

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

JANUARY 13, 2014

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, January 13, 2014 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 3:36 p.m.

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

Scott Lajoie joined the meeting at 3:42 p.m.

Also present were: William Sequino, Jr., Executive Director; Michael P. Larocque, Deputy Director; Anna Coelho Cortes, Drink Water SRF Program Manager; Helen Terra, Road and Bridge Program/Compliance Manager; Marcelina Jackson, Administrative Assistant; Christopher Vitale, Agency Legal Counsel; Maureen Gurchigian, and Matthew Blais, First Southwest; Neal Pandozzi, and Bruce Serchuk Agency, Bond Counsel; Kimberly Welsh, Janney Montgomery; Karen Beard, U.S. Bank; Peter Jackavone, AJ Rockwell, and Mike Flaherty, Starkweather & Shepley; Paul Grimaldi, Providence Journal.

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 November 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 November 18, 2013 Board Meeting Minutes.

Voting in favor of the foregoing: Chairman James M. Hagerty, 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 September, 2013 and October, 2013 Financial Statements. Michael Larocque, Deputy Director summarized the Revenue and Expense Report and Balance Sheet for the months of September, 2013 and October, 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 months of September, 2013 and October, 2013 as reported by the Deputy Director.

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

Voting against the foregoing were: None

Item # 3 on the agenda was review and appointment of Insurance Broker. The Executive Director stated the Agency had place a Request for Proposal (RFP) for Insurance Broker. The Executive Director stated the Agency received two proposals A.R. Bucci and Starkweather & Shepley. After review of each proposal, and a presentation by Starkweather & Shepley, the Executive Director stated that Starkweather & Shepley fit the agency's needs and recommend the Board to approve Starkweather & Shepley for the Agency's Insurance Broker.

Voted: that the Board of Directors approve the proposal from Starkweather & Shepley for Agency's Insurance Broker.

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

Voting against the foregoing were: None

Item #12 Update: DW Bond and Road and Bridge Program. Anna Choelho Cortes, Drinking Water SRF Program Manager gave an update on status of the DWSRF borrowers and Helen Terra, Road and Bridge Program/Compliance Manager gave an update on the Road and Bridge Program, and allowed for questions and comments. After discussion, the next item on the agenda was discussed.

Item #4 on the agenda was review and consideration of Bond Resolution for 2014A Clean Water Bond Issue. The Chairman turned the meeting over to Neal Pandozzi, Agency Bond Counsel. Mr. Pandozzi reviewed the Bond Resolution for the 2014A Clean Water Bond Issue authorizing the issuance of up to \$75,000,000 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 2014A Clean Water Bond Issue in an amount up to \$75,000,000, and authorizes the Board Chairman and or Executive Director and any other Agency authorized signers to sign and execute all required documents related to the Bond Issue.

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

Voting against the foregoing were: None

Item #5 on the agenda was review and consideration of a loan to the City of East Providence in an amount up to \$14,000,000 out of the Drinking Water SRF. Maureen Gurghigian, of First Southwest summarized the City of East Providence's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the City of East Providence in an amount up to \$14,000,000 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 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 vote taken;

Voted: that the Board of Directors accept the loan application for the City of East Providence in an amount up to \$14,000,000 out of the Clean Water SRF with the following caveats:

- 1) that the 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.

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

Voting against the foregoing were: None

Item #6 on the agenda was review and consideration of a loan to the Providence Water Supply Board in an amount up to \$8,000,000 out of the Drinking Water SRF. Maureen Gurghigian, of First Southwest summarized the Providence Water Supply Board's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the Providence Water Supply Board in an amount up to \$8,000,000 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 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 vote taken;

Voted: that the Board of Directors accept the loan application for the Providence Water Supply Board in an amount up to \$8,000,000 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 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.

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

Voting against the foregoing were: None

Item #7 review and consideration of a loan to the Bristol County Water Authority in an amount up to \$8,000,000 out of the Clean Water SRF. Maureen Gurghigian, of First Southwest summarized the Bristol County Water Authority's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the Bristol County Water Authority in an amount up to \$8,000,000 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 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 was taken:

Voted: that the Board of Directors accept the loan application for the Bristol County Water Authority in an amount up to \$8,000,000 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 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.

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

Voting against the foregoing were: None

Chairman Hagerty abstained from voting on the for Bristol County Water Authority, specifying his employer The Washington Trust Company has a business relationship with the Bristol County Water Authority.

