

**RHODE ISLAND CLEAN WATER FINANCE AGENCY**

**MEETING OF THE BOARD OF DIRECTORS**

**PUBLIC SESSION**

**JUNE 25, 2012**

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, June 25, 2012 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 and chaired by Vice Chairman Scott Lajoie at approximately 3:30 p.m.

Directors present were: Scott Lajoie, Lisa Ferrara and Josh Brumberger.

Directors absent were: Chairman James Hagerty and Joshua Celeste

Also present were: Executive Director, Anthony B. Simeone; Michael P. Larocque, Deputy Director; Robin Hedges, Clean Water SRF Program Manager; Anna Coelho Cortes, Drinking Water SRF Program Manager; Michael Pagliaro, Agency Accountant; Keith Campagnone, Compliance Manager; Gerald Harrington and Christopher Vitale, Agency Legal Counsel; Neal Pandozzi, Agency Bond Counsel; Maureen Gurghigian and Adam Krea, First Southwest; Karen Beard, U.S. Bank; Sara Desens, Janney Montgomery Scott, Kimberly Welsh, Janney Montgomery Scott; Roy Dempsey Richard Langseth and Roger Durand, residents of the City of Warwick.

Vice Chairman Scott Lajoie opened the meeting by declaring a quorum. The Vice Chairman addressed the first item on the Agenda. The first item on the Agenda was the review and approval of the April 30, 2012 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 April 30, 2012 Board Meeting Minutes.

Voting in favor of the foregoing: Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #2 on the Agenda was review and consideration of the Agency's December 19, 2011, Board Meeting Minutes. Vice Chairman Scott Lajoie allowed for questions and comments on the December minutes. After discussion and no findings or corrections, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the Agency's December 19, 2011 Board Meeting minutes.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #3 on the Agenda was 1<sup>st</sup> Quarterly review prepared by Cayer Caccia, LLP.

Michael P. Larocque, Deputy Director presented the 1st Quarterly review 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 1<sup>st</sup> Quarterly review prepared by Cayer Caccia.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #4 on the Agenda was review and consideration of the Agency's November, 2011 and December, 2011 Financial Statements.

Michael Larocque, Deputy Director presented the financial statements for November 2011 and December 2011 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 2011 and December, 2011 Financial Statements.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #5 on the Agenda was review and consideration of the Agency Issuance Resolution for the City of Warwick for \$2,400,000 conduit loan.

Anthony Simeone, Executive Director introduced to the Board of Directors and other meeting attendees three residents from the Governor Francis section of the City of Warwick: Roy Dempsey, Richard Langseth and Roger Durand. The residents requested to come before the Board of Directors

to present their views relative to the City of Warwick's sewer rates and the effect on the homeowners and taxpayers.

The Executive Director explained that the Agency's serves as to provide reduced interest rate financing for the cities and towns of the State of Rhode Island to fund sewer and water projects approved by each City and Town. He further explained that the Agency does not get involved in policy decision making for the cities and towns. He confirmed that the Agency's purpose is to review the credit of the cities and towns and their ability to pay for financing projects approved by each respective entity. He further explained the mechanics of the Drinking Water and Clean Water SRF programs and how cities and towns apply for funding. He outlined for the residents how DEM oversees construction and inspection of sewer projects approved for funding.

The Executive Director turned the meeting over to Neal Pandozzi, Agency Bond Counsel. Mr. Pandozzi reviewed the Issuance Resolution authorizing the issuance of up to \$2,400,000 Agency Conduit Bonds for the Board of Directors and stated the Resolution authorized the Executive Director, the Chairman and any other Agency authorized signers to sign necessary documents to close the Bond Issue. After discussion, a motion was made and the following vote taken.

Voted: That the Board of Directors approve the Issuance Resolution in an amount up to \$2,400,000, and authorizes the Board Chairman and or Executive Director to sign and execute all required documents related to the Bond Issue.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger.

Item #6 on the Agenda was discussion and consideration of appointment of Bond Counsel. The Agency Executive Director stated that the Agency received three responses that were sent out to the Board Members. The Executive Director recommends that the Board of Directors appoint Nixon Peabody. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors appoints Nixon Peabody as Bond Counsel effective January 1, 2012 for a term of two years subject to a mutually agreeable engagement letter.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger.

