



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

Justice William E. Powers Building, Third Floor
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Providence, RI 02908
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**FINANCE COMMITTEE
MINUTES
Monday, November 17, 2008**

Members Present:

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

Members Absent:

Ian Morrison

Staff Present:

Kathleen Crawley

Call to Order and Approval of Minutes

Chairman Penn called the meeting to order at 11:20 AM noting that a quorum was present.

Motion by Mr. Rodrigues second by Mr. Walker to approve the Finance Committee Meeting minutes of October 20, 2008. The vote in favor was unanimous and the motion passed.

Reports

Motion by Mr. Rodrigues second by Mr. Walker to accept the October 2008 Chief Business Officer's Report. The vote in favor was unanimous and the motion passed.

Discussion

Mr. Penn reviewed the expenditures to date and requested additional detail about the contracted services category. Ms. Crawley stated that these services include the water supplier audits which are not yet underway. She referred members to the second page of the report and reviewed the remaining categories. She noted that the field office maintenance expense is an item that will be reappropriated. Some water allocation bills have been received very recently but not yet processed. Mr. Walker asked about the field office. Ms. Crawley stated that the field office is for the most part vacant, the condition is adequate but does not require routine on site maintenance (cleaning) as there are not staff assigned there. Mr. Penn also noted the negative variance in the surcharge revenue and previous discussions with utilities about declining water sales. Mr. Walker noted that he did not see rent in the operating budget. Mr. Penn stated that it is in the revised budget for the remaining portion of FY 09 and for FY 2010.

Motion by Mr. Rodrigues second by Mr. Walker to accept the October 2008 Chief Financial Officer's Report and First Quarter Financial Statement. The vote in favor was unanimous and the motion passed.

Discussion

Mr. Penn reviewed the CFO report and stated that quarterly financial statements have been prepared and submitted which addresses suggestions from the auditor. They will be submitted on a quarterly basis moving forward for review. The statements include a balance, P&L and cash flow and do not reflect any major changes from the June 30 statement. The cash in the Water Quality Protection fund is restricted. \$272,000 was collected for the quarter for the Water Quality Protection program. There was a net cash flow of \$97,000.

Items for Action:

Board Payment & Contract Approval Requests:

Motion by Mr. Rodrigues second by Mr. Walker to reimburse \$52,336.11 to Bristol County Water Authority for repairs to existing Shad Factory Pipeline as recommended by staff and the CEO Committee. The vote in favor was unanimous and the motion passed.

Discussion

The original request was for \$56,792.09. The difference between the requested payment and the recommended payment are a number of maintenance expenses that were not reimbursable and were therefore not recommended by WRB staff or the CEO Committee. Committee members reviewed the back-up materials.

Motion by Mr. Rodrigues second by Mr. Walker, consistent with the CEO Committee action to reimburse \$226,312.09 to Providence Water Supply Board for expenses related to the KCWA/Providence Emergency Interconnection. The vote in favor was unanimous and the motion passed.

Discussion

This is the third and final request for payment of the interconnection approved by the Board for eligibility. Mr. Penn noted that there have been 47 interconnections identified throughout the state but the Board has only been able to complete sixteen. The primary reason is that this is a 50% program. The public water suppliers have difficulty getting their 50% match. This supports the need for enterprise funds to generate the needed cash for infrastructure investments.

Board Corporate Payment & Contract Approval Requests:

Motion by Mr. Walker second by Mr. Rodrigues to approve invoice B & E Consulting, LLC, Invoice # 624 for September report preparations in the amount of \$375.00. The vote in favor was unanimous and the motion passed.

Motion by Mr. Walker second by Mr. Rodrigues to approve Invoice # 625 in the amount of \$70.00 [Board Corporate share] for CFO Assistance. The vote in favor was unanimous and the motion passed.

Motion by Mr. Walker second by Mr. Rodrigues to approve payment of \$500.00 to the Trustee's legal counsel Bernstein Shur Counselors at Law for costs associated with the bond defeasance. The vote in favor was unanimous and the motion passed.

Motion by Mr. Walker second by Mr. Rodrigues to approve payment of \$7,500.00 to Casale, Caliri, Jaroma, LLP for the Board Corporate Audit of the Financial Statements for the year ended June 3, 2008. The vote in favor was unanimous and the motion passed.

Discussion

Ms. Crawley noted that Providence Water Supply Board would be invoiced for a portion of the payment consistent with the percentage of the work attributable to the Providence Project. Ms. Crawley requested the percentage breakdown from Mr. Calieri.

Items for Discussion

The board had approved due diligence work to be conducted by WRB staff. An invoice for a yield plan was presented to report progress to date for the Groundwater Investigations and Land Acquisition Program. Members discussed approval noting that the board had authorized due diligence.

Other Business

Mr. Penn reviewed the actions of the Board to date regarding the operating budget noting that they had agreed to the budget in concept and authorized the chair and the Acting General Manager to work with the budget office and finalize and submit the request. He reviewed the budget request with committee members. He explained the

organizational chart which differs from what had been previously submitted to the state. The Implementation Aide position would be involved with bookkeeping related to surcharge receipts and payments, as well as clerical. The position is broader than the Confidential Secretary position that had been previously submitted. The Principal Planner would work on the Water System Supply Management Plan Program. There has been confirmation to fill the General Manager's position. The other two positions will need to go through the state process. The revised request is slightly less than enacted. Funds have been reallocated in order to fund the Hunt water allocation pilot. Personnel numbers are reduced due to changes in the job classifications. The business plan has been included.

Adjournment

On a motion by Mr. Rodrigues second by Mr. Walker and approved unanimously the meeting adjourned at 11:58 am.

Respectfully Submitted,

Kathleen Crawley
Acting General Manager