



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

WATER RESOURCES BOARD CORPORATE

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FINANCE COMMITTEE

Minutes of Meeting

August 10, 2004

Members Present:

William Penn, Chairman
Jon Schock
John Milano

Members Absent:

Staff Present:

M. Paul Sams
Brian Riggs
Kathy Crawley

Guests

1. CALL TO ORDER

With a quorum present, Chairman Penn called the meeting to order at 11:07 a.m.

2. APPROVAL OF MINUTES

A. A motion was made by Mr. Penn to open up comments on the July 13, 2004 minutes. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to accept the July 2004 minutes as presented.

3. REPORTS

A. Chief Business Officer's (CBO) Report—Water Resources Board

Mr. Riggs, Chief Business Officer, noted the report is fiscal year to date through July 25, 2004. The FY 2005 appropriation is \$2,716,098, the expenditures are \$122,934 and encumbrances are \$565,512 with an unencumbered balance of \$2,027,653. The current year's July surcharge receipts were \$260,840 less than July 2003. The YTD receipts collected by the Water Resources Board show a negative variance of \$237,328 versus previous YTD collections. This amount is comprised of negative variances of \$260,840 and \$1,488 over previous years YTD surcharges and Big River rental income respectively as well as a positive variance of \$25,000 for the Amgen parking lot rental. The Amgen rental fee was first collected in August 2003 accounting for this variance versus previous year. Mr. Penn questioned why salaries and benefits had a positive variance. Mr. Riggs stated this was due to the timing of postings these on the RISAIL system and were actually on track. Mr. Penn questioned if the federal funds were a carry forward. Mr. Riggs stated that it was new money and in the budget request it was increased by \$500,000. Mr. Schock questioned when the Amgen payments would cease. Mr. Sams stated that it would be October 31, 2004. Mr. Penn questioned if the rental income would decrease due to the removal of two houses. He was told that the increase tied to the CPI would probably make up for this loss of rental income. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the July CBO report.

B. Chief Financial Officer's (CFO) Report—Water Resources Board Corporate

Mr. Riggs stated that the CFO Report reflects the activity on a cash basis for the month of July. Two payments were made during July in the total amount of \$2,752.76. The payments were to Bacon & Edge for \$2,528.00 and to the Department of Environmental Management for \$224.76.

The interest received during the month of July was \$15.93. The Water Quality Protection Fund ended the month with a balance of \$115,223.40. Mr. Riggs reported that the Providence Project received interest of \$2.09 on investments in July. The balance in the Providence Project fund at the end of the July was \$702,660.63. Mr. Riggs stated that the Public Drinking Water Quality Protection Fund Administrative Accounts reflect interest received in July was \$335.06 from money market investments. The Administrative Accounts month-end balance was \$2,108,189.69. Mr. Riggs stated that the Corporate Public Drinking Water Quality Protection Fund received interest in the amount of \$3,586.91 and ended the month with a balance of \$6,119,795.79. Mr. Penn questioned if Providence Water would reimburse us for administrative expenses when the account is zero. Mr. Sams stated that this was the case. Mr. Schock moved to approve the July CFO report and his motion was seconded by Mr. Milano. The vote was unanimous.

4. ITEMS FOR ACTION

A. Payment Requests

- (1) Correction of deposit error on July 15, 2002 with the United Water surcharge checks. Requested Payment: \$1,295.55; Recommended Payment: \$1,295.55. Request for Approval (Enclosure 16 of Board Corporate).

Mr. Riggs explained that the surcharge checks for United Water were each deposited in the incorrect accounts thereby short changing the Water Resources Board by \$1,295.55. On a motion by Mr. Schock and seconded by Mr. Milano, the vote was unanimous to approve the payment as requested.

- (2) M. Paul Sams Travel Voucher for July 2004 - Requested amount: \$66.75; Recommended payment: \$66.75. (Enclosure 2 of Finance)

On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the payment as requested.

B. Approval Requests

- (1) FY 2005 Revised - FY 2006 Water Resources Board Operating Budget. Request for Approval. (Enclosure 6 of Board)

Mr. Sams stated the agency target for FY 2006 did not include the ten percent cut that other agencies were mandated to take. He also stated that the budget was still very tight but no missions would have to be dropped. Some projects will have to be delayed until later years. Mr. Sams stated that the only increase above the enacted FY 2005 level was an increase of \$55,000 to be used for the 8 stream gauges currently paid for by the Department of Environmental Management. Mr. Penn questioned if there could be other sources to pay for this initiative such as Watershed Protection money. Mr. Sams stated that Bond Counsel could be questioned on the ability to use the money for stream gauging. Mr. Penn stated that the staff should move forward with this inquiry and possible funding potential. On a motion by Mr. Schock and seconded by Mr. Milano, the vote was unanimous to approve the budget as requested.

- (2) FY 2006 Water Resources Board Corporate Operating Budget. Request for approval. (Enclosure 15 of Board Corporate)

Mr. Sams stated that the budget submissions were moved up by two weeks this year. Mr. Penn questioned the \$800,000 increase. Mr. Sams stated that this was linked to the Phase III grants. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the budget as requested.

5. ITEMS FOR DISCUSSION

6. OTHER BUSINESS

7. ADJOURNMENT

On a motion by Mr. Penn, seconded by Mr. Milano, it was unanimously approved to adjourn the meeting at 11:45 AM

Respectfully submitted,



Jon Schock
Acting Chairman

**The full proceeding of this meeting is available on audiotape by request.*

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