

Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust

DATE: August 17, 2016

START TIME: 1:30 p.m.

PLACE: 3 Center Plaza, Suite 430

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
Jane Peirce, Department of Environmental Protection

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

1. Sheffield Water Company. Mr. Greene reported that Mountain Water Company has been able to obtain bank financing for its acquisition of the assets of Sheffield Water Company. The bank financing is more advantageous to them than the Trust's subsidized loan, which they will pay-off. He noted that we now need to make arrangements for the pay-off and other details once the acquisition of assets is approved by the Department of Public Utilities.
2. Intended Use Plan. Ms. Peirce reported on demand for funding this year. DEP has received completed project evaluation forms for approximately 45 clean water and 29 drinking water projects. The total amount requested is \$663,823,254. This year they all came in electronically. The regional staffs are expected to score the forms and send a draft IUP to Commissioner Suuberg in September.
3. Fair-Share Availability Study. Mr. McCurdy reported that work has begun on the availability study that will be used to propose fair share objectives for minority and women business enterprises on Trust financed projects. Development of fair share objectives are required under EPA's disadvantaged business enterprise regulations (40 CFR Part 33). The work is being performed by the Donahue Institute at the University of Massachusetts, Boston.
4. Worcester Sewer Extension. The Committee discussed how to structure the \$3 million payment from the Department of Transportation (DOT) to the Worcester sewer extension project. Mr. McCurdy reported that DOT is reluctant to enter into an interdepartmental services agreement (ISA) with the Trust. They would prefer to authorize the E/O of Energy and Environmental Affairs (EEA) to pay DOT funds to the project. Under this approach EEA, or DEP as EEA's designee, would enter

into an ISA with the Trust. The Committee discussed whether this approach would work and, if it does, whether an ISA would be needed since the Trust would work directly with DEP. Ms. Madden said that she will follow up with DOT.

5. Dexia-FSA. Ms. Perez reported that GIC provider FSA through its GIC administrator has contacted the Trust concerning our willingness to terminate their outstanding GICS. She noted that before the Trust would consider terminating FSA's high interest GICs it would need a termination payment that includes a substantial cash premium. The Trust has no credit concerns with the guarantor of the GICs, Assured Guaranty Municipal Corp., which has a AA rating from Standard and Poor's and a recently confirmed rating of A2 from Moody's.
6. Cash Defeasance Opportunities. Ms. Perez reported that the Trust is looking at its options for investment of available cash. Cash defeasance of certain short maturities of recent series of bonds is one option that will yield a more positive return than investments in MMDT.
7. Budget. Mr. McCurdy distributed to the Committee a draft full-year budget for DEP. Ms. Perez stated that the Trust is also putting a full-year budget together.
8. NIMS Reporting. Mr. McCurdy also reported that the National Information Management System (NIMS) reporting has been completed.

LIST OF DOCUMENTS AND EXHIBITS USED:

DEP budget draft

The meeting adjourned at 2:20 p.m.

Approved: October 12, 2016