



State of Rhode Island and Providence Plantations

Water Resources Board

Foundry Office Building, 3rd Floor, Suite 394

235 Promenade Street

Providence, RI 02908

(401) 222-1450 • FAX: (401) 222-1454

FINANCE COMMITTEE MEETING

Monday, March 15, 2010 * 12:00 pm

MINUTES

Members Present

William Penn, Chair

Jon Schock, Vice Chair

Jesse Rodrigues

William Parsons*

Members Absent

Staff Present

Kenneth J. Burke, P.E.

Kathleen Crawley

Romeo Mendes, P.E.

Emily J. Cousineau

*Member Designee

Guests Present

CALL TO ORDER

Chairman Penn called the meeting to order at 12:09pm, noting that a quorum was present.

APPROVAL OF MINUTES

Motion by Mr. Schock, second by Mr. Rodrigues, to approve the minutes as amended. The vote in favor was unanimous. The motion carried.

Discussion

Mr. Schock amended the minutes to replace the term “legal rights” with the term “matter of policy”; he noted that he would not have legal training to assess an individual’s legal rights.

FINANCIAL CONSULTANT REPORTS & ACTION ITEMS

A. Chief Business Officer Report – February 2010

Motion by Mr. Parsons, second by Mr. Rodrigues, to approve the Chief Business Officer’s report for February 2010. The vote in favor was unanimous. The motion carried.

B. Chief Financial Officer Report – February 2010

Motion by Mr. Rodrigues, second by Mr. Parsons, to approve the Chief Financial Officer’s report for February 2010. The vote in favor was unanimous. The motion carried.

C. Collateral Valuation Report – March 1, 2010

No action was taken on this item.

ITEMS FOR DISCUSSION & ACTION

A. Payment Requests – Board Corporate

Motion by Mr. Parsons, second by Mr. Schock, to approve the AMTEC Invoice # 1023-02-10 for the amount of \$600.00. The vote in favor was unanimous. The motion carried.

B. Draft Divestment Plan for Big River Properties

Motion by Mr. Parsons, second by Mr. Schock, to recommend that the Board approve the schedule outlined in the plan as distributed and to authorize placement on a future State Properties Committee agenda for final review and approval.

Discussion

Mr. Penn stated that requests made at the last Board meeting had been incorporated into the new draft. He asked that a specific reference to the LEED standard guidelines for recycling be added, as well.

Mr. Burke explained the financial projections. The plan estimates a \$20,000 cost per structure to simply demolish each house. Mr. Rodrigues noted that additional costs would likely come from recycling efforts. Mr. Burke added that contractor bids would vary greatly, depending on how the scope of work is constructed and on each contractor's ability to recycle. He further explained that the plan would yield a payback in 7.3 years. The commercial tenant rents would help to sustain the divestment program activities. Staff also recommends lowering the threshold for maximum acceptable repairs from 25% to 5% of a structure's value.

The divestment plan is optimistic that the State would fund the total project for \$432,000 in the first year, however, staff is budgeting for less as a precaution. If the entire divestment is not funded from the beginning, but rather in phases, some tenants with children subject to the tuition reimbursement expense would remain. Thus, it is not possible to ensure a savings in the first year from the discontinuation of tuition reimbursement.

Mr. Rodrigues suggested applying the reduction to maximum acceptable repair costs to all structures, rather than simply original owners. Mr. Penn further suggested investigating what roads can be abandoned as structures are removed; saving on road maintenance costs.

Mr. Burke stated that he planned to contact Not-for-Profit organizations, towns, and individuals interested in buying the houses to be moved off site.

Regarding the RFP, Mr. Schock stated the need to distinguish between the terms "reuse" and "recycle". "Reuse" of a house would be to remove the entire structure, whereas to "recycle" a house refers to the building materials that are extracted. In addition, requiring contractors to recycle all possible materials it is not necessarily practicable or financially beneficial. The RFP should make recycling a priority, though not a necessity.

C. Draft Business Plan for the Big River Wells Program - Update

Discussion

Mr. Burke stated that the contractor, Weston & Sampson, had been consulting about the Board's concerns that were raised at the February meeting. Technical memos from Weston & Sampson are available in the staff office. The memos are being held as confidential per request at the last Board meeting.

Mr. Penn requested that Mr. Burke address each Board member about his or her specific concerns.

ADJOURNMENT

Motion by Mr. Schock, second by Mr. Parsons, to adjourn the meeting. The vote in favor was unanimous and the meeting adjourned at 12:54pm.

Respectfully Submitted,



Emily J. Cousineau
Implementation Aide

The meeting place is accessible to the handicapped in conformance with RIGL 42-46-2. Individuals requesting interpreter services for the hearing impaired must notify the Board office at tel. 401-222-1450, at least 72 hours in advance of the meeting date. If requested, tapes of the meeting will be made available.