

**Finance Committee of the
BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, May 1, 2013
450 Child Street, Warren Office, Warren, RI**

The committee meeting was called to order at 5:00 pm.

Executive Director Pamela Marchand, Directors Robert Allio, Raymond Palmieri and Georgina Macdonald, Chairman Klepper and Legal Counsel J. Whelan were in attendance.

1. Executive Session – Labor Negotiations RIGL 42.46-5

Director Palmieri made the following motion seconded by Director Macdonald

MOTION: Move to go into Executive Session pursuant to RIGL 42.46-5 (2) for labor negotiations.

Motion passed unanimously.

The Committee entered into Executive Session at 5:00 pm.

The Committee returned to open session at 5:40 pm.

Chairman Klepper made the following motion seconded by Director Macdonald

MOTION: To seal the Executive Session minutes.

Motion passed unanimously.

Attorney Joe Whelan left the meeting at 5:40 pm

2. Washington Trust Line of Credit

Executive Director P. Marchand stated Washington Trust needs to meet new federal regulations regarding the use of the line of credit in order to maintain the tax exempt status. To do that, the fund can only be used for capital projects. The Executive Director had intended to utilize the \$500,000 LOC to pre-fund a bond for capital projects to be done during the next three years. Fees are charged only when the money is used. However, she would also like to use the funds for operational items such as copiers, where the lease costs are very high. In that case, the LOC would be considered taxable and would be at a higher rate.

Director Macdonald stated that since this appears to be an internal tax matter for Washington Trust, the Board does not need to be involved at this point.

3. Financial Advisor & Bond Counsel

Executive Director P. Marchand provided the Committee with cost estimates from M. Gurghigian of First Southwest as Financial Advisor, and S. Mack of Cameron &

Mittleman as Bond Counsel, for services for obtaining our next bond. There are 2 alternatives for financing 1) RI Clean Water Finance Agency 2) public financing which would carry different expenses.

Chairman Klepper left the meeting at 6:20 pm.

Director Palmieri made the following motion seconded by Director Macdonald

MOTION: To recommend to the Board the Executive Directors' recommendation for Finance Advisor and Bond Counsel for our next bond.

Motion passed unanimously.

Director Palmieri stated that a structured process for bonding will need to be established, and an RFP should be sent out for these services for the following bond. The Committee was in agreement.

4. Metrics

Director Allio and the Committee reviewed the recommended financial metrics. It was agreed that Director Allio would review and submit additional comments.

5. Annual Report Production Plan and Schedule

Director Allio stated that this is an opportunity to communicate to the ratepayers. Content and clarity of writing must be improved.

Director Macdonald stated that the annual report must tell a story, it is our primary marketing document.

Consensus of committee was for the Executive Director to hire a consultant to provide assistance to organize and format the information.

6. CAFR Standards

Director Allio stated he would like to apply for a financial Certificate of Excellence. This would mean modifying our financial reporting.

Manager of Finance M. Champagne stated he would obtain an estimate from BCWA's auditors for this work. However, this type of financial information needs to be set up at least a year in advance, and uses the previous 10 years worth of information, which may not be available with our present system. We can do this going forward with the new financial computer program.

7. Annual Financial Goals for BCWA

Director Allio stated BCWA must work on establishing financial goals for cost reduction and profitability.

8. Cost and Expense Control Initiatives

Director Allio stated BCWA must be proactive in reducing expenses.

Manager of Finance M. Champagne was asked to provide cost saving measures at next meeting.

Executive Director P. Marchand to provide a bond schedule.

The strategic plan quarterly report was moved to June.

The meeting was adjourned at 7:40 pm.

Allan Klepper
Chairman