

Minutes
Executive Committee Meeting
Massachusetts Clean Water Trust

DATE: Tuesday, November 21, 2017

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. Falmouth. Ms. Perez reported that she called the Falmouth Town Manager to see if the town had made a decision regarding the Trust's offer to convert their loan into a zero-percent loan with credit for the time that Wind 2 was operational. She learned that the town is looking at several options. There is also a citizens group lobbying to restart at least one of the wind turbines.
2. Portigon. Ms. Perez reported on the negotiations with Portigon, the successor to WestLB, to terminate the subsidy fund associated with the New Bedford 1998A investment contract. Portigon offered to pay \$26.5 million for the invested funds plus a fixed premium of \$4.1 million. Their offer did not include interest accruing after their calculation date or the Trust's investment advisor's fees. Ms. Perez noted that the amount Portigon was offering, (\$30.6 million), was only slightly greater than the amount that was pledged to the Trust as collateral (\$30.4 million). The Trust communicated to Portigon that their offer was not accepted.
3. Intended Use Plan. Mr. McCurdy reported that the 2018 Intended Use Plan has been submitted for approval by the E/O Administration and Finance and the Governor. Once DEP has the necessary approvals it will release the document.
4. Exchange of Unused Proceeds (Swap). Mr. Keenan reported on the exchange of unused proceeds from Series 17, 18, and 19, which will be processed together. The Swap is scheduled to close in mid-February to avoid effecting the February borrower repayments.
5. Advisory Working Group. Ms. Perez reported on the efforts to find ways to implement Commissioner Suuberg's suggestions to the Board in June that the Trust support programs for making grants to municipalities to develop asset management plans, replacing lead service lines, and assisting communities with the new storm water permitting requirements.

Trust staff conducted a meeting with various staff from DEP, EPA and Mass. Water Works to have initial discussions to begin gathering information regarding the extent of lead service line problems and possible solutions. There was not a clear consensus of the best way to proceed. The group planned to reach out to the Commissioner and most likely meet again.

Regarding the asset management plans that the Commissioner has proposed assisting municipalities to prepare, Mr. Maple is drafting a RFR to establish a pre-qualified list of engineering firms from which cities and towns can select for assistance in the development of their asset management plans. The Trust will use the State's procurement website to post the RFR, but cities and towns will negotiate contracts with the engineering firms using their own processes. The Trust will use the responses to the RFR to help determine the details of the program to be offered.

6. Lead in School Water Initiatives. Mr. McCurdy reported that DEP wants to add head start programs and special education programs operated by nonprofit organizations to the initiative to test school drinking water. The Committee discussed how to focus the program's limited resources on certain defined groups, such as programs that receive significant federal funding. Mr. McCurdy noted that Head Start programs are 80% federally funded.
7. Environmental and Disaster Vulnerability Planning. Mr. Keenan reported that Secretary Matthew Beaton of the E/O of Energy and Environmental Affairs, at this year's Investor's Conference, discussed how the commonwealth is planning to address the potential vulnerability of state infrastructure to environmental and other risks. Each executive office has appointed a climate change point person. The Committee discussed the potential vulnerability of CW and DW critical assets. Mr. Keenan added that funding for disasters was discussed at the recent CIFA meeting. Mr. McCurdy stated that much can be done to weatherproof assets. For example, Deer Island is built on a concrete foundation that can withstand severe storms. DEP's "Technical Resources Manual 16" requires that renovations of facilities be done with flooding in mind. Money is available through the SRF to upgrade facilities to make them more climate resilient. Ms. Madden said she will contact Secretary Beaton to ask who is the contact person for sustainability work at EEA.

The meeting adjourned at 2:20 p.m.

Approved: 09/12/2018