

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

MAY 6, 2013

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, May 6, 2013 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 3:30 p.m.

Directors present were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Also present were: Executive Director, Anthony B. Simeone; Michael P. Larocque, Deputy Director; Robin Hedges, Clean Water SRF Program Manager; Michael Pagliaro, Agency Accountant; Marcelina Jackson, Administrative Assistant; Christopher Vitale and Gerald Harrington, Agency Legal Counsel; Maureen Gurghigian and Mathew Blais, First Southwest; Peter Johnson, Agency Bond Counsel; Karen Beard, U.S. Bank; Kimberly Welsh and Sara Desens, Janney Montgomery; Sandra Mack, Cameron & Mittleman, LLP; Brian Schattle and Kelly Fredericks, RI Airport Corporation; Jay Manning, RI DEM; Richard Langseth.

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 March 18, 2013 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 March 18, 2013 Board Meeting Minutes.

Voting in favor of the foregoing: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara and Joshua Brumberger.

Voting against the foregoing were: None.

Item #2 on the Agenda was review and consideration of the Agency's March, 2013, Financial Statements. Michael Larocque 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 March 2013, Financial Statements.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara and Joshua Brumberger.

Voting against the foregoing were: None.

Item #3 on the Agenda was Review of the 3rd quarter Management review performed by Cayer Caccia. Michael Larocque, Deputy Director presented the 3rd Quarter Management 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 3rd quarter Management review performed by Cayer Caccia.

Voting in favor of the foregoing: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Item #4 on the Agenda was review and consideration of a loan to the Economic Development Corporation of behalf of the Rhode Island Airport Corporation in an amount up to \$33,500,000 out of the Clean Water SRF. After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application from the Economic Development Corporation on behalf of the Rhode Island Airport Corporation in an amount up to \$33,500,000 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;
- 2) that the loan comply with all Federal, State, and Agency laws, rules and regulations;
- 3) that the loan and debt service requirements be approved by any applicable regulatory Agency;
- 4) that a revenue pledge satisfactory to the Agency be in place between the parties;
- 5) that a satisfactory loan agreement be signed by all parties to the transaction;
- 6) that the loan will be made subject to availability of funds as related to the Agency's capacity;
- 7) 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 the loan application from the Rhode Island Airport Corporation in an amount up to \$33,500,000 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;
- 2) that the loan comply with all Federal, State, and Agency laws, rules and regulations;
- 3) that the loan and debt service requirements be approved by any applicable regulatory Agency;
- 4) that a revenue pledge satisfactory to the Agency be in place between the parties;
- 5) that satisfactory loan agreement be signed by all parties to the transaction'
- 6) that the loan will be made subject to availability of funds as related to the Agency's capacity;
- 7) that the loan will be made subject to ranking on DEM's Project Priority List.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Item #5 on the Agenda was Review and consideration of a loan from the Town of Coventry in an amount up to \$2,400,000 out of the Clean Water SRF. After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application to the Town of Coventry in an amount up to \$2,400,000 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 borrowers 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 a revenue pledge satisfactory to the Agency be in place between the parties;
- 5) that the loan will be made subject to availability of funds as related to the Agency's Capacity;
- 6) that the loan will be made subject to ranking on DEM's Project Priority List; and

- 7) that the Borrower receive consent to issue parity debt from the Sewer Enterprise, if required by any applicable entity.

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 Coventry in an amount up to \$2,400,000 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 borrowers 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 a revenue pledge satisfactory to the Agency be in place between the parties;
- 5) the loan will be made subject to availability of funds as related to the Agency's Capacity;
- 6) that the loan will be made subject to ranking on DEM's Project Priority List; and
- 7) that the Borrower receive consent to issue parity debt from the Sewer Enterprise, if required by any applicable entity.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Item # 6 on the Agenda was review and consideration of a loan from the City of Woonsocket in an amount up to \$10,000,000 out of the Clean Water SRF. After discussion, the Executive Director recommends the Agency's Board of Directors accept the loan application from the City of Woonsocket in an amount up to \$10,000,000 out of the Clean Water SRF with the following caveats:

- 1) that the projects appear on the Rhode Island Department of Environmental Management's (DEM's) Project Priority List and have Certificates of Approval;
- 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 a revenue pledge satisfactory to the Agency be in place between the parties;

- 5) that all approvals of the City and Budget Commission, as required, be in place;
- 6) that the loan will be made subject to availability to funds;
- 7) that the loan will be subject to ranking on DEM's Project Priority List as related to the Agency's Capacity.

