

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

September 2, 2020
1:30 PM

Location: Remote*

Minutes

Attendees: James MacDonald, First Deputy Treasurer, Designee
Martin Suuberg, Commission of MassDEP
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
Sally Peacock, Controller, MCWT
Sunkarie Konteh, Accountant, MCWT
Nicole Munchbach, Accountant, MCWT
William Kalivas, Treasury Specialist, MCWT
Jonathan Maple, Policy Analyst, MCWT
Joshua Derouen, Program Associate, MCWT
Rachel Stanton, Communications Specialist and Graphic Designer, MCWT
Alethea Harney, Communications Director, Office of the State Treasurer
Andrew Napolitano, Deputy Communications Director, Office of the State
Treasurer
Elizabeth Zelnick, Deputy Director of Policy and Legislative Affairs, Office of
the State Treasurer

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:31 p.m.

Item #1

MOTION- VOTE

Acceptance and Approval of August 5, 2020 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 August 5, 2020.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez announced that of the \$954,000 in grant proceeds that have been awarded during the first round of the School Water Improvement Grant (SWIG) program, \$936,000 has been disbursed. We are in the process of receiving updates from school districts on the installation of filtered water bottle filling stations.

Ms. Perez and Commissioner Suuberg discussed how there was a strong response to the 2021 Intended Use Plan (IUP) solicitation. There needs to be a review before projects are selected for the draft IUPs that will be posted for public comment. The Clean Water Trust and MassDEP are curious to see how many of the projects submitted during the solicitation were for recent focus areas such as PFAS mitigation and lead service line replacements.

Ms. Perez said that the Trust's FY 2020 Financial and Uniform Guidance audits are underway. Ms. Peacock and the Trust's accountants are working with the auditors, addressing any questions, and providing them with all necessary supporting documentation.

MOTION- VOTE

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

Mr. Keenan delivered a presentation on how the transfer through the Water Infrastructure Funding Transfer Act (WIFTA) with the approval of this motion would allow for more subsidy to be provided to projects that address lead in drinking water.

The motion is to approve a one-time transfer of \$30 million from the Clean Water State Revolving Fund (CWSRF) to the Drinking Water State Revolving Fund (DWSRF). These funds are to be committed to projects that remove lead from drinking water systems, corrosion control projects and planning projects that identify lead to be remediated. The funds have to be committed within three years of the transfer and spent within five years. The transfer must be completed by October 4, 2020, per the federal statute.

There was a public commenting period between July 1st and August 6th. Necessary informational materials were posted on the Trust's website. The Trust e-mailed its contact list of community financial officials. MassDEP e-mailed its contact list of community public works officials and consultants. Massachusetts Water Works and the Water Alliance also notified their constituents. Two comments were received which did not lead to significant changes for how the funds from this transfer will be distributed.

The funds from the transfer will be distributed as additional subsidy just like principal forgiveness is currently distributed. Essentially, extra principal forgiveness will be awarded to "Disadvantaged Communities" with qualifying projects. If there are not enough "Disadvantaged Communities" with eligible projects to award the full \$30 million, the subsidy may be offered to any community with a qualifying project.

Before this meeting, Mr. Kalivas conducted a capacity analysis which showed that the transfer would not lead to CWSRF capacity concerns.

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

Authorization of a Permanent Funds Transfer from Clean Water Equity to Drinking Water Equity in the amount of \$30,000,000 to Address Lead in Drinking Water.

1. That, pursuant to the Water Infrastructure Funding Transfer Act and applicable Environmental Protection Agency guidance, the Board hereby approves the Executive Director's authority to make a transfer from the Clean Water Equity Fund to the Drinking Water Equity Fund in the amount of \$30,000,000 to address lead in drinking water.
2. That the Executive Director is further authorized to take all necessary steps to effectuate such transfer, including executing and delivering all letters, certificates, and other instruments and documents necessary or desirable in connection therewith.

Item #4

MOTION- VOTE

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

Ms. Perez said that the Trust issued a request for qualifications (RFQ) to pre-qualify firms to provide financial advisory services. With the approval of this motion, the Trust will have a list of firms that it can work with rather than one firm like the past contracts.

