

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

March 9, 2016
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

Minutes

Attendees: Treasurer Deborah Goldberg, Chair
Steven McCurdy, Director of Municipal Services, MassDEP

Also Present: James A. MacDonald, First Deputy Treasurer
Maureen Godsey Valente, Second Deputy Treasurer
Susan E. Perez, Executive Director, MCWT
Nathaniel Keenan, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Bernard Greene, Senior Legal Counsel, MCWT
Sally Peacock, Controller, MCWT
Shahrima Hussain, Senior Accountant, MCWT
Pam Booker, Accountant, MCWT
William Kalivas, Treasury Specialist, MCWT
Heather Saxelby O'Donnell, Program Specialist, MCWT
Dan Truong, Assistant Communications Director, Office of the State Treasurer &
Receiver General
Joe Delaney, Deputy Director of Municipal Services, MassDEP
Connor Roth, Intern, Environmental League of Massachusetts
Gabby Queenan, Intern, Environmental League of Massachusetts

CALL TO ORDER: The meeting was called to order by Treasurer Goldberg at 1:37 PM.

Item #1

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Treasurer Goldberg and **voted unanimously in favor** of acceptance and approval of the minutes of the meeting held on February 3, 2016.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

1. In addition to items on the agenda, the Executive Committee has been reviewing the request from the Cape Cod Commission for additional funds originally in the amount of \$3 million. However, the commission has pared down the original request to cover only the technical assistance portion, which would require \$750,000 to \$1 million. The Cape Cod Commission would use the requested funds primarily to assist communities in watershed plan development. The commission would help communities prepare plans if they had not done so on their own. Alternative funding has been identified for the Commission, so the Trust will not be financing the request.
2. The Trust will be voting to eliminate the interim loan interest that it currently charges on interim loans. The interim loan rate is one-half of the "MMDT Index." The Trust has found that borrowers can get bond anticipation notes at a similar rate as the interim loan notes. The Trust has not collected a great deal based on the interim loan interest. The amount received is about \$150,000 annually. In addition to the elimination of the interim loan interest, the Board is being asked to approve eliminating the interim loan fee. The fee is between \$500 and \$1000 based on the cost of the loan. By eliminating interest and fees, the Trust will provide borrowers with an incentive to avoid taking out bond anticipation notes. Eliminating these items will reduce the administrative burden on the Trust staff, in tracking the interim loan interest and closing out the interim loans. Treasurer Goldberg said she was in favor of this plan, as it shows support for communities.

Item #3

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Treasurer Goldberg and **vote unanimously in favor** of the following:

Approval and Ratification of Replacement Loans and Financing Agreements therefor¹

1. That, if the Trust has previously authorized and made a Loan to, or purchased Local Governmental Obligations from, a Borrower to finance or refinance costs of a Project and the Borrower has been required to prepay a portion of such Loan or

¹On October 24, 2001, the Trust approved the making of so-called Replacement Loans under the Program Resolution and approved separate forms of Loan Agreement for Drinking Water and Clean Water Replacement Loans. On March 4, 2015, the Trust approved a single standard form of Financing Agreement for direct loans, leveraged loans, interim loans, or the purchase of local governmental obligations. This vote is to approve and ratify the making of Replacement Loans under the Master Trust Agreement and to approve and ratify the use of the Trust's standard form of Financing Agreement when making Replacement Loans.

local governmental obligations under the terms of the Financing Agreement therefor prior to the completion of such Project, the Trust is hereby authorized to make a replacement Loan (a "Replacement Loan") to such Borrower at the same grant equivalency level as such original Loan or local governmental obligations in an amount approved by the Department not to exceed the amount of unspent proceeds of the original Loan or local governmental obligations applied to the prepayment thereof. Any such Replacement Loan shall be made to the Borrower pursuant to the Master Trust Agreement dated as of January 1, 2015 (the "Master Trust Agreement") between the Trust and U.S. Bank National Association, as Master Trustee (with all capitalized terms used in this vote having the meaning given such terms in the Master Trust Agreement), and a Financing Agreement in the form approved in Paragraph 2 of this vote, and shall be initially funded from the Clean Water Equity Fund or the Drinking Water Equity Fund, as applicable, until such time, if ever, that it is refinanced with proceeds of Bonds.

2. That, for the avoidance of doubt, the standard form of Financing Agreement as most recently approved by the Trust on March 4, 2015 shall also be the standard form of Financing Agreement for Replacement Loans, and the execution and delivery thereof by Authorized Officers of the Trust, are hereby approved and ratified in substantially the same form, with such additions, deletions and other changes thereto, not inconsistent with this vote, as the Authorized Officers executing and delivering the same may approve, such execution and delivery to be conclusive evidence of approval and ratification of all such changes.
3. That each Authorized Officer 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 Replacement Loans and the funding thereof as contemplated hereby or thereby.

Item #4

MOTION- VOTE

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

Approval to Remove the Interim Loan Fee and the Interim Loan Interest Rate as of April 1st, 2016

1. That the removal of the Interim Loan Fee and the Interim Loan Interest Rate is hereby approved as of April 1st, 2016.
2. That the Executive Director and Deputy Director of the Trust are hereby authorized: (i) to remove the Interim Loan Fee charged to borrowers and remove the Interim Loan Interest Rate charged to borrowers as they determine to be appropriate and necessary to achieving the goals of simplifying interim loan borrowing and (ii) to do all such further an additional things necessary to carry out the purposes and intents of this Board action.

Item #5

MOTION- VOTE

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

Approval and Adoption of Amended Debt Management Policy

1. That the Debt Management Policy previously presented to the Board of Trustees for review is hereby approved and adopted by the Board.

Item #6

MOTION-VOTE

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

Drinking Water Commitments

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>	<u>Equivalent Interest Rate</u>
DW-15-06	Brockton	\$4,879,188 ²	2%
DW-16-01	Falmouth	\$8,658,900	2%

Item #7

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by Treasurer Goldberg 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>
CW-13-02-A	Fall River	\$487,150	2%

OTHER BUSINESS: Mr. McCurdy stated that he wanted to take a minute to note that Joe Delaney will be leaving MassDEP. Mr. McCurdy thanks Joe for his many years of service with MassDEP.

ADJOURN: Seeing no other business, at 1:47 PM the motion to adjourn was made by Steven McCurdy, seconded by Treasurer Goldberg and voted unanimously in favor.

²First Revision. Original PAC amount was \$2,810,000.