

The Narragansett Bay Commission
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Vincent J. Mesolella
Chairman

Paul Pinault, P.E.
Executive Director



OFFICIAL MINUTES OF:

Meeting of:	Finance Committee
Date:	March 9, 2005
Time:	10:45 AM

MEMBERS PRESENT

Vincent Mesolella
Paul Pinault, Executive Director
Robert Andrade, Finance Chair
Joseph Kimball
R. David Cruise
Laurie Montanaro

MEMBERS ABSENT

Richard Oster
Michael DiChiro

STAFF AND GUESTS PRESENT

Karen Giebink, NBC
Ray Marshall, NBC
Cecille Antonelli, NBC
Tom Brueckner, NBC
Paul Nordstrom, NBC
Jamie Samons, NBC
Francie Brown, NBC
Pat Dodd, DPUC
Joseph Pratt, LBG

Jean-Marie Grossi, NBC
Rich Bernier, NBC
Leah Foster, NBC
Laurie Horridge, NBC
Jillian Colby, NBC
Rich Harrigan, NBC
Mark Thomas, NBC
John Bulman, LMKB&W
Nelson Haeseler, Carlin Cont.

1. Call to Order

Recognizing a quorum, Finance Chair Andrade called the March 9, 2005, Finance Committee meeting to order at 10:53 a.m.

2. Approval of Minutes – November 17, 2004

Finance Chair Andrade asked the members of the Finance Committee if they had a chance to review the minutes of the November 17, 2004 Finance Committee Meeting. Commissioner Montanaro motioned to

approve the minutes of the November 17, 2005 Finance Committee Meeting as written. Chairman Mesolella seconded the motion and the vote taken by the Finance Committee was unanimous. The motion carries.

3. Items for Action

A. Review of Monthly Financial Statements

Ms. Karen Giebink stated that copies of the January 2005 Financial Report are included in all Committee members' packets. With respect to Budget versus Actual, we are approximately 58% of the way through the fiscal year and we are spending at a level of 52.3%, which is well below budget. On Page Two, Item 3 Cash and Investments total \$49.6 Million. Page Three reflects our capital credit limit remaining at \$48.8 Million. Also attached are the Statement of Revenues, Expenses and Changes in Net Assets, as well as the Statement of Net Assets. Also included is a Detailed Budget versus Actual Statement.

B. Consideration of Purchase Requisitions

None.

C. Consideration of Personnel Actions

None.

4. Other Business

Ms. Giebink stated that she would like to bring the Finance Committee up to date with respect to our long term funding considerations. She noted that we have a long term financing model that takes into consideration our capital needs, funding sources, coverage requirements, and we also use it to project our future rate and revenue needs. We look at this model on an ongoing basis and update it once we have revised cash flow figures from our Engineers and try to use this model to predict when we would have to go out and borrow. She also noted that we borrowed \$70M in variable rate demand obligations last April, and we also borrowed \$40M in State Revolving Loan funds in December in 2004. Since then we have updated our cash flow projections in preparation of preparing the capital improvement plan, and we have also received updated figures from the RI Clean Water Finance Agency with respect to their SRF capacity, and they do not have enough capacity to meet all of our needs in FY2006. Therefore, we met recently with our financial advisor to try to evaluate our options.

Ms. Giebink noted that a few of the options that we are looking at are 1) the issuance of one-year BAN's since the short term rates are still relatively low, and 2) the issuance of 30-year open market revenue bonds. The issuance of 30-year revenue bonds would allow us to take advantage of a relatively flat yield curve. This would also allow us to wrap around existing debt by taking it out for 30 years. The third consideration is that it is not likely that additional SRF funding will be available anytime in the near future, so we will not be able to take out any short-term debt with SRF funding. One of the other items we are also looking at is exploring the possibility of paying off our share of the debt issued by the State of Rhode Island on our behalf. This would result in easier administration of our debt, as well as increase our capacity to borrow. Because a lot of these debt issuances have been refunded over the years, it might be complex. We are also exploring the possibility of using our carry forward funds, but it is likely that it would require PUC approval. We will most likely be coming back before the Finance Committee next month with a proposal.

5. Adjournment

Commissioner Salvadore motioned to adjourn. Commissioner Montanaro seconded the motion and the meeting adjourned at 11:02 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul Pinault".

Paul Pinault, Secretary