

Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust

DATE: May 18, 2016

START TIME: 2:10 p.m.

PLACE: State House Room 372

NOTICE: Due public notice given

MEMBERS OF THE EXECUTIVE COMMITTEE –

PRESENT: Sue Perez, Executive Director of the Trust
Rachel Madden, Director of Finance & Administration of the Trust
Steve McCurdy, Director of Program Development of the Trust

ALSO PRESENT: Bernard Greene, Senior Legal Counsel of the Trust
Joe Delaney, Department of Environmental Protection
Nate Keenan, Deputy Director of the Trust

MINUTES APPROVED:

April 20, 2016

December 30, 2015

April 1, 2016

February 24, 2016

February 10, 2016

February 3, 2016

January 29, 2016

SUMMARY OF DISCUSSIONS (INCLUDING DECISIONS MADE/ACTIONS TAKEN/ VOTES):

1. Principal Forgiveness. The Committee discussed the principal forgiveness amounts for Environmental Justice Communities on the 2015 Intended Use Plan. Mr. McCurdy had circulated a draft of the principal forgiveness amounts. Mr. Keenan and Ms. Perez revised the numbers to reflect the process done the year before where the Clean Water principal forgiveness number was set at \$3.5 million, so that it was approximately the same as the Drinking Water number of \$3.2 million required by the federal grant. The Clean Water grant no longer has a required amount to be provided as principal forgiveness but the Committee agreed that \$3.5 million was a reasonable number.
2. Sheffield Water Company. Mr. Greene updated the Committee on Sheffield Water Company, whose assets are being acquired by Mountain Water Company, a subsidiary of New England Service Company. Mountain Water also wants to assume the Sheffield loan from the Trust. He described his discussions with New England Service president Don Vaughan on obtaining the necessary security for the repayment of the Sheffield loan as required by the Trust's policy on loans to private

entities. New England Service, which has a net worth of more than \$14 million, has agreed to co-sign the Mountain Water loan and will get itself rated by Dun and Bradstreet (“D&B”) to comply with the Trust’s policy. Mr. McCurdy asked about the public health value of the transaction and suggested that the Trust look at the impact on rates of requiring the company to get private financing.

3. School Lead Testing Initiative. Mr. McCurdy reported that DEP has received 566 responses to its letter announcing the school lead testing initiative since Tuesday. Approximately 1700 letters were sent out. DEP asked for responses by May 27. DEP is completing the terms of an agreement with the University of Massachusetts to provide technical assistance to the initiative and to perform some of the laboratory work.
4. Massachusetts Water Resources Authority. Ms. Perez, Mr. Keenan and Mr. McCurdy will be meeting with MWRA’s deputy construction manager and other staff to discuss their process of getting projects and related documentation ready for funding.
5. Budget. Ms. Perez inquired about the DEP budget. Mr. McCurdy responded that DEP is close to completing the budget. They anticipate that it will be ready by the end of the month.
6. Lynn Water and Sewer Commission. Mr. McCurdy reported on a Lynn Water and Sewer Commission project financed by the Trust that used materials not in compliance with the American Iron and Steel requirements.. He stated that EPA may be willing to give the Commission a waiver under the public interest exception or remove the material from the items that can be financed by the SRF.
7. Contract Assistance. Ms. Madden reported on the status of the Trust’s contract assistance appropriation in the budget. She said that she is optimistic that the amount will be kept level to the number from last year.
8. Alternative Sewage Treatment Projects. The Committee discussed how the Trust would be able to finance alternative sewage treatment proposals from communities. Among the questions that the Trust will have to address is whether such projects are eligible under Chapter 44 for bond financing and what is the useful life of a project using alternative methods that do not have years of data supporting the lifespan of the project.

LIST OF DOCUMENTS AND EXHIBITS USED:

Calculation of principal forgiveness

The meeting adjourned at 3:00 p.m.

Approved: July 20, 2016

