RHODE ISLAND CLEAN WATER FINANCE AGENCY

RESCHEDULED MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

NOVEMBER 1, 2004

A Rescheduled Meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, November 1, 2004, in the conference room of the Rhode Island Clean Water Finance Agency, 235 Promenade Street, Suite 119, Providence, Rhode Island, pursuant to duly posted public notice of the meeting and notice given to all the Directors. The meeting was called to order by the Chairman of the Board James M. Hagerty at approximately 3:45 p.m.

Directors present were: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Directors absent were: Representative Thomas J. Winfield and Senator Susan Sosnowski.

Also present were: Executive Director, Anthony B. Simeone; Michael P. Larocque, Accounting/Office Manager; Anna Coelho, Drinking Water SRI Program Manager, Michael Pagliaro, Agency Accountant, Robin K. Hedges, Clean Water SRF Program Manager; Michele Stanford White, Temporary Administrative Assistant; Christopher Vitale and Gerry Harrington, Agency Legal Counsel, Maureen Gurghigian and Steve Maceroni of First Southwest, Agency Financial Advisors, Rick Manley, Agency Bond Counsel, and Mark Caccia of Cayer, Caccia LLP, Agency Independent Auditor.

Chairman Hagerty opened the meeting by declaring a quorum. The Chairman addressed the first item on the Agenda. **The first item** on the Agenda was the review and approval of the October 4, 2004 Board Meeting Minutes. After review and discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the October 4, 2004 Board Meeting Minutes.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Item #2 on the Agenda was the presentation of the Agency's 2004 Audited Financial Statements and Single Audit by Mark Caccia of Cayer, Cacci LLP. Mark Caccia reviewed the Financial Statements and supplemental information for the year ended 2004; inclusive were the statement of revenues, expenses and changes in net assets, statement of cash flows and a summary of significant accounting policies. Mr. Caccia summarized the Audit results: No

reportable conditions relating to the audit of the financial statements in the Independent Auditor's report; No instances of noncompliance material to the financial statements of the Rhode Island Clean Water Finance Agency were disclosed during the audit; No reportable conditions relating to the audit of the major federal award programs were reported.
After discussion, a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the Agency's 2004 Audited Financial Statements and Single Audit by Mark Caccia.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Item #3 on the Agenda was the review and consideration of the Agency's July,2004 Financial Statements. Michael Larocque, Agency Accounting Manager, reviewed the July,2004 Financial Statements for the Board of Directors and allowed for questions and comments. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors approve the July, 2004 Financial Statements.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Items #4, 5, 6 on the Agenda was a discussion related to items approved at the October 2, 2004 Board Meeting in relation to new Public Notice reporting procedures.

After Discussion, a motion was made and seconded and the following vote taken:

Approval of Item # 4

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Approval of Item # 5

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None

Approval of Item #6

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None

Item #7, #8, and #10 was the authorization of the signing of the Bond Purchase Agreement and approval of the 13th Supplemental Indenture of Trust for the Series 2004B Bond issue and consideration of the documents related to the Issue. The Executive Director stated that the Agency is transacting an approximately $76,016,300.00 Bond Issue which is expected to close on 2004, and with that the Executive Director turned the meeting over to Rick Manley, Agency Bond Counsel. Mr. Manley reviewed the issuance resolution authorizing the issuance of up to $ .00 Rhode Island Clean Water Finance Agency Water Pollution Control Revolving Fund Revenue Bonds, Series 2004B and the 13th Supplemental Indenture of Trust for the Board of Directors and stated that the Resolution authorized the Executive Director and the Chairman of the Board to determine the terms of the Bond Issue and authorizes the Executive Director , the Chairman, and any other Agency authorized signers to sign the necessary documents to close the Series 2004B Bond Issue. After discussion, a motion was made and the following vote taken.

Voted: That the Board of Directors approve the Resolution for the Issuance of the Series 2004 B Water Pollution Control Revolving Fund Revenue Bonds up to $76,016,300.00 pursuant to the 13th Supplemental Indenture of Trust dated as of , 2004 between the Rhode Island Clean Water Finance Agency and US Bank National Association and authorize The Board Chairman and/or the Executive Director to sign and execute all required documents related to Series 2004B Bond Issue.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Item #9 on the Agenda was the review and consideration of a loan application from the City of Providence in an amount up to $10,000,000 from the Drinking Water SRF. Steve Maceroni, First Southwest, reviewed the credit review for the Board of Directors. After discussion, the Executive Director stated that on the basis of the credit review prepared by First Southwest Company and information provided by the City of Cranston, the Executive Director recommends the Agency's Board of Directors accept the loan application from the City of Providence in an amount up to $10,000,000 out of the Drinking Water SRF with the following caveats:

