

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

January 7, 2015  
11:00 AM

Massachusetts State House  
Room 373  
Boston, Massachusetts

**Minutes**

**Attendees:** James A. MacDonald, First Deputy Treasurer  
Steven McCurdy, Director of Municipal Services, MassDEP  
Scott Jordan, Executive Office for Administration and Finance Designee

**Also Present:** Sue Perez, Executive Director, MCWT  
My Tran, Treasurer, MCWT  
Bernard Greene, Senior Legal Counsel, MWCT  
Nathaniel Keenan, Program Manager, MCWT  
Heather Saxelby O'Donnell, Program Associate, MCWT  
Joe Delaney, Deputy Director of Municipal Services, MassDEP  
Greg Polan, Treasurer-Elect Deborah Goldberg's Transition Team Member  
Jon Ostrowsky, Treasurer-Elect Deborah Goldberg's Transition Team Member

**CALL TO ORDER:** The meeting was called to order by Mr. MacDonald at 11:03 AM.

Item #1

**MOTION-VOTE**

The motion was made by Mr. McCurdy, seconded by Mr. Jordan and voted unanimously in favor of acceptance and approval of the minutes of the meeting held on December 3, 2014.

Item #2

**REPORT OF THE EXECUTIVE COMMITTEE**

Ms. Perez reported on the following:

1. The Massachusetts Clean Water Trust closed its Series 18 Green Bonds today at 10:00 AM, January 7, 2015. The bond sales were successful, although rates have continued to plummet since the Trust priced the bonds on December 10, 2014. There were between ten and twelve green investors for the bonds. Four of the investors were new to J.P. Morgan, the lead underwriter. The marketing for the bond series was successful and will help inform future sales of bonds by the Trust.
2. On the agenda is a vote to approve the engagement of a consultant to develop best management practices, which is a requirement of section 55, of chapter 259 of the Acts of 2014. There was only one response to the request for responses, dated October 17, 2014. That response was from the Abrahams Group. The firm has worked with the Cape Cod Commission in the past. The guidelines are expected to take fourteen weeks from the point of a kick-off meeting, which has not yet been scheduled. After the report is completed, the recommendations will be presented to the Board of Trustees for approval.
3. In the future, the Trust hopes to secure more contract assistance.

Item #3

**MOTION- VOTE**

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

***Recommendations to Engage the Services of a Consulting Firm to Develop Best Practices Guidelines***

1. That the recommendation of the Executive Director to engage a consulting firm, pursuant to the Trust's Request for Responses (dated October 17, 2014) for consulting services to develop "best practices" management guidelines for water utilities, is hereby accepted and approved.
2. That the Board hereby delegates to the Executive Director, and/or other authorized officers of the Trust, authority to sign such documents and take such further action as necessary to finalize the selection and engagement of the selected consulting firm.

Item #4

**MOTION- VOTE**

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

***Trust's Consent to the Amendment of MWRA's General Resolution***

1. That the Board hereby authorizes the Executive Director to consent, on behalf of the Trust, to amendments to the General Resolution of the Massachusetts Water Resources Authority, adopted January 24, 1990, as amended, and to sign such documents and take such further action as necessary to provide the consent

contemplated in this Motion.

Item #5

**MOTION- VOTE**

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

***Clean Water Loan Commitments [2%]***

1. That the Loan Commitments for eligible costs under G.L. Ch. 29C §6 are hereby approved to the following Borrowers (a) for the Water Pollution Abatement Projects, (b) for loans in the aggregate principal amounts and (c) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2% as follows:

