



State of Rhode Island and Providence Plantations

Water Resources Board

Foundry Office Building, 3rd Floor, Suite 394

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Providence, RI 02908

(401) 222-1450 • FAX: (401) 222-1454

FINANCE COMMITTEE MEETING

Monday, April 19, 2010 * 12:00 pm

MINUTES

Members Present

William Penn, Chair

Jon Schock, Vice Chair

Michael Walker*

Members Absent

Jesse Rodrigues

Staff Present

Kenneth J. Burke, P.E.

Kathleen Crawley

Romeo Mendes, P.E.

Emily J. Cousineau

Guests Present

Pasquale DeLise – Bristol County Water

Gerri Bennett – Cayer Caccia LLP

*Member Designee

CALL TO ORDER

Chairman Penn called the meeting to order at 12:04pm, noting that a quorum was present.

APPROVAL OF MINUTES

Motion by Mr. Schock, second by Mr. Walker to approve the minutes of the Finance Committee Meeting of March 15, 2010. The vote in favor was unanimous. The motion carried.

FINANCIAL CONSULTANT REPORTS & ACTION ITEMS

A. Chief Business Officer Report

Motion by Mr. Schock, second by Mr. Walker to approve the Chief Business Officer's Report for March 2010. The vote in favor was unanimous. The motion carried.

Discussion

Mr. Penn noted that the CBO Report covered the fiscal year through March and that the agenda mistakenly read "Chief Business Officer Report – February 2010". He then questioned whether remaining funds can be encumbered.

Ms. Crawley explained that a quote for liability insurance has been received and is roughly \$4,000 under budget for that line item. Staff is waiting to receive an invoice for the insurance premium in order to encumber the funds.

Ms. Crawley added that funds to pay education grant expenses for pupils in the Big River Management Area have yet to be encumbered. This is due to the fact that the State's supplemental budget, which determines how much state aid is given to public schools has not been approved. That number is used to calculate the tuition expense for each pupil in the management area.

B. Chief Financial Officer Report

Motion by Mr. Schock, second by Mr. Walker to approve the Chief Financial Officer's Report for March 2010. The vote in favor was unanimous. The motion carried.

Discussion

Mr. Penn noted that the CFO Report covered the fiscal year through March and that the agenda mistakenly read "Chief Financial Officer Report – February 2010".

C. Quarterly Financial Report

Motion by Mr. Schock, second by Mr. Walker to approve the Quarterly Financial Report for the third quarter of FY 2010. The vote in favor was unanimous. The motion carried.

Discussion

Ms. Bennett summarized the financial statements. There was a question about projected surcharge revenues and required debt coverage ratio. Ms. Bennett stated that she would review the requirements and projected collections.

D. Collateral Valuation Report – April 5, 2010

Mr. Penn noted that collateral percentage as of 4/5/2010 was 114% which exceeds the 105% requirement. No action was taken on this item.

ITEMS FOR DISCUSSION & ACTION

A. Payment Requests – Board Corporate

Motion by Mr. Schock, second by Mr. Walker to approve the Cayer Caccia Invoice # 110998 for the amount of \$1,500.00. The vote in favor was unanimous. The motion carried.

B. Divestment Plan for Big River Properties

Mr. Burke reported that the State Properties Committee had approved the Board's divestment strategy and authorized month to month tenancies for a period not to exceed one year for non-original owner tenants. The staff has drafted a notification letter to said tenants and submitted the draft to attorney Michael Mitchell for legal comment. Mr. Burke hopes to have the notices out to tenants by the end of April.

Mr. Penn inquired about when the inspection of the vacant houses would begin in order to determine what can be recycled, reused, or demolished. Mr. Burke replied that staff is soliciting inspectors and several interested parties have come forward.

C. Bristol County Water Authority

Mr. Burke reported that the Technical Committee would be reporting fully on this matter during the Board Meeting. Thomas Mullaney, in the State Budget Office, has informed Mr. Burke that \$2 million is available in G.O. Bond monies to upgrade the Bristol County treatment facility.

Additionally, the Shad Factory pipeline, which draws water from Massachusetts, needs to be replaced. Ideally, the pipe would be relocated under city streets, rather than remain in sensitive wetland areas. Mr. Burke would like the Board to consider financing the pipeline project and to instruct the staff to work with the Governor's office to tie the project to the larger treatment plant upgrades. Mr. Burke noted that the Board can likely apply for a revolving fund program of \$5 million for public works projects. The grant is a 50%-cost-match. Mr. Penn asked about the project's total cost estimate. Mr. Pasquale Delise responded that their last estimate which was \$8 million for the pipeline and the pump station was done in 2007. Mr. Delise believes the estimate is still reliable. BCWA has completed the necessary construction plans, but stated that the permits continue to be delayed by Rehoboth. BCWA has been waiting since 2006 for a decision. If the street permits are denied, BCWA has the right to rebuild the current pipeline within the wetlands. Mr. Delise further added that the Rehoboth Board of Selectmen continues to be the entity opposing the project. Mr. Penn requested to see the original permit applications and other background documentation. Mr. Burke said he would report back in May with strategies to aide BCWA in resolving the matter.

D. Flood Related Expenses

Mr. Burke noted that the staff will be attending a meeting with FEMA on April 21st to solicit federal aid. The recent flooding resulted in the loss of a bridge that may or may not need to be repaired, should the divestment program proceed on schedule. Mr. Schock added that FEMA requires a 25% match. Mr. Burke stated that Kevin Breene, the Town Administrator, has voiced his desire to fix the bridge. The Board will need to decide based on the amount of aide provided by FEMA and that the ultimate goal is to eventually build a reservoir. Mr. Penn also added that the bridge's importance to emergency response

access needed to be discussed. Mr. Burke agreed to work with Mr. Breene to develop possible options and report back in May.

E. SUPPLEMENTAL BUDGET FY 2010

Mr. Burke reported that the Supplemental Budget continues to be discussed in the General Assembly. The Board is hoping to receive approval for moving BRMA Well Development Project funds into RICAP. A hearing is scheduled at the State House for Tuesday at 1:00pm,

ADJOURNMENT

Motion by Mr. Schock, second by Mr. Walker to adjourn the meeting. The vote in favor was unanimous. The motion carried and the committee adjourned at 12:50pm.

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.