



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
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Meeting Minutes

**State Finance and Governance Board
March 15, 2018
11:00 am
Executive Office for Administration and Finance
State House, Room 373**

A meeting of the State Finance and Governance Board was held on Thursday, March 15, 2018 in the Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts, pursuant to notice duly given.

Meeting was called to order at 11:05 am.

Board members comprising a physical quorum:

Sue Perez, Office of the State Treasurer
Supreo Ghosh, Office of the State Treasurer
Katherine Holahan, Associated Industries of Massachusetts
Brent Andersen, Pilgrim Bay

Others in attendance:

Barabra Kronke, McCarter & English
John Regier, Mintz Levin
Joe Debreo, PFM
Matthew Horan, Massachusetts Water Resources Authority

1. Administrative Matters

- I. On a motion made by Ms. Perez and duly seconded, members voted to approve the January 18, 2018 meeting minutes.

2. Discussion

- I. *No discussion matters scheduled*

3. Derivative Reviews

- I. Ms. Horan presented the details of the MWRA’s proposed issuance of the 2018 Series A and D Direct Purchase Bonds. Mr. Horan detailed that the proposed structure is appropriate for the MWRA to implement because it reduces risk to the Authority by: (1) eliminating bank credit risk and remarketing risk; and (2) diversifies the Authority’s variable rate portfolio and diversifies its banking partners. This structure also produces a lower all-in cost relative to the alternative variable rate demand bond option. Ms. Perez asked how the Authority is confident that the proposals submitted are competitive. Mr. Horan responded that they had reviewed cost factors with their financial advisor.

On a motion made by Ms. Holahan, the Board voted that it had received satisfactory information regarding the proposed Massachusetts Water Resources Authority (MWRA) transaction involving a new derivative financial product by MWRA and deemed the submission (i) consistent with the purpose and intent of Sections 97 and 98 of Chapter 6 of the General Laws of the Commonwealth of Massachusetts (“Chapter 6”) and regulations promulgated thereunder and (ii) reviewed with no additional conclusions required. The Board concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder have been submitted in a manner consistent with the regulations.

4. Waiver Request

- I. *No waiver requests scheduled.*

5. Review of Closed Transactions:

- I. *No closed transactions scheduled*

6. Adjournment

- I. On a motion made by Ms. Holahan, members voted to adjourn. The meeting was adjourned at 11:35 am.

Mark Attia, Secretary