



State of Rhode Island and Providence Plantations
Water Resources Board
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MINUTES OF FINANCE COMMITTEE MEETING
March 13, 2007

Members Present:

Daniel W. Varin, Chairman
William Penn, Committee Chair
Jon Schock

Members Absent:

Ian Morrison

Staff Present:

Juan Mariscal, P.E.
Kathleen Crawley
William Riverso

CALL TO ORDER and APPROVAL OF MINUTES

Motion by Mr. Schock, second by Mr. Penn to approve the Finance Committee Meeting Minutes of February 13, 2007. The vote in favor was unanimous.

REPORTS

Motion by Mr. Schock, second by Mr. Penn to accept the Chief Business Officer Report through February 2007. The vote in favor was unanimous.

Discussion Of the CBO Report

Members noted that the report had been emailed prior to the meeting with hard copies distributed at the meeting. Mr. Penn stated that the important part of the report is that the budget number of \$2,380,000 is revised to reflect the Governor's recommended budget for FY 2007 not what was approved by the legislature. The amount is roughly \$200,000 less. The Governor's budget [supplemental 2007 and FY 2008] is in process. The Board is scheduled for a budget hearing on March 27. Ms. Crawley reviewed the CBO report detail and highlighted some of the differences related to water allocation.

- ❑ The Water Allocation Program (contract services) is reduced from \$570,000 to \$350,000 with \$414,600 currently under contract.
- ❑ The difference between the revised funding and the contractual obligations is the first part of "ecological work"-the installation of five gages in the Big River Management area. The purpose is to collect adequate baseline conditions and accurately assess withdrawal impacts.

Mr. Penn asked about the \$400,000 in restricted receipts that constituted a large part of the unexpended balance. Ms. Crawley stated that these funds relate to the Phase II Supplemental Water Study and are reimbursed by the Department of Health. She stated that she has met with the consultant (Maguire). They have prepared a revised schedule for completion and billing. The Board will need to request a reallocation of funds from FY 2007 to FY 2008. The rest of the Supplemental Water Study (\$126,468) is funded through General Revenue which should be spent along with some of the \$400,000 by the end of June.

Mr. Penn asked about filling the open positions and whether there had been any progress. Ms. Crawley stated that the paperwork is moving forward for the Confidential Secretary (formerly the Personnel Aide) position. The paperwork to extend the temporary position will also be submitted this week. There was concern about the financial position and recognition that filling the position is a priority. Regarding office location, the current efforts are to move the offices to the Department of Administration Building

by the end of the fiscal year. There was a brief discussion of current staffing levels, the difficulties that moving will cause and the need to begin to develop a program budget for FY 09.

The surcharge payments were discussed along with the need to research whether any of the suppliers were in arrears. Ms. Crawley noted that Bristol County Water Authority had made two payments referencing the same time period (November), something that requires follow up.

Motion by Mr. Schock, second by Mr. Penn to accept the Chief Financial Officer's Report through February 2007. The vote in favor was unanimous.

Discussion of the CFO Report

Ms. Crawley noted that Mr. David Bebyn continues to prepare the CFO Report for the Board Corporate and that the billing for his services is allocated to the Water Quality Protection Fund and the Providence Fund as appropriate. Mr. Penn noted that project funds for the water Quality Protection fund accounts were roughly \$420,000 and questioned how much was committed. Mr. Riverso responded that it is all committed. It was noted that several projects were on the Board Corporate agenda. Committee members compared the CFO report with the program tracking worksheet to compare the fund balances with funds "committed" noting that the difference was roughly \$12,000.

ITEMS FOR ACTION

Payment Requests – Board

Motion by Mr. Schock, second by Mr. Penn to pay Invoice # 59942 (final payment) in the amount of \$1,657.08 to Vanasse Hangen Brustlin, Inc. for sampling at the former Amgen Parking Area. The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Penn to pay RI Association of Insurance Agents, Inc. \$82,000.00 for the General Liability Insurance Premium. The vote in favor was unanimous.

Payment Requests – Board Corporate

Motion by Mr. Schock, second by Mr. Penn to pay Stone Bridge Fire District Requisition # 10 in the amount of \$7,477.94 for a Water Quality Improvement Project (Installation of a Venturi Electronic Flow Transmitter) as previously approved for eligibility. The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Penn to pay City of Pawtucket Water Supply Board Requisition # 11 in the amount of \$36,760.25 for a Water Quality Improvement Project (Engineering Services for a Replacement Well). The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Penn to pay City of Pawtucket Water Supply Board Requisition # 12 in the amount of \$115,272.71 for a Water Quality Improvement Project (Replacement of Deteriorated Water Mains). The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Penn to pay City of Newport Water Department Requisition # 3 in the amount of \$25,000.00 for a Watershed Protection Project (Land Acquisition; Town of Portsmouth Plat 60, Lot 1; Acreage 5.5 Acres). The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Penn to recommend that the access easement is eligible for funding through the Water Quality Protection Program. The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Varin to approve payment of City of Newport Water Department Requisition # 4 in the amount of \$49,999.95 for a Water Quality Protection Project (Conservation in the Gardner's Pond watershed, Town of Middletown Plat 131, portion of Lot 1; Acreage 4.11 Acres). The vote in favor was unanimous.

