

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

July 8, 2020
1:30 PM

Location: Remote*

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Designee
Maria Pinaud, Director of Municipal Services, MassDEP, Designee
Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations,
Executive Office for Administration and Finance, Designee

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sunkarie Konteh, Accountant, MCWT
Pam Booker, Accountant, MCWT
Nicole Munchbach, Accountant, MCWT
Joshua Derouen, Program Associate, MCWT
Rachel Stanton, Communications Specialist and Graphic Designer, MCWT
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Gregory Devine, Environmental Engineer, MassDEP

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 3, 2020 Minutes

The motion was made by Ms. Pinaud and seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on June 3, 2020.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez said that the 2021 Intended Use Plan (IUP) solicitation began on July 1st with Project Evaluation Forms due to MassDEP on or before August 21st.

The first round of the School Water Improvement Grant (SWIG) program is set to conclude after today's vote for three more grants. \$234,000 in grant proceeds is scheduled to be disbursed this week to 11 school districts. With today's vote, \$954,000 in grants will have been awarded to 37 school districts consisting of 128 schools that service about 69,192 students.

Ms. Jonas-Silver asked if the water bottle filling stations were touchless. Mr. Keenan responded that school districts receiving grant funds through SWIG have options for the water bottle filling stations that they can install with touchless operations.

Ms. Perez said that invoices for debt service payments due on July 15th have been sent out. The Trust does not expect any problems with receiving payments from borrowing communities.

The Trust's staff is working on its standard end of the fiscal year accounting procedures.

MOTION- VOTE

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

Ms. Perez summarized the budget. The rate for administrative fees remains the same at 0.15% annually on the outstanding loan principal balance. Those fees coupled with the federal and state grants set-a-sides comprise the total revenue available for the fiscal year.

The line item in MassDEP's federal and state grant budget for "DEP Contracts" for \$750,000 includes \$200,000 in technical assistance for the Drinking Water program from UMass, \$350,000 for unregulated contaminant monitoring which looks at substances such as PFAS, and \$200,000 for other training and technical assistance.

Contracts for the Martha's Vineyard 208 Plan development and Drinking Water Needs Survey were budgeted for FY 2020. However, those initiatives were not able to be carried out during the last fiscal year. These projects are expected to be completed in FY 2021 and are reflected in the budget.

Also, there were staff vacancies that were budgeted for in FY 2020 that were not able to be filled which will be budgeted for again in FY 2021.

The FY 2021 budget shows a net deficit, as was the FY 2020 budget, which will be covered by the Trust's administrative fund.

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

Approval of the Fiscal Year 2021 Budget

1. That the Board of Trustees approves the Trust's fiscal year 2021 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 2021 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 #4

MOTION- VOTE

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

Ms. Perez explained how the Board previously approved a 0% interest rate loan program for PFAS projects only as pilot program. The Trust would like this to be a permanent program going forward offered to new PFAS projects. The amount of funding available for PFAS projects was factored into the final 2020 Drinking Water Intended Use Plan.

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

Approval of Zero Percent Loan Program for PFAS Remediation

1. The Trust hereby approves the establishment of a program (the “Program”) to provide assistance in the form of loans at an interest rate of zero percent, as provided in Section 6(c) of the Enabling Act, to eligible Borrowers to fund drinking water projects to remediate per- and polyfluoroalkyl substances (PFAS) contamination (as determined by the Department of Environmental Protection).
2. The Trust authorizes and directs the Executive Director, and such other officers of the Trust as the Executive Director may delegate, to develop such additional Program description and documentation and to cooperate with the Department of Environmental Protection to solicit proposals for loans eligible for the Program.

MOTION- VOTE

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

Ms. Perez said that the Trust's current contract for Arbitrage Consultant is about to expire and the Trust issued a Request for Responses (RFR) from qualified Arbitrage Consultants. The contract awarded will be for three years with an option for a fourth.

The RFR received four responses. There were two proposals that were closely considered during a final review, including PFM Asset Management LLC, which the Trust currently uses. Ultimately the procurement management team has decided to recommend BLX Group LLC to the Board.

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

Engagement of Arbitrage Rebate Compliance Consultant

That the recommendation of the Procurement Management Team, established pursuant to the Trust's Request for Responses: Arbitrage Rebate Compliance Services dated May 18, 2020 ("the ARC-RFR"), is approved.

