

**COMMITTEE ON FINANCE - September 17, 2018**  
**MEETING AT 6:30 PM, 133 William Street, New Bedford, MA - City Council**  
**Chambers, Room 214**  
**AGENDA**

1. COMMUNICATION, R. Renee Fernandes, City Treasurer/Collector, to Councillor Joseph P. Lopes, Chairman, Committee on Finance, presenting a request for interim loan financing for the Massachusetts Clean Water Trust projects DWP-17-06 and DWP-17-07; these loans were originally approved by the Finance Committee in March of 2018, however, the amounts have been amended based on the results of the bidding process. (Ref'd 8/29/18)

**INVITEES: R. Renee Fernandes, City Treasurer/Collector; Ari Sky, CFO**

***In accordance with the Americans with Disabilities Act (ADA), if any accommodations are needed, please contact the Clerk of Committees Office at 508-979-1482. Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.***



Item Title:

Interim Loan Financing Request / Massachusetts Clean Water Trust Projects

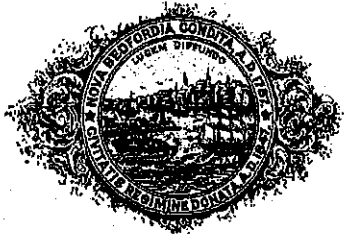
Item Detail:

1. COMMUNICATION, R. Renee Fernandes, City Treasurer/Collector, to Councillor Joseph P. Lopes, Chairman, Committee on Finance, presenting a request for interim loan financing for the Massachusetts Clean Water Trust projects DWP-17-06 and DWP-17-07; these loans were originally approved by the Finance Committee in March of 2018, however, the amounts have been amended based on the results of the bidding process. (Ref'd 8/29/18)

Additional Information:

ATTACHMENTS:

Description	Type
1. Interim Loan Financing Request	Cover Memo
DWP-17-06	Cover Memo
DWP-17-07	Cover Memo



**CITY OF NEW BEDFORD**

**MASSACHUSETTS**

**OFFICE OF THE TREASURER**

**R. Renee Fernandes**  
Treasurer/Collector

**Mark P. Fuller**  
Assistant Treasurer

**Blair S. Bailey**  
Tax Title Attorney

August 29, 2018

Councilor Joseph Lopes  
Finance Committee Chairman  
133 William Street, 2<sup>nd</sup> Floor  
New Bedford, MA 02740

Dear Councilor Lopes:

Thank you for allowing me to appear on the September 17, 2018, Finance Committee meeting agenda. I will be presenting a request for interim loan financing for the Massachusetts Clean Water Trust projects DWP-17-06 and DWP-17-07. These loans were originally approved by the finance committee last March but the amounts have been amended based on results of the bidding process. I am also including a copy of the vote to be considered. The interim loans are available to the City at an interest rate of 0.0%.

Should you require additional information about the scope of this project, please contact Jamie Ponte or Molly Gilfeather at the Department of Public Infrastructure.

Thank you for your consideration.

Respectfully,

R. Renee Fernandes  
Treasurer-Collector

c: Ari Sky, CFO  
Jamie Ponte, DPI Commissioner  
Molly Gilfeather, DPI

## VOTE OF THE COMMITTEE ON FINANCE

I, the Clerk of the Committee on Finance of the City Council of the City of New Bedford, Massachusetts, certify that at a meeting of the Committee held September 17, 2018, of which meeting all members of the Committee were duly notified and at which a quorum was present, the following vote was passed by a vote of \_\_\_\_ in favor and \_\_\_\_ against, all of which appears in the official records of the Committee in my custody:

Voted: (i) to approve the sale of the following zero percent Interim Loan Notes of the City to the Massachusetts Clean Water Trust (the "Trust"), such loans to be dated and delivered upon such dates as shall be determined by the Treasurer, (ii) to approve the related Financing Agreements and the execution and delivery thereof by the Treasurer, and (iii) to approve the delivery of the following Bonds to the Trust upon such terms and at such subsidized rate of interest as is available from the Trust pursuant to the applicable Financing Agreement on the date or dates of delivery of the Bonds, such date or dates of delivery to be as determined by the Trust and approved by the Treasurer:

<u>Loan No.</u>	<u>Amount</u>	<u>Date of Approval of Loan Order</u>	<u>Purpose</u>
DWP-17-06	\$ 5,360,049	11/23/16	Large Meter & AMI Upgrade
DWP-17-07	13,734,899	11/23/16	High Hill Reservoir Rehabilitation

I further certify that the vote was taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above vote) was filed with the City Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the City Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decisions in connection with the sale of the Interim Loan Notes or the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25 as amended.

