

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

March 4, 2015
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

MINUTES

Attendees: James A. MacDoanld, First Deputy Treasurer
Steven McCurdy, Director of Municipal Services, MassDEP
Rachel Madden, Executive Office for Administration and Finance

Also Present: Sue Perez, Executive Director, MCWT
My Tran, Treasurer, MCWT
Ryan Wall, Assistant Treasurer, MCWT
Bernard Greene, Senior Legal Counsel, MCWT
Nathaniel Keenan, Program Manager, MCWT
Heather Saxelby O'Donnell, MCWT
Sally Peacock, Accountant, MCWT
Joe Delaney, Deputy Director of Municipal Services, MassDEP

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:50 PM.

Item #1

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Rachel Madden and **voted unanimously in favor** of acceptance and approval of the minutes of the meeting held on February 4, 2015.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

1. The Board of Trustees meeting originally scheduled for April 1, 2015 will be moved to April 8, 2015. The Audit Committee will hold its annual meeting during a break in the Board meeting.
2. Nate Keenan presented the Calendar Year 2014 Investment Report. The report was an overview of the Trust's investments, including the criteria the Trust uses when investing, which are safety, liquidity and yield. He noted that the Trust invests in Guaranteed Investment Contracts (GICs) for the debt service reserve funds of many of its bonds, though the amount of funds invested in GICs has been declining. Ms. Perez noted that the run off in GICs will continue, although the Trust will not voluntarily terminate any GICs as the market has stabilized. Mr. Keenan noted that there were not as many problems with the credit ratings of GIC providers as in the past. Mr. McCurdy noted that one GIC provider, Bayerische Landesbank, is not rated, but, as Ms. Tran explained, that GIC will be terminating in August, 2015. Ms. Perez noted that the MMDT short-term bond fund provides a more diversified portfolio than the Trust's eligible investments. The Trust is considering investing additional funds into the short-term bond fund in the future.

Item #3

MOTION- VOTE

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

Approval of revised form of Financing Agreement and Terms and Conditions Thereto for Trust Loans

1. That the revised standard form of Financing Agreement including the revised Terms Conditions to Financing Agreement (together, "Financing Agreement") for financing eligible costs of Water Pollution Abatement Projects and Drinking Water Projects under the Trust's Clean Water Program and Drinking Water Program for making direct loans, leveraged loans, interim loans, or, as applicable, the purchase of local governmental obligations (collectively, "Financings"), are hereby approved in substantially the forms presented at or prior to this meeting, with such additions, deletions and other changes thereto, not inconsistent with the Master Trust Agreement adopted by the Board on December 3, 2014, as may be approved by the Chairman or Vice Chairman of the Trust (or any designee thereof pursuant to G.L. Ch.30 §6A) or the Executive Director or the Treasurer of the Trust (each, an "Authorized Officer").
2. That (a) the Financing Agreement approved in Paragraph 1 is further approved for use in making Financings heretofore approved by the Trust and in place of the standard form of Financing Agreement approved at the time of the original vote of the Trust approving the terms of such Financings (the "Original Votes"), in each case to the extent not inconsistent with this vote or with the Original Votes.

3. That the Board of Trustees hereby delegates to the Executive Director authority to do all things necessary to incorporate the Financing Agreement into the Trust's loan programs, including making such non-substantive changes and corrections to the Financing Agreement as necessary or convenient for the efficient and effective administration of the Trust's loan programs.

Item #4

MOTION-VOTE

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

Approval of Amended Investment Policy

1. That the revised Investment Policy of the Trust, which was approved by the Board in a different form on March 6, 2013, is hereby approved and adopted by the Board.

Item #5

MOTION- VOTE

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

Authorization for the Executive Director to Implement a Cash Defeasance and/or Redemption Strategy for Outstanding Trust Bonds

1. That the Executive Director is hereby authorized, pursuant to, and in accordance with the applicable Bond Resolutions adopted previously in connection with the issuance of the Trust's Bonds to defease, in whole or in part and at such time as the Executive Director determines to be in the best interest of the Trust, certain of the remaining outstanding maturities of any of the Bonds.
2. That the Executive Director is further authorized to fund such defeasance of the Bonds by transferring, for such purpose, moneys on deposit in the Trust's Equity Funds.
3. That the Board hereby delegates to the Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Chapter 30, §6A) and the Executive Director and Treasurer of the Trust (each an "Authorized Officer"), authority to negotiate and enter into such undertakings as the Executive Director determines to be necessary and appropriate and to take all such further actions, as necessary or desirable, in connection with the defeasance and payment in full of the Bonds, using cash from the Trust's Equity Funds, including signing all notices, instructions, certificates, agreements, and other documents required for such purpose.

Item #6

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Rachel Madden 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:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>
DW-13-13	Medway	\$3,376,702 ¹

- 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 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 [2%]

- That pursuant to Chapter 29C of the General Laws of the Commonwealth of Massachusetts, as amended (the “Enabling Act”) and the Master Trust Agreement adopted by the Trust on December 3, 2014 Loans to, or, as appropriate, the purchase of Local Governmental Obligations from, the following Borrowers 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:

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>
CW-13-22	Chicopee	\$1,000,000 ²
CW-14-13	Easthampton	\$1,100,000

- 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.
- 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

¹ First Revision. Original PAC amount was \$2,843,000.

² First Revision. Original PRA amount was \$558,800.

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: None.

ADJOURN: Seeing no other business, at 2:15 PM, the motion to adjourn was made by Steven McCurdy, seconded by Rachel Madden and voted unanimously in favor.