

RHODE ISLAND CLEAN WATER FINANCE AGENCY

MEETING OF THE BOARD OF DIRECTORS

PUBLIC SESSION

AUGUST 4, 2014

A meeting of the Board of Directors of the Rhode Island Clean Water Finance Agency in Public Session was held on Monday, August 4, 2014 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 3:45 p.m.

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

Directors absent were: Scott Lajoie

Also present were: William Sequino, Jr., Executive Director; Michael P. Larocque, Deputy Director; Robin Hedges, Clean Water Program Manager; Anna Coelho Cortes, Drinking Water Program Manager; Helen Terra, Road and Bridge Program/Compliance Manager; Michael Pagliaro, Agency Accountant; Marcelina Jackson, Administrative Assistant; Gerald Harrington, Christopher Vitale and Katie Nee, Harrington & Vitale, Agency Legal Counsel; Maureen Gurghigian and Adam Krea, First Southwest Company, Agency Financial Advisor; Neal Pandozzi, Nixon Peabody, Agency Bond Counsel; Steven Pitassi, Janney Montgomery; Karen Beard, U.S. Bank;

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 16, 2014 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 16, 2014 Board Meeting Minutes.

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

Voting against the foregoing were: None.

Item #2 on the agenda was review and consideration of the Agency's May, 2014 Financial Statements. Michael Larocque summarized the Revenue and Expense Report and Balance Sheet for the month of May, 2014. 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 May, 2014 as reported by the Deputy Director.

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

Voting against the foregoing were: None.

Item #3 on the agenda was update of Agency IT systems project. Michael Larocque gave an update of Agency IT systems project. He explained that there were many companies that provide a variety of technologies and services (providing computers, software and updates every two years). Mr. Larocque indicated that the Agency was going to hire an IT consultant to assist the Agency.

Item #4 on the agenda was review and consideration of CSSLP Loan Policy & Procedure amendments requested by Rhode Island Housing. In reference to Section VI #7 in the CSSLP Loan Policy & Procedure, Mr. Sequino indicated the CSSLP loan to the local governmental unit from the Agency will be a rate of 0%. Subsequent loans to homeowners will carry an interest rate of 0% and service fees equivalent to 1% of outstanding balance of the homeowners loan. In addition, the homeowners shall also pay a loan origination/application fee at the time of closing of \$300 to Rhode Island Housing. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve amendments to the CSSLP Loan Policy & Procedures as requested by Rhode Island Housing.

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

Voting against the foregoing were: None.

Item #5 on the agenda was review and consideration of STILF Loan Policy & Procedure amendments requested by Rhode Island Housing. In reference to Section VI #7 in the STILF Loan Policy & Procedure, Mr. Sequino indicated the STILF loan to the local governmental unit from the Agency will be a rate of 0%. Subsequent loans to homeowners will carry an interest rate of 0% and service fees equivalent to 1% of outstanding balance of the homeowners loan. In addition, the homeowners shall also pay a loan origination/application fee at the time of closing of \$300 to Rhode Island Housing. After discussion, a motion was made and seconded and the following vote taken:

Voted: That the Board of Directors approve amendments to the STILF Loan Policy & Procedures as requested by Rhode Island Housing.

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

Voting against the foregoing were: None.

Item #6 on the agenda was review and consideration of a loan to the Town of Cumberland in an amount up to \$500,000 out of the Municipal Road & Bridge Revolving Fund. Adam Krea summarized the Town of Cumberland's credit review for the Board of Directors. After discussion, Mr. Krea recommends the Agency's Board of Directors accept the loan application from the Town of Cumberland in an amount up to \$500,000 out of the Community Septic System Loan Program with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations;
and
- 4) 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 for the Town of Cumberland in an amount up to \$500,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations;
and
- 4) that a loan agreement be signed by all principal parties authorized to sign.

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

Voting against the foregoing were: None.

Item #7 on the agenda was review and consideration of the Town of Coventry in an amount up to \$340,000 out of the Municipal Road and Bridge Revolving Fund. Adam Krea summarized the Town of Coventry's credit review for the Board of Directors. After discussion, Mr. Krea recommends the Agency's Board of Directors accept the loan application from the Town of Coventry in an amount up to \$340,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;

- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations;
and
- 4) 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 for the Town of Coventry in an amount up to \$340,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 4) that a loan agreement be signed by all principal parties authorized to sign.

Voting in favor of the foregoing: Joshua Celeste, Lisa Ferrara, and Rebecca Webber.