Any of the firms on the pre-qualified list can be chosen to provide services such as structuring bond deals and daily operations. Firms can also work on new projects that the Trust is interested in such as a capacity study.

Of the four firms that responded to the RFQ, three firms were invited to have oral interviews. After the oral interviews with the three selected firms, the procurement management team (PMT) reviewed costs proposals. The three firms were then asked to complete a best and final offer form which led to lower costs.

As stated in the memo, the three firms the PMT recommends to the Board are Hilltop Securities Inc., Omnicap Group LLC, and PFM Financial Advisors LLC.

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

Engagement of Financial Advisor Services Consultants

1. That the recommendation of the Procurement Management Team, established pursuant to the Trust's Request for Qualifications: Pre-Qualification for Financial Advisor Services dated July 14, 2020 ("the FA-RFQ"), is approved.
2. The Board hereby delegates authority to the Executive Director to negotiate, reach agreement, and execute a contract or contracts with the selected financial advisor services consultants in accordance with the FA-RFQ, and to take all such further actions necessary to finalize the engagement of said consultants.

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:

Approval of Asset Management Program Commitment

<u>PAC No.</u>	<u>Recipient</u>	<u>Amount</u>
DW-20-08	Buzzards Bay Water District	\$54,300

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:

Approval of the Community Septic Management Program Loan Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-20-06	Pembroke	\$200,000	2%

Item #7

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:

Approval of the Clean Water Loan Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-19-37	Gloucester	\$1,771,598¹	2%

Item #8

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:

Approval of the Drinking Water Loan Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-20-09	Deerfield Fire District	\$940,000	2%
DW-20-07	Littleton	\$899,328	2%
DW-20-02	MWRA	\$7,000,000²	2%
DW-20-10	Peabody	\$10,729,061	2%

Item #9

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:

Approval of Asset Management Program Grants and Grant Agreements

<u>PRA No.</u>	<u>Recipient</u>	<u>Amount</u>
DWA-20-08	Buzzards Bay Water District	\$54,300
DWA-19-23	Fall River	\$150,000
DWA-19-22	Plainville	\$90,000

Item #10

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:

Approval of the Community Septic Management Program Loan/Local Government Obligation and Financing Agreement

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWT-20-06	Pembroke	\$200,000	2%

¹ First Revision: Previous PAC amount was \$1,300,000.

² First Revision: Previous PAC amount was \$1,000,000.

Item #11 **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:

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-19-37	Gloucester	\$1,771,598	2%
CWP-19-39	Revere	\$4,022,849	2%

Item #12 **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:

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-19-17	Bridgewater	\$14,053,932	1.5%³
DWA-19-23	Fall River	\$150,000	2%
DW-20-07	Littleton	\$899,328	0%⁴
DW-20-02	MWRA	\$7,000,000	2%
DWP-19-24	New Bedford	\$2,054,488	2%
DWP-19-15	Peabody	\$10,000,000	2%
DWP-20-10	Peabody	\$10,729,061	2%

OTHER BUSINESS: Commissioner Suuberg said that MassDEP is continuing to work on its efforts to treat drinking water containing PFAS. The Cape Cod Commission's Section 208 Area Wide Water Quality Management Plan is continuing. The EPA continues its involvement. Efforts have not been slowed down by the COVID-19 outbreak nor other circumstances.

ADJOURN: The motion was made by Ms. Jonas-Silver and seconded by Commissioner Suuberg and voted unanimously in favor of adjourning the meeting at 1:46 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, August 5, 2020
2. SWIG Program Update
3. Implementing the Water Infrastructure Funding Transfer Act (WIFTA) Presentation
4. Financial Advisory Services Procurement Management Team Recommendation Memo
5. Financial Advisor Services Request for Qualifications
6. Project Descriptions

³ Housing Choice Loan

⁴ PFAS Remediation Loan

***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, September 2, 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/92712509714?pwd=TGpjZUI3bVUzWkZHZVZkMEEvWkxoZz09>. The Meeting ID is 927 1250 9714 and the password is 566487.

Alternatively, if you wish to participate just by telephone, call (646)558-8656 and then enter the attendee Access Code 927-1250-9714 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.