

RI Water Resources Board
100 North Main Street
Providence, Rhode Island 02903
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FINANCE COMMITTEE

Minutes of Meeting

November 9, 2004

Members Present: Members Absent:

William Penn, Chairman

Jon Schock

John Milano

Staff Present: Guests

Brian Riggs

Kathleen Crawley

Thomas Walker

1. CALL TO ORDER

With a quorum present, Chairman Penn called the meeting to order at 11:05 a.m.

2. APPROVAL OF MINUTES

A. A motion was made by Mr. Penn to open up comments on the October 12, 2004 minutes. On a motion by Mr. Schock and seconded by Mr. Milano, the vote was unanimous to accept the October 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 October 31, 2004. The FY 2005 appropriation is \$2,728,478, the expenditures are \$488,487 and encumbrances are \$978,092 with an unencumbered balance of \$1,261,899. The current year's October surcharge receipts were \$30,549 more than October 2003. The YTD receipts collected by the Water Resources Board show a negative variance of \$185,535 versus previous YTD collections. This amount is comprised of negative variances of \$172,240 and \$5,795 over previous years YTD surcharges and Big River rental income respectively as well as a negative variance of \$7,500 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 and the final payment was made for September 2004. Mr. Penn questioned if the positive variance in salaries and benefits was due to the General Manager position not being filled. Mr. Riggs stated that this was actually due to the Staff Director position not being filled as Kathleen Crawley was in the

acting General Manager position. Mr. Penn questioned why the contractual services were also a positive variance. Mr. Riggs stated that this was comprised of audits, the land use study and stream gauges. He noted that the water supplier audits would begin after January 1, 2005. The land use study was currently being focused on and would start soon and the stream gauges are being held up due to a RISail issue. Mr. Riggs stated that these positive variances are due to the work not being completed and or billed yet. Mr. Penn questioned the negative variance for the YTD surcharge collections. Mr. Riggs stated that this was due to the “wet” summer and that it was not due to billing problems. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the October 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 October. Three payments were made during October in the amount of \$4,032.45. The payments were to Partridge, Snow & Hahn for \$422.20, Casale, Caliri & Jaroma for \$2,700.00 and Konica Minolta for \$910.25. The interest received during the month of October was \$29.75. The Water Quality Protection Fund ended the month with a balance of \$114,843.03. Mr. Riggs reported that the Providence Project received interest of \$3,388.13 on investments in October. The balance in the Providence Project fund at the end of the October was \$710,829.56. Mr. Riggs stated that the Public Drinking

Water Quality Protection Fund Administrative Accounts reflect interest received in October was \$937.43 from money market investments. The Administrative Accounts month-end balance was \$2,289,739.61. Mr. Riggs stated that the Corporate Public Drinking Water Quality Protection Fund received interest in the amount of \$5,438.33 and ended the month with a balance of \$5,584,701.38. Mr. Penn questioned which water suppliers had taken full distributions of their Phase III funds. Mr. Riggs stated that Block Island, Cumberland and Bristol had taken their distributions. Mr. Penn questioned if there were any requests pending. Ms. Crawley stated that a letter was sent out requesting that the suppliers submit action plans for the funds. She stated that Newport, Westerly, Pawtucket and Harrisville are currently working on plans. Mr. Milano moved to approve the October CFO report and his motion was seconded by Mr. Schock. The vote was unanimous.

4. ITEMS FOR ACTION

A. Payment Requests

(1) Maguire Group invoice #5. Requested Payment: \$9,738.75; Recommended Payment: \$9,738.75. Request for Approval (Enclosure 6 of Board).

Mr. Penn questioned what Phase II encompassed. Ms. Crawley stated that this phase looks at the remainder of the State for alternative

water supplies. Phase I only dealt with the central service area of the State that are serviced by the Providence Water Supply Board. Mr. Penn questioned if Providence Water Supply was still funding part of this phase. Mr. Riggs stated that Providence Water Supply has no involvement with Phase II. Mr. Penn questioned if we have budget approval for the entire amount. Mr. Riggs stated that this was the case. Mr. Penn questioned when this would be completed. Mr. Walker stated that the project should be done around September 2005. Ms. Crawley stated that these invoices are given to the PDWP to also approve as to projected progress but that there was no meeting this month. Ms. Crawley spoke to Mr. Griffith and was given permission to forgo their approval so the bill could be paid in a timely manner. Progress would be reported on this work to PDWP along with the next invoice (#6) in December. On a motion by Mr. Milano and seconded by Mr. Schock, the vote was unanimous to approve the payment as requested.

(2) Konica Office Products for copier service agreement rendered through October 31, 2004 - Requested Payment: \$208.40; Recommended Payment: \$208.40. (Enclosure 7 of Board Corporate)

Mr. Penn questioned if this would be a monthly expense moving forward. Mr. Riggs stated that this was the case. Mr. Schock questioned if overages were paid for once a year. Mr. Riggs stated that this could be a monthly occurrence based on usage. On a

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

(3) Kathleen Crawley Travel Voucher for October 2004 - Requested Payment: \$108.38; Recommended Payment: \$108.38. (Enclosure 2 of Finance)

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

5. ITEMS FOR DISCUSSION

(A) Rivers Council merge with the Water Resources Board

Mr. Penn stated that the legal structure of the Rivers Council should be researched to be sure

that the options that will be available are viable. Mr. Penn also stated that the Rivers Council

should be held separate so as not to commingle funds. It should be a stand-alone, self-supporting entity. Mr. Milano questioned how staff was paid. Ms. Crawley stated that a Rhode Island Foundation grant currently pays Ms. Kerr. Mr. Schock questioned if Ms. Kerr would now attend Board meetings. Ms. Crawley stated that Ms. Kerr was welcome to attend and that she would be attending the next Rivers

Council meeting. Chairman Varin represents the Board as the designated member of the Rivers Council. Mr. Penn stated that if the Board has fiduciary responsibility that some financial controls must be in place. Mr. Riggs stated that he would speak to the auditors to make sure that everything was above board. Mr. Penn stated that he believes a joint meeting between Rivers Council members and the Board would be beneficial. Ms. Crawley stated that staff would prepare a briefing package that explains the Rivers Council that would be presented next month.

**(B) JP Morgan Debt Service Revenue Fund Reinvestment
(Enclosure 3 of Finance)**

This reinvestment is in the Providence Project Fund that was necessitated by JP Morgan's yearly review of the debt service revenue fund. Mr. Penn explained that the 120% coverage ratio that is required is revisited every year and the excess then needs to be invested in a 6- month United States Treasury Bill. Mr. Penn questioned if this has occurred yet. Mr. Riggs stated that the instructions had been sent to JP Morgan but it is not yet reflected in the account.

6. OTHER BUSINESS

7. ADJOURNMENT

On a motion by Mr. Milano, seconded by Mr. Schock, it was unanimously approved to adjourn the meeting at 11:38 AM.

Respectfully submitted,

William Penn

Chairman

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

Overseeing Body: RI Water Resources Board

Public Body: RI Water Resources Board

Public Contact Information: Connie McGreavy

Posting Date: Dec. 15, 2004