Voting against the foregoing were: None.

Chairman James M. Hagerty recused from discussion or voting on the application from the Town of Coventry stating that his employer, the Washington Trust Company has a lending relationship with the Town.

Item #8 on the agenda was review and consideration of a loan to the Town of Westerly. Adam Krea summarized the Town of Westerly's credit review for the Board of Directors. After discussion, Mr. Krea recommends the Agency's Board of Directors accept the loan application from the Town of Westerly in an amount up to \$625,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 4) 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 for the Town of Westerly in an amount up to \$625,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 4) 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, and Rebecca Webber.

Voting against the foregoing were: None.

Item #9 on the agenda was review and consideration of a loan to the City of Newport in an amount up to \$1,500,000 out of the Municipal Road and Bridge Revolving Fund. Adam Krea summarized the City of Newport's credit review for the Board of Directors. After discussion, Mr. Krea recommends the Agency's Board of Directors to accept the loan application from the City of Newport in an amount up to \$1,500,000 out of the Municipal Road and Bridge Revolving Fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that the loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations; and
- 4) 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 for the City of Newport in an amount up to \$1,500,000 out of the Municipal Road and Bridge Revolving fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;

- 2) that the loan security be in a form acceptable to the Agency as determined by agency;
- 3) that the borrower comply with all federal, state, and Agency laws, rules and regulations;
and
- 4) that a loan agreement be signed by all principal parties authorizes to sign.

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

Voting against the foregoing were: None.

Item #10 on the agenda was review and consideration of a loan to the City of Pawtucket in an amount up to \$3,500,000 out of the Municipal Road and Bridge Revolving Fund. Adam Krea summarized the City of Pawtucket's credit review for the Board of Directors. After discussion, Mr. Krea recommends the Agency's Board of Directors accept the loan application from the City of Pawtucket in an amount up to \$3,500,000 out of the Municipal Road and Bridge Revolving fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with federal, state, and Agency laws, rules and regulations; and
- 4) 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 for the City of Pawtucket in an amount up to \$3,500,000 out of the Municipal Road and Bridge Revolving fund with the following caveats:

- 1) that the project appear on Department of Transportation's Project Priority List;
- 2) that loan security be in a form acceptable to the Agency as determined by Agency;
- 3) that the borrower comply with federal, state, and Agency laws, rules and regulation; and
- 4) that a loan agreement be signed by all principal parties authorized to sign.

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

Voting against the foregoing were: None.

Item # 11 on the agenda was Legislative update. The legislative update was provided by Christopher Vitale, who updated the Board on legislation of interest to the Agency including the final State Budget which included a proposed State bond for \$20 million for Clean Water projects if approved in November, a sewer district/program for Tiverton which may be a new borrower, and quasi-public transparency legislation, and allowed for questions and comments.

Item # 12 on the agenda was expenses. Invoices from, US Bank, Nixon Peabody, LLP., Cayer Caccia, Starkweather & Shepley, WB Mason, The Hartford, Bank of America, Dell, Providence Journal, RI League of Cities & Towns and Harrington & Vitale, LTD. were presented in the aggregate amount of \$135,400.92 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 \$135,400.92.

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

Voting against the foregoing were: None.

Item #13 on the agenda was Executive Session per RI General Laws Section 42-46-5(a) (1) - discussion of job performance/employee review for William Sequino, Jr. The Agency Chairman stated that upon 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 discussion to the Executive Directors review. After discussion a motion was made and seconded and the following vote taken: motion by Lisa Ferrara – seconded by Joshua Celeste

Voted: That the Board of Directors goes into Closed Session, per R.I. General Laws § 42-46-5 (a) (1) with respect to this portion of the meeting which relates to discussion to the Executive Directors review @ approximately 4:39 p.m.

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

Voting against the foregoing were: None.

Upon the resumption of the public session, a motion was made by Lisa Ferrara and seconded by Joshua Celeste to add an item to the agenda regarding a personnel matter.

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

Voting against the foregoing were: None.

A motion was then made by Lisa Ferrara and seconded by Joshua Celeste to go into Executive Section per R.I. General Laws § 42-46-5 (a) (2) litigation – personnel (discussion only).

Upon resumption of the public session, being that there was no further business, a motion was made by Lisa Ferrara and seconded Joshua Celste to adjourn the meeting @ 5:30 p.m.

Voted: that the Board of Directors adjourn the meeting at 5:30 p.m.

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

Voting against the foregoing were: None.

Secretary

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