

MEETING OF THE MASSACHUSETTS CLEAN WATER TRUST BOARD OF TRUSTEES

November 2, 2016
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

MINUTES

Attendees: Commissioner Martin Suuberg, Massachusetts Department of Environmental Protection
James A. MacDonald, First Deputy Treasurer
Rachel Madden, Executive Office for Administration and Finance Designee

Also Present: Sue Perez, Executive Director, MCWT
Steven McCurdy, Director of Municipal Services, MassDEP
Bernard Greene, Senior Legal Counsel, MCWT
My Tran, Treasurer, MCWT
Heather Saxelby O'Donnell, Program Specialist, MCWT
William Kalivas, Treasury Specialist, MCWT
Pamela Booker, Accountant, MCWT
Dan Truong, Assistant Communication Director, Office of the State Treasurer

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:30 PM.

Item #1

MOTION- VOTE

The motion was made by Ms. Madden, seconded by Commissioner Suuberg and voted unanimously in favor of acceptance and approval of the minutes of the meeting held on October 5, 2016

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

1. The Audit of Financial Statements for Fiscal Year 2016 is completed and is available for the Board of Trustees to review. The A-133 Single Audit for Fiscal Year 2016 is also completed. The Comprehensive Annual Financial Report (CAFR) will be completed at the end of the calendar year, as required.
2. Treasurer Goldberg has removed Wells Fargo Bank from the Commonwealth's list of pre-qualified underwriters because of major deficiencies in their business practices, including incentive systems that resulted in the creation of millions of fake customer accounts. The Trust uses the Commonwealth's pre-qualification list in order to approve entities for negotiated bond sales. Wells Fargo also is the bond trustee on the Trust's Series 9 and 11 bonds and escrow refunding trustee for the refunding of Series 13. US Bank is the Trustees for all of the Trust's other series. The Trust has been looking into what needs to be done in order to remove Wells Fargo as a trustee, in discussions with the Trust's program counsel. At the next Board of Trustees meeting, a resolution will be presented to the Board to remove Wells Fargo as a Trustee. US Bank will be able to take on the additional series. Ms. Madden asked whether there were any direct concerns relating to Wells Fargo's work with the Trust. Ms. Perez stated that there was not and the decision was made primarily to address the inappropriate behavior of Wells Fargo.
3. The Trust has received a request from an attorney representing homeowners in the Town of Falmouth who are seeking the shutoff of Wind Turbine I and the reduction of use and eventual shutoff of Wind Turbine II (the Trust funded Wind Turbine II with ARRA funds). The attorney is seeking to have a conference call with the Trust in order to discuss possible options. The homeowners are hoping that the Trust will waive its rights under the loan agreement for Wind Turbine II and will agree that there will be no repercussions if Wind Turbine II is shut down in the Year 2022. Ms. Perez noted, however, that under Federal Regulations, if there are any changes to the scope of the project, the Trust's prior approval is required and any such changes must be consistent with the turbines continuing to be an energy efficiency project. Commissioner Suuberg mentioned that there was good legal work done on this matter, which was reflected in the April 2, 2013 response letter sent to the Town of Falmouth from former MassDEP Commissioner Kimmel and Ms. Perez. He stated that he believes it is worth taking the time to hear the attorney out. Ms. Perez asked whether the Board is willing to continue with the position taken in the April 2, 2013 letter. The Board agreed to continue with its current position, and Ms. Madden said that she did not believe the Board should agree to allow the turbine to be shut off in 2022. Ms. Perez said that the Trust staff would schedule a telephone call and would report to the Board of Trustees once a date has been chosen.

4. Commissioner Suuberg provided an update on the Commonwealth's Voluntary Assistance Program for Lead in School Drinking Water. Since all schools are back in session, the program is now in full operation. To date, there have been 169 participating communities with 940 buildings tested. In the next week, an additional 80 more buildings will be tested. MWRA has also been helping by conducting 3,700 tests at their laboratory at no cost, saving the Commonwealth on average \$38 per sample. Overall, more than 29,000 samples have been collected and analyzed by the Commonwealth. To date, 99 buildings have had exceedances with lead and 32 buildings have had exceedances with copper. Overall, feedback has been positive. For example, Quincy and Framingham have recently had their results reported in local newspapers. More sample results are coming in and these will be put up on MassDEP's website. In order to fully meet the demand for the program, MassDEP will need additional funds or the funds will only be available on a first-come first-serve basis. MassDEP has spent \$1.3 million so far. An additional \$600,000 to \$700,000 will be required to meet the full demand of the program. Mr. MacDonald asked, "Of the samples that came back positive, what were the actions taken by the schools in response?" Commissioner Suuberg responded that MassDEP would pull together information relating to schools' responses and provide that to Ms. Perez for discussion at an upcoming meeting of the Executive Committee.
5. Commissioner Suuberg reported that the Intended Use Plans for 2017 are being sent to the Secretary for Energy and Environmental Affairs.

Item #3

MOTION- VOTE

The motion was made by Ms. Madden, seconded by Commissioner Suuberg and voted **unanimously in favor** of acceptance of the following:

Drinking Water Commitment

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>	<u>Equivalent Interest Rate</u>
DW-16-06	Massachusetts Water Resources Authority	\$11,770,000	2%

Item #4

MOTION- VOTE

The motion was made by Ms. Madden, seconded by Commissioner Suuberg and voted **unanimously in favor** of acceptance of the following:

Clean Water Loan/Local Government Obligations and Financing Agreement

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-13-16-A	Revere	\$2,071,768 ¹	2%

¹First Revision. Original PRA amount was \$1,161,117.

OTHER BUSINESS: None.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Update on Commonwealth's Voluntary Assistance Program for Lead in School Drinking Water
2. October 5, 2016 Minutes
3. Project Descriptions
4. Meeting Agenda

ADJOURN: Seeing no other business, at 1:53 PM, the motion to adjourn was made by Ms. Madden, seconded by Commissioner Suuberg and voted unanimously in favor.