

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

May 6, 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

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

CALL TO ORDER: The meeting was called to order by Mr. MacDonald at 1:30 PM.

Item #1

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by James MacDonald and voted unanimously in favor of acceptance and approval of the minutes of the meeting held on April 8, 2015.

Item #2

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Perez reported the following:

1. Later in the meeting, the Board will vote to approve a Principal Forgiveness Policy and amounts. The legislation that was passed last year authorized the Trust to give additional Principal Forgiveness. The vote will solidify the policy, which reflects current practices in the Intended Use Plan as it relates to Principal Forgiveness. Trust staff has been coordinating with the Governor's office to determine affordability criteria using data from the Department of Revenue. Currently, the Environmental Justice designation is quite broad and includes most communities in the Commonwealth.
2. To comply with federal law changes, the Trust has continued to work on Best Management Practices. The expected completion date for the practices is May 18th. The Trust and MassDEP are planning to assemble a group of stakeholders to review the practices. The stakeholder group will include staff from the Department of Revenue. To date there have been several requests from individuals who would like to participate in the stakeholder review of the Best Management Practices.

Item #3

MOTION- VOTE

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

Environmental Justice- Principal Forgiveness Policy

1. That the Environmental Justice Principal Forgiveness Policy, presented to the Board of Trustees for review, is hereby approved and adopted by the Board.

Item #4

MOTION- VOTE

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

Settlement of Dispute with Wells Fargo Bank and Receipt and Deposit of Settlement Funds

1. That the Board of Directors hereby approves and ratifies all actions taken by the Executive Director, including the execution of a Settlement Agreement, in connection with the settlement of a dispute (the "Dispute") with Wells Fargo Bank, N.A. (the "Bank") concerning the failure of the Bank to reinvest certain State and Local Government Series securities (SLGS) required to be reinvested by the Refunding Trust Agreement related to the refunding of the Trust's Series 9 Bonds.
2. That the Executive Director is hereby authorized to receive and deposit in trust, pursuant to General Laws, chapter 29C, section 4(a) and section 18(b), all moneys received by the Trust from the Bank under the Settlement Agreement related to the Dispute and to do, or cause to be done, any and all further steps or

actions deemed necessary or appropriate to carry into effect the full intent and purpose of the foregoing.

Item #5

MOTION- VOTE

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

Environmental Justice- Principal Forgiveness

1. That the final amounts of principal forgiveness for the Leveraged Loans or Local Governmental Obligations or Interim Loans in anticipation thereof, heretofore approved by the Board for the Water Pollution Abatement Projects of the Borrowers listed in Schedules 1 and 2 attached hereto, are hereby approved in the amounts listed on Schedules 1 and 2, upon the terms and conditions of the Financing Agreements pertaining thereto.

Item #6

MOTION-VOTE

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

Amended Clean Water Loan Commitment [2%]

1. That a Loan Commitment for eligible costs under G.L. Ch. 29C, §6 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 principal amount:

<u>PAC No.</u>	<u>Borrower</u>	<u>Amount</u>
CW-14-18	Haverhill	\$3,283,090 ¹

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 James MacDonald and **voted unanimously in favor** of acceptance of the following:

Clean Water Loan Commitment [2%]

1. That a Loan Commitment for eligible costs under G.L. Ch. 29C §6 is hereby approved to the following Borrower (a) for the Water Pollution Abatement Project, (b) for a loan in the aggregate principal amount and (c)

¹ First Revision. Original PAC amount was \$2,375,076.

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>
CW-15-03	Lowell Regional Wastewater Utility	\$5,267,424

- 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 James MacDonald and **voted unanimously in favor** of acceptance of the following:

Amended Drinking Water Loan Commitment [2%]

- 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-14-07	Paxton	\$1,370,000 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 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.

² First Revision. Original PAC amount was \$1,285,000.

Item #9

MOTION- VOTE

The motion was made by Steven McCurdy, seconded by James MacDonald 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 January 1, 2015, 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-12-18-B	Billerica	\$160,182
CW-14-18	Haverhill	\$545,000
CW-14-31	Manchester-by-the-Sea	\$250,000
CW-14-11	Revere	\$1,200,000

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 James MacDonald 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 January 1, 2015, 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>
DW-15-01	Eastham	\$2,979,493
DW-13-13-A	Medway	\$1,722,600
DW-14-07	Paxton	\$1,370,000
DWP-13-15-A	Webster	\$196,585

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: Mr. MacDonald requested an update from the Cape Cod Commission, which received a grant from the Trust to do a comprehensive water management plan. Mr. MacDonald would like to know what has been spent to date and what the current status of the

project is. Mr. McCurdy noted that there have been numerous meetings regarding the draft of the plan. Mr. Delaney stated that invoices have been submitted through March 2015 and he estimated that there was \$300,000 left on the grant. Mr. McCurdy suggested that the executive director of the commission be invited to speak regarding the project at an upcoming Board of Trustees meeting. Mr. MacDonald stated that the executive director of the Cape Cod Commission already has a meeting scheduled with Treasurer Goldberg on June 29th. He suggested that the executive director also meet with the Board of Trustees that day.

ADJOURN: Seeing no other business, at 1:45 PM, the motion to adjourn was made by Mr. McCurdy, seconded by Mr. MacDonald and voted unanimously in favor.