



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

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**FINANCE COMMITTEE MINUTES
Tuesday, February 12, 2008**

Members Present:

William Penn, Committee Chair
Michael Walker
Jesse M. Rodrigues, Jr.

Staff Present:

Juan Mariscal, P.E.
Kathleen Crawley

Members Absent:

Ian Morrison

Guests Present:

Call to Order

With a quorum present, Chairman Penn called the meeting to order at 9:15 AM.

Approval of Minutes

Motion by Mr. Penn, second by Mr. Rodrigues to approve the meeting minutes of January 15, 2008. The vote in favor was unanimous and the motion carried.

Discussion

It was noted that Mr. Penn was the only member in attendance at the January meeting and also in attendance at the February meeting. Mr. Morrison also attended the January meeting.

Reports

Chief Business Officer's Report

Motion by Mr. Rodrigues, second by Mr. Walker to approve the Chief Business Officer's Report for January 2008. The vote in favor was unanimous and the motion carried.

Discussion

Mr. Penn noted that Ms. Crawley prepared and distributed a handout detailing the adjustments that have been made to the 08 and 09 budgets and submitted to the legislature by the Governor. He reviewed the FY 2008 budget, noting that the unfilled FTEs have been withdrawn leaving 6 FTEs for the current fiscal year. He noted that there are currently five positions filled and questioned where the sixth person is. Mr. Mariscal stated that he had sent an email prior to the budget announcements to Ms. Najarian and Ms. Gallogly asking the question and suggesting that we hire the Finance person, but has not received a response. The Water Allocation plan funding is reduced and projects are delayed in order to initiate the Big River Well Development project RFQ without impacting the budget and in order to meet the additional target reductions set by the Budget Office. The total net reduction of funds for the current year (FY2008) is \$264,111.

Mr. Mariscal noted that there is a hearing at the House Finance Committee regarding the FY08 Supplemental Budget. The table included in the CBO report details the reductions that are part of the Governor's recommended budget and the attached table from the

Board's Capital Budget submission shows the Water Allocation Program budget. Mr. Mariscal reviewed the Water Allocation program budget and stated that we expect to spend the funds for the Big River Ecology and the stream flow gages as well as the final funds to complete the low flow phase 2 project and the drought model. The Water Atlas, model application and the Big River Groundwater project funds will not all be spent by the end of the fiscal year. He stated that at the low end, \$250,000 could be available to offset the state fiscal crisis. He further stated that it is important to note that the projects are important and necessary in the long run. With the minimum of staff that we have we haven't had time to contract the work and most critically, the Big River groundwater work there is a request for proposals that was drafted some time ago. There policy issues that have to be addressed before we issue the RFQ/P. Even if we issued the RFQ tomorrow we still wouldn't get a consultant on board and spend any money by the end of the fiscal year. Mr. Penn questioned whether the funds could be encumbered. Mr. Mariscal responded that the source of funding is General Revenue but really should be capital funds which could be encumbered or carried over from one year to another. Mr. Mariscal questioned whether the planning and preliminary design costs could be repaid to the state once revenue bonds were issued. Mr. Penn responded that there is a limitation of eighteen to twenty-four months prior to the bond issue.

Mr. Mariscal stated that the WRB should communicate with the Budget Office and the Legislature regarding which funds will be remaining at the end of the fiscal year, noting the continued importance of the projects in the future. Mr. Walker suggested that the Board communicate with the Budget Office stating that certain Capital project funds [Water Allocation and Big River Well Development] will not be expended by the end of the fiscal year and the funds need to be carried forward into the next fiscal year in order to complete them. The Board can then move forward with the RFP and get someone on board. Mr. Walker suggested that the presentation to the Committee indicate that staffing shortages have delayed the implementation of the projects and the Board will request that the funds be carried into the next capital budget. The Committee can then make the decision. Mr. Penn stated that the Big River project is the highest priority. The second priority is the Water Atlas and water data program.

There was discussion of the Rivers Council legislative grant. Ms. Crawley provided an update on the status of payments in progress, noting that the purchase orders had been issued and payments were in process for everything except the final payment to the Woonasquatucket which will move forward once authorized by the Council. She noted that the Rivers Council funding is reduced in the FY2009 Governors proposed budget to approximately \$22,000 [\$22,444].

