



**State of Rhode Island and Providence Plantations
Water Resources Board**

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**FINANCE COMMITTEE MINUTES
TUESDAY, July 17, 2007**

Members Present:

Daniel Varin
Ian Morrison

Members Absent:

William Penn, Committee Chair

Staff Present:

Juan Mariscal, P.E.
Kathleen Crawley

Guests Present:

Call to Order and Approval of Minutes

With a quorum present, Chairman Varin called the meeting to order.

Motion by Mr. Morrison, second by Mr. Varin to approve the Finance Committee Meeting minutes of June 12, 2007 and June 28, 2007.

Reports

Motion by Mr. Morrison, second by Mr. Varin to accept the updated financial report for June 2007.

Discussion

Members reviewed a report from RIFANS to include invoices processed as of July 11, the last day to process FY 2007 expenses. Ms. Crawley summarized the expenses to date noting that USGS contracts have been paid, as have supplemental water study payments. The balances are due primarily to payroll balances resulting from the unfilled positions. There were a few places that the board saved some money like insurance premiums that came in slightly lower. New revenue from the cooperative agreement with the Department of Health offset some of the funds that were reduced in the water allocation budget. In summary \$1,937,026 is the final budget. The number changes throughout the year as the Board develops the budget request and then goes through the legislative process. Cash expenditures totaled \$1,857,962 is the amount spent leaving a balance of \$79,063 which is predominantly turnover (personnel). She also noted that there may be a few expenses that take the form of journal entries which could be processed through the current week that do not yet appear. An example would be the moving expenses paid to the Department of Corrections. Mr. Morrison asked about receivables. Ms. Crawley stated that the reimbursements from USDA (Pawcatuck model projects) and the Department of Health (Cooperative agreement) had occurred.

There was further detailed discussion about the budget, expenses the state accounting system and the need to fill the finance position.

Motion by Mr. Morrison, second by Mr. Varin to approve the Chief Financial Officer's Report for June 2007 with the understanding that staff will address the Bank's incorrect posting of interest.

Payment Requests

Motion by Mr. Morrison, second by Mr. Varin to approve a total payment of \$2,625.00 to NetCenergy, LLC for the packing, unpacking and set up of 12 desktop PCs.

Motion by Mr. Morrison, second by Mr. Varin to approve payment of \$350.00 to bond counsel (Partridge, Snow & Hahn) for legal services rendered through May 31, 2007.

Motion by Mr. Morrison, second by Mr. Varin to approve payment of Invoice # 400 in the amount of \$375.00 to B & E Consulting, LLC for May CFO Report Preparation.

Motion by Mr. Morrison, second by Mr. Varin to approve payment of \$211.20 from the Board and \$140.80 from the Board Corporate to Konica Office Products for copier service agreement (Monthly Lease) rendered from July 1, 2007 through July 31, 2007.

Discussion Items

Capital Budget

The board received the prior year request for review and discussion. Staff is looking for guidance from the board. Mr. Mariscal highlighted several points:

- Timing-the capital request is due in July and the operating request is due September 1.
- It is for fiscal 2009.
- What impact will the legislation have on the budget and on the planning process to prepare the budget for FY 2009 and beyond?
- There are two projects that differed from prior year requests; the Big River groundwater development project and the Big River maintenance, which is really asset protection rather than maintenance. Revenues produced through rents are not fully used to protect and maintain the property. Dumping is a major issue as are security and property repairs including roofs and septic systems.
- The Supplemental Water Study will identify projects to resurrect abandoned supplies that may warrant future funding in the Capital budget.
- BCWA funds are targeted for the treatment facility and the pipeline as outlined in law. He and Mr. Mendes met recently with BCWA to discuss the funding and he anticipates future board committee involvement to bring the project to fruition.
- The full budget will be provided to the Board at the next meeting.

FY 2007 Board Corporate Audit

The Board Corporate audit award is for three fiscal years-FY2006, FY2007 (current audit) and FY 2008 (next fiscal year). The Board will be subject to new standards that are more stringent than in prior years.

Staff followed up as requested by the Finance Committee to clarify the procedure for disbursement of project balances (funds remaining in supplier accounts) in the RI Public Drinking Water Protection Program-Phase III. According to Bond Counsel and the bond indenture, any remaining balances are applied first to the debt reserve fund. If the reserve fund

balance is adequate then the remaining project funds would be applied to debt service. WRB initiates a certificate of completion that then is forwarded to Bond Counsel.

Mr. Mariscal noted that he had been contacted by QDC with a request to purchase property to use the fund balance. He stated that he needed to review the request in more detail to determine whether or not the land is already protected. One perspective is that the program is over since the Board voted to close the program in May. Another perspective is that if the land is truly available and not already protected, then it would be in the best interest of QDC and the Board to protect the land under the program if possible. He stated that he would further review the project and potentially bring it to the board for consideration in August.

Other Business

There was no other business.

Adjournment

The committee adjourned by unanimous consent.

Respectfully Submitted,

Kathleen Crawley
Staff Director