



State of Rhode Island and Providence Plantations
Water Resources Board
100 North Main Street, 5th Floor
Providence, RI 02903
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FINANCE COMMITTEE
Minutes of Meeting
January 10, 2006

Members Present:

Jon Schock
Dan Varin

Members Absent:

William Penn, Chairman
Tim Brown

Staff Present:

Juan Mariscal
Brian Riggs

Guests

1. CALL TO ORDER

With a quorum present, Acting Chairman Schock called the meeting to order at 11:00 a.m.

2. APPROVAL OF MINUTES

A. Mr. Varin stated that he did not receive the minutes and Mr. Schock stated that he was not present at the previous meeting. The minutes were deferred to the February meeting.

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 December 31, 2005. The FY 2006 appropriation is \$2,803,450, the expenditures are \$612,301 and encumbrances are \$917,322 with an unencumbered balance of \$1,273,827. The current year's December surcharge receipts were \$19,297 more than December 2004. The YTD receipts collected by the Water Resources Board show a positive variance of \$183,612 versus previous YTD collections. This amount is comprised of a positive variance of \$180,530 over previous years YTD surcharges and a positive YTD variance of \$3,081 for Big River rental income. Mr. Schock questioned if more funds could be encumbered. Mr. Riggs stated that he had encumbered as much of the budget as he currently could. Mr. Riggs stated that approximately \$300,000 of Federal Funds would remain unspent as the final amount owed for the project is approximately \$200,000. Mr. Schock questioned why the rental income for Big River was less than last year. Mr. Riggs stated that that was probably due to the timing of deposits. Mr. Schock questioned if delinquencies were an issue. Mr. Riggs stated that he didn't believe that it was but some checks in the past had had a stop payment put on them. Mr. Schock questioned this. Mr. Riggs stated that Elaine Maguire would be the person to speak to on this matter as she handles the deposits. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the December 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 December. Three payments were made during December in the amount of \$1,250.00 for JP Morgan, \$208.40 for Konica Minolta and \$3,996.70 for the Department of Environmental Management. The interest received during the month of December was \$93.30. The Water Quality Protection Fund ended the month with a balance of \$108,608.89. Mr. Riggs reported that the Providence Project received interest of \$0.57 on investments in December. The balance in the Providence Project fund at the end of the December was \$571,551.91. Mr. Riggs stated that the Public Drinking Water Quality Protection Fund Administrative Accounts reflect interest received in December was \$4,060.87 from money market investments. The Administrative Accounts month-end balance was \$2,746,161.59. Mr. Riggs stated that the Corporate Public Drinking Water Quality Protection Fund received interest in the amount of \$10,941.10 and ended the month with a balance of \$3,592,343.24. Mr. Varin stated that Mr. Penn was concerned with the Phase III spending. He stated that it is apparent from the Board Corporate agenda that the spending has really started to pick up steam. Mr. Mariscal stated that there have been many applications for approval and that they are in very good shape. He stated that eligibility determinations are at 93%. Mr. Schock stated that Woonsocket has asked for half of their money. Mr. Schock questioned why there was only \$0.57 of interest earned in the Providence Project fund when there is a balance of \$571,340.53. Mr. Riggs stated that the majority of the funds are not in a money market but in an instrument that only disburses interest every six months. Mr. Varin moved to approve the December CFO report and his motion was seconded by Mr. Schock. The vote was unanimous.

4. **ITEMS FOR ACTION**

A. **Payment Requests**

1. Konica Office Products for copier service agreement rendered through November 30, 2005. Requested payment: \$208.40; Recommended payment: \$208.40. Request for approval (Enclosure 2 of Finance)

Mr. Varin questioned if the split remained the same. Mr. Riggs stated that it is still 60/40. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$208.40 as requested.

2. AMTEC for rebate computations for the \$11,385,000 Rhode Island Water Resources Board, Corporate Issue, Public Drinking Water Protection Revenue Bonds, Series 2002. Requested payment: \$600.00; Recommended payment: \$600.00. Request for approval (Enclosure 3 of Finance)

Mr. Schock questioned this payment. Mr. Riggs stated that this is required in the bond indenture and must be done on a yearly basis. Mr. Schock questioned if a report is supplied. Mr. Riggs stated that there is a report and that he has a copy and a copy was forwarded to the JP Morgan. Mr. Schock questioned if this amount was for one year. Mr. Riggs stated that it was. Mr. Schock questioned if there was a long term

contract. Mr. Riggs stated that he was unsure. Mr. Schock questioned if this was a competitive bid. Mr. Riggs stated that he was unsure and would look into it for the next Board meeting. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$600.00 as requested.

