

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

OCTOBER 28, 2013

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, October 28, 2013 in Conference Room 200C1 on 2nd Floor at 235 Promenade Street 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 Brumberger, and Joshua Celeste.

Directors absent were: Lisa Ferrara

Also present were: William Sequino, Jr., Executive Director; Michael P. Larocque, Deputy Director; Michael Pagliaro, Agency Accountant; Christopher Vitale and Gerald Harrington, Agency Legal Counsel; Maureen Gurghigian, Matthew Blais, and Adam Krea, First Southwest; Peter Johnson and Neal Pandozzi, Agency Bond Counsel; Kimberly Welsh, Janney Montgomery; Karen Beard, Trustee; Mark Caccia and Donna Caccia, Cayer Caccia, LLP.

Chairman Hagerty opened the meeting by declaring a quorum. The Chairman addressed the first item on the Agenda.

Agenda item #1. The review and approval of the September 23, 2013 Board meeting minutes. After reviewing the minutes and with no questions or comments, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve the September 23, 2013 Board meeting minutes.

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

Voting against the foregoing were: None.

The Chairman moved to the next Agenda item.

Item #2 on the Agenda: Review and consideration of the Agency's 2013 Financial Audit by Cayer Caccia, LLP. Donna Caccia presented the report, distributed a handout and summarized the audit findings for the Board.

After discussion on the Cayer Caccia audit report a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the FY 2013 Audit Report by Cayer Caccia, LLP.

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

Voting against the foregoing were: None.

The Chairman then moved to the next Agenda item.

Agenda item #3: Review and consideration of the Agency's July, 2013 Financial Statements. Michael Larocque, Deputy Director summarized the Revenue and Expense Report and Balance Sheet for the month ended July 31, 2013. After a brief discussion, a motion was made and seconded and the following vote was taken:

Voted: That the Board of Directors approve the Agency financial statements for the month of July 2013 as reported by the Deputy Director.

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

Voting against the foregoing were: None

The Chairman moved to Agenda item #4.

Agenda item #4 presented by Maureen Gurghigian of First Southwest: The Review and consideration of a loan to the Town of Bristol in an amount up to \$2,000,000 from the Clean Water SRF program. Ms. Gurghigian summarized the Town of Bristol's credit review for the Board of Directors.

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

Voted: To approve the loan application for the Town of Bristol in the amount of \$2,000,000 from the CWSRF 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; 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, Joshua Brumberger, and Joshua Celeste

Voting against the foregoing were: None

The Chairman then moved to the next Agenda item #5:

Agenda item #5 presented by Maureen Gurghigian of First Southwest: The review and consideration of a loan to the Town of North Smithfield in an amount up to \$3,000,000 from the Clean Water SRF program. Ms. Gurghigian summarized the Town of North Smithfield's credit review for the Board of Directors.

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

Voted: To approve the loan application for the Town of North Smithfield in the amount of \$3,000,000 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 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, Joshua Brumberger, and Joshua Celeste.

Voting against the foregoing were: None

The Chairman moved to Agenda item #6.

Agenda item #6 presented by Maureen Gurghigian of First Southwest: The review and consideration of a loan to the City of Woonsocket in an amount up to \$20,000,000 from the Clean Water SRF program. Ms. Gurghigian summarized the City of Woonsocket's credit review for the Board of Directors.

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

Voted: To approve the loan application for the City of Woonsocket in the amount of \$20,000,000 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 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 and an indenture satisfactory to the Agency be in place;
5. that all approvals of the City and Budget Commission, as required, be in place; and
6. that the loan will be made subject to availability of funds.

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

Voting against the foregoing were: None

The Chairman then addressed the next Agenda item #7.

Agenda Item #7. Travel and expense approval for The Executive Director's attendance to the CIFA SRF and EPA workshop from November 2, 2013-November 7, 2013 in Minneapolis, Minnesota.

The Executive Director requested permission of the Board to attend the 2013 CIFA SRF Workshop from November 2, 2013 through November 7, 2013 in Minneapolis, Minnesota. He stated that he will be the only person attending from the Agency and summarized the projected expenses for the workshop as follows:

Airfare \$383.60 for one person:	\$ 383.60
Hotel \$133/conf. rate x 5 nights: (plus applicable taxes)	\$ 665.00
Per Diem \$50/day x 1 person x 6 days	\$ 300.00
Transportation	\$ 50.00
Miscellaneous	<u>\$ 50.00</u>
Total Projected Conference Expenses:	\$1,448.60

A motion was then made and seconded and the following vote was taken:

Voted: To approve the Executive Director's request to attend the CIFA SRF and EPA workshop from November 2, 2013: Chairman James M. Hagerty, Scott Lajoie, Joshua Brumberger, and Joshua Celeste.

