STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

WATER RESOURCES BOARD
100 North Main Street, 5th Floor
Providence RI 02903
(401 222-2217; FAX (401) 222-4707
www.wrb.state.ri.us

FINANCE COMMITTEE
Minutes of Meeting
September 14, 2004

Members Present:
Jon Schock, Acting Chairman
John Milano

Members Absent:
William Penn, Chairman

Staff Present:
Brian Riggs
Kathy Crawley

Guests

1. **CALL TO ORDER**
With a quorum present, Acting Chairman Schock called the meeting to order at 10:50 a.m.

2. **APPROVAL OF MINUTES**

A. A motion was made by Mr. Schock to open up comments on the August 10, 2004 minutes. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to accept the August 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 August 25, 2004. The FY 2005 appropriation is $2,716,098, the expenditures are $341,190 and encumbrances are $1,105,987 with an unencumbered balance of $1,268,921. The current year's August surcharge receipts were $114,176 less than August 2003. The YTD receipts collected by the Water Resources Board show a negative variance of $301,513 versus previous YTD collections. This amount is comprised of negative variances of $315,522 and $3,491 over previous years YTD surcharges and Big River rental income respectively as well as a positive variance of $17,500 for the Amgen parking lot rental. The Amgen rental fee was first collected in July 2003 for a prorated amount accounting for this variance versus previous year. Mr. Schock questioned the surcharge variance versus last year. Mr. Riggs stated that he did research to find a determining factor for this variance but there was no red flag therefore it can be assumed that the wet summer is responsible for this negative variance. Mr. Schock questioned when the new surcharge was put into effect. Mr. Riggs stated that he would research this. Upon review the new surcharge was put into affect on July 1, 2002 that would not cause a variance versus last year. Mr. Schock questioned what was being done to spend the unencumbered balance. Mr. Riggs stated that any

bills that were received have been encumbered but stated without the accompanying bills it was impossible to encumber more funds. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the August 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 August. One payment was made during August in the amount of $1,295.55. The payment was to the RI Water Resources Board. The interest received during the month of August was $15.49. The Water Quality Protection Fund ended the month with a balance of $115,239.35. Mr. Riggs reported that the Providence Project received interest of $2.09 on investments in August. The balance in the Providence Project fund at the end of the August was $707,490.64. Mr. Riggs stated that the Public Drinking Water Quality Protection Fund Administrative Accounts reflect interest received in August was $172.88 from money market investments. The Administrative Accounts month-end balance was $2,183,693.85. Mr. Riggs stated that the Corporate Public Drinking Water Quality Protection Fund received interest in the amount of $4,478.39 and ended the month with a balance of $5,584,701.38. Mr. Riggs noted two errors within the report and corrected this immediately after the meeting was adjourned. Mr. Schock questioned if anything had been done with the approximately $2.1 million in the administrative account. Mr. Riggs stated that Mr. Sams stated in the previous months meeting that this balance was still too low to be disbursed for Phase IV. Mr. Schock questioned at what amount would be appropriate. Mr. Riggs stated that previous disbursements had been made in the $5 - $6 million range. Mr. Milano moved to approve the August CFO report with corrections made and his motion was seconded by Mr. Schock. The vote was unanimous.

4. ITEMS FOR ACTION

A. Payment Requests

(1) Maguire Group invoice #3. Requested Payment: $26,850.00; Recommended Payment: $26,850.00. Request for Approval (Enclosure 3 of Board).

Mr. Riggs stated that this payment was for Phase II that has no co-pay component from Providence Water. Mr. Schock questioned if this was the first invoice. Mr. Riggs stated that this was the third invoice. Mr. Sams originally decided that the Phase II project invoices would not be presented to the Board but rescinded his decision. All invoices will now be presented to the Board moving forward. Mr. Schock questioned what the amount previously paid was. Mr. Riggs stated that it was approximately $21,000. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the payment as requested.

(2) Partridge, Snow & Hahn for professional services rendered through July 31, 2004. Requested Payment: $445.60; Recommended Payment: $445.60. Request for Approval (Enclosure 13 of Board Corporate).

Mr. Schock questioned the basis for the bill. Ms. Crawley stated that this bill was in reference to the land acquisition by Pawtucket. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the payment as requested.

(3) Kathleen Crawley Travel Voucher for August 2004 - Requested amount: $12.38; Recommended payment: $12.38. (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. Financial Reports

(1) Water Resources Board Corporate FY 2004 Audit. Request for Acceptance. (Enclosure 14 of Board Corporate)

Mr. Schock questioned if Anthony Caliri would be present at the Board meeting and was told that he was expected to attend. Ms. Crawley stated that in a meeting with Mr. Caliri it was suggested that some money for training Mr. Riggs should be invested. Mr. Caliri had stated that in the current business environment (i.e. Enron, WorldCom etc.) that this would be very beneficial to the audit process in the future. Ms. Crawley stated that it would be beneficial to have an initial training with follow-ups. The initial estimate for this service would be $600. Ms. Crawley also stated that there were no material findings in the audit. Mr. Schock was informed that acceptance was requested for the audit pending a letter of acceptance from the Auditor General. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to accept the audit subject to the approval of the Auditor General's office.

5. ITEMS FOR DISCUSSION

6. OTHER BUSINESS

7. ADJOURNMENT

On a motion by Mr. Schock, seconded by Mr. Milano, it was unanimously approved to adjourn the meeting at 11:15 AM.

Respectfully submitted,

Brian J. Riggs
Chief Financial Officer

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

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