

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

**Meeting Date:** August 22, 2018

**Time:** 1:30 p.m.

**Location:** Executive Office for Administration and Finance  
State House Room 373  
Boston, Massachusetts 02133

**NOTICE:** Due public notice given

**Attendees:** Sue Perez, Executive Director  
Steven McCurdy, Director of Program Development of the Trust

**Also Present:** Nathaniel Keenan, Deputy Director of the Trust  
Maya Jonas-Silver, Director of Capital and Long Term Debt Obligations  
of the Commonwealth

**Call to Order:** The meeting was called to order by Ms. Perez at 1:30 p.m.

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

1. Approval of Minutes: A final draft minutes from previous meetings are still being completed. They are expected to be ready for a vote at the next meeting.
2. State Revolving Fund Series 21 Green Bond Deal and Investor Lunch Update: Ms. Perez stated the Trust and the Commonwealth will be holding a joint investor luncheon at Citigroup's offices, they are acting as lead underwriter for the Trust financing. The Trust is selling \$162.3 million in Green Bonds. Currently there are ten investors signed up for the luncheon.
3. Principal Forgiveness Calculation for SFY 2017: Mr. Keenan presented the committee with the numbers for principal forgiveness for 2017. The amounts to be forgiven for clean water and drinking water come from the federal grants. Ms. Jonas-Silver, who replaced Ms. Madden on the Executive Committee, asked for more background on the process. Mr. Keenan explained that these projects were receiving additional subsidies in the form of principal forgiveness because the communities qualified based on an affordability metric developed in accordance with the WRDDA update to the Clean Water Act. The metric takes population growth from 2000-2010, employment and per capita income and comes up with an Adjusted Per Capita Income figure. Any communities under the state average qualify for principal forgiveness, however, it is a tiered system. Communities that are 81-99% of the state average get half a share, communities 61-80% get a full share and communities below 60% get one a half shares. This way more subsidy is

targeted towards lower income communities. The Trust uses the same method of distributing principal forgiveness for both clean water and drinking water projects. 10% of the clean water grant must be given away, \$4.5 million in 2017, and 20% of the drinking water grant, \$3.06 million for 2017.

4. EPA Annual Report Kickoff: Mr. Keenan reported the Trust is working to redo the format of the EPA Annual Report because it is redundant in places. Since the clean water and drinking water programs are run using the same processes in Massachusetts it seems unnecessary to call out the same information in different parts of the report. Ms. Perez suggested making the changes in a Microsoft Word document and then sending it to the EPA for approval before making the changes in the final form.
5. Green Bond Report: Mr. Keenan presented Ms. Jonas-Silver and Mr. McCurdy with the Trust's Annual Green Bond Report for 2018. Ms. Perez walked the committee through the report and explained the report categorizes projects by types and reports on the amount drawn of each loan. Mr. McCurdy asked if the Trust was required to report until the bonds were no longer outstanding. Ms. Perez replied that the Trust has committed to reporting until the funds are fully drawn from the project fund for each series, usually two years. Mr. McCurdy then asked if there was a tangible benefit to the Trust to issuing this report. Ms. Perez stated that all this information is already prepared in different reports and only has to be pulled together. Also, she mentioned that the Green Bond market is growing with more investors interested in environmentally beneficial projects and more funds are being created with the mandate of investing in these types of projects. Mr. Keenan stated that even though it could not be unequivocally demonstrated, he believed the Green Bond designation and the marketing done around the bond sale helped in the last pricing because there was involvement of new investors the Trust had not seen before. The short-term goal is to increase the investor base with the long-term goal of being able to sell bonds for less due to the increased demand.
6. Other Business:
  - a. Fiscal Year 2019 Budget: Mr. McCurdy reported that he is finalizing his budget and will have it ready to present at the next executive committee meeting. It is planned that it will be voted at the September board meeting. There will be a budget placeholder for the Disadvantaged Business Enterprise study. A Request for Information is being posted this week to request costs for the study. Also, there is a line item for IT services. The Executive Office has requested MassDEP pay for an outside consultant to review MassDEP's cloud-based database and help with improvements to the system.
  - b. Three Bays Watershed Request for Proposal (RFP): Mr. Keenan reported on a RFP that Three Bays Watershed in Barnstable has issued in conjunction with the Town of Barnstable and the Nature Conservancy. In reviewing the RFP it seems that they are looking for a project manager to provide different options of alternative projects they could investigate to solve their nitrogen

issues and alternative financing possibilities. The Trust has been looking to partner with a town to develop a unique financing mechanism to test the viability of alternative technologies to see if they can then be scaled. This could be a possibility, but it is very early in the process and the Trust plans to hold a call with the parties next week depending upon availability.

- c. Sponsorship Lending Model: Mr. Keenan reported that there was a call scheduled for next Wednesday, 8/29, with several environmental organizations and the Executive Office of Energy and Environmental Affairs to discuss the sponsorship lending model for green infrastructure projects. The people on the call have not yet been confirmed and the committee does not have more information at this time. Ms. Jonas-Silver asked if this was like the program the Trust had recently implement for removing lead service lines. Mr. Keenan replied that it is, and the committee has discussed using this model for green infrastructure previously.
- d. Program Counsel Request for Responses: Mr. Keenan reported the Trust's contract with its Program Counsel, Mintz Levin, is running out and there will be a new procurement going out shortly.
- e. EPA Event: On September 12<sup>th</sup>, Massachusetts will be receiving an award from EPA for the lead in schools testing. The award is called the Children's Environmental Health Award.

The meeting adjourned at 2:25 p.m.

**Approved:**