3. Partridge, Snow & Hahn for legal services rendered through November 30, 2005. Requested payment: \$315.00; Recommended payment: \$315.00. Request for approval (Enclosure 4 of Finance)

Mr. Schock stated that this was a records retention matter. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$315.00 as requested.

4. Kent County Water Authority – Water Quality Improvement Projects – Redevelopment and Rehabilitation of a Well Facility (Construction Phase) - Requested Amount \$17,450.00; Recommended Payment \$17,038.01. Request for Approval (Enclosure 7 of Board Corporate)

Mr. Mariscal stated that this is the balance of their account. He stated that the PDWP has already approved this at their meeting. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$17,038.01 as requested.

5. Town of South Kingstown – Water Supply Protection Project – Preparation of Water Supply Systems Management Plans - Requested Amount \$373.00; Recommended Payment \$373.00. Request for Approval (Enclosure 8 of Board Corporate)

Mr. Schock stated that he recused himself from items 5 and 6. He stated that they could not act on this item and it must be brought to the Board.

6. Town of South Kingstown – Water Quality Improvement Project – Water Tank Refurbishment - Requested Amount \$67,506.00; Recommended Payment \$67,506.00. Request for Approval (Enclosure 9 of Board Corporate)

Mr. Schock stated that he recused himself from items 5 and 6. He stated that they could not act on this item and it must be brought to the Board.

7. City of Woonsocket – Land Acquisition Project for Watershed Property Protection – Town of North Smithfield Tax Assessor’s Plat 17, Lot 47, Acreage 78 +/- Acres, - (Iron Mine Hill Road Property Project) - Appraisal Value \$420,000.00, Purchase Price \$420,000.00 - Requested Amount \$420,000.00; Recommended Payment \$420,000.00 - Request for Payment Approval. (Enclosure 10 of Board Corporate)

Mr. Mariscal stated that May Kay agreed with survey that had been submitted and recommended that it be approved by the Board. He also

stated that more documentation would be required at closing. Mr. Varin stated that he saw that the condition for the additional documentation was on the agreement. Mr. Schock stated that he believed that the price was good. Mr. Schock questioned if there were any plans for the balance of their funds. Mr. Mariscal stated that there are projects that they are working on. He stated that he believed that the project was for \$350,000 and would bring them close to expending all of their funds. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$420,000.00 as requested.

8. Pascoag Utility District – Water Quality Improvement Project – Security Fencing per Vulnerability Assessment Plan - Requested Amount \$17,540.30; Recommended Payment \$17,524.84 - Request for Approval. (Enclosure 11 of Board Corporate)

Mr. Schock questioned if this would deplete their balance. He was informed that it would. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$17,524.84 as requested.

9. Town of North Kingstown – Watershed Protection Project – Land Acquisition Costs Associated With Corresponding Program Land Acquisition Project – Request for Eligibility and Payment Approval - Requested Amount \$12,586.50; Recommended Payment \$12,586.50 - Request for Approval. (Enclosure 12 Board Corporate)

Mr. Mariscal stated that this is for costs associated with the purchase of property. He stated all of these fees are eligible. Mr. Varin stated that this will leave them with a balance of approximately \$6,500. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$12,586.50 as requested.

10. Town of Westerly – Water Quality Improvement Project – Elimination of Dead End Water Mains - Requested Amount \$11,365.12; Recommended Payment \$11,365.12 - Request for Approval. (Enclosure 13 of Board Corporate)

Mr. Mariscal stated that Westerly is using their own staff to accomplish this. He stated that this represents substantial savings versus hiring an outside firm to accomplish this. Mr. Varin stated that their balance will be approximately \$4,500. On a motion by Mr. Varin and seconded by Mr. Schock, the vote was unanimous to approve the payment of \$11,365.12 as requested.

5. ITEMS FOR DISCUSSION

Mr. Schock stated that he read that some water suppliers were under the incorrect opinion that anything on the list that was deemed eligible did not have to garner approval. He stated that he was under the same impression but now he realizes that everything must be submitted for approval. Mr. Schock suggested that a letter be sent out that informs them of this matter so there is no confusion.

6. OTHER BUSINESS

7. ADJOURNMENT

On a motion by Mr. Schock, seconded by Mr. Varin, it was unanimously approved to adjourn the meeting at 11:28 PM.

Respectfully submitted,

Jon Schock
Acting Chairman

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

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