

APPROVED 5/14/22

Quonochontaug Central Beach Fire District (QCBFD)
Finance & Budget Committee
Minutes of March 19, 2022 Meeting

1. **Call to Order**

A meeting of the QCBFD Finance and Budget Committee (the Committee) was held on March 19, 2022 via ZOOM. The meeting was called to order at 9:02 A.M. by Chairman Albert J. Bartosic. In attendance were F&BC members Jim Blair, Brooke Cote, Jim Furnivall, Tom McConnell, and Barry Okun as well as Treasurer Carollynne Weidler (ex- officio) and Bob Frazier Chair of Public Works. Member Jeff Matthews was absent.

2. **Approval of Minutes**

Minutes from the January 16, 2022 meeting were reviewed and approved.

3. **Update on Water Project Status:**

The meeting began with Bob Frazier giving the Committee a status report on the water project, as follows:

- a. The permitting and construction of the chlorination system as required by the R.I. Department of Health (RIDOH) is being pursued. A deadline for installation has been set for 3/31/22 prior to a penalty being imposed. Bob and Sue Wilson (QCBFD Moderator) are planning on seeking an extension of that deadline so that required bid procedures, final design and installation can be concluded in an orderly manner without penalty.
- b. Coastal Resource Management Council (CRMC) requirement for remediation of wetlands disturbance which occurred in past years during wellhead maintenance will potentially cost up to \$30,000 plus fines of around \$8,500.
- c. Progress on deciding on the design for the upgraded water system, gaining necessary regulatory approvals and selecting a contractor (including required bidding procedures).

4. **Water Project financing and options and possible action on same:**

- a. The Committee reviewed the developing cash needs for the water supply project and concluded that current near term cash needs for the project approximate \$150,000 - \$175,000, but this number is likely to change as the water system upgrade proceeds through the spring and summer. For the larger water system upgrade, the critical decisions lie with the Public Works Committee which must choose between systems ranging in size from \$700,000 to \$1.6 million.
- b. The Committee will inquire to see if the Board of Governor's has the authority to increase the limit on dollar expenditures before multiple bids are required, from the current \$5,000 level to some higher level to facilitate the permitting and construction of the chlorination system.

5. **Update on short term cash flow needs :**

a. The Committee reviewed short term cash flow needs arising from the water system update. Based on the fluid nature of the project funding needs, the Committee reached the following decisions:

- 1) Recommend to the BOG that it increase the Committee's authority to borrow under our line of credit at Washington Trust from \$100,000 to the full \$500,000 limit so that we can cover Fire District's cash needs until tax receipts come in in August and/or one or more outside funding sources is settled upon. Funding sources currently under consideration include:

- a) R.I. Infrastructure Bank (RIIB) Drinking Water State Revolving Fund (DWSRF)
- b) Commercial lender(s) – e.g. Washington Trust
- c) Infrastructure Loans/Grants from the federal government
- d) Self-funding option

b. Brooke agreed to create a more detailed cash flow projection which lays out the various scenarios, both near term and longer term for both the chlorination as well as the overall project costs we are facing and the cash needs for each.

c. Jim Furnivall agreed to present the current plans for the chlorination project to DWRSF for consideration to see if they can to see if they can fund this phase of the overall water system upgrade based on the

documentation currently in our possession.

d. AI confirmed that to date we have capitalized about \$208,000 to the Water Fund Upgrade asset account on the Fire District balance sheet. We will review this at our next meeting.

6. **Adjournment:**

The meeting was adjourned at 10:35 A.M.

Respectfully Submitted,

James Blair
Secretary