Mr. Penn asked about the month to date differences in surcharge collections. Ms. Crawley stated that the timing of postings, particularly the Providence remittances can impact the monthly comparisons but that the year to date figures are closer.

Chief Financial Officer's Report

Motion by Mr. Rodrigues, second by Mr. Walker to approve the Chief Financial Officer's Reports for January 2008. The vote in favor was unanimous and the motion carried.

Discussion

Ms. Crawley noted that she worked with the Bank of New York to address the follow up items from the last Finance meeting including the listing of QDC rather than RIEDC on the account and proper posting of interest.

Items for Action:

Board Payment & Contract Approval Requests

Motion by Mr. Penn, second by Mr. Rodrigues to approve the request to extend the Big River Management Area Memorandum of Understanding with the Town of West Greenwich for road maintenance to June 30, 2011 subject to adding language to the Hold Harmless clause naming the WRB as a co-insured on the Town personal injury and property damage insurance. Mr. Walker recused and the motion carried.

Motion by Mr. Walker, second by Mr. Rodrigues to pay \$3,800.00 to Ocean State Environmental Plus \$100.00 Permit Fee to State Building Code Commission. The vote in favor was unanimous and the motion carried.

Motion by Mr. Rodrigues, second by Mr. Walker to pay Dowdell Engineering, Inc \$9,450.00 for the preparation of a Class I Survey for the Groundwater Investigations/Well Site Acquisition Program (RIW 336a Property Project). The vote in favor was unanimous and the motion carried.

Board Corporate Payment & Contract Approval Requests-

Motion by Mr. Rodrigues, second by Mr. Walker to pay \$500.00 to B & E Consulting, LLC, Invoice # 499 totaling \$625.00 for November and December CFO Report Preparation with the remaining balance to be paid by the Providence Water Supply Board for those costs associated with the Providence Project. The vote in favor was unanimous and the motion carried.

Motion by Mr. Rodrigues, second by Mr. Walker to continue services with AMTEC Corporation for five years for rebate computations for the \$11,385,000 RI Water Resources Board, Corporate Issue, Public Drinking Water Protection Revenue Bonds, Series 2002. The vote in favor was unanimous and the motion carried.

Motion by Mr. Rodrigues, second by Mr. Walker to accept the final Phase III Report and Authorize General Manager to officially close out the program and issue a press release detailing the notable accomplishments of the program over the three phases. The vote in favor was unanimous and the motion carried.

Board Corporate Budget:

Motion by Mr. Rodrigues, second by Mr. Walker to defer action pending further clarification of the Governor's proposed FY 2009 budget.

Discussion

The committee reviewed a letter from bond counsel regarding the ability to pay for staff with bond funds which had been requested as a result of last month's discussion of the Board

Corporate budget. Mr. Penn noted that the letter references the cost of issuance fund in error and asked staff to contact bond counsel to revise the letter. The letter was for information only there was no action taken.

Board/Board Corporate:

Motion by Mr. Rodrigues, second by Mr. Walker to defer the Governor's Recommended Budget (FY 2008 Revised and FY 2009 Operating Budget & Article 45 Relating to Environmental Management) to the full board for consideration.

Office Operating Expenses – Board/Board Corporate:

Motion by Mr. Rodrigues, second by Mr. Walker to pay Konica Office Products for copier service agreement (Monthly Service/Supply) rendered from 12/01/07 through 01/01/08 \$101.40 from Water Resources Board and \$67.60 from the Water Resources Board Corporate.

Items for Discussion

The committee discussed correspondence from the Bank of New York regarding fund balances and the impacts that closing the program will have. They instructed staff to work with bond counsel to close the program and then provide instruction to the trustee as to transferring fund balances and report back to the committee.

Other Business and Adjournment

With no other business to come before the committee, there was a **Motion** by Mr. Rodrigues, second by Mr. Walker to adjourn. The vote in favor was unanimous and the motion carried.

Respectfully Submitted,

Kathleen Crawley
Staff Director