Dated: September 17, 2018

\_\_\_\_\_  
Clerk of the Committee on Finance

# BORROWERS COPY

Financing No: **DWP-17-06**

Date: **July 11, 2018**

Borrower: **City of New Bedford**

Initial Obligation Amount: **\$5,360,049**

Financing Type:



Loan



Bond Purchase Obligation

## FINANCING AGREEMENT

This Financing Agreement (this "Financing Agreement") is entered into by and between the Massachusetts Clean Water Trust (together with its successors and assigns, the "Trust"), an instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") and the borrower listed above, a political subdivision or public instrumentality (together with its successors and assigns, the "Borrower"). The agreement between the Trust and the Borrower is comprised of this Financing Agreement and includes the attached Schedules A, B and C, and the "Terms and Conditions to the Massachusetts Clean Water Trust Financing Agreement" dated as of the date set forth in Schedule A hereto, including all representations, warranties, and covenants set forth therein (the "Terms and Conditions"), which hereby is incorporated by reference. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Enabling Act and in the Terms and Conditions.

## RECITALS:

WHEREAS, the Trust is organized and exists under the Enabling Act to assist Local Governmental Units in the Commonwealth to initiate, acquire, construct, improve, maintain and operate Drinking Water Projects and Water Pollution Abatement Projects; and

WHEREAS, pursuant to the Enabling Act, the Trust is authorized to make loans to or purchase local governmental obligations from Local Governmental Units in the Commonwealth to finance or refinance costs of a Project or Projects; and

WHEREAS, Local Governmental Units are authorized to contract with the Trust with respect to such financings or refinancings and to issue local governmental obligations (the

"Local Governmental Obligations") to evidence their obligations to repay such loans or to provide for the purchase thereof by the Trust; and

WHEREAS, the Trust has heretofore issued one or more commitments to the Borrower to finance or refinance costs of the Project or Projects described in Schedule A to this Financing Agreement either (a) by a loan (a "Loan") from the Trust to the Borrower or (b) through the purchase by the Trust (a "Bond Purchase Obligation") of Local Governmental Obligations to be issued by the Borrower, as indicated above under "Financing Type," in an aggregate amount equal to the Initial Obligation Amount set forth in Schedule C attached hereto; and

WHEREAS, to provide for such Loan or Bond Purchase Obligation, the Trust and the Borrower have duly authorized the execution and delivery of this Financing Agreement pursuant to the Enabling Act and the Applicable Authority and the Borrower has duly authorized the issuance and delivery to the Trust of its Local Governmental Obligations in an aggregate principal amount equal to the Initial Obligation Amount; and

WHEREAS, in accordance with the Enabling Act the Department has issued a Project Approval Certificate to the Trust approving each Project and the costs thereof to be financed or refinanced by the Trust and, in connection therewith, the Borrower and the Department are executing and delivering, simultaneously with the execution and delivery of this Financing Agreement, one or more Project Regulatory Agreements pertaining to the construction and operation of each Project.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows.

1. Terms of this Financing Agreement. The terms of the Loan or Bond Purchase Obligation represented by this Financing Agreement, including, but not limited to, the effective date of the applicable Terms and Conditions, the description of the Project(s), the Initial Obligation Amount, the interest rate, fees, payment terms, and other essential or important terms and information, are set forth in Schedule A and Schedule C attached hereto.

2. Additional Conditions. Additional conditions to the Loan or Bond Purchase Obligation represented by this Financing Agreement, including any additional security therefor, and any amendments or additions to the Terms and Conditions, are set forth in Schedule B attached hereto.

3. Payment Schedule. The schedule of debt service payments and other fees to be paid by the Borrower pursuant to the Loan or Bond Purchase Obligation represented by this Financing Agreement are set forth in Schedule C attached hereto, which Schedule C may be amended from time to time.

4. Terms and Conditions. The general terms and conditions for the Loan or Bond Purchase Obligation are set forth in the Terms and Conditions dated as of the date set forth on Schedule A attached hereto. Such Terms and Conditions are available on the Trust's website. The Borrower acknowledges and agrees that it is responsible for reviewing the Terms and Conditions and consulting with its legal counsel, as necessary, and maintaining a copy of the Terms and Conditions in its loan file.

5. Certification of Authorized Officer of the Borrower. The undersigned, an Authorized Officer of the Borrower, hereby acknowledges and certifies that such Authorized Officer has read and reviewed and consulted with the Borrower's legal counsel, as necessary, and agrees to the terms, conditions, representations, covenants, and undertakings set forth in this Financing Agreement, including all schedules attached hereto and the Terms and Conditions.

IN WITNESS WHEREOF, the Trust and the Borrower have caused this Financing Agreement to be executed by their duly Authorized Officers the day and year first above written.

