

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

September 5, 2018

1:30 PM

State House

Room 227

Boston, Massachusetts

**Minutes**

**Attendees:** State Treasurer Deborah Goldberg  
Martin Suuberg Commissioner of MassDEP  
Maya Jonas-Silver, Director of Capital Planning and Long Term Obligations,  
Executive Office of Administration and Finance, Designee<sup>1</sup>

**Also Present:** Susan Perez, Executive Director, MCWT  
Steve McCurdy, Director of Municipal Services of MassDEP  
Nate Keenan, Deputy Director, MCWT  
Sally Peacock, Controller, MCWT  
Joshua Derouen, Program Associate, MCWT  
Emma Sands, Assistant Communications Director, Office of the State Treasurer

**CALL TO ORDER:** The meeting was called to order by Treasurer Goldberg at 1:30 p.m.

Item #1

**MOTION- VOTE**

**Acceptance and Approval of August 1, 2018 Minutes**

The Motion was made by Commissioner Suuberg and Seconded by Treasurer Goldberg and voted unanimously in favor of acceptance and approval of the minutes of the meeting of the Board held on August 1, 2018.

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<sup>1</sup> Officially appointed designee during this meeting with the acceptance and approval of Item #5

Item #2

**REPORT OF THE EXECUTIVE COMMITTEE**

Ms. Perez stated that Treasurer Goldberg, the Trust and MassDEP are being awarded with the Children's Health Award for their work in the Lead in Schools Testing Program. Commissioner Suuberg said that the Children's Health Award is an EPA regional award, given yearly.

Ms. Perez discussed how the Trust's Series 21 bond sale had occurred the week before this meeting. \$163 million in bonds were sold with \$220 million in orders. \$90.9 million in bonds were sold as retail orders. The Series 21 bond sale was the first time the Trust had a two-day retail order period. There were \$148 million in orders during the Friday, August 24<sup>th</sup> portion and \$72 million in orders during the Monday, August 27<sup>th</sup> portion. There was an all-in true interest cost of 3.217% and an arbitrage yield of 2.64%. Ms. Perez said that compared to the Series 20 bond sale in 2017, there was a better true interest cost basis. Ms. Perez concluded by saying that the sale was good overall and received strong Massachusetts retail participation.

Ms. Perez discussed how the cost of issuance for the Trust to have three credit rating agencies is approximately \$274,000. This is an average of \$90,000 per rating agency. Ms. Perez said that the Trust is contemplating only retaining two credit rating agencies for future ratings.

Item #3

**MOTION- VOTE**

The Motion was made by Commissioner Suuberg and Seconded by Treasurer Goldberg.

Ms. Perez gave an overview of the budget. Ms. Perez stated how the expenses were broken down. The fiscal year 2019 (FY 19) budget is similar to the fiscal year 2018 (FY 18) budget except there is slightly less revenue in FY 19 compared to FY 18. The Trust was said to expect a net surplus in FY 19. The Trust is also going to be using the Administrative Expenses Fund for portions of the Drinking Water program as approved by the Board during the May 2, 2018 meeting. Ms. Perez concluded her remarks by saying that administrative fee revenue will increase in FY 19 due to the larger number of loans outstanding in FY 19 compared to FY 18.

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

***Approval of the Fiscal Year 2019 Budget***

1. That the Board of Trustees approves the Trust's fiscal year 2019 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 Trustee approves the Trust's fiscal year 2019 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 REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Treasurer Goldberg.

Ms. Perez explained that the request for responses for program counsel allows for a one-year extension. The request for proposals for program counsel was said to be issued one to two weeks after this meeting.

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

***Approval of Program Counsel Contract Extension***

1. That the Board of Trustees approves the extension of the Program Counsel contract until November 30, 2018.
2. That the Board of Trustees authorizes the Executive Director to negotiate, reach an agreement and execute a contract extension with Program Counsel in accordance with the RFR and the Engagement Agreement.

