

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

August 21, 2006

The Meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, August 21, 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 3:50 p.m.

Directors present were: Chairman James M. Hagerty, Arthur C. Barton III and Scott Lajoie.

Directors absent were: Andrew Bilodeau and Joan M. Caine

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; Marcelina Jackson, Administrative Assistant; Christopher Vitale, Agency Legal Counsel; Maureen Gurghigian and Steve Maceroni , First Southwest.

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 June 27, 2006 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 June 27, 2006 Board Meeting Minutes.

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

Voting against the foregoing were: None.

Item #2 on the Agenda was discussion and consideration of a loan application from the Narragansett Bay Commission in an amount up to \$30,000,000 out of the Clean Water SRF. Maureen Gurghigian, 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 Narragansett Bay Commission, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Narragansett Bay Commission in an amount up to \$30,000,000 out of the Clean 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 loan comply with all Federal, State, and Agency laws, rules and regulations; and
- 3) that loan and dept service requirements be approved by any applicable regulatory agency;
- 4) that a satisfactory loan agreement be signed by all parties to the transaction;
- 5) that the loan will be made subject to availability of funds; and
- 6) that PUC approve the borrowing.

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 Narragansett Bay Commission in an amount of up to \$30,000,000 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 loan comply with all Federal, State, and Agency laws, rules and regulations; and
- 3) that loan and dept service requirements be approved by any applicable regulatory agency;
- 4) that a satisfactory loan agreement be signed by all parties to the transaction;
- 5) that the loan will be made subject to availability of funds; and
- 6) that PUC approve the borrowing.

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

Voting against the foregoing were: None.

Item #3 on the Agenda was discussion and consideration of a loan application from the Town of Bristol in an amount up to \$3,700,000 out of the Clean 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 Town of Bristol, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of Bristol in an amount up to \$3,700,000 out of the Clean 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 DEM's Project Priority List.

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 Town of Bristol in an amount of up to \$3,700,000 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 the satisfactory loan agreement be signed by all parties to the transaction;
- 4) that the loan will be subject to availability of funds; and
- 5) that loan will be made subject to ranking on DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item #4 on the Agenda was discussion and consideration of a loan application from the Town of Middletown in an amount up to \$2,500,000 out of the Clean 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 Town of Middletown, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of Middletown in an amount up to \$2,500,000 out of the Clean 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 DEM's Project Priority List.

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 Town of Middletown in an amount of up to \$2,500,000 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 DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item # 5 on the agenda was discussion and consideration of a loan application from the Town of Barrington in an amount up to \$3,908,000 out of the Clean 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 Town of Barrington, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of Barrington in an amount up to \$3,908, 000 out of the Clean 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 DEM's Project Priority List.

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 Town of Barrington in an amount of up to \$3,908, 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 DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item # 6 on the agenda was discussion and consideration of a loan application from the Town of West Warwick out of the Clean 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 Town of West Warwick, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of West Warwick in an amount up to \$500,000 out of the Clean 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 DEM's Project Priority List.

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 Town of West Warwick in an amount of up to \$500, 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 DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item # 7 on the agenda was discussion and consideration of a loan application from the Town of East Greenwich in an amount up to \$11.1 million out of the Clean 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 Town of East Greenwich, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of East Greenwich in an amount up to \$11.1 million out of the Clean 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 DEM's Project Priority List.

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 Town of East Greenwich in an amount of up to \$11.1 million 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 DEM's Project Priority List.

Voting in favor of the foregoing: Chairman James M. Hagerty and Scott Lajoie.

Voting against the foregoing were: None.

Not voting: Arthur C. Barton III

Item # 8 on the agenda was discussion and consideration of a loan application from the town of Charlestown in an amount up to \$300,000 out of the Community Septic Loan Program. 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 Town of Charlestown, the Executive Director recommends the

Agency's Board of Directors accept the loan application from the Town of Charlestown in an amount up to \$300,000 out of the Community Septic Loan Program 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 DEM's Project Priority List.

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 Town of Charlestown in an amount of up to \$300,000 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 DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item # 9 on the agenda was the Executive Directors Discussion of the Agency employee 457 plan. The Executive Director explained that the Agency (the employer) contribution to the plan since its inception in 1990 has been 5% of the employees' salary. The Executive Director researched the issue among those Agencies that had defined contribution plans as well as those who had defined benefit plans in order to determine the employers' contribution. Based upon available information, it appeared that employer contributions for both types of plans ranged from 10% and above. Information was obtained from the State Pension System and a Quasi-State Agency. In an effort to provide parity among Agency employees and other benefit recipients at other Agencies, the Agency Board of Directors, after discussion, proposed that the Agency contribute 10% of the

employee's salary to the Agency's existing #457 plan. Further research regarding to the plan will also continue. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the 10% contribution for the 457 plan.

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

Voting against the foregoing were: None.

Item # 10 on the agenda was Expenses. The first expense on the agenda was approval of an invoice from Cayer Caccia LLP in the amount of \$500.00 for Agency's financial statements for the year ended June 30, 2006. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve an invoice from Cayer Caccia LLP in the amount of \$500.00 for Agency's financial statements for the year ended June 30, 2006.

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

Voting against the foregoing were: None.

The second expense was the approval of an invoice from Providence Picture Frame Company in the amount of \$1,764.00 for Agency's framed documents. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors approve the invoice from Providence Picture Frame Company in the amount of \$1,764.00 for Agency's framed documents.

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

Voting against the foregoing were: None.

The third expense was the approval of an invoice from Security Engineered Machinery Company in the amount of \$1,829.22 for a new shredder. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors approve the invoice from Security Engineered Machinery Company in the amount of \$1,829.22 for a new shredder.

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

Voting against the foregoing were: None.

The fourth expense was the approval of an invoice from U.S. Bank in the amount of \$6,500.00 for Rhode Island Clean Water Finance Agency 2003A Pooled Loan Issue. After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from U.S. Bank in the amount of \$6,500.00 for Rhode Island Clean Water Finance Agency 2003A Pooled Loan Issue. After Discussion, a motion was made and seconded and the following vote taken:

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

Voting against the foregoing were: None.

The fifth expense was the approval of an invoice from U.S. Bank in the amount of \$4,125.00 for RI Clean Water Series 1994A Pooled. After Discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from U.S. Bank in the amount of \$4,125.00 for RI Clean Water Series 1994A Pooled.

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

Voting against the foregoing were: None.

The sixth expense was of an invoice from The Hartford Company in the amount of \$587.00 for Agency's Insurance.

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

Voted: That the Board of Directors approve the invoice from The Hartford Company in the amount of \$587.00 for Agency's Insurance I.

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

Voting against the foregoing were: None.

The seventh expense was an invoice from Law Offices of Gerald T. Harrington, Ltd. in the amount of \$10,101.00 for professional services from June 06, 2006 through August 11, 2006. After discussion, a motion was made and seconded 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 \$10,101.00 for professional services from June 06, 2006 through August 11, 2006.

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

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 adjourns the meeting at 4:55 p.m.

Voting in favor of the foregoing: Chairman James Hagerty, Arthur C. Barton III, and Scott Lajoie.

Voting against the foregoing were: None.

Assistant Secretary

MINUTES 115: MJ