MASSACHUSETTS CLEAN WATER TRUST

By   
Authorized Officer  
Title: Executive Director

BORROWER

By \_\_\_\_\_  
Authorized Officer  
Title:



SCHEDULE A

- A. Terms and Conditions dated as of: **March 4, 2015**
- B. Project Approval Certificate(s) - Number and Date: **DW-17-06 7/11/2018**
- C. SRF Identification Number: **DWSRF-4191**
- D. Applicable Authority: **Chapter 44 of the General Laws of the Commonwealth of Massachusetts**
- E. Authorized Officers:
- a) Of the Trust: The Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch.30 §6A) and the Executive Director and Treasurer of the Trust.  
**Ms. Renee Fernandes-Abbott, Treasurer**  
**City of New Bedford**
  - b) Of the Borrower: **133 William St**  
**New Bedford, MA 02740**
  - c) Of the Department: The Commissioner, the Deputy Commissioner and the Deputy Assistant Commissioner for Financial and Construction Management of the Department.
- F. Interest Rate: **2** %
- G. Administrative Fee: Seventy-five thousandths of one percent (.075%) of the Loan Principal Obligation outstanding on the January 14 or July 14, as applicable, preceding each Loan Repayment Date, subject to proration for any period greater than or less than six (6) months.
- H. Closing Date: **No Later than August 9, 2021**
- I. Interim Loan Interest Rate (as applicable): **0.00** %

J. The Project(s): **Large Meter & AMI Upgrade Program**

K. System: **Drinking Water Facility**

L. Addresses for Notices:

To the Trust:           Massachusetts Clean Water Trust  
                              3 Center Plaza  
                              Suite 430  
                              Boston, MA 02108  
                              Attention: Executive Director

To the Borrower:       **Ms. Renee Fernandes-Abbott, Treasurer**  
                              **City of New Bedford**  
                              **133 William St**  
                              **New Bedford, MA 02740**

To the Department:   Department of Environmental Protection  
                              One Winter Street  
                              6th Floor  
                              Boston, MA 02108  
                              Attention: Commissioner

**SCHEDULE B**



## SCHEDULE B

### Additional Covenants and Conditions

In addition to the covenants and conditions and the obligations of the Borrower contained in the Agreement, the following covenants and conditions shall pertain to the Loan and the Local Governmental Obligations:

1. The Department has determined that the Project(s) to be financed with the Loan is an Environmental Justice Project eligible to receive funds made available for additional subsidy, pursuant to the DWSRF federal grant No. FS-99191417 (the "Grant"), in the form of principal forgiveness, to finance Project Costs in an amount equal to the Project's pro rata share of funds to be made available for Environmental Justice and Renewal Energy projects.

2. The funds allocable to the Project(s) will be disbursed to the Borrower to pay Costs of the Project(s) in accordance with Section 10(c) of the Terms and Conditions upon receipt by the Trust of the Borrower's Interim Loan Note in a maximum principal amount equal to the Initial Obligation Amount and compliance by the Borrower with all other provisions of Section 10 of the Terms and Conditions.

3. Subject to the terms and conditions of this Schedule B, the Interim Loan Note shall remain outstanding at the original maximum principal amount of the Loan until the completion of the Project(s) in a manner that is in compliance with all conditions herein and in the Project Regulatory Agreement, as evidenced by the Department's issuance of a Project Completion Certificate applicable to the Project(s).

(a) Upon the issuance by the Department of the applicable Project Completion Certificate, the Interim Loan Note shall be amended to reduce the principal amount outstanding on the Interim Loan Note by the amount of the authorized principal forgiveness.

(b) If the Department has issued the applicable Project Completion Certificate prior to the permanent financing of the Loan, the amount permanently financed shall be the amount of the amended Interim Loan Note (the original principal amount, less the amount of principal that has been forgiven).

(c) If the Department has not issued the applicable Project Completion Certificate prior to the permanent financing of the Loan, the Interim Loan Note shall be amended to reduce the principal amount outstanding to equal the amount of anticipated principal forgiveness and the amount permanently financed shall be the amount of such reduction. Upon subsequent receipt of the applicable Project Completion Certificate, the amended Interim Loan Note (comprised of the principal forgiveness amount) shall be cancelled and returned to the Borrower.

4. Notwithstanding the foregoing, the Borrower acknowledges that if the Department fails to issue the applicable Project Completion Certificate because of the Borrower's failure to comply with the conditions herein and in the Project Regulatory Agreement, the Loan shall not receive principal forgiveness on the amount borrowed and Payments thereon shall be payable on the Payment Dates and in a maximum principal amount

equal to the Initial Obligation Amount set forth in Schedule C, as the same may be subsequently amended, as provided herein and in the Agreement.

5. The Borrower further acknowledges that the Department, in the exercise of its audit procedures under the Project Regulatory Agreement, may determine that certain Project Costs paid from amounts deposited in a Project Account are ineligible to be financed with the funds as provided herein. In such event, on and after the date of such determination by the Department, a portion of the Initial Obligation Amount (determined on a Pro-Rata Basis as hereinafter defined) equal to the amount of such ineligible Project Costs shall bear interest at the Interest Rate or such other rate determined in accordance with Section 4(c) of the Terms and Conditions. As used in this Paragraph 5, the term "Pro-Rata Basis" means the portion of each Payment allocable to the principal amount of the Loan payable hereunder subsequent to the date of a determination by the Department as described in this Paragraph 5 as is equal, as nearly as practicable, to the ratio by which the amount of ineligible Project Costs paid from the applicable Project Account bears to the Initial Obligation Amount. Upon any such occurrence the Trust shall recalculate the amount to be applied as principal forgiveness on the Loan, shall certify such amounts to the Borrower and shall amend Schedule C attached hereto to reflect the Payments thereafter payable hereunder, and shall surrender the Local Governmental Obligations to the Borrower in exchange for amended or substitute Local Governmental Obligations reflecting such change in Payments.