Item #7 on the Agenda was discussion and consideration of appointment of Financial Advisor. The Agency Executive Director stated that the Agency received two responses that were sent out to the Board Members. The Executive Director recommends that the Board of Directors appoint First

Southwest for a term of two years subject to a mutually agreeable engagement letter. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors appoint First Southwest for Financial Advisor effective January 1, 2012 for a term of two years subject to a mutually agreeable engagement letter.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #8 on the Agenda was review and consideration of the revised Rhode Island Clean Water Finance Agency's Personnel Policies for exempt and non exempt employees. The Executive Director stated that this was presented at a previous Board Meeting and the Agency Legal Counsel, Christopher Vitale revised the Policies per the discussion at the December Board Meeting.

Voted: That the Board of Directors approve the amended Personnel Policies for exempt and non-exempt employees.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #9 on the Agenda was review and consideration of the Agency's April, 2012 and May 2012 Financial Statements. Michael Larocque reviewed the line items on 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 April, 2012 and May 2012 Financial Statements.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #10 on the Agenda was review and consideration of the Agency's Clean Water, Drinking Water and R.I. Water Pollution Control Revolving Fund Budgets. Michael Larocque reviewed with the Board the fiscal year 2012 state and federal budgets as well as fiscal year 2013 budgets. Mr. Larocque explained to the Board issues relative to the state match program and zero interest program. Mr. Larocque allowed for comments and questions on the budget issues. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the Agency's FY 2013 Clean Water, Drinking Water and R.I. Water Pollution Control Revolving Fund Budgets.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #11 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). 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 to the transaction;
- 4) that the loan be made subject to availability of funds; and
- 5) that the 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 a 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 Certificate 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 be made subject to availability of funds; and
- 5) that the loan will be made subject to ranking on DEM's Project Priority List.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger.

Item #12 on the Agenda was review and consideration of a loan to the Bristol County Water Authority in an amount up to \$500,000 out of the Drinking Water SRF. Maureen Gurghigian presented before the Board outlining the sources of revenue, debt analysis and credit summary. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve a loan application from Bristol County Water Authority in an amount up to \$500,000 out of 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 DEM 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 were: Vice Chairman Scott Lajoie and Lisa Ferrara

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #13 on the Agenda was review and consideration of a loan application to the Town of Coventry in an amount up to \$300,000 for a non-SRF loan. Maureen Gurghigian presented before the Board outlining the Town's sources of revenue, debt analysis and credit summary. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors approve a loan application to the Town of Coventry in an amount up to \$300,000 for a non-SRF loan with the following caveats:

- 1) that the project appear on DEM Project Priority List,
- 2) that the project receive DEM 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 were: Vice Chairman Scott Lajoie and Lisa Ferrara

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #14 on the Agenda was discussion and consideration of Underwriter RFQ. The Executive Director advised the Board that it was time for the Agency to issue an RFQ for Underwriters. The Executive Director indicated that he would advise the Board once the responses are submitted.

Item #15 on the Agenda was discussion and consideration of D&O RFQ. The Executive Director advised the Board that it was time for the Agency to issue an RFQ for D&O insurance. The Executive Director indicated that he would advise the Board once the responses are submitted.

Item #16 on the Agenda was Review of the Series 2012A DWSRF Pooled Loan. Maureen Gurghigian presented to the Board an overview of the \$34,620,000 Drinking Water pooled loan issue and the Financial Advisor's Report outlining the final pricing summary, market overview, bond distribution summary and rating reports.

Item #17 on the Agenda was Investment update by First Southwest. The Agency Financial update was provided by Maureen Gurghigian, Agency Financial Advisor and allowed for questions and comments.

Item #18 was Legislative Update. The Legislative update was provided by Christopher Vitale, Agency Legal Counsel and allowed for questions and comments.

Item #19 on the Agenda was discussion of security enhancements to the Agency's Office. The Executive Director discussed with the Board the Agency's desire to enhance the security of the office and discussed options to achieve greater security.

Item #20 on the Agenda was Expenses. The Executive Director listed the following expenses for consideration: US Bank, Nixon Peabody, First Southwest, Cayer Caccia, American Express, Staples, Law Offices of Gerald Harrington, Bond Buyer, Moody's, Providence Journal, and printing.

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

Voted: That the Board of Directors approve the invoices from the expenses listed above.

Voting in favor of the foregoing were: Vice Chairman Scott Lajoie and Lisa Ferrara.

Voting against the foregoing were: None.

Abstaining from vote: Josh Brumberger

Item #21 on Agenda confirming the next regularly scheduled meeting to be held on July 16, 2012.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 5:20 p.m.

Voted: that the Board of Directors adjourn the meeting at 5:20 p.m.

Voting in favor of the foregoing: Vice Chairman Scott Lajoie, Lisa Ferrara and Josh Brumberger.

Voting against the foregoing were: None.

---

**Secretary**

**MINUTES: June 25, 2012**