Item #5

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Treasurer Goldberg and voted unanimously in favor of acceptance and approval of the following:

***Appointment of the Director of Finance and Administration***

1. 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 offer by the Trustee listed next to their name:

<b><u>OFFICE</u></b>	<b><u>NAME</u></b>	<b><u>NOMINATED BY</u></b>
Director of Finance and Administration	Maya Jonas-Silver	Secretary, Executive Office of Administration and Finance

Item #6

**MOTION- VOTE REQUESTED**

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 Use of Engraved or Printed Facsimile Seal***

1. The engraved or printed facsimile of the Massachusetts Clean Water Trust seal on a bond, note or certificate of indebtedness of the Trust shall have the same legal effect as though such seal were impressed thereon.

Item #7

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

***Clean Water Loan Commitments***

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
CW-18-11	Goshen	\$625,972	2%
CW-15-15	Greater Lawrence Sanitary District	\$26,888,064 <sup>2</sup>	2%
CW-17-14	Haverhill	\$6,177,681 <sup>3</sup>	2%
CW-16-15	Lowell	\$15,500,000 <sup>4</sup>	2%
CW-18-12	Pittsfield	\$50,000,000	2%

Item #8

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

***Drinking Water Loan Commitment***

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
DW-13-09	Revere	\$7,350,000 <sup>5</sup>	2%

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<sup>2</sup> Second Revision: Previous PAC amount was \$24,888,065

<sup>3</sup> First Revision: Previous PAC amount was \$5,219,800

<sup>4</sup> Second Revision: Previous PAC amount was \$14,400,000

<sup>5</sup> Second Revision: Previous PAC amount was \$6,570,943

Item #9

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

***Clean Water Loans/ Local Government Obligations and Financing Agreements***

<b><u>PRA No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
CW-17-15	Billerica	\$12,842,593 <sup>6</sup>	2%
CW-17-15-A	Billerica	\$275,000	2%
CWP-17-23	Gardner	\$6,822,078	2%
CWP-17-23-A	Gardner	\$618,100	2%
CWP-15-15	Greater Lawrence Sanitary District	\$26,888,064 <sup>7</sup>	2%
CW-17-14	Haverhill	\$6,177,681 <sup>8</sup>	2%
CWP-16-15	Lowell	\$15,500,000 <sup>9</sup>	2%
CW-16-09-A	Saugus	\$829,583	2%
CWP-17-30	West Springfield	\$11,746,450 <sup>10</sup>	2%
CWP-17-30-A	West Springfield	\$1,075,769	2%

Item #10

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of acceptance and approval of the following:

***Drinking Water Loans/ Local Government Obligations and Financing Agreement***

<b><u>PRA No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>	<b><u>Equivalent Interest Rate</u></b>
DW-13-09-A	Revere	\$779,057	2%

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<sup>6</sup> First Revision: Previous PRA amount was \$13,117,593

<sup>7</sup> First Revision: Previous PRA amount was \$24,888,064

<sup>8</sup> First Revision: Previous PRA amount was \$1,261,620

<sup>9</sup> First Revision: Previous PRA amount was \$1,877,061

<sup>10</sup> Second Revision: Previous PRA amount was \$12,822,219

Item #11

**MOTION- VOTE REQUESTED**

The Motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver.

Ms. Perez announced that \$7.5 million in principal forgiveness would be awarded to nine Massachusetts communities. It was also said that this is the first time that the Trust was able to double the award from the previous year. Due to some projects not moving forward leading to more available funds, the principal forgiveness percentage was as high as approximately 14% for some loans.

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

***Authorization of Principal Forgiveness for Affordability Communities***

That the final amounts of principal forgiveness for Loans or Local Governmental Obligations are hereby approved by the Board for the Clean Water and Drinking Water Projects of the Borrowers listed in Schedules 1 and 2 in the listed amounts; subject to the terms and conditions of the Financing Agreements.

**OTHER BUSINESS:** None

**ADJOURN:** The motion was made by Commissioner Suuberg and Seconded by Ms. Jonas-Silver and voted unanimously in favor of adjourning the meeting at 1:45 p.m.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. Agenda
2. Minutes, August 1, 2018
3. Fiscal Year 2019 Budget
4. Project Descriptions
5. 2017 Principal Forgiveness Schedule 1
6. 2017 Principal Forgiveness Schedule 2