



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

FINANCE COMMITTEE
Minutes of Meeting
Tuesday, February 13, 2006

Members Present:

William Penn, Chairman
Jon Schock, Vice Chairman
Daniel Varin
Ian Morrison

Members Absent:

Staff Present:

Juan Mariscal, P.E.
Kathleen Crawley

Call to Order and Approval of Minutes

With a quorum present, Mr. Penn called the meeting to order at 11:10 am.

Motion by Mr. Penn, second by Mr. Shock to approve the Finance Committee Meeting minutes of November 14, 2006 with one correction to note that Mr. Penn did not call the meeting to order as he was not present. The vote in favor was unanimous.

On discussion of the minutes Mr. Schock noted that the Committee would still like to know what the letters I/C stood for in a previous invoice submitted by RIDEM for legal services.

REPORTS

CBO Reports

Motion by Mr. Morrison, second by Mr. Shock to approve the Chief Business Officer Reports for November 2006, December 2006, and January 2007. The vote in favor was unanimous.

Discussion

There was considerable discussion about the Chief Business Officer reports. Mr. Mariscal noted that Ms. Bhada had left her position and that Ms. Crawley has resumed many of the responsibilities for the position. Ms. Crawley explained that she contacted the Central Business Office and that they are assisting with the bill processing and payments, payroll and personnel. David Bebyn of B&E Consulting remains under contract to assist with the Board Corporate.

Mr. Mariscal and Ms. Crawley reviewed issues related to filling positions and the budget.

Highlights include:

- ❑ The Personnel Aide position has been changed to a non-union unclassified position [Confidential Secretary]. The request to fill the position was submitted but rejected by the Governor's Chief of Staff who was reviewing all requests to fill positions.
- ❑ The Programming Services Officer position formerly held by Rob Christina was disapproved by the Budget office. The request to fill the position had been submitted

- prior to the other two vacancies and was disapproved pending approval of the Supplemental Budget request which would acknowledge 9 FTEs instead of the 8.5 currently 'authorized'.
- The Chairman and General Manager have made several requests to meet with the Governor's office to discuss several issues including personnel. The General Manager sent an email that stated that the position that was requested to be filled was not a new position and that there were other positions that need to be filled.
 - The January CBO report free balances are comprised of several significant balances:
 - Supplemental Water -\$526,468
 - Rivers Council-\$59,725 in current and prior year funding from a legislative grant. The funds are anticipated to be spent by the end of the fiscal year.
 - The two largest of several insurance premiums-BRMA liability insurance- approx. \$84,000 (policy renewal in April), and the Director's and Officers insurance \$10,000+(policy renewal for board approval in February).
 - Water Allocation-The water allocation budget originally funded in the amount of \$570,000 is all encumbered except for the \$155,400 remaining in the *Ecological Study* in Big River. The Governor is recommending cutting the full \$220,000 earmarked for the *ecological assessment* study in the 2007 budget. \$64,600 of the \$220,000 has already been committed for Big River stream gages in a joint funding agreement with US Geological Survey. The gage locations and need for the gages was coordinated with RIDEM. Final agreement on the total scope of work has not yet been reached with RIDEM but the gages are recognized as data that is needed.
 - The fact that the funds were already committed by contract was communicated to the budget office prior to the Governor's final budget recommendation.

Discussion of the Governor's 2007 and 2008 budget recommendations include:

- The Board has experienced similar problems with the Budget Office for years. For years the Board has developed a programmatic budget to prioritize activities. The Budget Office looks at line items. It was noted that the top two priorities, Big River well development and Water allocation were either not funded (Big River) or cut (Water Allocation).
- The Senate and House hearings offer an opportunity to discuss funding of the Big River wells as well as Board priorities.
- The 2007 supplemental; recommendation included \$50,000 for development of the Big River RFP/Q. The Big River Ad Hoc Committee has estimated the cost at \$250,000. No funds were recommended for FY 2008. Mr. Mariscal spoke with the Governor's policy office indicated that the funds while sufficient to begin the effort in 2007, could not complete the task without funding in 2008.
- The budget recommendations assume that revenue bonds will finance the Big River ecological work, the development of the RFP/Q and the well development. Mr. Mariscal noted that a revenue stream is necessary to finance the development.
- The FY 2008 budget recommendation removes funding for rent. A new location has not been identified, though relocation to state-owned space has been suggested.
- There were questions about the column in the CBO report labeled 'enacted budget' and how it relates to the Governor's recommended 2007 budget. Mr. Mariscal stated that we have not officially received the documents yet. It was his understanding that the overall budget has not been substantively cut and that \$50,000 was placed in the budget for the Big River RFP/Q.
- The Supplemental Water Supply project funds are overestimated in 2007 and underestimated for 2008 as there has been slippage as can happen with any multi-year project.