1) that all projects to be funded appear on Department of Environmental Management's (DEM's) Project Priority List and have Certificates of Approval issued;

2) that the borrower comply with all Federal, State, and Agency laws, rules and regulations;

3) that a satisfactory loan agreement be signed by all parties to the transaction;

4) that the loan will be made subject to availability of funds; and

5) that loan will be made subject to ranking on DEM's Project Priority List; and that the loan agreement provide that the proceeds of the Loan be fully drawn on the date of the last scheduled draw, in accordance with the draw schedule submitted by the Borrower at the time of Closing. Should all funds not be fully drawn according to the schedule, the interest rate on the Loan shall be raised from 0% to the rate determined at the time of Closing and as stated in the Loan Agreement.

After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors accept the loan application from the City of Providence in an amount up to $10,000,000 with the following caveats:

1) that all projects to be funded appear on Department of Environmental Management's (DEM's) Project Priority List and have Certificates of Approval issued;

2) that the borrower comply with all Federal, State, and Agency laws, rules and regulations;

3) that a satisfactory loan agreement be signed by all parties to the transaction;

4) that the loan will be made subject to availability of funds; and

5) that loan will be made subject to ranking on DEM's Project Priority List; and that the loan agreement provide that the proceeds of the Loan be fully drawn on the date of the last scheduled draw, in accordance with the draw schedule submitted by the Borrower at the time of Closing. Should all funds not be fully drawn according to the schedule, the interest rate on the Loan shall be raised from 0% to the rate determined at the time of Closing and as stated in the Loan Agreement.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Item #11 on the Agenda was the followup discussion on Board Designated Funds. After the topic was revisited the Chairman asked for any additional comments.

Item #12 on the Agenda was the review and consideration of Agency Consultants. The Agency Director requested permission from the Board to prepare RFPs for the following Agency Consultants – investment bankers, financial advisory services, Agency Bond Counsel. The Executive Director also stated that the RFP would not differ from the last RFP's issued for these consultants.

After Discussion, a motion was made and seconded and the following vote taken:
That the Board of Directors approve the issuance of RFP's for investment bankers, financial advisory services, Agency Bond Counsel.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Item #13 on the Agenda was Expense Consideration. The first expense was the invoice from Cayer Caccia, LLP in the amount of $4,562.00 for professional services from July 30, 2004 through September 3, 2004. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Cayer Caccia, LLP in the amount of $4,562.00 for professional services from July 30, 2004 through September 3, 2004.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

The second expense was the retroactive approval of an invoice from US Bank in the amount of $7,500.00 for Agency related expenses. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors retroactively approve the invoice from US Bank in the amount of $7,500.00 for Agency related expenses.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

The third expense was the approval of an invoice from the US Post Office in the amount of $1,000.00 for postage related to the mailing of the annual report. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors retroactively approve the invoice from the US Post Office in

the amount of $1,000.00 for postage related to the mailing of the annual report.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

The fourth expense was the retroactive approval of an invoice from Cayer Caccia LLP, in the amount of $5,756.00 for professional services from September 3, 2004 through September 30, 2004. After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors retroactively approve the invoice from Cayer Caccia LLP in the amount of $5,756.00 for a renewal professional services from September 3, 2004 through September 30, 2004.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

The fifth expense was the Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate in the amount of $366,616.22. After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors retroactively approve the invoice Arbitrage Rebate and Penalty in Lieu of Arbitrage in the amount of $366,616.22.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, Anthony F. DeMatteo and Senator Susan Sosnowski.

Voting against the foregoing were: None.

The seventh expense was of an invoice from Gerald T. Harrington, Ltd. Agency Counsel in the amount of $ for professional services rendered. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Gerald T. Harrington, Ltd. Agency Counsel in the amount of $ for professional services rendered.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham, and Anthony F. DeMatteo.

Voting against the foregoing were: None.

Being that there was no further business, a motion was made and seconded to adjourn the

meeting @ 4:35p.m.

Voted: That the Board of Directors adjourn the meeting at 4:35 p.m.

Voting in favor of the foregoing: Chairman James M. Hagerty, Leonard F. Clingham and Anthony F. DeMatteo.

Voting against the foregoing were: None.

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Assistant Secretary

MINUTES 143:MSW