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>
CW-14-20	Billerica	\$4,568,100
CW-14-21	Billerica	\$14,000,000
CW-14-17	Bridgewater	\$4,430,000
CW-14-30	Brockton	\$1,750,000
CW-14-13	Easthampton	\$1,100,000
CW-14-22	Falmouth	\$4,400,00
CW-14-23	Falmouth	\$39,530,000
CW-14-15	Haverhill	\$8,648,000
CW-14-18	Haverhill	\$2,375,076
CW-14-16	Lawrence	\$12,808,000
CW-14-29	Lunenburg	\$1,773,000
CW-14-31	Manchester-by-the-Sea	\$500,000
CW-14-32	Middleborough	\$25,000,000
CW-14-28	Montague	\$2,648,000
CW-14-34	MWRA	\$26,600,000
CW-14-35	MWRA	\$3,000,000
CW-14-36	MWRA	\$5,800,000
CW-14-37	MWRA	\$6,250,000
CW-14-38	MWRA	\$813,700
CW-14-19	New Bedford	\$7,453,450
CW-14-33	Norton	\$2,700,000
CW-14-11	Revere	\$1,200,000
CW-14-12	Revere	\$15,000,000
CW-14-25	Revere	\$700,000
CW-14-27	Springfield Water & Sewer Commission	\$23,476,251
CW-14-26	Taunton	\$8,450,000

2. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust (each an "Authorized Officer") are authorized to execute and deliver the Loan Commitments described in Paragraph 1 of this vote, in substantially the

form heretofore approved by the Trust, with such changes thereto, not inconsistent with this vote, as the Authorized Officer executing the same shall approve, such execution and delivery to be conclusive evidence of approval of all such changes.

Item #6

**MOTION- VOTE**

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

***Amended Clean Water Loan Commitment [2%]***

1. That the Loan Commitment for eligible costs under G.L. Ch. 29C, §6 is heretofore approved to the following Borrower (a) for the Water Pollution Abatement Project and (b) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2% is hereby **amended** to be for the following amount:

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>
<b>CW-13-04</b>	<b>New Bedford</b>	<b>\$2,095,000<sup>1</sup></b>

2. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust (each an “Authorized Officer”) are authorized to execute and deliver the Loan Commitment described in Paragraph 1 of this vote, in substantially the form heretofore approved by the Trust, with such changes thereto, not inconsistent with this vote, as the Authorized Officer executing the same shall approve, such execution and delivery to be conclusive evidence of approval of all such changes.

Item #7

**MOTION- VOTE**

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

***Drinking Water Loan Commitments [2%]***

1. That Loan Commitments for eligible costs under G.L. Ch. 29C, §18 are hereby approved to the following Borrowers (i) for the Drinking Water Projects, (ii) for Loans in the original aggregate principal amounts and (iii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2% as follows:

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>
<b>DW-14-09</b>	<b>Barnstable</b>	<b>\$1,428,500</b>
<b>DW-14-06</b>	<b>Chatham</b>	<b>\$7,185,000</b>
<b>DW-14-08</b>	<b>Fall River</b>	<b>\$3,912,190</b>
<b>DW-14-03</b>	<b>Manchester-by-the-Sea</b>	<b>\$1,440,000</b>
<b>DW-14-11</b>	<b>MWRA</b>	<b>\$10,000,000</b>

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<sup>1</sup> First Revision. Original PAC amount was \$2,000,000.

<b>DW-14-13</b>	<b>MWRA</b>	<b>\$3,000,000</b>
<b>DW-14-14</b>	<b>MWRA</b>	<b>\$3,000,000</b>
<b>DW-14-05</b>	<b>New Bedford</b>	<b>\$5,000,000</b>
<b>DW-14-10</b>	<b>Norton</b>	<b>\$8,900,000</b>
<b>DW-14-07</b>	<b>Paxton</b>	<b>\$1,285,000</b>
<b>DW-14-12</b>	<b>Uxbridge</b>	<b>\$2,935,500</b>

2. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust (each an “Authorized Officer”) are authorized to execute and deliver the Loan Commitments described in Paragraph 1 of this vote, in substantially the form heretofore approved by the Trust, with such changes thereto, not inconsistent with this vote, as the Authorized Officer executing the same shall approve, such execution and delivery to be conclusive evidence of approval of all such changes.