6. The Borrower acknowledges that if it is deemed to be a recipient of federal grant funds, it will be deemed a recipient of federal financial assistance under the federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996. Accordingly, the Borrower agrees to conduct a single audit of its use of federal financial assistance for the Project(s) in accordance with the reporting requirements of Office of Management and Budget Circular A-133.

7. The Borrower agrees to comply with required prevailing wage rates ("Davis-Bacon"). The Borrower shall be responsible for monitoring compliance of contractors and subcontractors concerning federal wage rates under Davis-Bacon. The Borrower shall review certified payrolls, conduct employee interviews and complete any other actions required to determine compliance, using forms approved by the Department.

8. Notwithstanding anything in the Agreement to the contrary, this Schedule B may be amended by the Trust upon notice to the Borrower to the extent necessary to comply with the provisions of the Grant, the Federal Act, or the Enabling Act, provided that, except to the extent otherwise expressly provided in the Agreement or this Schedule B, no such amendment shall be made which materially adversely affects the rights or obligations of the Borrower under the Agreement without the prior written consent of the Borrower.

# Draft Schedule C

Prepared by MWPAT

Aug. 8 2018 - 11:05 AM

## Massachusetts Clean Water Trust Preliminary Structuring Analysis City of New Bedford DWP-17-06

Initial Loan Amount 5,360,049.00  
Principal Forgiveness\*  
Net Loan Obligation 5,360,049.00

Loan Origination Fee (\$5.5/1000) 29,480.27  
Loan Term (in years) 20  
Loan Rate 2.00%  
Closing Date 4/15/2019  
First Interest 7/15/2019  
First Principal 1/15/2020

Date	Principal	Interest	Total Debt Service	Admin Fee (0.15%)	Loan Origination Fee	Total Debt Service	Annual Debt Service
4/15/2019							
7/15/2019		26,800.25	26,800.25	4,020.04	29,480.27	60,300.55	
1/15/2020	216,819.00	53,600.49	270,419.49	4,020.04		274,439.53	334,740.08
7/15/2020		51,432.30	51,432.30	3,857.42		55,289.72	
1/15/2021	221,532.00	51,432.30	272,964.30	3,857.42		276,821.72	332,111.45
7/15/2021		49,216.98	49,216.98	3,691.27		52,908.25	
1/15/2022	226,346.00	49,216.98	275,562.98	3,691.27		279,254.25	332,162.51
7/15/2022		46,953.52	46,953.52	3,521.51		50,475.03	
1/15/2023	231,266.00	46,953.52	278,219.52	3,521.51		281,741.03	332,216.07
7/15/2023		44,640.86	44,640.86	3,348.06		47,988.92	
1/15/2024	236,292.00	44,640.86	280,932.86	3,348.06		284,280.92	332,269.85
7/15/2024		42,277.94	42,277.94	3,170.85		45,448.79	
1/15/2025	241,427.00	42,277.94	283,704.94	3,170.85		286,875.79	332,324.57
7/15/2025		39,863.67	39,863.67	2,989.78		42,853.45	
1/15/2026	246,674.00	39,863.67	286,537.67	2,989.78		289,527.45	332,380.89
7/15/2026		37,396.93	37,396.93	2,804.77		40,201.70	
1/15/2027	252,036.00	37,396.93	289,432.93	2,804.77		292,237.70	332,439.40
7/15/2027		34,876.57	34,876.57	2,615.74		37,492.31	
1/15/2028	257,513.00	34,876.57	292,389.57	2,615.74		295,005.31	332,497.63
7/15/2028		32,301.44	32,301.44	2,422.61		34,724.05	
1/15/2029	263,110.00	32,301.44	295,411.44	2,422.61		297,834.05	332,558.10
7/15/2029		29,670.34	29,670.34	2,225.28		31,895.62	
1/15/2030	268,828.00	29,670.34	298,498.34	2,225.28		300,723.62	332,619.23
7/15/2030		26,982.06	26,982.06	2,023.65		29,005.71	
1/15/2031	274,671.00	26,982.06	301,653.06	2,023.65		303,676.71	332,682.43
7/15/2031		24,235.35	24,235.35	1,817.65		26,053.00	
1/15/2032	280,640.00	24,235.35	304,875.35	1,817.65		306,693.00	332,746.00
7/15/2032		21,428.95	21,428.95	1,607.17		23,036.12	
1/15/2033	286,740.00	21,428.95	308,168.95	1,607.17		309,776.12	332,812.24
7/15/2033		18,561.55	18,561.55	1,392.12		19,953.67	
1/15/2034	292,972.00	18,561.55	311,533.55	1,392.12		312,925.67	332,879.33
7/15/2034		15,631.83	15,631.83	1,172.39		16,804.22	
1/15/2035	299,339.00	15,631.83	314,970.83	1,172.39		316,143.22	332,947.43
7/15/2035		12,638.44	12,638.44	947.88		13,586.32	
1/15/2036	305,845.00	12,638.44	318,483.44	947.88		319,431.32	333,017.65
7/15/2036		9,579.99	9,579.99	718.50		10,298.49	
1/15/2037	312,492.00	9,579.99	322,071.99	718.50		322,790.49	333,088.98
7/15/2037		6,455.07	6,455.07	484.13		6,939.20	
1/15/2038	319,284.00	6,455.07	325,739.07	484.13		326,223.20	333,162.40
7/15/2038		3,262.23	3,262.23	244.67		3,506.90	
1/15/2039	326,223.00	3,262.23	329,485.23	244.67		329,729.90	333,236.79
7/15/2039							
	5,360,049.00	1,175,212.78	6,535,261.78	90,150.98	29,480.27	6,654,893.02	6,654,893.02

