

eThe Narragansett Bay Commission
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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director



OFFICIAL MINUTES OF:

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|-------------|---------------------------------------|
| Meeting of: | Rules & Regulations Committee Meeting |
| Date: | September 23, 2014 |
| Time: | 10:30 a.m. |

MEMBERS PRESENT:

Michael DiChiro, Chairman
Michele DeRoche
Vincent Mesolella, NBC Chairman
Joan Milas
Alan Nathan
Richard Worrell

MEMBERS ABSENT:

STAFF AND GUESTS PRESENT:

Mario Carlino, NBC Commissioners
John MacQueen, NBC Commissioner
Raymond Marshall, NBC Executive Director
Laurie Horridge, NBC
Linda George, Senate
Karen Musumeci, NBC
Jennifer Harrington, NBC
Deborah Samson, NBC
Paul Nordstrom, NBC
Thomas Uva, NBC

Leah Foster, NBC
Harold Gadon, CAC
Mary Sahady, Hague, Sahady & Company
Kyle Connors, Hague, Sahady & Company
Joe Pratt, Louis Berger
Sherri Arnold, NBC
Gail Degnan, NBC
Jamie Samons, NBC
Karen Giebink, NBC
Richard Bernier, NBC

1. Call to Order

Recognizing that a quorum was present and in the absence of Committee Chairman DiChiro, NBC Chairman Mesolella called the September 23, 2014 Rules & Regulations Committee Meeting to order at 10:42 a.m.

2. Items for Action

A. Organizational Discussion

NBC Chairman Mesolella advised that Joanne Maceroni would be making a presentation with regard to the passage of legislation in the General Assembly dubbed the “Sheehan Bill”.

B. Sheehan Bill Requirements

Ms. Maceroni advised that Senator Sheehan introduced a bill three years ago regarding quasi-public agencies. Since the introduction of the bill we at the NBC have worked with Senator Sheehan and Linda George from the Senate Policy office to address the concerns that NBC had with the initial bill. She stated that she is happy to report that the final bill that passed this Session and was signed into law by the Governor did address all our concerns.

Ms. Maceroni stated that the bill creates the Quasi-Public Accountability and Transparency Act. The purpose of this bill is to impose standards of accountability and transparency on quasi-public corporations. She noted that there are some 20 quasi-public corporations in the State and this bill covers all of them as well as the subsidiaries of the RI Commerce Corporation.

Ms. Maceroni advised that the bill was passed this year however it takes effect January 1, 2015 which means this is when we must meet all the requirements outlined in the new statute.

These requirements are for all the quasi-publics that are listed in the statute.

Ms. Maceroni reviewed with the Committee each item in the bill

Adoption of a Code of Ethics:

The Narragansett Bay Commission has always recognized that our Commissioners and our employees are subject to the Code of Ethics and as such we follow the RI State Code of Ethics.

Adoption of a Mission Statement:

NBC has a mission statement which was approved by the Board many years ago. Our Mission Statement “To maintain a leadership role in the protection and enhancement of water quality in Narragansett Bay and its tributaries by providing safe and reliable wastewater collection and treatment services to its customers at a reasonable cost” is on our business cards and also on documents that we produce.

Rules and Regulations Chairman DiChiro arrives at 10:47 a.m.

Performance Measurement and Achievement of Goals:

In addition to the Mission Statement the statute addresses measurements by which our performance and our achievement of goals are evaluated. We do this via our strategic plan and also on an annual basis in our budget document.

Adoption of an Indemnification Policy:

The NBC Board has an indemnification policy which is in our By-Laws.

Creation of a Committee on Executive Compensation:

NBC’s Chairman has already addressed this issue by assigning the items called for in the legislation relating to executive compensation to the former Ad Hoc Compensation Committee. It will now become a standing committee called the Compensation Committee.

Transparency requirements (16) on each quasi public’s website or if they are not on the website a link to the documents should be on the website:

NBC's enabling legislation, operating budget, capital improvement plan, etc. The majority of the sixteen items that are listed NBC already has on its website and they were on our website long before the bill passed.

Performance Audits:

The new statute requires that each quasi-public be subject to a performance audit performed at the request of the Bureau of Audits. The quasi-publics will be allowed to work with the Bureau to hire an auditor and all quasi-public corporations must pay for their own audit up to an amount of \$75,000. The performance audits have to be done every five years and we anticipate that the Bureau of Audits will be setting up a schedule to encompass all twenty over a period of time.

Ms. Maceroni stated that the next items are a list of areas that require policies and procedures. NBC already has many of them in place.

Internal Accounting and Administrative Controls:

NBC already has numerous controls in place for our accounting, our customer service and purchasing. NBC's controls are reviewed by auditors on an annual basis.

Travel:

NBC has a travel policy in effect.

Grants and Charitable Donations:

The only thing that the NBC does is grants that we award from our environmental enforcement fund and we follow the letter of the law of our statute which outlines what projects are eligible for these grants.

Personnel Administration:

This is addressed in our two Collective Bargaining Agreements (CBA) for our union employees and for our non-union employees it is addressed in our Non-Union Handbook.

Lobbying Expenses:

This is a new requirement and NBC would have to draft a policy.

Ms. Maceroni advised that the role of the Rules and Regulations Committee will be to review the NBC's current Code of Ethics, Mission Statement and Indemnification Policy. It will also be to review and assist NBC's staff with the development of new or review of existing written policies or procedures.

Ms. Maceroni then directed the Committee's attention to a voluminous pile of documents that she had made reference to in her presentation.

The next step for the Committee is to schedule a meeting possibly sometime in mid-October. We will provide the Committee with a list of these documents, many of which the Committee members already have or have access to and if there is anything that you don't have but want to review we will provide those to you.

The Rules & Regulations Committee will review and finalize all the policies and procedures and present them to the full Board for formal adoption.

Ms. Maceroni advised that this concluded her presentation and asked if there were any questions.

Commissioner Milas asked if the Committee is going to do both review the current policy for compliance purposes and then draft policy for the very few things that were not already in place to comply with this bill.

Ms. Maceroni advised that staff will draft the policies for the Committee's review, comments and suggestions before we finalize anything.

Commissioner Milas asked if the bill indicates what the compliance date is; that the Quasi's have to report back that they have come into compliance with the Sheehan bill. It's effective January 1, 2015. Do we have to have everything done by January 1st?

Ms. Maceroni stated that this is the way that we are interpreting it. There is no one that we have to report back to we just have to be in compliance by then.

NBC Chairman Mesolella asked if this is all internal? No report back to any of the Oversight Committees?

Ms. Maceroni stated not that she is aware of.

Commissioner Milas asked if as part of this legislation there is any one a State Agency or the Legislature that is going to monitor the compliance of these Quasi's?

Ms. Maceroni advised there are legislative liaisons who attend the various Boards and Commissions and it may be up to them to insure that. She stated that she believes that the main purpose of the bill is that there are so many requirements out there that are all over the place and there was never a permanent act or statute that listed everything that every Quasi-Public has to do. So as a result of that there were some Quasi-Publics who were not in compliance or did not even know they had to do the various things. What the checks and balance will be we don't know but we are sure that there will be people responsible to follow up on this.

4. Other Business

There was no other business to report.

5. Adjournment

A motion to adjourn was made by Commissioner Milas seconded by NBC Chairman Mesolella and the Rules & Regulations Committee meeting adjourned at 11:08 a.m.

Respectfully submitted,



Raymond J. Marshall, P.E.

Executive Director/Secretary