

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

October 16, 2006

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, October 16, 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 3:40 p.m.

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

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; Marcelina Jackson, Administrative Assistant; Michael Pagliaro, Agency Accountant; Christopher Vitale and Gerald Harrington, Agency Legal Counsel; Maureen Gurchigian and Steve Maceroni, First Southwest, Agency Financial Advisors; Richard Manley, Ropes & Gray, Agency's Bond Counsel; Donna and Mark Caccia, Independent Auditors; 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 September 18, 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 September 18, 2006 Board Meeting Minutes.

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

Voting against the foregoing were: None.

Item #2 on the Agenda was 2006 Audit Presentation (Mark Caccia). Donna Caccia reviewed the financial statements and supplemental information for the year ended 2006. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the Agency's 2006 Audited Financial Statements prepared by Cayer Caccia.

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

Voting against the foregoing were: None.

Item #3 on the Agenda was review and approval of the Agency's July, 2006 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 July, 2006 Financial Statements.

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

Voting against the foregoing were: None.

Item # 4 on the agenda was discussion and consideration of amending the loan application from the Town of Coventry from \$2,600,000 to an amount not to exceed \$3,500,000 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 Coventry, the Executive Director recommends the Agency's Board of Directors accept amending the loan application from the Town of Coventry from \$2,600,000 to an amount not to exceed \$3,500,000 out of the Clean Water SRF with the following caveats in addition to those contained in the credit review.

- 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.

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

Voted: That the Board of Directors accept amending the loan application from the Town of Coventry from \$2,600,000 to an amount not to exceed \$3,500,000 out of the Clean Water SRF with the following caveats in addition to those contained in the credit review.

- 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.

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

Voting against the foregoing were: None.

Item # 5 on the agenda was discussion and consideration of amending the loan application from the Town of Middletown from \$2,500,000 to an amount not to exceed \$3,000,000 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 amending the loan application from the Town of Middletown from \$2,500,000 to an amount not to exceed \$3,000,000 out of the Clean Water SRF with the following caveats in addition to those contained in the credit review.

- 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.

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

Voted: That the Board of Directors accept amending the loan application from the Town of Middletown from \$2,500,000 to an amount not to exceed \$3,000,000 out of the Clean Water SRF with the following caveats in addition to those contained in the credit review.

- 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.

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

Voting against the foregoing were: None.

Item # 6 on the agenda was discussion and consideration of a loan application from the Portsmouth Water and Fire District in an amount up to \$1,600,000 out of the Drinking Water SRF. Steve Maceroni, First Southwest reviewed the Credit Review for the Board. After discussion, the Executive Director stated that, on the basis of the credit review as compiled with information from the Portsmouth Water and Fire District Audited Financial Statements and reviewed by the Agency's Financial Advisor, the Executive Director recommends that the Agency's Board of Directors accept the loan application from the Portsmouth Water and Fire District in an amount up to \$1,600,000. The loan will be from the Drinking Water SRF 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;

- 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 Portsmouth Water and Fire District in an amount up to \$1,600,000 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;
- 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, Joan M. Caine, Scott Lajoie, and Arthur C. Barton III.

Voting against the foregoing were: None.

Item # 7 on the agenda was discussion and consideration of a loan application from the Town of Tiverton in an amount up to \$300,000 out of the Community Septic System 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 Tiverton, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of Tiverton in an amount up to \$300,000 out of the Community Septic System 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 Tiverton 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, Joan Caine, Scott Lajoie, and Arthur C. Barton III.

Item # 8 on the agenda was Authorization of the signing of the Bond Purchase Agreement and approval of the 16th Supplemental Indenture of Trust for Series 2006A Water Pollution Control Revolving Fund Revenue Bond Issue and consideration of documents related to the issue. 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 \$72,000,000 for series 2006A Water Pollution Control Bond Issue and the 16th 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 2006A 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 2006 A Water Pollution Control Revolving Fund Revenue Bonds up to \$72,000,000 pursuant to the 16th Supplemental Indenture of Trust 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 2006A Bond Issue.

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

Voting against the foregoing were: None.

Item #9 on the agenda was Authorization of the signing of the Bond Purchase Agreement and approval of the Second Supplemental Indenture of Trust for Series 2007A Drinking Water Revolving Fund Revenue Bond Issue and consideration of documents related to the issue. 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 \$15,000,000 for series 2007A Drinking Water Revolving Fund Revenue Bond Issue and the 2nd 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 2007A 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 2007 A Drinking Water Revolving Fund Revenue Bond Issue up to \$15,000,000 pursuant to the 2nd Supplemental Indenture of Trust 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 2007A Bond Issue.

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 Minuteman Press in the amount of \$984.99 for Agency's stationary. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve an invoice from Minuteman Press in the amount of \$984.99 for Agency's stationary.

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

Voting against the foregoing were: None.

The second expense was the approval of an invoice from Staples in the amount of \$926.83 for office supplies. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors approve the invoice from Staples in the amount of \$926.83 for office supplies.

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

Voting against the foregoing were: None.

The third expense was the approval of an invoice from US Bank in the amount of \$7,500.00 for

RI Clean Water Finance Agency Revenue Bonds 99 ser C. After discussion, a motion was made and seconded the following vote taken:

Voted: That the Board of Directors approve the invoice from US Bank in the amount of \$7,500.00 for RI Clean Water Finance Agency Revenue Bonds 99 ser C.

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

Voting against the foregoing were: None.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 4:35 p.m.

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

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

Voting against the foregoing were: None.

Assistant Secretary

MINUTES 100: MJ