**Notes:**

\*This project may qualify for principal forgiveness in accordance with schedule B to the Financing Agreement. Principal forgiveness shown on this schedule is an estimate, and is not a guarantee.





# BORROWERS COPY

Financing No: **DWP-17-07**

Date: **July 11, 2018**

Borrower: **City of New Bedford**

Initial Obligation Amount: **\$13,734,899**

Financing Type:

☐

Loan

☒

Bond Purchase Obligation

## FINANCING AGREEMENT

This Financing Agreement (this "Financing Agreement") is entered into by and between the Massachusetts Clean Water Trust (together with its successors and assigns, the "Trust"), an instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") and the borrower listed above, a political subdivision or public instrumentality (together with its successors and assigns, the "Borrower"). The agreement between the Trust and the Borrower is comprised of this Financing Agreement and includes the attached Schedules A, B and C, and the "Terms and Conditions to the Massachusetts Clean Water Trust Financing Agreement" dated as of the date set forth in Schedule A hereto, including all representations, warranties, and covenants set forth therein (the "Terms and Conditions"), which hereby is incorporated by reference. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Enabling Act and in the Terms and Conditions.

## RECITALS:

WHEREAS, the Trust is organized and exists under the Enabling Act to assist Local Governmental Units in the Commonwealth to initiate, acquire, construct, improve, maintain and operate Drinking Water Projects and Water Pollution Abatement Projects; and

WHEREAS, pursuant to the Enabling Act, the Trust is authorized to make loans to or purchase local governmental obligations from Local Governmental Units in the Commonwealth to finance or refinance costs of a Project or Projects; and

WHEREAS, Local Governmental Units are authorized to contract with the Trust with respect to such financings or refinancings and to issue local governmental obligations (the

"Local Governmental Obligations") to evidence their obligations to repay such loans or to provide for the purchase thereof by the Trust; and

WHEREAS, the Trust has heretofore issued one or more commitments to the Borrower to finance or refinance costs of the Project or Projects described in Schedule A to this Financing Agreement either (a) by a loan (a "Loan") from the Trust to the Borrower or (b) through the purchase by the Trust (a "Bond Purchase Obligation") of Local Governmental Obligations to be issued by the Borrower, as indicated above under "Financing Type," in an aggregate amount equal to the Initial Obligation Amount set forth in Schedule C attached hereto; and

WHEREAS, to provide for such Loan or Bond Purchase Obligation, the Trust and the Borrower have duly authorized the execution and delivery of this Financing Agreement pursuant to the Enabling Act and the Applicable Authority and the Borrower has duly authorized the issuance and delivery to the Trust of its Local Governmental Obligations in an aggregate principal amount equal to the Initial Obligation Amount; and

WHEREAS, in accordance with the Enabling Act the Department has issued a Project Approval Certificate to the Trust approving each Project and the costs thereof to be financed or refinanced by the Trust and, in connection therewith, the Borrower and the Department are executing and delivering, simultaneously with the execution and delivery of this Financing Agreement, one or more Project Regulatory Agreements pertaining to the construction and operation of each Project.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows.

1. Terms of this Financing Agreement. The terms of the Loan or Bond Purchase Obligation represented by this Financing Agreement, including, but not limited to, the effective date of the applicable Terms and Conditions, the description of the Project(s), the Initial Obligation Amount, the interest rate, fees, payment terms, and other essential or important terms and information, are set forth in Schedule A and Schedule C attached hereto.

2. Additional Conditions. Additional conditions to the Loan or Bond Purchase Obligation represented by this Financing Agreement, including any additional security therefor, and any amendments or additions to the Terms and Conditions, are set forth in Schedule B attached hereto.


3. Payment Schedule. The schedule of debt service payments and other fees to be paid by the Borrower pursuant to the Loan or Bond Purchase Obligation represented by this Financing Agreement are set forth in Schedule C attached hereto, which Schedule C may be amended from time to time.

