



State of Rhode Island and Providence Plantations

Water Resources Board Corporate

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 21, 2011 * 12:00 pm

Foundry Corporate Office Building
235 Promenade Street, Room 300
Providence, RI 02908

MINUTES

Members Present	Members Absent
William Penn, Chairman Jon Schock Jesse Rodrigues	William Parsons
Staff Present Kenneth J. Burke, P.E., General Manager Kathleen Crawley, Staff Director Emily J. Cousineau, Implementation Aide	Guests Bev Clay, Operation Clean Government Cindy Coyne, Barrington Town Council Pasquale DeLise, Bristol County Water Authority John Jannito, Bristol County Water Authority Gary Morse, Operation Clean Government C. Richard Paduch, Town of Warren

CALL TO ORDER

Chairman Penn called the meeting to order at 12:02 pm, noting that a quorum was present.

APPROVAL OF MINUTES

Motion by Mr. Penn, second by Mr. Rodrigues to approve the minutes of the Finance Committee Meeting dated February 21, 2011. The vote was two (2) in favor, zero (0) against, with Mr. Schock abstaining. The motion carried.

FINANCIAL REPORTS & ACTION ITEMS

Chief Business Officer Report – February 2011

Motion by Mr. Rodrigues, second by Mr. Schock to approved the Chief Business Officer's report for February 2011. The vote in favor was unanimous. The motion carried.

Discussion:

Mr. Burke noted that the Board would likely have remaining funds in Contract Services by the end of the fiscal year. He has conveyed to the Budget Office that the WRB hopes to ultimately expend the funds. The proposed budget removed about \$49,000 from Contract Services. In regards to operating expenses, Ms. Crawley stated that the water-supplier audits would be invoiced within the fiscal year, as well as the Big River insurance policy.

Chief Financial Officer Report – February 2011

Motion by Mr. Schock, second by Mr. Rodrigues to approve the Chief Financial Officer's report for February 2011. The vote in favor was unanimous. The motion carried.

FY 2011 Surcharge Projection and Discussion of Cash Flow Projection

Motion by Mr. Schock, second by Mr. Rodrigues to table the report until the next meeting. The vote in favor was unanimous. The motion carried.

Discussion:

Mr. Penn asked why the projections omitted data for 2011 and 2012. Mr. Burke noted that the consultant believed the committee requested 2013 and onward. Mr. Penn stated that only the third scenario need not include 2011 and 2012. He further noted a negative cash flow projected for scenario number two. Mr. Burke stated that Bond Counsel has suggested looking at a monthly cash flow analysis. Ms. Crawley added that, depending on timing, balances may fluctuate between positive and negative. Mr. Penn suggested that the Debt Services Fund be considered as a source, assuming it would be replenished within the fiscal year. Concerning the third scenario, Mr. Schock did not agree with 3% being an appropriate estimate for the reduction in water sales due to the Water Use & Efficiency Act. Mr. Penn replied that the committee would first need to see the 2011 and 2012 projections. He stated that monthly projections would be too variable to predict, but that quarterly may be appropriate.

Collateral Valuation Report – March 2011

No action was required for this item.

Payment Requests – Board Corporate:

i. Public Drinking Water Protection Revenue Bonds, Series 2002 – Administrative Expenses:

- a. Motion by Mr. Rodrigues, second by Mr. Schock to approve payment of the B & E Consulting, LLC Invoice #1005 in the amount of \$991.25. The vote in favor was unanimous. The motion carried.

Bristol County Water Authority “master plan”

Motion by Mr. Rodrigues, second by Mr. Schock to recommend Board approval of recommendations one (1) and four (4) of the enclosed plan. The vote in favor was unanimous. The motion carried.

Discussion:

Mr. Burke explained that the enclosure summarized a series of projects laid out by the State Legislature for Bristol County Water. Certain projects have been completed. BCWA has submitted a plan that is limited to improvements for Child Street and the Shad Factory Pipeline/Pump station. The legislative act defines available funding and how expenses are to be shared between WRB and BCWA. Mr. Burke noted that the WRB has an open-ended capital expense responsibility. Mr. Penn suggested that they review the overall Act in its entirety.

Mr. Gary Morse, of Operation Clean Government, addressed the Committee. He stated that private auditors and lawyers had reviewed the statutes and agree that the State is liable for all wells, dams, and other such projects. He further stated that this was an unfunded mandate and funding should be delayed until legal matters are resolved. Mr. Penn stated that the Board’s legal counsel would need to review financial responsibilities. The statute appears to have the WRB liable for all BCWA capitol improvements.

Mr. Penn summarized by stating his support for recommendation one (1) regarding remaining funds, and that recommendation four (4) required a revue of the Act by the Board’s counsel.

ADJOURNMENT

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

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.