Discussion

WRBC would fund roughly \$50,000 of the \$70,000 easement. The WRBC funded project involves purchasing back an easement for maintenance access through the Norman Bird Sanctuary to the reservoir. The larger land acquisition project expands the Norman Bird Sanctuary and was in the making for a long period of time. There was general discussion about the need for the access. The expectation, back to 2003, on the part of the other participants in the larger land project was that the Newport Water Department would participate. In consideration for the City's participation in the project, the Norman Bird Sanctuary would grant an access easement. Mr. Rivero explained that the full project for the purchase of development rights was \$3.2 million dollars and that the \$70,000 reimburses a portion of the total project and results in an easement for access for Newport Water. There was technical discussion about the final recorded documents. Mr. Penn noted that typically there are two ownership interests-one party holds fee simple title and the other holds the conservation easement.

Motion by Mr. Schock, second by Mr. Varin to pay Kingston Water District Requisition # 1 in the amount of \$51,100.00 for a Watershed/Wellhead Protection Project (Land Acquisition, Town of South Kingstown, A.P. 22- 3, Lot 16; Acreage - 11.7 acres). The vote in favor was unanimous.

Discussion

Ms. Crawley noted that the purchase is consistent with the Water System Supply Management Plan. Mr. Rivero explained the appraisal, noting that Ms. Primiano has approved the final appraisal amount [\$71,140]. The original project and appraisal covered 13.1 acres and the appraised value was \$55,000. It included an area with equipment and other materials that required removal and resulted in costs to be deducted from the appraised value. The project was redefined and the final acreage to be purchased was 11.7 acres (excluding the area that required clean-up) with a final appraised value of approx. \$71,000. The total purchase price is \$75,000 and the WRBC contribution is \$51,100.

Motion by Mr. Schock, second by Mr. Varin to refer the extension request by Quonset Development Corporation for the purchase of a conservation easement in North Kingstown without recommendation to the full board. The vote in favor was unanimous.

Discussion of Quonset Development extension request

The committee discussed whether extensions were possible. Mr. Penn stated that projects in the pipeline can be extended as long as the funds are committed. Mr. Rivero stated that the project is still viable in response to a question from Mr. Penn. Mr. Penn asked whether there is a document signed by the parties that indicates that the transaction will go forward or is the project still in the negotiation phase. Mr. Rivero stated that no purchase and sales agreement has been signed but the developers have sent a letter to the Town as included in the package. It is staff's intent to work with the parties to complete the process in the next 120 days.

Motion by Mr. Schock, second by Mr. Varin to approve Quonset Development Corporation request for reimbursement of \$6,434.00 for the Preparation of a Water Supply System Management Plan subject to the completion and acceptance of the of the Watershed Protection component and the Water System Supply Management Plan. The vote in favor was unanimous

Discussion

Members discussed the staff recommendation that the project not be approved. Ms. Crawley explained that the Water System Supply Management Plan was sent back for revisions. The areas where the plan

was deficient were the areas that are typically funded by the program. A major deficiency involved the Water Quality Protection component of the plan. The Public Drinking Water Protection Committee differed with the staff recommendation and saw this request as a progress payment for an eligible expense noting that 40% of the cost to prepare a Water System Supply Management Plan is an eligible expense under the program. Regardless of whether or not the progress payment is paid, QDC will be required to address the deficiencies. It was noted that members of both committees questioned whether there was any problem approving the project but withholding payment until the deficiencies are addressed. Mr. Penn restated the requirement to commit the funds, not necessary expend them.

Motion by Mr. Varin second by Mr. Penn to pay United Water Rhode Island Requisition # 3 in the amount of \$7,043.00 for a Water Quality Improvement Project (Conservation Retro Fit Kits and Conservation Education Materials) subject to receipt of a distribution plan and necessary documents. The motion carried with two in favor and one recusal (Mr. Schock).

Motion by Mr. Varin, second by Mr. Schock to pay B & E Consulting, LLC, Invoice # 350 in the amount of \$437.50 for preparation of financial reports and financial consulting services. The vote in favor was unanimous

Office Operating Expenses:

Motion by Mr. Schock, second by Mr. Varin to pay Konica Office Products \$312.60 from the Board (60%) and \$208.40 from Board Corporate (40%) for a total of \$521.00 for copier service agreement rendered through January 31, 2007. The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Varin to pay Konica Office Products \$211.20 from the Board (60%) and \$140.80 from Board Corporate (40%) for a total of \$352.00 for copier service agreement (Monthly Lease) rendered through February 28, 2007. The vote in favor was unanimous.

Motion by Mr. Schock, second by Mr. Varin to pay Konica Office Products \$172.07 from the Board (60%) and \$114.72 from Board Corporate (40%) for a total of \$286.79 for copier service agreement (Usage/Overages) rendered through February 28, 2007. The vote in favor was unanimous.

ITEMS FOR DISCUSSION

The committee briefly reviewed the RI Public Drinking Water Protection Program-Phase III Update noting that there is roughly \$400,000 left to expend in the Phase III program and that the funds are 100% committed.

OTHER BUSINESS

There was no new business or other business to discuss.

ADJOURNMENT

Motion by Mr. Schock, second by Mr. Varin to adjourn. The vote in favor was unanimous.

Respectfully Submitted<

Kathleen Crawley
Staff Director