The Board hereby delegates authority to the Executive Director to negotiate, reach agreement, and execute a contract or contracts with the selected arbitrage rebate compliance consultant in accordance with the ARC-RFR, and to take all such further actions necessary to finalize the engagement of said consultant.

Item #6

MOTION – VOTE REQUESTED

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:

School Water Improvement Grant (SWIG) Program

On January 8, 2020, the Board approved the establishment of a School Water Improvement Grant (SWIG) program to provide assistance in the form of grants (including, without limitation, an additional subsidy equivalent to a loan at an interest rate of zero percent and principal forgiveness, as provided in Section 6(c) of the Enabling Act) to eligible borrowers for the procurement and installation of point-of-use filtered water bottle-filling stations in eligible educational facilities where there are known lead exceedances (as determined by the Department of Environmental Protection).

The following vote approves the awarding of grants to recipients and in the amounts as specified in such vote, subject to the terms of the applicable grant agreement.

Approval of SWIG Program Grants

That School Water Improvement Grants, numbered, to the grantees and in the amounts as follows are hereby approved, subject to the terms of the applicable grant agreement:

<u>Grant No.</u>	<u>Grantee</u>	<u>Grant Amount</u>
SWIG-20-35	Pittsfield Public Schools	\$54,000
SWIG-20-36	Quincy Public Schools	\$195,000
SWIG-20-37	Hadley Public Schools	\$3,000

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:

Approval of the Clean Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest</u>
			<u>Rate</u>
CW-19-09	Billerica	\$11,360,632¹	2%
CW-20-03	Fitchburg	\$9,349,300	2%
CW-19-28	Quincy	\$3,500,875²	2%

¹ First Revision: Previous PAC amount was \$9,004,760.

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

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:

Approval of the Drinking Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-19-28	Barnstable	\$2,829,018	2%
DW-20-03	Peabody	\$6,105,710	2%
DW-19-16	Water Supply District of Acton	\$12,392,000 ³	2%

Item #9

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:

Approval of the Clean Water Loans/Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWP-19-09	Billerica	\$10,245,472	1.5% ⁴
CWP-19-09-A	Billerica	\$1,115,160	1.5%
CWP-19-42	Chicopee	\$915,162	2%
CWP-19-38	Northampton	\$11,149,600	1.5%
CWP-19-28	Quincy	\$3,500,875	1.5%
CWP-19-53	Taunton	\$3,609,481	1.5%
CWP-19-53-A	Taunton	\$684,000	1.5%

Item #10

MOTION- VOTE

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

Ms. Pinaud mentioned that Barnstable DWP-19-28 will be the first 0% interest PFAS loan to be voted on by the Board.

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

Approval of the Drinking Water Loans/Local Government Obligations and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWP-19-19	Auburn Water District	\$1,870,000	2%
DWP-19-28	Barnstable	\$2,829,018	0% ⁵
DWP-19-11	Peabody	\$5,000,000	2%
DWP-20-03	Peabody	\$6,105,710	2%
DW-19-16	Water Supply District of Acton	\$12,392,000	1.5%

³ First Revision: Previous PAC amount was \$9,242,000.

⁴ Housing Choice Loan

⁵ PFAS Remediation Loan

OTHER BUSINESS: None

ADJOURN: The motion was made by Ms. Jonas-Silver 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 3, 2020
2. Fiscal Year 2021 Budget
3. Arbitrage Rebate Compliance Services Request for Responses (RFR) Memo
4. Arbitrage Rebate Compliance Services RFR
5. SWIG Grant Outline
6. Project Descriptions

***Location: Remote :** Pursuant to the Governor's March 12, 2020 - [Order Suspending Certain Provisions of the Open Meeting Law](#): Notice is hereby given in accordance with M.G.L.c.30A, § 20, that the Wednesday, June 3, 2020 meeting of the Massachusetts Clean Water Trust's Board of Trustees will be held through remote participation.

Those interested in attending the online meeting can do so by visiting <https://zoom.us/j/96607502578?pwd=d2ZhNW91dkExVVdiSE00MklrcmJKUT09>. The Meeting ID is 966 0750 2578 and the password is 334272.

Alternatively, if you wish to participate just by telephone, call (646)558-8656 and then enter the attendee Access Code 966-075-02578 followed by the pound (#) sign.

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 Joshua Derouen at jderouen@tre.state.ma.us

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