

**Minutes  
Executive Committee Meeting  
Massachusetts Clean Water Trust**

**DATE:** Wednesday, January 10, 2018

**START TIME:** 1:30 p.m.

**PLACE:** State House, Room 327

**NOTICE:** Due public notice given

**MEMBERS OF THE EXECUTIVE COMMITTEE –**

**PRESENT:** Sue Perez, Executive Director of the Trust  
Rachel Madden, Director of Finance & Administration of the Trust  
Steve McCurdy, Director of Program Development, of the Trust

**ALSO PRESENT:** Bernard Greene, Senior Legal Counsel of the Trust  
Nate Keenan, Deputy Director of the Trust  
Jonathan Maple, Program Associate of the Trust

**SUMMARY OF DISCUSSIONS (INCLUDING DECISIONS MADE/ACTIONS TAKEN/ VOTES):**

1. Fiscal Year 2019 Budget. Ms. Madden reported that the Governor's FY 2019 budget is requesting an increase of 14% in the contract assistance amount budgeted for the Trust. This will result in the Trust receiving \$63,383,360.
2. Advisory Working Group. Mr. Maple reported on the RFR for consulting engineering services for asset management plans that was posted on December 20, 2017. A total of 30 questions were received and answers will be posted on Friday, January 12. We are still discussing the lead service lines proposal with the Commissioner. The discussions are limited because of the anticipated new EPA rule on lead and copper that may impact whatever is planned by Massachusetts.
3. Emergency Planning. The Committee discussed steps that the Trust could take in response to an emergency affecting a Massachusetts community where the Trust could quickly fill a financing gap that may exist in the federal and state's response. Mr. McCurdy noted that Davis-Bacon labor rates and American iron and steel requirements are some of the impediments to a quick response by the Trust to finance rebuilding or repairing major facilities. Mr. McCurdy expects that EPA may be willing to carve out exceptions to these rules in the case of emergencies.
4. Calculation of Additional Subsidy Criteria. Mr. Keenan followed up on the discussion at a previous meeting of changing the method used to calculate the additional subsidy criteria. He noted that any change would result in many of the Trust's largest borrowers receiving less subsidy and the numbers being skewed towards the smaller cities and towns. His recommendation was that we should not make any changes to the calculation at this time.

5. Springfield Water Reserve Requirements. The Committee discussed an inquiry from EPA regarding whether the state requires that borrowers maintain large reserve funds that are not reduced as bonds are paid off. This is not a Trust requirement; if it exists, it is the borrower's own bond resolution requirement. The Springfield Water and Sewer Commission (SWSC) is one such borrower. SWSC has a debt service reserve fund requirement that current debt service equal to 10% of maximum annual debt service. Mr. Keenan and Ms. Perez plan to have a discussion with SWSC to see if the Trust could assist.
6. Procurements. Mr. Keenan reported on the outstanding and soon to be issued procurements of the Trust. The RFR for consulting engineering services has been issued and the Trust is responding to questions that have come in today. Responses of the engineering firms are due on January 24. The RFR for bond counsel legal services was issued on January 8 and responses are also due on January 24. An RFR for underwriting services will be issued on Friday. The bond counsel and underwriter's recommendations should be ready for presentation to the Board at the February 7 meeting. The Series 21 Bonds are currently planned to be issued in April or May.
7. Exchange of Unused Bond Proceeds (Swap). Mr. Keenan reported on the exchange of unused bond proceeds that is being organized now. The Trust will be including Series 19, 18, and 17. The Trust is still waiting on complete information from MWRA and there are plans to meet with them to get this finalized.
8. Housing Choice Initiative. The Committee discussed the Governor's Housing Choice initiative to increase housing production in the state and what support the Trust can give to communities that participate in the program. An interest rate subsidy for communities that have the Housing Choice designation was presented as one way to offer an incentive to communities that participate. Such a subsidy would be funded with contract assistance from the state over the term of the loan.
9. Intended Use Plan Event. Ms. Madden initiated a discussion of the proposed event to be held when the intended use plan is issued. The event would be held in late January on the Cape at the Town of Harwich. The State Treasurer and the Lt. Governor would be invited.

The meeting adjourned at 2:30 p.m.

**Approved: 09/12/2018**