Item #8 on the agenda was review and consideration of a loan to the Town of Cumberland in an amount up to \$2,850,000 out of the Drinking Water SRF. Maureen Gurghigian, of First Southwest summarized the Town of Cumberland's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the Town of Cumberland in an amount up to \$2,850,000 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 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 was taken:

Voted: that the Board of Directors approve Town of Cumberland in an amount up to \$2,850,000 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 a DOH Certificate of Approval;
- 3) that the 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.

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

Voting against the foregoing were: None.

Item #9 on the agenda was review and consideration of a loan to the Town of Bristol in an amount up to \$2,000,000 out of the Agency Administrative Loan Program. Maureen Gurghigian, of First Southwest summarized the Town of Bristol's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the Town of Bristol in an amount up to \$2,000,000 out of the Agency Administrative 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 made subject to ranking on DEM's Project Priority List.

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

Voted: that the Board of Directors approve Town of Bristol in an amount up to \$2,000,000 out of the Agency Administrative 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 made subject to ranking on DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item #10 on the Agenda was review and consideration of a loan to the Town of North Smithfield in an amount up to \$3,000,000 out of the Agency Administrative Loan Program. Maureen Gurghigian, of First Southwest summarized the Town of North Smithfield's credit review for the Board of Directors. After discussion, Ms. Gurghigian recommends the Agency's Board of Directors to accept the loan to the Town of North Smithfield in an amount up to \$3,000,000 out of the Agency Administrative 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 made subject to ranking on DEM' Project Priority List.

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

Voted: that the Board of Directors approve Town of Bristol in an amount up to \$2,000,000 out of the Agency Administrative 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 made subject to ranking on DEM's Project Priority List.

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

Voting against the foregoing were: None.

Item #11 on the agenda was agency investment update by First Southwest. The agency investment update was provided by Maureen Gurghigian of First Southwest. She explained that there were no changes and allowed for questions and comments. After discussion, the next item on the agenda was discussed.

Item #13 on the agenda was review and consideration of appointment of Financial Advisor. The Agency Executive Director stated that the Agency received one bid response which was sent out to the Board Members. The Executive Director recommends the Board of Directors reappoint First Southwest for Financial Advisor. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors reappoint First Southwest as Financial Advisor for a term of two years subject to a mutually agreeable engagement letter.

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

Voting against the foregoing were: None.

Item #14 on the agenda was review and consideration of appointment of Bond Counsel. The Agency Executive Director stated that the Agency received one bid response which was sent out to the Board Members. The Executive Director recommends that the Board of Directors reappoint Nixon Peabody. After discussion, a motion was made and seconded and the following vote taken.

Voted: That the Board of Directors reappoint Nixon Peabody as Bond Counsel for a term of two years subject to a mutually agreeable engagement letter.

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

Voting against the foregoing were: None.

Item #15 on the agenda was reappointment of Legal Counsel. Mr. Sequino, Executive Director, stated that Harrington & Vitale, Ltd. has done an excellent job representing the Agency. Mr. Sequino recommends that the Agency Board of Directors reappoint the Agency Legal Counsel, Harrington & Vitale, Ltd. After discussion a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors reappoint Harrington & Vitale, Ltd. for a term of one year for Legal Counsel subject to a mutually agreeable engagement letter.

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

Voting against the foregoing were: None.

Item #16 on the agenda was discussion of infrastructure bank. The discussion of infrastructure bank was provided by William Sequino, Jr., Executive Director. The Executive Director discussed with the Board the concept of an infrastructure bank or a similar structure where the Agency could make subsidized loans for other purposes. After discussion, the Executive Director indicated he would gather additional information to be presented to the Board at a later date.

Item #17 on the agenda was expenses. US Bank, The Foundry Corporate Office Center, Cayer Caccia, American Express, Pitney Bowes, Harrington & Vitale LTD., First Southwest, Staples, Providence Journal, Moody's Analytics, Council of Infrastructure Authorities, Inc., J & S Office Installers & Movers, and Ferdie's Key shop were presented in the amount of \$132,254.45. 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 in the amount of \$132,254.45.

Being that there was no further business, a motion was made and seconded to adjourn the meeting @ 5:02 p.m.

Voted: that the Board of Directors adjourn the meeting at 5:02 p.m.

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

Voting against the foregoing were: None.

Secretary

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