

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

September 6, 2023
1:30 PM

Location: Remote*

Minutes

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

Also Present: Susan Perez, Executive Director, MCWT
Nate Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Nicole Munchbach, Accountant, MCWT
Pam Booker, Accountant, MCWT
Sunkarie Konteh, Accountant, MCWT
Josh Derouen, Senior Program Associate, MCWT
Julian Honey, Program Associate, MCWT
Kailyn Fellmeth, Program Associate, MCWT
Jonathan Maple, Senior Program Associate, MCWT
Greg Devine, Section Chief, MassDEP
Emily Kowtoniuk, Legislative Director, Office of the State Treasurer
Kathleen Baskin, Assistant Commissioner, MassDEP

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

Item #1 **MOTION- VOTE**

The motion was made by Mr. Yontar and seconded by Ms. Pinaud and voted unanimously in favor of acceptance and approval of minutes of the meeting held on August 2, 2023.

Item #2 **REPORT OF THE EXECUTIVE COMMITTEE**

2024 IUP Project Solicitation

Ms. Pinaud stated that the project solicitation for the 2024 Intended Use Plans (IUPs) has closed. In total, 212 project evaluation forms (PEFs) were submitted totaling approximately \$2.9 billion in estimated costs.

MassDEP has begun evaluating the PEFs and will develop the project priority lists with the goal of publishing the draft IUPs and having an open comment period by the end of 2023.

Lead Service Line (LSL) Grant Allotments

Ms. Pinaud said that in 2021, the EPA conducted an LSL assessment survey to gather data on the estimated number of LSLs in each state as part of the Drinking Water Infrastructure Needs Assessment Survey. The results of this survey were used to calculate LSL grant allotments among the states. The results led to a 50% funding cut from \$65 million to \$33 million per year for the Commonwealth of Massachusetts.

The EPA is allowing states a one-time opportunity to revise survey results by contacting public water suppliers (PWSs) that previously completed the survey to make more accurate estimates. In 2021, 25% of PWSs that completed the survey reported an unknown number of LSLs. By going back to capture these PWSs to capture actual results, the allotment for Massachusetts could increase.

Additionally, the EPA has developed a more streamlined survey to capture the revised data. The deadline to provide new survey results is the end of November 2023. MassDEP intends to contact the medium and large PWSs that participated in the original survey to complete the revised survey. The revisions may impact Massachusetts' LSL grant allotments from 2024 through 2026.

Item #3

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:

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.

Item #4

MOTION- VOTE

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

Ms. Perez stated the Trust received 29 responses to the request for responses to be Senior Manager Underwriter for the Trust's Series 25 bond deal. Of these, 15 responses were to be bookrunner and 14 were to be co-manager. The procurement management team is recommending Citigroup to serve as the bookrunner. Citigroup demonstrated strong knowledge of the Trust and its previous bond deals, in addition to their substantial marketing knowledge.

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 July 24, 2023, for the negotiated sale of the Trust's Series 25 Bonds and 2023 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 #5

MOTION- VOTE

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

Ms. Perez stated the Trust is hoping that more lead service line (LSL) construction projects apply for and move forward with Trust financing by offering 0% interest LSL construction loans. Massachusetts Water Resources Authority offers 0% interest LSL construction loans to member communities which has resulted in fewer LSL construction projects moving forward with Trust financing than expected.

Being able to finance more LSL construction projects will allow us to use our Bipartisan Infrastructure Law LSL Replacement Grant funds.

The motion will apply to 2022 and 2023 IUP projects, and the Trust will continue to monitor availability of funds for future IUP years. In addition to 0% interest loans, eligible communities will receive loan forgiveness through the Disadvantaged Community Program.

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

Approval of Zero Percent Loan Program for Lead Service Line Replacement

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 remove lead service lines (as determined by the Department of Environmental Protection) (“Lead Service Line Removal Projects”).
2. The Trust has previously approved certain loan commitments and certain loan agreements for Lead Service Line Removal Projects on the 2022 and 2023 Drinking Water Intended Use Plans; each such prior approval is hereby amended to be for a commitment or loan agreement, as applicable, for a zero percent loan in the amount, to the Borrower, and for the Lead Service Replacement Project, all as previously approved.
3. 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.

Item #6

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 Commitments and Grant Agreements

<u>PAC No.</u>	<u>Recipient</u>	<u>Amount</u>
CWA-23-05	Bedford	\$67,500
CWA-23-04	Franklin	\$150,000
CWA-23-06	Medway	\$150,000
DWA-23-82	Southampton	\$48,000

Item #7

MOTION- VOTE

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

Ms. Perez stated that including the grants up for vote today, 100 LSL Planning Grants have been issued for a total of \$24.3 million. 73 grants totaling approximately \$17.2 million have been issued to disadvantaged communities.

The motion was 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-23-88	Barnstable	\$292,928
DWL-23-07	Franklin	\$143,000 ¹
DWL-23-90	Holyoke Water Works	\$190,000
DWL-23-85	Leicester Water Supply District	\$86,600
DWL-23-92	Middleborough	\$57,800
DWL-23-86	Newburyport	\$207,800
DWL-23-93	North Raynham Water District	\$200,000
DWL-23-89	Northborough	\$72,300
DWL-23-84	Tisbury	\$217,025
DWL-23-94	West Bridgewater	\$43,350
DWL-23-83	West Newbury	\$75,000
DWL-23-87	Whitinsville Water Company	\$85,000

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 Clean Water Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CW-19-33	Orleans	\$59,684,200 ²	2%

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 Drinking Water Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DW-22-31	Blandford	\$1,167,935 ³	2%
DW-23-60	Mattapoisett River Valley Water District	\$2,195,000 ⁴	2%

Item #10

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 Clean Water Loans and Financing Agreements

¹ First Revision. Previous PAC and PRA Amounts were \$119,000.

² Second Revision. Previous PAC Amount was \$59,409,200.

³ First Revision. Previous PAC Amount was \$887,935.

⁴ First Revision. Previous PAC Amount was \$1,800,000.

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
CWP-21-32	Bridgewater	\$35,321,000	0% ⁵
CWP-21-32-A	Bridgewater	\$4,792,070	0% ⁵
CW-19-33	Orleans	\$59,684,200 ⁶	0% ⁵
CWP-21-48	Spencer	\$43,463,606	0% ⁵
CWP-21-48-A	Spencer	\$3,249,800	0% ⁵

Item #11 **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 Drinking Water Loans and Financing Agreements

<u>PRA No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Interest Rate</u>
DWP-22-31	Blandford	\$1,167,935	2%
DWP-23-60	Mattapoisett River Valley Water District	\$2,195,000	2%
DW-22-25	Nantucket	\$5,933,945	0% ⁷
DWP-23-18	Yarmouth	\$3,584,154 ⁸	0% ⁷

OTHER BUSINESS: None.

ADJOURN: The motion was made by Ms. Pinaud and seconded by Mr. Yontar and voted unanimously in favor of adjourning the meeting at 1:44 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes, August 2, 2023
2. Selection of Senior Manager Underwriter Recommendation Memo and Request for Responses
3. Selection of Senior Manager Underwriter Recommendation Memo and Request for Responses Recommendation Memo
4. Project Descriptions

***Location: Remote:** Notice is hereby given that the Wednesday, September 6, 2023 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.

⁵ Nutrient Enrichment Reduction Loan

⁶ First Revision. Previous PRA Amount was \$59,409,200.

⁷ PFAS Remediation Loan

⁸ First Revision. Previous PRA Amount was \$3,365,339.

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.