



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, December 20, 2010 * 12:00 pm

Kingston Free Library

2605 Kingstown Road

Kingston, RI 02881

Minutes

<p style="text-align: center;">Members Present</p> <p>William Penn, Chairman Jon Schock Michael Walker*</p> <p style="text-align: center;">Staff Present</p> <p>Kenneth J. Burke, General Manager Kathleen Crawley, Staff Manager Emily J. Cousineau, Implementation Aide</p> <p>*Member designee</p>	<p style="text-align: center;">Members Absent</p> <p>Jesse Rodrigues</p> <p style="text-align: center;">Guests Present</p> <p>Janice Black, public member Gerard Cayer, Cayer Caccia LLC Bill Harritos, Quonset Development Corporation Samuel Kitchell, Water Resources Board member Henry Meyer, Kingston Water District Gary Morse, RI State Coalition & Operation Clean Gov. Vincent Ross, Kingston Water District</p>
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CALL TO ORDER

Chairman Penn called the meeting to order at 12:05 pm, noting that a quorum was present.

APPROVAL OF MINUTES

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

FINANCIAL REPORTS & ACTION ITEMS

Chief Business Officer Report

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

Chief Financial Officer Report

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

Discussion:

Ms. Crawley noted the presence of Mr. Gerard Cayer, of Cayer Caccia LLP. Mr. Cayer was available to answer any questions. Ms. Crawley presented a handout to the committee that reported the downward trend of surcharge collections from 1998 to present, broken out by supplier. Mr. Penn noted that Board Corporate needed to insure that it did not end up with a debit service deficiency. Revenues would need to be projected out to keep total collections above \$1 million. Mr. Burke noted that the Water Use & Efficiency rules would likely have further impacts on surcharge revenues. Mr. Penn stated that the firm selected to provide 2011 financial services will need to perform a cash flow analysis by February.

Collateral Valuation Report

No action was required for this item

Payment Requests – Board Corporate:

Motion by Mr. Walker, second by Mr. Schock, to approve payment of the Bank of New York Mellon Invoice #252-1514010 (Semi-Annual Fee as Paying Agent and Registrar for May-01-2010 through October-31-2010) for the amount of \$1,250.00. The vote in favor was unanimous. The motion carried.

Board Corporate Budget for FY 2011-FY 2013 (Revised)

Motion by Mr. Shock, second by Mr. Walker to approve the Board Corporate Budget for FY 2011-2013 with the addition of details pertaining to available cash balances. The vote in favor was unanimous. The motion carried.

Board Corporate Contract for Financial Services after January 1, 2011

Motion by Mr. Schock, second by Mr. Walker to authorize the General Manager to finalize appointment of the contract based on forth coming recommendations from the Department of Purchasing. The vote in favor was unanimous. The motion carried.

Discussion:

The bidding period for the contract had ended on December 15, 2010. The Purchasing Agent was currently reviewing the bids and would be announcing the lowest qualified bidder within the week.

OTHER BUSINESS

Fiscal Year 2011 – 2012 Operating Budget for Water Resources Board

Mr. Burke reported that the staff is requesting a new full-time employee and has made the necessary budget reductions to fund a seventh staffer. He continues to work with the Budget Office, though a definitive answer has not yet been issued.

Public Comment

Mr. Gary Morse - RI Statewide Coalition & Operation Clean Government – Mr. Morse stated that RISC and OCG are requesting to provide an analysis to the Board regarding their findings on Bristol County Water Authority. The groups would then like to address the Board directly at the January meeting. He further stated that they have suggested that the state perform a forensic audit.. The purpose would be to determine if the Shad Factory Pipeline account balance is, in fact, less than the \$2 million reported. The groups believe that the enabling legislation has not been interpreted correctly, such that BCWA is working on the pipeline project assuming that the WRB will fund all aspects. The statute potentially intended that BCWA fund the project. He stated that, if BCWA does not move forward with the project because of other financial commitments, then money should be released back to the state. Mr. Penn stated that the Board would need to look at the terms of the Bond indenture, which is specific to what projects can be funded. Mr. Burke noted that, if the money isn't being used correctly, the Board should be aware. Mr. Penn suggested an audit of the bond dispersals. Mr. Burke added that staff had been working with Mr. Morse and the State Budget Officer: Thomas Mullaney. Mr. Mullaney suggested that a DOA office may be able to assist with researching the archives. Mr. Morse agreed to this approach if it answered all of the groups' concerns. Mr. Penn concurred, stating that Mr. Morse may address the Board at the January meeting.

ADJOURNMENT

Motion by Mr. Walker, second by Mr. Schock to adjourn the meeting. The vote in favor was unanimous. The motion carried and the committee adjourned at 12:51 pm.

Respectfully Submitted,



Emily 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.