4. Terms and Conditions. The general terms and conditions for the Loan or Bond Purchase Obligation are set forth in the Terms and Conditions dated as of the date set forth on Schedule A attached hereto. Such Terms and Conditions are available on the Trust's website. The Borrower acknowledges and agrees that it is responsible for reviewing the Terms and Conditions and consulting with its legal counsel, as necessary, and maintaining a copy of the Terms and Conditions in its loan file.

5. Certification of Authorized Officer of the Borrower. The undersigned, an Authorized Officer of the Borrower, hereby acknowledges and certifies that such Authorized Officer has read and reviewed and consulted with the Borrower's legal counsel, as necessary, and agrees to the terms, conditions, representations, covenants, and undertakings set forth in this Financing Agreement, including all schedules attached hereto and the Terms and Conditions.

IN WITNESS WHEREOF, the Trust and the Borrower have caused this Financing Agreement to be executed by their duly Authorized Officers the day and year first above written.

MASSACHUSETTS CLEAN WATER TRUST

By   
Authorized Officer  
Title: Executive Director

BORROWER

By \_\_\_\_\_  
Authorized Officer  
Title:

SCHEDULE A

- A. Terms and Conditions dated as of: **March 4, 2015**
- B. Project Approval Certificate(s) - Number and Date: **DW-17-07 7/11/2018**
- C. SRF Identification Number: **DWSRF-4214**
- D. Applicable Authority: **Chapter 44 of the General Laws of the Commonwealth of Massachusetts**
- E. Authorized Officers:
- a) Of the Trust: The Chairman and Vice Chairman of the Trust (and each designee thereof pursuant to G.L. Ch.30 §6A) and the Executive Director and Treasurer of the Trust.  
**Ms. Renee Fernandes-Abbott, Treasurer**  
**City of New Bedford**
  - b) Of the Borrower: **133 William St**  
**New Bedford, MA 02740**
  - c) Of the Department: The Commissioner, the Deputy Commissioner and the Deputy Assistant Commissioner for Financial and Construction Management of the Department.
- F. Interest Rate: **2.4 %**
- G. Administrative Fee: Seventy-five thousandths of one percent (.075%) of the Loan Principal Obligation outstanding on the January 14 or July 14, as applicable, preceding each Loan Repayment Date, subject to proration for any period greater than or less than six (6) months.
- H. Closing Date: **No Later than August 21, 2021**
- I. Interim Loan Interest Rate (as applicable): **0.00%**

J. The Project(s): **High Hill Reservoir Rehabilitation**

K. System: **Drinking Water Facility**

L. Addresses for Notices:

To the Trust:       Massachusetts Clean Water Trust  
                          3 Center Plaza  
                          Suite 430  
                          Boston, MA 02108  
                          Attention: Executive Director

To the Borrower:   **Ms. Renee Fernandes-Abbott, Treasurer**  
                          **City of New Bedford**  
                          **133 William St**  
                          **New Bedford, MA 02740**

To the Department: Department of Environmental Protection  
                          One Winter Street  
                          6th Floor  
                          Boston, MA 02108  
                          Attention: Commissioner

SCHEDULE B

## SCHEDULE B

### Additional Covenants and Conditions

In addition to the covenants and conditions and the obligations of the Borrower contained in the Agreement, the following covenants and conditions shall pertain to the Loan and the Local Governmental Obligations:

1. The Department has determined that the Project(s) to be financed with the Loan is an Environmental Justice Project eligible to receive funds made available for additional subsidy, pursuant to the DWSRF federal grant No. FS-99191417 (the "Grant"), in the form of principal forgiveness, to finance Project Costs in an amount equal to the Project's pro rata share of funds to be made available for Environmental Justice and Renewal Energy projects.

2. The funds allocable to the Project(s) will be disbursed to the Borrower to pay Costs of the Project(s) in accordance with Section 10(c) of the Terms and Conditions upon receipt by the Trust of the Borrower's Interim Loan Note in a maximum principal amount equal to the Initial Obligation Amount and compliance by the Borrower with all other provisions of Section 10 of the Terms and Conditions.

3. Subject to the terms and conditions of this Schedule B, the Interim Loan Note shall remain outstanding at the original maximum principal amount of the Loan until the completion of the Project(s) in a manner that is in compliance with all conditions herein and in the Project Regulatory Agreement, as evidenced by the Department's issuance of a Project Completion Certificate applicable to the Project(s).

(a) Upon the issuance by the Department of the applicable Project Completion Certificate, the Interim Loan Note shall be amended to reduce the principal amount outstanding on the Interim Loan Note by the amount of the authorized principal forgiveness.

(b) If the Department has issued the applicable Project Completion Certificate prior to the permanent financing of the Loan, the amount permanently financed shall be the amount of the amended Interim Loan Note (the original principal amount, less the amount of principal that has been forgiven).