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 Woonsocket in an amount up to \$10,000,000 out of the Clean Water SRF with the following caveats:

- 1) that the projects appear on the Rhode Island Department of Environmental Management's (DEM's) Project Priority List and have Certificates of Approval;
- 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 a revenue pledge satisfactory to the Agency be in place between the parties;
- 5) that all approvals of the City and Budget Commission, as required, be in place;
- 6) that the loan will be made subject to availability funds;
- 7) that the loan will be subject to ranking on DEM's Project Priority List as related to the Agency's Capacity.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Item #7 on the Agenda was review and consideration of a Bond Resolution for the 2013A Clean Water SRF in an amount up to \$65,000,000. The Executive Director turned the meeting over to Peter Johnson, Agency Bond Counsel. Mr. Johnson reviewed the Bond Resolution for the 2013A Clean Water SRF authorizing the issuance of up to \$65,000,000 Agency Water Pollution Control Revenue Bonds for the Board of Directors and stated that the Resolution authorized the Executive Director, the Chairman and any other Agency authorized signers to sign the 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 Bond Resolution for the 2013A Clean Water SRF in an amount up to \$65,000,000, and authorizes the Board Chairman and or Executive Director to sign and execute all required documents related to the Bond Resolution.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara and Joshua Brumberger.

Item #8 on the Agenda was review and consideration of a Bond Resolution for the 2013B Drinking Water SRF Refunding Issue in an amount up to \$58,000,000. The Executive Director turned the meeting over to Peter Johnson, Agency Bond Counsel. Mr. Johnson reviewed the Bond Resolution for the 2013B Drinking Water SRF Refunding Issue in an amount up to \$58,000,000 for the Board of Directors and stated that the Resolution authorized the Executive Director, the Chairman and any other Agency authorized signers to sign the 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 Bond Resolution for the 2013B Drinking Water SRF Refunding Issue in an amount up to \$58,000,000, and authorizes the Board Chairman, Executive Director and any other Agency authorized signers to sign and execute all required documents related to the Bond Resolution.

Voting in favor of the foregoing were: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara and Joshua Brumberger.

Voting against the foregoing were: None.

Item #9 on the Agenda was review of Issuance of D&O Policy RFQ. The Deputy Director stated the Agency wanted to make the Board of Directors aware the Agency would be issuing an RFQ for D&O Policy.

Item #10 on the Agenda was discussion of IRS audit of 1999 Series C Water Pollution Control Revolving Fund Revenue Bonds. Michael Larocque discussed with the Board the audit conducted by IRS on the 1999 Series C Water Pollution Control Revenue Bonds and that the audit was complete with IRS confirming the tax-exempt status of the issuance.

Item #11 on the Agenda was discussion of Agency Office Space. Michael Larocque discussed with the Board that there was now additional space adjacent to the Agency. After discussion, the Agency will gather additional details from the Foundry and discuss at the next Board Meeting.

Item #12 on the Agenda was Discussion of Agency Accounting Software. Michael Larocque reviewed for the Board that the Agency's current accounting software package would no longer have support or will be updated during FY14. After discussion the Deputy Director was asked to gather information on other software programs utilized by other SRF's and to report back to the Board at a future meeting.

Item #13 on the Agenda was Investment update by First Southwest. The Investment update by First Southwest was provided by Maureen Gurghigian of First Southwest and allowed for questions and comments.

Item #14 on the Agenda was Expenses. U.S. Bank, Cayer Caccia, the Law Offices of Gerald T. Harrington, Ltd., Staples, The Wall Street Journal, American Express, and Source Media were presented. 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: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Item #15 on the Agenda was Executive Session pursuant to 42-46-5(a)(1) for discussion and/or consideration of the Executive Director position. 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 and/or consideration of the Executive Director position. After discussion a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors goes into Closed Session @ approximately 4:40p.m.

Voting in favor of the foregoing: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

The Board Meeting reconvened @ 5:06 p.m.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 5:07 p.m.

Voted: that the Board of Directors adjourn the meeting at 5:07 p.m.

Voting in favor of the foregoing: Chairman James M. Hagerty, Scott Lajoie, Joshua Celeste, Lisa Ferrara, and Joshua Brumberger.

Voting against the foregoing were: None.

Secretary

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