Item #8

**MOTION- VOTE**

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

***Drinking Water Loan Commitment- MEZ Realty, Inc. doing business as Lakeside Estates [2%]***

1. That the following Loan Commitment for eligible costs under G.L. Ch. 29C §18 is hereby approved to the following Borrower (i) for the Drinking Water Project, (ii) for a Loan in the original aggregate principal amount, (iii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2%, and (iv) subject to compliance with the Special Conditions in the Project Approval Certificate, including that

“The Applicant shall provide the Trust with such operating data and financial and other information as the Trust determines is necessary to its evaluation of the Applicant’s ability to repay the Loan. In addition, as security for the repayment of the Loan, the Applicant shall provide the Trust with a letter of credit. If the Applicant presents the Trust with evidence that it is unable to obtain a letter of credit and if management of the Trust determines, after sufficient due diligence, to recommend to the Board of the Trust that the Trust waive the requirement for such letter of credit and the Board accepts the recommendation, the Applicant may provide the Trust with alternative security acceptable to the Trust, pursuant to the Trust's Policy on Loans to Private Entities, as security for the repayment of the Loan,”

such compliance by the Borrower to be to the satisfaction of the Executive Director:

<b><u>PAC NO.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>
<b>DW-14-15</b>	<b>MEZ Realty, Inc. doing business as Lakeside Estates</b>	<b>\$537,590</b>

2. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust (each an “Authorized Officer”) are authorized to execute and deliver the Loan Commitment described in Paragraph 1 of this vote, in substantially the form heretofore approved by the Trust, with such changes thereto, not inconsistent with this vote, as the Authorized Officer executing the same shall approve, such execution and delivery to be conclusive evidence of approval of all such changes.

Item #9

**MOTION- VOTE**

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

***Amended Drinking Water Loan Commitment [2%]***

1. That a Loan Commitment for eligible costs under G.L. Ch. 29C §18 heretofore approved to the following Borrower (i) for the Drinking Water Project and (ii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2% is hereby **amended** to be for the following principal amount:

<b><u>PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Amount</u></b>
<b>DW-11-19</b>	<b>Gloucester</b>	<b>\$11,100,000<sup>2</sup></b>

2. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust (each an “Authorized Officer”) are authorized to execute and deliver the Loan Commitment described in Paragraph 1 of this vote, in substantially the form heretofore approved by the Trust, with such changes thereto, not inconsistent with this vote, as the Authorized Officer executing the same shall approve, such execution and delivery to be conclusive evidence of approval of all such changes.

Item #10

**MOTION-VOTE**

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

***Clean Water Loan Agreement/Local Government Obligations Agreement [0%]***

1. That pursuant to Chapter 29C of the General Laws of the Commonwealth of Massachusetts, as amended (the “Enabling Act”) and the Master Trust Agreement dated as of and adopted by the Trust on December 3, 2014 a Leveraged Loan to, or, as appropriate, the purchase of Local Governmental Obligations from, the following Borrower and an Interim Loan in anticipation thereof, is hereby approved, subject to the availability of funds therefor (i) for the Water Pollution Abatement Project, (ii) in the principal amount not exceeding the amount, and (iii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 0%, as follows:

<b><u>Project/PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Loan/LGO Amount</u></b>
<b>CW-12-21-A</b>	<b>Chatham</b>	<b>\$133,464</b>

2. That the Financing Agreement pertaining to the Loan and Local Governmental Obligations described in Paragraph 1 of this vote, and the execution and delivery

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<sup>2</sup> Second Revision. Previous PAC amount was \$10,926,426.

thereof by Authorized Officers of the Trust, in substantially the form heretofore approved by the Trust, are hereby approved, with such changes thereto, not inconsistent with this vote, as the Authorized Officers of the Trust executing and delivering the same may approve, such execution and delivery to be conclusive evidence of approval of all such changes.

3. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust are hereby designated as and shall be Authorized Officers of the Trust for all purposes of this vote and the Financing Agreement referred to above. Each of such Authorized Officers is hereby authorized and directed to take any and all actions, and to execute and deliver all such agreements, certificates and further assurances, as may be required to carry out the purposes of this vote or as may be necessary or desirable in connection with the execution, delivery and performance by the Trust of the Financing Agreement and the funding of the Loan or the Local Governmental Obligations as contemplated hereby or thereby and by the Enabling Act.