(c) If the Department has not issued the applicable Project Completion Certificate prior to the permanent financing of the Loan, the Interim Loan Note shall be amended to reduce the principal amount outstanding to equal the amount of anticipated principal forgiveness and the amount permanently financed shall be the amount of such reduction. Upon subsequent receipt of the applicable Project Completion Certificate, the amended Interim Loan Note (comprised of the principal forgiveness amount) shall be cancelled and returned to the Borrower.

4. Notwithstanding the foregoing, the Borrower acknowledges that if the Department fails to issue the applicable Project Completion Certificate because of the Borrower's failure to comply with the conditions herein and in the Project Regulatory Agreement, the Loan shall not receive principal forgiveness on the amount borrowed and Payments thereon shall be payable on the Payment Dates and in a maximum principal amount



equal to the Initial Obligation Amount set forth in Schedule C, as the same may be subsequently amended, as provided herein and in the Agreement.

5. The Borrower further acknowledges that the Department, in the exercise of its audit procedures under the Project Regulatory Agreement, may determine that certain Project Costs paid from amounts deposited in a Project Account are ineligible to be financed with the funds as provided herein. In such event, on and after the date of such determination by the Department, a portion of the Initial Obligation Amount (determined on a Pro-Rata Basis as hereinafter defined) equal to the amount of such ineligible Project Costs shall bear interest at the Interest Rate or such other rate determined in accordance with Section 4(c) of the Terms and Conditions. As used in this Paragraph 5, the term "Pro-Rata Basis" means the portion of each Payment allocable to the principal amount of the Loan payable hereunder subsequent to the date of a determination by the Department as described in this Paragraph 5 as is equal, as nearly as practicable, to the ratio by which the amount of ineligible Project Costs paid from the applicable Project Account bears to the Initial Obligation Amount. Upon any such occurrence the Trust shall recalculate the amount to be applied as principal forgiveness on the Loan, shall certify such amounts to the Borrower and shall amend Schedule C attached hereto to reflect the Payments thereafter payable hereunder, and shall surrender the Local Governmental Obligations to the Borrower in exchange for amended or substitute Local Governmental Obligations reflecting such change in Payments.

6. The Borrower acknowledges that if it is deemed to be a recipient of federal grant funds, it will be deemed a recipient of federal financial assistance under the federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996. Accordingly, the Borrower agrees to conduct a single audit of its use of federal financial assistance for the Project(s) in accordance with the reporting requirements of Office of Management and Budget Circular A-133.

7. The Borrower agrees to comply with required prevailing wage rates ("Davis-Bacon"). The Borrower shall be responsible for monitoring compliance of contractors and subcontractors concerning federal wage rates under Davis-Bacon. The Borrower shall review certified payrolls, conduct employee interviews and complete any other actions required to determine compliance, using forms approved by the Department.

8. Notwithstanding anything in the Agreement to the contrary, this Schedule B may be amended by the Trust upon notice to the Borrower to the extent necessary to comply with the provisions of the Grant, the Federal Act, or the Enabling Act, provided that, except to the extent otherwise expressly provided in the Agreement or this Schedule B, no such amendment shall be made which materially adversely affects the rights or obligations of the Borrower under the Agreement without the prior written consent of the Borrower.

# Draft Schedule C

Prepared by MWPAT

Aug. 17 2018 - 4:18 PM

## Massachusetts Clean Water Trust Preliminary Structuring Analysis City of New Bedford DWP-17-07

Initial Loan Amount 13,734,899.00  
Principal Forgiveness\*  
Net Loan Obligation 13,734,899.00

Loan Origination Fee (\$5.5/1000) 75,541.94  
Loan Term (in years) 30  
Loan Rate 2.40%  
Closing Date 4/15/2019  
First Interest 7/15/2019  
First Principal 1/15/2020

