

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

AUGUST 24, 2010

The meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, August 24, 2010 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 3:35 p.m.

Directors present were: Chairman James M. Hagerty, Arthur C. Barton III, Scott Lajoie, and Michael Solomon, Department of the Treasury.

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; Gerald Harrington and Christopher Vitale, Agency Legal Counsel; William Fazioli, First Southwest; Peter Johnson, Agency Bond Counsel; Karen Beard, U.S. Bank; Kimberly Welsh, Janney Montgomery, Linda George, RI Senate Fiscal Office; Elizabeth Myre.

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 7, 2010 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 7, 2010 Board Meeting Minutes.

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

Voting against the foregoing were: None.

Item #2 on the Agenda was review and consideration of the Agency's May, 2010 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 May, 2010 Financial Statements.

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

Voting against the foregoing were: None.

Item #3 on the agenda was review and consideration of a loan application from the Town of North Smithfield in an amount up to \$150,000 out of the Sewer Tie-In Loan Program. After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of North Smithfield in an amount up to \$150,000 out of the Sewer Tie-In Loan Program with the following caveats:

- 1) that all projects to be funded appear on the 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 the loan application from the Town of North Smithfield in an amount up to \$150,000 out of the Sewer Tie – In Loan Program with the following caveats:

- 1) that all projects to be funded appear on the Department of Environmental Management's (DEM's) Project Priority List 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 Michael Solomon, Department of the Treasury.

Voting against the foregoing were: None.

Item #4 on the Agenda was review and consideration of a loan application for the Town of South Kingstown in an amount up to \$1,000,000 out of the Community Septic System Loan Program (CSSLP). After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Town of South Kingstown in an amount up to \$1,000,000 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.

Voted: That the Board of Directors accept the loan application from the Town of South Kingstown in an amount up to \$1,000,000 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 Michael Solomon, Department of the Treasury.

Voting against the foregoing were: None.

Voted: That the Board of Directors approve the Agency's Clean Water SRF and Drinking Water SRF budget.

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

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 up to \$4,037,000 for a Conduit Loan. 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 \$4,037,000 for a Conduit Loan with the following caveats:

- 1) that all 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;
- 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 up to \$4,037,000 for a Conduit Loan with the following caveats:

- 1) that all projects 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;
- 4) that the borrower comply with all federal, state, and Agency laws, rules and regulations;
- 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, Scott Lajoie, and Michael Solomon, Department of the Treasury.

Voting against the foregoing were: None.

Item #6 on the Agenda was review and consideration of Agency's State budget. Michael Larocque reviewed the Agency's State budget for the Board, and Members of the Board discussed the budget and allowed for questions.

Item #7 on the Agenda was review and consideration of Agency's Operating Budget. Michael Larocque reviewed the Agency's Operating Budget for the Board, and Members of the Board discussed the budget and allowed for questions.

The Agency Chairman stated that upon the affirmative vote of the majority of the members of the Agency Board, the meeting shall be closed to the public pursuant to R.I. General Laws § 42-46-5(a)(1) with respect to this portion of the meeting which relates to discussions of the job performance.

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

Voted: That the Board of Directors goes into Closed Session @ approximately 3:55 p.m.

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

Voting against the foregoing were: None.

The Board Meeting reconvened @ 4:40 p.m.

After further public discussion of items 6 and 7, and to ratify the discussions and determinations made in Executive Session, a motion was made and seconded to amend the Agency Operating Budget to set the personnel budget at \$613,783 which reflects salary adjustments for the Agency staff in accordance with the findings of the Cayer Caccia personnel report prepared for the Board of Directors, as well as the initiation of employee contributions to their health insurance.

Voted: That the Board of Directors approve the Operating Budget with the proposed amendment to set the personnel budget at \$613,783 and to approve the State Budget as presented.

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

Voting against the foregoing were: None.

Item #8 on the Agenda was financial update by First Southwest. The financial update was reviewed by William Fazioli of First Southwest and allowed for questions and comments.