CFO Reports

Motion by Mr. Morrison, second by Mr. Shock to approve the Chief Financial Officer's Reports for November 2006, December 2006, and January 2007.

Discussion

The vote in favor was unanimous.

On discussion, Mr. Penn reviewed the balances in the two funds and noted the balance in the administrative fund of the Public Drinking Water Protection Fund which should be reviewed to consider potential future expenditures.

Items for Action

Motion by Mr. Varin, second by Mr. Schock to approve Bristol County Water Authority Shad Factory Pipeline Repair Project Requisition #2 in the amount of \$21,403.00 as reviewed and recommended by the Supervising Engineer, Romeo Mendes. There were two votes in favor with one recusal (Mr. Morrison).

Motion by Mr. Shock second by Mr. Morrison to approve the Supplemental Water Supply Study Phase II contract amendment reallocating the total contract amount by task and payment of Requisition # 17 to Maguire Group in the amount of \$17,205.00. The amended tasks are:

	<u>Original</u>	<u>Revised</u>
<input type="checkbox"/> Task 1	\$ 85,268	\$ 81,308
<input type="checkbox"/> Task 2	\$207,620	\$327,530
<input type="checkbox"/> Task 3	\$ 72,148	\$ 82,468
<input type="checkbox"/> Task 4	\$435,152	\$333,120
<input type="checkbox"/> Task 5	\$ 44,944	\$ 44,944
<input type="checkbox"/> Credit on remaining work (as % invoice)		\$ (24,238)
<input type="checkbox"/> Total All Tasks	\$845,132	\$845,132

It was further agreed that the total contract amount is \$845,132; however, unless otherwise adjusted or amended by the WRB, the contract must be managed by line items within each of five defined tasks to ensure completion of the total project with the appropriate outputs and within budget.

The vote in favor was unanimous.

Discussion

There was considerable discussion about the work involved with the tasks. Mr. Mariscal noted that scope of work for Task 4 still requires definition and will become clearer with results from the work completed in Tasks 2 and 3. Chairman Varin recalled similar issues with the Arthur D. Little study. He noted the complexity and difficulties involved in collecting data from water suppliers. Ms. Crawley referred to interim reports and data that have been received and coordinated with other projects underway. Mr. Mariscal stated that this is a significant and usable project. Mr. Penn noted the importance of procedures to manage the project moving forward.

Motion by Mr. Shock second by Mr. Morrison to pay Pawtucket Water Supply Board Requisition # 10 in the amount of \$35,599.50 for a water quality improvement project (HACH water distribution monitoring panels) as previously determined eligible by the PDWP Committee and the Board. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay Stone Bridge Fire District Requisition # 9 in the amount of \$26,500.00 for a water quality improvement project (Purchase and Installation of

Storm Water Drainage Catch Basin) as previously determined eligible by the PDWP Committee and the Board. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay City of Woonsocket:

- Requisition # 6 in the amount of \$18,353.14 for a watershed protection project (land acquisition costs) as previously determined eligible by the PDWP Committee and the Board.
- Requisition # 7 in the amount of \$40,497.18 for a water quality improvement project (looping dead end water mains: Sycamore Street to Rhodes Avenue).
- Requisition # 8 in the amount of \$34,942.68 for a water quality improvement project (replacement of tuberculated water mains) as previously determined eligible by the PDWP Committee and the Board.

The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay \$1,250.00 to the Bank of New York (formerly J P Morgan) for trustee, registrar and paying agent services rendered from May 1, 2006 to October 31, 2006. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay B & E Consulting, LLC, Invoice # 320 for financial consultant transition assistance in the amount of \$1,093.75. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay AMTEC Invoice # 1023-12-28 in the amount of \$600.00 for rebate computations for the \$11,385,000 Rhode Island Water Resources Board, Corporate Issue, Public Drinking Water Protection Revenue Bonds, Series 2002. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay Partridge, Snow & Hahn \$560.00 for legal services rendered through December 31, 2006. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay \$312.60 (60%) from the Water Resources Board and \$208.40 (40%) from Water Resources Board Corporate to Konica Office Products for copier service agreement rendered through November 30, 2006. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay \$312.60 (60%) from the Water Resources Board and \$208.40 (40%) from Water Resources Board Corporate to Konica Office Products for copier services rendered through December 31, 2006. The vote in favor was unanimous.

Motion by Mr. Shock second by Mr. Morrison to pay RI Association of Insurance Agents, Inc. \$10,389.00 for Public Officials Professional and Employment Practices Liability Insurance Premium. The vote in favor was unanimous.

ITEMS FOR DISCUSSION

The committee reviewed the RI Public Drinking Water Protection Program-Phase III Update and with no other or new business, adjourned at 12:10 pm.

Respectfully Submitted,

Kathleen Crawley
Staff Director