Date	Principal	Interest	Total Debt Service	Admin Fee (0.15%)	Loan Origination Fee	Total Debt Service	Annual Debt Service
4/15/2019							
7/15/2019		82,409.39	82,409.39	10,301.17	75,541.94	168,252.51	
1/15/2020	308,736.00	164,818.79	473,554.79	10,301.17		483,855.96	652,108.48
7/15/2020		161,113.96	161,113.96	10,069.62		171,183.58	
1/15/2021	316,710.00	161,113.96	477,823.96	10,069.62		487,893.58	659,077.16
7/15/2021		157,313.44	157,313.44	9,832.09		167,145.53	
1/15/2022	324,891.00	157,313.44	482,204.44	9,832.09		492,036.53	659,182.05
7/15/2022		153,414.74	153,414.74	9,588.42		163,003.17	
1/15/2023	333,282.00	153,414.74	486,696.74	9,588.42		496,285.17	659,288.33
7/15/2023		149,415.36	149,415.36	9,338.46		158,753.82	
1/15/2024	341,891.00	149,415.36	491,306.36	9,338.46		500,644.82	659,398.64
7/15/2024		145,312.67	145,312.67	9,082.04		154,394.71	
1/15/2025	350,722.00	145,312.67	496,034.67	9,082.04		505,116.71	659,511.42
7/15/2025		141,104.00	141,104.00	8,819.00		149,923.00	
1/15/2026	359,781.00	141,104.00	500,885.00	8,819.00		509,704.00	659,627.01
7/15/2026		136,786.63	136,786.63	8,549.16		145,335.80	
1/15/2027	369,073.00	136,786.63	505,859.63	8,549.16		514,408.80	659,744.59
7/15/2027		132,357.76	132,357.76	8,272.36		140,630.12	
1/15/2028	378,606.00	132,357.76	510,963.76	8,272.36		519,236.12	659,866.23
7/15/2028		127,814.48	127,814.48	7,988.41		135,802.89	
1/15/2029	388,385.00	127,814.48	516,199.48	7,988.41		524,187.89	659,990.78
7/15/2029		123,153.86	123,153.86	7,697.12		130,850.98	
1/15/2030	398,417.00	123,153.86	521,570.86	7,697.12		529,267.98	660,118.96
7/15/2030		118,372.86	118,372.86	7,398.30		125,771.16	
1/15/2031	408,708.00	118,372.86	527,080.86	7,398.30		534,479.16	660,250.33
7/15/2031		113,468.36	113,468.36	7,091.77		120,560.14	
1/15/2032	419,265.00	113,468.36	532,733.36	7,091.77		539,825.14	660,385.27
7/15/2032		108,437.18	108,437.18	6,777.32		115,214.51	
1/15/2033	430,094.00	108,437.18	538,531.18	6,777.32		545,308.51	660,523.02
7/15/2033		103,276.06	103,276.06	6,454.75		109,730.81	
1/15/2034	441,203.00	103,276.06	544,479.06	6,454.75		550,933.81	660,664.62
7/15/2034		97,981.62	97,981.62	6,123.85		104,105.47	
1/15/2035	452,599.00	97,981.62	550,580.62	6,123.85		556,704.47	660,809.94
7/15/2035		92,550.43	92,550.43	5,784.40		98,334.83	
1/15/2036	464,289.00	92,550.43	556,839.43	5,784.40		562,623.83	660,958.67
7/15/2036		86,978.96	86,978.96	5,436.19		92,415.15	
1/15/2037	476,282.00	86,978.96	563,260.96	5,436.19		568,697.15	661,112.30
7/15/2037		81,263.58	81,263.58	5,078.97		86,342.55	
1/15/2038	488,584.00	81,263.58	569,847.58	5,078.97		574,926.55	661,269.11
7/15/2038		75,400.57	75,400.57	4,712.54		80,113.11	
1/15/2039	501,203.00	75,400.57	576,603.57	4,712.54		581,316.11	661,429.22
7/15/2039		69,386.14	69,386.14	4,336.63		73,722.77	
1/15/2040	514,149.00	69,386.14	583,535.14	4,336.63		587,871.77	661,594.54
7/15/2040		63,216.35	63,216.35	3,951.02		67,167.37	
1/15/2041	527,429.00	63,216.35	590,645.35	3,951.02		594,596.37	661,763.74
7/15/2041		56,887.20	56,887.20	3,555.45		60,442.65	
1/15/2042	541,052.00	56,887.20	597,939.20	3,555.45		601,494.65	661,937.30
7/15/2042		50,394.58	50,394.58	3,149.66		53,544.24	
1/15/2043	555,027.00	50,394.58	605,421.58	3,149.66		608,571.24	662,115.47
7/15/2043		43,734.25	43,734.25	2,733.39		46,467.64	
1/15/2044	569,363.00	43,734.25	613,097.25	2,733.39		615,830.64	662,298.29
7/15/2044		36,901.90	36,901.90	2,306.37		39,208.26	
1/15/2045	584,070.00	36,901.90	620,971.90	2,306.37		623,278.26	662,486.53
7/15/2045		29,893.06	29,893.06	1,868.32		31,761.37	
1/15/2046	599,156.00	29,893.06	629,049.06	1,868.32		630,917.37	662,678.74
7/15/2046		22,703.18	22,703.18	1,418.95		24,122.13	
1/15/2047	614,632.00	22,703.18	637,335.18	1,418.95		638,764.13	662,876.27
7/15/2047		15,327.60	15,327.60	957.98		16,285.58	
1/15/2048	630,507.00	15,327.60	645,834.60	957.98		646,792.58	663,078.15
7/15/2048		7,761.52	7,761.52	485.09		8,246.61	
1/15/2049	646,793.00	7,761.52	654,554.52	485.09		655,039.61	663,286.22
7/15/2049							
	13,734,899.00	5,550,672.78	19,385,571.78	358,317.64	75,541.94	19,819,431.36	19,819,431.36

**Notes:**

\*This project may qualify for principal forgiveness in accordance with schedule B to the Financing Agreement. Principal forgiveness shown on this schedule is an estimate, and is not a guarantee.



Item Title:  
Accessibility Statement

Item Detail:

***In accordance with the Americans with Disabilities Act (ADA), if any accommodations are needed, please contact the Clerk of Committees Office at 508-979-1482. Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.***

Additional Information: