

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

OCTOBER 27, 2008

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, October 27, 2008 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 annual 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, Arthur C. Barton III, Scott Lajoie, and Elizabeth Leach, Associate Director of Finance for the General Treasurer, representing the General Treasurer.

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 Cortes, Drinking Water SRF Program Manager; Michael Pagliaro, Agency Accountant; Marcelina Jackson, Administrative Assistant; Christopher Vitale and Gerald Harrington, Agency Legal Counsel; Maureen Gurghigian and Steve Maceroni, First Southwest; Neal Pandozzi, Agency Bond Counsel; Mark Caccia & Donna Caccia, Agency Auditors; Jay Manning, DEM; Laurie Brayton, RI Senate Fiscal Office.

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 15, 2008 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 15, 2008 Board Meeting Minutes.

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

Voting against the foregoing were: None.

Item #2 on the Agenda was presentation of Agency's Fiscal Audit by Mark Caccia. Donna Caccia reviewed the Agency's Fiscal Audit. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the Agency's Fiscal Audit prepared by Cayer Caccia.

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

Voting against the foregoing: None.

Item #3 on the Agenda was review and consideration of the Agency's July, 2008 and August, 2008 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 taking:

Voted: That the Board of Directors approve the Agency's July, 2008 and August, 2008 Financial Statements.

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

Voting against the foregoing were: None.

Item #4 on the Agenda was review and consideration of a loan application from the Town of Charlestown in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP). 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 Town of Charlestown in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP) 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 of the transaction;
- 4) that the loan will be made subject to availability of funds; and
- 5) that loan 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 the loan application from Town of Charlestown in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP) 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.

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

Voting against the foregoing were: None.

Item #5 on the Agenda was review and consideration of a loan application from the Town of Gloucester in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP). 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 for the Town of Gloucester 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 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 the loan application from the Town of Gloucester in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP) 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.

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

Voting against the foregoing were: None.

Item #6 on the agenda was review and consideration of a loan application from the City of Newport in an amount up to \$500,000 for a short – term loan. Steve Maceroni, First Southwest, reviewed the loan application 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 \$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; and
- 4) that the loan will be made subject to availability of funds.

Voted: That the Board of Directors accept the loan application from the City of Newport in an amount up to \$500,000 for a short-term loan from available Agency funds, to be payable within one year, 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; and
- 4) that the loan will be made subject to availability of funds.

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

Voting against the foregoing were: None.

Item # 7 on the Agenda was discussion of guaranteed investment contracts.

The Executive Director reported to the Board that all GIC's with AIG have been terminated and the Agency has now received all Agency funds held by AIG pursuant to the GIC's. Maureen Gurghigian, First Southwest, reviewed the status of the Agency's outstanding guaranteed investment contracts and any changes in the ratings of the parties to the GICs. After discussion, the Chairman indicated that the Agency would continue to monitor the GICs closely.

Item #8 on the Agenda was Expenses. The first expense was the invoice from Shipman & Goodwin LLP in the amount of \$588.00 for professional services rendered through August 31, 2008. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the invoice from Shipman & Goodwin LLP in the amount of \$588.00 for professional services rendered through August 31, 2008.

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

Voting against the foregoing were: None.

The second expense was the approval of an invoice from Cayer Caccia, LLP in the amount of \$7,402.00 for professional services rendered for the Agency's Single Audit.

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 \$7,402.00 for professional services rendered for the Agency's Single Audit.

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

Voting against the foregoing were: None

The third expense was the approval of an invoice from The Beacon Mutual Insurance Co. in the amount of \$1,289.00 for Agency's renewal policy.

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

Voted: That the Board of Directors approve the invoice form The Beacon Mutual Insurance Co. in the amount of \$1,289.00 for Agency's renewal policy.

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

Voting against the foregoing were: None

The fourth 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 Series C.

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 Series C.

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

Voting against the foregoing were: None

The fifth expense was the approval of an invoice from US Bank in the amount of \$1,000.00 for RI Clean Water Finance Agency Custodial & Disbursement Agency Agreement.

Voted: That the Board of Directors approve the invoice from US Bank in the amount of \$1,000.00 for RI Clean Water Finance Agency Custodial & Disbursement Agency Agreement.

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

Voting against the foregoing were: None

The sixth expense was the approval of an invoice from Nixon Peabody, LLP in the amount of \$13,927.62 for services rendered through August 31, 2008.

Voted: That the Board of Directors approve the invoice form Nixon Peabody, LLP in the amount of \$13,927.62 for services rendered through August 31, 2008.

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

Voting against the foregoing were: None

The seventh expense was the approval of an invoice from Nixon Peabody, LLP in the amount of \$22,961.44 for services rendered through September 30, 2008.

Voted: That the Board of Directors approve the invoice from Nixon Peabody, LLP in the amount of \$22,961.44 for services rendered through September 30, 2008.

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

Voting against the foregoing were: None

The eighth expense was the approval of an invoice from First Southwest in the amount of \$46,695.00 for arbitrage calculations for bond issues.

Voted: That the Board of Directors approve the invoice from First Southwest in the amount of \$46,695.00 for arbitrage calculations for bond issues.

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

Voting against the foregoing were: None

The ninth expense was the approval of an invoice from the Law Offices of Gerald T. Harrington, Ltd. in the amount of \$15,580.50 for professional services rendered.

Voted: That the Board of Directors approve the invoice from the Law Offices of Gerald T. Harrington, Ltd. in the amount of \$15,580.50 for professional services rendered.

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

Voting against the foregoing: None

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 4:42 p.m.

Voted: That the Board of Directors adjourns the meeting at 4:42 p.m.

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

Voting against the foregoing were: None.

Secretary

MINUTES 102: MJ