

RHODE ISLAND CLEAN WATER FINANCE AGENCY

REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

January 23, 2006

The Regularly Scheduled Meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, January 23, 2006, 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 3:30 p.m.

Directors present were: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Directors absent were: Andrew Bilodeau.

Also present were: Executive Director, Anthony B. Simeone; Michael P. Larocque, Accounting/Office Manager; Robin Hedges, Clean Water SRF Program Manager; Anna Coelho, Drinking Water SRF Program Manager; Michael Pagliaro, Agency Accountant; Marcelina Jackson, Administrative Assistant; Christopher Vitale, Agency Legal Counsel; Steve Maceroni and Maureen Gurghigian, First Southwest; and Laurie Brayton, RI Senate Fiscal Advisory Staff.

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 December 5, 2005 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 December 5, 2005 Board Meeting Minutes.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Item #2 on the Agenda was the review and consideration of the Agency's November, 2005, Financial Statements. Michael Larocque, Agency Accounting/Office Manager, reviewed the 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 Agency's November 2005, Financial Statements.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Item #3 on the Agenda was Agency's Quarterly Review from Cayer Caccia, Independent Auditor. Michael P. Larocque, Accounting/Office Manager reviewed the Agency's Quarterly Review and stated there were no findings related to the audit.

Voted: That the Board of Directors accept the Agency's Quarterly Review.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Item #4 on the Agenda was Letter of Engagement-Agency Legal Counsel. Chris Vitale, Agency Legal Counsel reviewed letter of engagement and allowed for questions and comments. After discussion, a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors accept the Letter of Engagement for legal services .

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Item #5 on the Agenda was review and consideration of a loan application from the City of Newport in an amount not to exceed \$3,000,000 out of the Drinking Water State Revolving Fund (DWSRF). Steve Maceroni, First Southwest, reviewed the credit review for the Board of Directors. After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application from the City of Newport in an amount up to \$3,000,000 out of the Drinking Water State Revolving Fund (DWSRF) with the following caveats:

- 1) that the project appear on Department of Health's Project Priority List;
- 2) that the project receive a DOH Certificate of Approval;
- 3) that loan security be in a form acceptable to the Agency as determined by Agency General Counsel;
- 4) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 5) that a loan agreement be signed by all principal parties authorized to sign.

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 Newport in an amount not to exceed \$3,000,000 out of the Drinking Water State Revolving Fund (DWSRF) with the following caveats:

- 1) that the project appear on Department of Health's Project Priority List;
- 2) that the project receive a DOH Certificate of Approval;
- 3) that loan security be in a form acceptable to the Agency as determined by Agency General Counsel;
- 4) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 5) that a loan agreement be signed by all principal parties authorized to sign.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None

Item #6 on the Agenda was discussion and consideration of responses to Agency RFP for Investment Banking Services. Mr. Simeone stated that the Agency had received 6 responses, JP Morgan, UBS Financial Services Inc., Roosevelt & Cross, Oppenheimer, Bank of America, and Janney Montgomery Scott. The Executive Director recommended that JP Morgan and UBS Financial Services Inc., be appointed as Senior Managers for a term of two years, and that Roosevelt & Cross, Oppenheimer, and Bank of America would serve as Co-Managers for a term of two years. After discussion, a motion was made and the following vote taken:

Voted: That the Board of Directors approve the appointment of JP Morgan and UBS Financial Services Inc., as Senior Managers for a term of two years, and that of Roosevelt & Cross, Oppenheimer, and Bank of America would serve as Co-Manager for a term of two years.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Item #7 on the Agenda was Discussion of Agency Board of Directors Training Program. The Executive Director discussed the training session for the new members of the Board of Directors to be conducted pursuant to the amendments to the Agency enabling Act.

Voted: That the Board of Directors approve a training program to be conducted pursuant to the amendments to the Agency enabling Act.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None..

Item #8 on the Agenda was Expenses. The first expense was the invoice from The Beacon Mutual Insurance Co., in the amount of \$590.00 for audit report premium adjustment. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from The Beacon Mutual Insurance Co., in the amount of \$590.00 for audit report premium adjustment.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The second expense was the approval of an invoice from The Beacon Mutual Insurance Co., in the amount of \$615.00 for audit report premium adjustment. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from The Beacon Mutual Insurance Co., in the amount of \$615.00 for audit report premium adjustment.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The third expense was the approval of an invoice from Sir Speedy in the amount of \$543.03 for copying of Agency's Financial Statements. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors approve the invoice from Sir Speedy in the amount of \$543.03 for copying of Agency's Financial Statements.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The fourth expense was the approval of an invoice from Moody's Investors Service in the amount of \$1,250.00 for credit research service from December 01, 2005 through November 30, 2006. After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Moody's Investors Service in the amount of \$1,250.00 for credit research service from December 01, 2005 through November 30, 2006.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The fifth expense was the approval of invoice from Cayer Caccia, LLP. in the amount of \$4,745.00 for professional services rendered from November 1, 2005 through December 3, 2005. 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 \$4,745.00 for professional services rendered from November 1, 2005 through December 3, 2005.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The sixth expense was of an invoice from Cayer Caccia, LLP. in the amount of \$3,850.00 for the audit of the Agency's financial statements for the year ended June 30, 2005. 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 \$3,850.00 for the audit of the Agency's financial statements for the year ended June 30, 2005.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The seventh expense was of an invoice from Cayer Caccia, LLP. in the amount of \$5,032.00 for assistance to GASB-34. 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 \$5,032.00 for assistance to GASB-34.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The eighth expense was of an invoice from US Bank in the amount of \$2,250.00 for RICW custodial & disbursement agency agreement. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from US Bank in the amount of \$2,250.00 for RICW custodial & disbursement agency agreement.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The ninth expense was of an invoice from US Bank in the amount of \$7,325.00 for RI Clean Water Finance Agency 2002B pooled loan. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from US Bank in the amount of \$7,325.00 for RI Clean Water Finance Agency 2002B pooled loan.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The tenth expense was an invoice from US Bank in the amount of \$10,400.00 for RICW Finance Agency Series 2003B. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from US Bank in the amount of 10,400.00 for RICW Finance Agency Series 2003B.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The eleventh expense was an invoice from Starkweather & Shepley in the amount of \$2,062.00.00 for insurance premium. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Starkweather & Shepley in the amount of \$2,062.00.00 for insurance premium.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

The twelfth expense was an invoice from Law Offices of Gerald T. Harrington, Ltd. in the amount of \$10,430.50 for professional services from September 2, 2005 through December 30, 2005. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Law Offices of Gerald T. Harrington, Ltd. in the amount of \$10,430.50 for professional services from September 2, 2005 through December 30, 2005

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 4:55 p.m.

Voted: That the Board of Directors adjourn the meeting at 4:55 p.m.

Voting in favor of the foregoing: Chairman James M. Hagerty, Arthur C. Barton III, and Joan M. Caine.

Voting against the foregoing were: None.

Assistant Secretary

MINUTES 125: MJ