Item #11

**MOTION-VOTE**

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

***Clean Water Loan Agreement/Local Government Obligations Agreement [2%]***

1. That pursuant to Chapter 29C of the General Laws of the Commonwealth of Massachusetts, as amended (the “Enabling Act”) and the Master Trust Agreement dated as of and adopted by the Trust on December 3, 2014 a Leveraged Loan to, or, as appropriate, the purchase of Local Governmental Obligations from, the following Borrower and an Interim Loan in anticipation thereof, is hereby approved, subject to the availability of funds therefor (i) for the Water Pollution Abatement Project, (ii) in the principal amount not exceeding the amount, and (iii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2%, as follows:

<b><u>Project/PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Loan/LGO Amount</u></b>
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**CW-13-04**

**New Bedford**

**\$2,095,000<sup>3</sup>**

2. That the Financing Agreement pertaining to the Loan and Local Governmental Obligations described in Paragraph 1 of this vote, and the execution and delivery thereof by Authorized Officers of the Trust, in substantially the form heretofore approved by the Trust, are hereby approved, with such changes thereto, not inconsistent with this vote, as the Authorized Officers of the Trust executing and delivering the same may approve, such execution and delivery to be conclusive evidence of approval of all such changes.
3. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the

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<sup>3</sup> First Revision. Original PRA amount was \$1,995,000.



Trust are hereby designated as and shall be Authorized Officers of the Trust for all purposes of this vote and the Financing Agreement referred to above. Each of such Authorized Officers is hereby authorized and directed to take any and all actions, and to execute and deliver all such agreements, certificates and further assurances, as may be required to carry out the purposes of this vote or as may be necessary or desirable in connection with the execution, delivery and performance by the Trust of the Financing Agreement and the funding of the Loan or the Local Governmental Obligations as contemplated hereby or thereby and by the Enabling Act.

Item #12

**MOTION- VOTE**

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

***Drinking Water Loan Agreements/ Local Government Obligations Agreements [2%]***

1. That pursuant to Chapter 29C of the General Laws of the Commonwealth of Massachusetts, as amended (the "Enabling Act") and the Master Trust Agreement dated as of and adopted by the Trust on December 3, 2014, Leveraged Loans to, or, as appropriate, the purchase of Local Governmental Obligations from, the following Borrower and Interim Loans in anticipation thereof, are hereby approved, subject to the availability of funds therefor (i) for the Water Pollution Abatement Projects, (ii) in the principal amounts not exceeding the amounts, and (iii) with debt service structured to result in the financial assistance provided by the Trust being the financial equivalent of a loan made at an interest rate of 2%, as follows:

<b><u>Project/PAC No.</u></b>	<b><u>Borrower</u></b>	<b><u>Loan/LGO Amount</u></b>
<b>DW-14-01</b>	<b>Auburn Water District</b>	<b>\$2,688,952</b>
<b>DW-11-19-A</b>	<b>Gloucester</b>	<b>\$173,574</b>
<b>DW-12-02-A</b>	<b>Gloucester</b>	<b>\$474,127</b>
<b>DW-14-02</b>	<b>Marlborough</b>	<b>\$4,809,184</b>

2. That Financing Agreements pertaining to the Loans and Local Governmental Obligations described in Paragraph 1 of this vote, and the execution and delivery thereof by Authorized Officers of the Trust, in substantially the form heretofore approved by the Trust, are hereby approved, with such changes thereto, not inconsistent with this vote, as the Authorized Officers of the Trust executing and delivering the same may approve, such execution and delivery to be conclusive evidence of approval of all such changes.
3. That the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch. 30, §6A) and the Executive Director and the Treasurer of the Trust are hereby designated as and shall be Authorized Officers of the Trust for all purposes of this vote and the Financing Agreements referred to above. Each of such Authorized Officers is hereby authorized and directed to take any and all actions, and to execute and deliver all such agreements, certificates and further assurances, as may be required to carry out the purposes of this vote or as may be

necessary or desirable in connection with the execution, delivery and performance by the Trust of the Financing Agreements and the funding of the Loans or the Local Governmental Obligations as contemplated hereby or thereby and by the Enabling Act.

**OTHER BUSINESS:** Mr. MacDonald noted that the meeting would be Scott Jordan's last. He said thank you on behalf of Treasurer Grossman's office. Mr. MacDonald noted that in his time at the Trust, Mr. Jordan has been helpful and has served all administrations with distinction. His departure will be a loss to state government.

**ADJOURN:** Seeing no other business, at 11:20 AM the motion to adjourn was made by Steven McCurdy, seconded by Scott Jordan and voted unanimously in favor.