Voting against the foregoing were: None

The Chairman then addressed the next Agenda item #8 on the Agenda.

Agenda Item #8. Discussion and consideration of Loan Policies and Procedures for the Municipal Road and Bridge Revolving Fund ("MRBRF"). The Loan Policies and Procedures for the Municipal Road and Bridge Revolving Fund were drafted by legal counsel, Harrington & Vitale, Ltd. and distributed in the Board packet. William Sequino, Jr., Executive Director stated that DOT had received applications to be considered for the MRBRF totaling \$29 million. The Executive Director went through applications submitted thus far and it appears approximately \$9.6 million in approved bonding authority is in place. The application amounts vary depending on the entity but it is anticipated that the program will be successful as the need exists throughout the state for road and bridge repair.

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

Voted: To authorize approval of the proposed Municipal Road and Bridge Revolving Fund Loan Policies and Procedures, subject to revision following the Public Meeting and any comments received.

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

Voting against the foregoing were: None

The Chairman then addressed the next Agenda item #9 on the Agenda.

Agenda Item #9. Review and consideration of authorization of Administrative Loan(s).

The Executive Director distributed a handout regarding administrative loans. The Executive Director indicated that the Agency fund which provides short term loans to Borrowers had a fund balance in excess of an amount needed to fund short-term loans on an annual basis. The Executive Director recommended that the Board of Directors authorize the Agency to make administrative loans to Borrowers in a total amount up to \$20,000,000. The Executive Director indicated that the Agency had made two (2) prior administrative loans in 2011 to Lincoln and Newport totaling approximately \$6,000,000. The Executive Director also indicated that the Agency would return to the Board with specific loan applications for approval to make administrative loans. The repayment of administrative loans would be deposited back into the administrative fund and would be separate and distinct from the federal water pollution control fund.

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

Voted: To authorize approval of a \$20 million Administrative Loan Program with all administrative loans subject to specific approval by the Board of Directors.

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

Voting against the foregoing were: None

The Chairman moved to the last Agenda item #10.

Agenda Item #10. Expenses.

Michael Larocque, Deputy Director presented the following Agency expenses for approval:

Entity	Description	Breakdown	Total
US Bank	1999C Series Clean Water	7,500.00	
	2011 A Newport Conduit	750.00	\$8,250.00
Nixon Peabody LLP	Invoice for work performed in July and August	\$6895 less 15% discount \$1034.25 and misc exp 132.20	\$5,922.95
Cayer Caccia	Audit Expenses		\$15,213.00
The Beacon Mutual	Worker's Compensation Insurance		\$1,103.00
Providence Journal	Advertising for Compliance Manager for MRBLF		\$1,130.40
Rhode Island Telephone	Run data and phone lines for new office space, two new phones and new station card		\$1,546.00
Harrington & Vitale, Ltd.	Invoice for work performed Sept. 2013	\$9028.50 less 15% discount 1354.28	\$7,674.22
Total Expenses			\$40,839.57

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

Voted: To authorize approval of Agency expenses as listed above.

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

Voting against the foregoing were: None

Being that there was no further business for public session, a motion was made and seconded and the following vote was taken:

Voted: that the Board of Directors adjourn the public session of the Board meeting at 4:45 p.m. and pursuant to RI General Laws 42-46-5(a)(2) move to Executive Session.

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

Voting against the foregoing were: None

The public session of the Agency Board meeting was adjourned at 4:45 pm at which time based upon RI General Laws 42-46-5(a)(2) the Board of Directors Executive Session commenced.

The Agency Board of Directors resumed its public session at 6:00 pm.

Being that there was no further business for public session, a motion was made and seconded and the following vote was taken:

Voted: that the Board of Directors adjourn the public session of the Board meeting at 6:00 p.m.

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

Voting against the foregoing were: None

Minutes presented by:

Deborah A. Lancia
Harrington & Vitale, Ltd.