Item #9 on the Agenda was Expenses. The first expense was the invoice from US Bank in the amount of \$4,385.00 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 US Bank in the amount of \$4,385.00 for RI Clean Water Series 1994A Pooled.

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

Voting against the foregoing were: None.

The second expense was the approval of an invoice from US 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 US Bank in the amount of \$6,500.00 for Rhode Island Clean Water Finance Agency 2003A Pooled Loan Issue.

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

Voting against the foregoing were: None.

The third expense was the approval of an invoice from US Bank in the amount of \$4,000.00 for Rhode Island Clean Water 08A DW Debt Service Interest Account. 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 \$4,000.00 for Rhode Island Clean Water 08A DW Debt Service Interest Account.

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

Voting against the foregoing were: None.

The fourth expense was the approval of an invoice from Nixon Peabody in the amount of \$2,000.00 for professional services rendered through June 11, 2010. After discussion, a motion was made and seconded and the following vote taken;

Voted: That the Board of Directors approve the invoice from Nixon Peabody in the amount of \$2,000.00 for professional services rendered through June 11, 2010.

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

Voting against the foregoing were: None.

The fifth expense was the approval of an invoice from Nixon Peabody in the amount of \$834.00 for professional services rendered through June 30, 2010. After discussion, a motion was made and seconded and the following vote taken;

Voted: That the Board of Directors approve the invoice from Nixon Peabody in the amount of \$834.00 for professional services rendered through June 30, 2010.

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

Voting against the foregoing were: None.

The sixth expense was the approval of an invoice from The Law Offices of Gerald T. Harrington in the amount of \$19,136.00 for professional services. After discussion, a motion was made and seconded and the following vote taken;

Voted: That the Board of Directors approve the invoice from The Law Offices of Gerald T. Harrington in the amount of \$19,136.00 for professional services.

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

Voting against the foregoing were: None.

The seventh expense was the approval of an invoice from Cayer Caccia in the amount of \$1,300.00 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 Cayer Caccia in the amount of \$1,300.00 for professional services rendered.

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

Voting against the foregoing were: None.

The eighth expense was the approval of an invoice from Caycer Caccia in an amount of \$1,417.00 for job study review. After discussion, a motion was made and seconded and the following vote taken;

Voted: That the Board of Directors approve the invoice from Caycer Caccia in an amount of \$1,417.00 for job study review.

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

Voting against the foregoing were: None.

The ninth expense was the approval of an invoice from The Hartford in an amount of \$647.00 for business owner's policy. 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 in an amount of \$647.00 for business owner's policy.

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

Voting against the foregoing were: None.

The tenth expense was the approval of an invoice from The Providence Journal in an amount of \$1,066.42 for legal ads.

Voted: That the Board of Directors approve the invoice from The Providence Journal in an amount of \$1,066.42 for legal ads.

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

Voting against the foregoing were: None.

The eleventh expense was the approval of an invoice from Philadelphia Insurance in an amount of \$13,248.00 for Directors and Officers policy, (D&O).

Voted: That the Board of Directors approve the invoice from Philadelphia Insurance in an amount of \$13,248.00 for Directors and Officers policy, (D&O).

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

Voting against the foregoing were: None.

The twelfth expense was the approval of an invoice from Staples in an amount of \$571.56 for office supplies.

Voted: That the Board of Directors approve the invoice from Staples in an amount of \$571.56 for office supplies.

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

Voting against the foregoing were: None.

The thirteenth expense was the approval of an invoice from Lexis Nexis in an amount of \$934.28 for Government register renewal.

Voted: That the Board of Directors approve the invoice from Lexis Nexis in an amount of \$934.28 for Government register renewal.

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

Voting against the foregoing were: None.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 4:57 p.m.

Voted: That the Board of Directors adjourn the meeting at 4:57 p.m.

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

Voting against the foregoing were: None.

Secretary

MINUTES 1:23 MJ