

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

April 8, 2015
1:30 PM

Conference Room
3 Center Plaza, Suite 430
Boston, Massachusetts

MINUTES

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

Also Present: Sue Perez, Executive Director, MCWT
My Tran, Treasurer, MCWT
Bernard Greene, Senior Legal Counsel, MCWT
Nathaniel Keenan, Program Manager, MCWT
Heather Saxelby O'Donnell, MWCT
Sally Peacock, Controller, MCWT
Pam Booker, Accountant, MCWT
William Kalivas, Accountant, MCWT
Joe Delaney, Deputy Director of Municipal Services, MassDEP
Shawn Warren, Audit Partner, KMPG

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:35 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 March 4, 2015.

Item #2

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 March 11, 2015.

Item #3

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported on the following:

1. The Trust will be working with the Governor's office to develop new affordability criteria for Environmental Justice projects. The Trust hopes that by developing more focused criteria, it will be able to provide funds to communities most in need of assistance.
2. Trust and MassDEP staff will be holding the annual meeting of borrowers across the Commonwealth during the week of April 6, 2015. On Tuesday, April 7, presentations were made in Worcester and Springfield. On Thursday, April 9, presentations will be made in Wilmington and Lakeville.
3. An Audit Committee meeting will take place following this report. At the Audit Committee Meeting Mr. Shawn Warren will present the findings of the Fiscal Year 2014 Audit.

[A break for the meeting of the Audit Committee occurred after the approval of minutes and report of the executive committee at 1:40 PM and lasted for 10 minutes]

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:

Engagement of Annual Audit Services for Fiscal Years ending June 30, 2015, 2016 and 2017

1. That the approval of the Audit Committee of the recommendation by the Procurement Management Team, established pursuant to the Trust's Request for Responses: Annual Audit Services, dated February 27, 2015 (the "RFR"), previously distributed to the Board, is hereby approved.
2. That the Board hereby delegates authority to the Executive Director to negotiate and reach agreement and execute a contract or contracts with the selected auditing firm in accordance with the RFR, and to take all such further actions necessary to finalize the engagement of said auditor.

Item #5

MOTION- VOTE

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

Amended Clean Water Loan Commitments [2%]

1. That Loan Commitments for eligible costs under G.L. Ch. 29C, §6 heretofore approved to the following Borrowers (a) for the Water Pollution Abatement Projects 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% are hereby **amended** to be for the following principal amounts:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>
CW-14-19	New Bedford	\$8,279,605¹
CW-11-15	Webster	\$575,000²

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 Rachel Madden 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:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>
DW-15-02	Falmouth	\$16,000,000
DW-15-03	New Bedford	\$4,323,792

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

¹ First Revision. Original PAC amount was \$7,453,450.

² Second Revision. Previous PAC amount was \$496,538.

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 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-14-09	Barnstable	\$1,556,339³

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 #8

MOTION- VOTE

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

Clean Water Loans/Local Government Obligations and Financing 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 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>
CWP-14-30	Brockton	\$1,750,000
CW-14-05	Chicopee	\$25,478,178⁴
CWP-14-15	Haverhill	\$6,464,500
CWP-14-32	Middleborough	\$25,000,000

³ First Revision. Original PAC amount was \$1,428,500.

⁴First Revision. Original PRA amount was \$17,855,607.

CWP-14-28	Montague	\$1,951,059
CWP-14-19	New Bedford	\$8,279,605
CWP-14-27	Springfield Water & Sewer Commission	\$20,148,628
CWP-14-12	Revere	\$10,982,142
CWP-14-26	Taunton	\$4,129,082
CWP-11-15	Webster	\$575,000⁵

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.

Item #9

MOTION- VOTE

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

Clean Water Loans/Local Government Obligations and Financing Agreements [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 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 0%, as follows:

<u>Project/PAC No.</u>	<u>Borrower</u>	<u>Loan/LGO Amount</u>
CWP-14-22	Falmouth	\$4,400,000
CWP-14-23	Falmouth	\$32,869,482

⁵ Second Revision. Previous PRA amount was \$496,538.

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.

Item #10

MOTION- VOTE

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

Drinking Water Loans/Local Government Obligations and Financing 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, 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 Drinking Water 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>
DWP-14-09	Barnstable	\$1,556,339
DWP-14-08	Fall River	\$3,361,301
DWP-14-04	Falmouth	\$18,600,000
DWP-15-02	Falmouth	\$16,000,000
DWP-14-05	New Bedford	\$5,000,000
DWP-15-03	New Bedford	\$4,323,792

2. That the 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, is 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 Loan or the Local Governmental Obligations as contemplated hereby or thereby and by the Enabling Act.

OTHER BUSINESS: None

ADJOURN: Seeing no other business, at 1:52 PM the motion to adjourn was made by Steven McCurdy and voted unanimously in favor.