33	North Dighton Fire District	\$64,000
DWL-22-56	Norwood	\$420,000²
DWL-24-29	Spencer	\$95,000
DWL-23-45	Turners Falls Fire District	\$124,900³
DWL-24-32	Walpole	\$140,000
DWL-24-26	Wilkinsonville Water District	\$42,000

¹ First Revision. Previous Grant Amount was \$200,000.

² Second Revision. Previous Grant Amount was \$150,000.

³ First Revision. Previous Grant Amount was \$26,400.

Item #10

MOTION- VOTE

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

Ms. Perez said that this is the first time that the Board is voting on grants for this program. There is \$2 million in American Rescue Plan Act interest earnings being set aside to fund this program. This program is open to public water supplies that are small systems or are in Disadvantaged Communities. DEP's Drinking Water Program is administering this program as it identifies cyber gaps in public water suppliers.

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

Approval of Cybersecurity Improvement Program Grant Commitments and Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
DWC-24-15	Amherst	\$50,000
DWC-24-14	Athol	\$40,000
DWC-24-8	Attleboro	\$44,665
DWC-24-2	Ayer	\$28,748
DWC-24-3	Centerville-Osterville-Marstons Mills Fire District	\$45,000
DWC-24-9	Framingham	\$50,000
DWC-24-5	Housatonic Water Works	\$15,000
DWC-24-11	Littleton	\$30,000
DWC-24-13	Lunenburg Water District	\$15,960
DWC-24-1	Merrimac	\$17,300
DWC-24-4	Middleborough	\$49,448
DWC-24-17	Palmer Water and Fire District	\$30,000
DWC-24-16	Rowley	\$30,000
DWC-24-12	Salem and Beverly Water Supply Board	\$37,400
DWC-24-7	Southampton	\$30,000
DWC-24-10	Southbridge	\$44,998
DWC-24-6	Southwick	\$27,765

Item #11 **MOTION- VOTE**

The motion was made by Mr. Yontar and seconded by Ms. Pinaud 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-23-54	Barnstable	\$3,275,585 ⁴	1.5% ⁵
CW-23-14	Haverhill	\$2,389,275 ⁶	2%
CW-21-22	Lynn Water & Sewer Commission	\$74,017,791 ⁷	2%
CW-24-08	Pittsfield	\$1,000,000	2%

Item #12 **MOTION- VOTE**

The motion was made by Ms. Pinaud and seconded by Mr. Yontar 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-23-134	Aquarion Water Company of Massachusetts, Inc.	\$4,679,913 ⁸	0% ⁹
DW-23-144	Aquarion Water Company of Massachusetts, Inc.	\$4,514,850 ¹⁰	2%
DW-22-11	Fall River	\$2,140,955 ¹¹	1.5% ⁵
DW-23-117	Hopedale	\$4,750,000 ¹²	0% ⁹
DW-23-138	Sudbury Water District	\$7,250,611 ¹³	0% ⁹
DW-23-124	West Bridgewater	\$3,920,285 ¹⁴	0% ⁹

⁴ First Revision. Previous PAC amount was \$2,851,000.

⁵ Housing Choice Loan

⁶ First Revision. Previous PAC amount was \$1,900,000.

⁷ Second Revision. Previous PAC amount was \$70,328,732.

⁸ First Revision. Previous PAC amount was \$3,195,803.

⁹ PFAS Remediation Loan

¹⁰ First Revision. Previous PAC amount was \$3,028,000.

¹¹ First Revision. Previous PAC amount was \$1,841,575.

¹² First Revision. Previous PAC amount was \$4,500,000.

¹³ First Revision. Previous PAC amount was \$5,825,000.

¹⁴ First Revision. Previous PAC amount was \$3,163,200.

Item #13

MOTION- VOTE

The motion was made by Ms. Pinaud 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>
CWP-21-49-B	Barnstable	\$909,860	1.5% ⁵
CWP-23-54	Barnstable	\$3,275,585	1.5% ⁵
CWP-23-30	Brockton	\$2,179,948	1.5% ⁵
CWP-21-50	Fall River	\$2,476,795 ¹⁵	1.5% ⁵
CWP-23-19	Harwich	\$37,689,975	0% ¹⁶
CWP-23-19-A	Harwich	\$4,232,000	0% ¹⁶
CWP-23-14	Haverhill	\$2,389,275	2%
CWP-21-22	Lynn Water & Sewer Commission	\$74,017,791 ¹⁷	2%
CW-23-18	Marshfield	\$8,100,000	2%
CW-24-08	Pittsfield	\$1,000,000	2%
CWP-23-21	Upper Blackstone Clean Water	\$6,358,366	2%

Item #14

MOTION- VOTE

The motion was made by Mr. Yontar and seconded by Ms. Pinaud 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>
DWP-22-11	Fall River	\$2,140,955 ¹⁸	1.5% ⁵
DWPEC-23-117	Hopedale	\$4,750,000	0% ⁹
DWEC-23-131	Lynnfield Center Water District	\$15,000,000	0% ⁹
DWEC-23-123	Sharon	\$15,000,000	0% ⁹
DWPEC-23-122	Stoughton	\$4,314,700	0% ⁹
DWEC-23-138	Sudbury Water District	\$7,250,611	0% ⁹
DWEC-23-126	Water Supply District of Acton	\$7,565,462	0% ⁶
DWPEC-23-119	Webster	\$15,000,000	0% ⁹
DWPEC-23-124	West Bridgewater	\$3,920,285	0% ⁹
DWP-23-110	Winchendon	\$8,250,000	2%

¹⁵ First Revision. Previous PRA amount was \$2,026,795.

¹⁶ Nutrient Enrichment Reduction Loan

¹⁷ First Revision. Previous PRA amount was \$70,328,732.

¹⁸ First Revision. Previous PRA amount was \$1,841,575.

Item #15

MOTION- VOTE

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

Approval of Loans to Aquarion Water Company of Massachusetts, Inc.

1. That the Trust is hereby authorized to make one or more Loan(s), pursuant to the Trust's *Policy on Loans to Private Entities*, to Aquarion Water Company of Massachusetts, Inc. (the "Borrower"), for the Project(s), in the principal amount(s), and at the interest rate(s), as follows:

<u>Loan Number</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
DWEC-23-134	\$4,679,913	0%⁹
DWEC-23-144	\$4,514,850	2%

2. That in connection with such Loan(s), the Trust is hereby authorized to execute and deliver a Financing Agreement, including the Terms and Conditions to Financing Agreement attached thereto as Exhibit I, a Pledge and Security Agreement and one or more deposit account control agreements, and to require and accept from the Borrower's corporate parent an Unconditional Guaranty, all such documents in substantially in the form presented at this meeting, with such changes, not inconsistent with this vote, as are determined necessary or desirable by the Executive Director, with such determination evidenced by the Executive Director's delivery or acceptance of the same.
3. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary or desirable to implement the Loan(s) contemplated by this vote, including without limitation, executing, delivering and accepting the above-referenced documents, providing certifications, direction and notices, and modifying or amending any of such documents, certifications, directions or notices from time to time in any manner not inconsistent with this vote.

OTHER BUSINESS: None.

ADJOURN: The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of adjourning the meeting at 1:49 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, June 12, 2024
2. Fiscal Year 2025 Budget
3. Fiscal Year 2025 DEP Contract Expense Details
4. Fiscal Year 2025 DEP Contract Descriptions
5. Selection of Senior Manager Underwriter Recommendation Memo and Request for Responses
6. Selection of Senior Manager Underwriter Recommendation Memo and Request for Responses Recommendation Memo
7. Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, July 10, 2024 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.

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.