

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

August 5, 2015
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

Minutes

Attendees: Maureen Godsey Valente, Deputy Treasurer
Steven McCurdy, Director of Municipal Services, MassDEP
Rachel Madden, Executive Office for Administration and Finance Designee

Also Present: David Falcone, Chief of Staff, Office of the Treasurer and Receiver General
Sue Perez, Executive Director, MCWT
Nathaniel Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Bernard Greene, Senior Legal Counsel, MCWT
Sally Peacock, Controller, MCWT
William Kalivas, Treasury Specialist, MCWT
Pamela Booker, Accountant, MCWT
Heather Saxelby O'Donnell, Program Specialist, MCWT

CALL TO ORDER: The meeting was called to order by Ms. Valente at 1:35 PM.

Item #1

MOTION- VOTE

The motion was made by Rachel Madden, seconded by Steven McCurdy and voted unanimously in favor of acceptance and approval of the minutes of the meeting held on June 29, 2015.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

1. The Trust has been working on the affordability criteria that will be used to determine eligibility for additional subsidization. The criteria should be finalized soon. It will consider population change, household income, and unemployment data. Ms. Valente inquired whether property values had been considered as an aspect of the criteria. She noted that the Department of Revenue's Division of Local Services collects information relating to municipal accumulated wealth versus income.
2. The Massachusetts Department of Environmental Protection has been working on updating its regulations as required by legislation passed last year (c. 259, Acts of 2014).
3. Because of the repayments from borrowers received in the past month, free-ups from the debt service reserve funds have increased. Ms. Perez is planning to move some of these funds into MMDT's short-term bond fund, which will have a higher yield than the cash portfolio. Approximately \$50-\$75 million will be moved into the short-term bond fund.
4. Mr. McCurdy inquired about the amounts remaining in the Commonwealth Fund set up in Pool 1. He asked whether those moneys have been moved to the State Equity Fund. Ms. Perez responded that other than \$1 million that remains in a segregated account, the funds were transferred to the State Equity Fund under the legislation that created the Dam and Seawall Repair or Removal Fund. Mr. McCurdy suggested that the Trust determine how it should use the remaining funds.
5. Ms. Perez noted that the Board will vote on approving in interim budget for fiscal year 2016 calculated as 1/12 of the budget for fiscal year 2015. The Trust has been waiting for information from MassDEP in order to finalize the budget. The budget includes the administrative fund and set-asides for drinking water expenses. The set-asides allow the Trust to use a portion of the federal grant for operational costs.

Item #3

MOTION- VOTE

The motion was made Rachel Madden, seconded by Steven McCurdy and **voted unanimously in favor** of acceptance of the following:

That, as interim budgets for the fiscal year beginning July 1, 2015

1. The Massachusetts Clean Water Trust may expend 1/12 of the amount authorized for the fiscal year 2015 budget from the Administrative Fund for the administration of the programs of the Trust during the interim period between September 1, 2015 and September 30, 2015; and,
2. The Massachusetts Clean Water Trust may transfer to the Department of Environmental Protection up to an amount equal to 1/12 of the fiscal year 2015

budget for the Department approved by the Trust, from the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, for the administration of the State Revolving Fund programs during the interim period between September 1, 2015 and September 30, 2015.

Item #4

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Rachel Madden and **voted unanimously in favor** of acceptance of the following:

Clean Water Commitments

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
CW-15-12	Avon	\$400,000	2%
CW-15-09	Easton	\$500,000	2%
CW-15-08	Norwood	\$2,700,000	2%
CW-15-11	Revere	\$250,000	2%
CW-15-07	Saugus	\$1,520,359	2%

Item #5

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Rachel Madden and **voted unanimously in favor** of acceptance of the following:

Drinking Water Commitment

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>	<u>Equivalent Interest Rate</u>
DW-11-21	Lowell	\$5,611,768 ¹	2%

Item #6

MOTION- VOTE

The motion was made by Rachel Madden, seconded by Steven McCurdy and **voted unanimously in favor** of acceptance of the following:

Clean Water Loans/Local Government Obligations and Financing Agreements

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>	<u>Equivalent Interest Rate</u>
CWT-15-12	Avon	\$400,000	2%
CWSG-09-32	Barnstable	\$5,827,395.33 ²	N/A
CW-14-17	Bridgewater	\$2,454,650	2%
CWT-15-09	Easton	\$500,000	2%
CW-12-23	Great Barrington	\$4,210,000 ³	2%

¹ First Revision. Original PAC amount was \$5,400,000.

²Second Revision. This is the final project cost. Previous PRA was for \$5,828,000.

CW-11-21-B	Marlborough	\$14,960,073 ⁴	2%
CWP-14-32	Middleborough	\$25,000,000	0% ⁵
CWP-13-23	Palmer	\$6,090,000 ⁶	2%
CW-15-11	Revere	\$250,000	2%

Item #7

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Rachel Madden and **voted unanimously in favor** of acceptance of the following:

Drinking Water Loans/Local Government Obligations and Financing Agreements

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>	<u>Equivalent Interest Rate</u>
DW-11-21-A	Lowell	\$3,500,250	2%

OTHER BUSINESS: None

ADJOURN: Seeing no other business, at 1:45 PM the motion to adjourn was made by Rachel Madden, seconded by Steven McCurdy and voted unanimously in favor.

³ First Revision. Original PRA amount was \$3,930,130.

⁴First Revision. Original PRA amount was \$12,681,920.

⁵Originally approved as 2% loan April 8, 2015.

⁶ First Revision. Original PRA amount was \$5,807,685.