

DRAFT

Operating Committee Meeting
Friday, January 27, 2012

Attendees: Voting OC Members: Mark Stetson of Andover, KJeanne Beaudin of Belmont, George Turcotte of Franklin, Chip Chesley of Concord, Sheldon Morgan of Gilford, and Joseph Jesseman of Tilton, Paul Moynihan, Laconia.

Others: David Hartman of Warner, Craig Musselman, CMA Engineers. Bill Wilson, Wilson Law, Jim Presher & Jean Ann Cooper, Co-op.

Meeting opened at 2:08 pm by Vice Chair, Mark Stetson.

1. Establish that a quorum is present.

Secretary, Sheldon Morgan stated that a quorum is present in that six of the seven voting OC members were in attendance.

2. Approval of Operating Committee minutes of January 17, 2012. Motion made by Paul Moynihan to approve the minutes of Jan. 17, 2012 as received. Second to the motion by George Turcotte. No discussion Chair called for the vote. All votes in favor (6). None opposed and no abstentions.

Director, Jim Presher noted that Attorney Wilson was on his way and asked that we go to item four in the meantime.

4. Recommendation of financial advisor PFM.

Jim presented a copy of the correspondence from PFM Group and outlined the recommendation made. It has been recommended that the Co-op put out an RFP to six or seven New England Banks to explore the possibility of borrowing funds for the Single Stream Project in place of Bonding. It is felt that this would be faster and has been recommended due to the costs being less.

2:17 pm all attendees and voting members have arrived.

Craig noted that previously banks were not willing to loan funds for 20 year periods but that has changed and they are now more flexible.

Jim said he has been talking with TD Bank locally and providing information for them to see if they might have an interest in our project.

At this point what we are requesting is that the Operating Committee agree that we follow through with the PFM recommendations.

Paul Moynihan asked if we are still talking construction in 2012 and would this perhaps move things along? Jim responded that is correct.

A motion was made by Jeanne Beaudin to approve the Co-op pursue the recommendations of PFM. Second to the motion by George T.

There being no further discussion, Chair Mark Stetson asked for a vote. All votes in favor (7), none opposed and no abstentions.

6. Extension of Bid Awards, Road, utilities, building and site work.

Craig explained that the time line to award the bids for the S.S. Project will expire on February 23, 2012. Presenting the bid summary tabulation he noted that we would like to ask the contractors to extend their bids to April 15, 2012 but that we will need to provide them with a Notice of Conditional Award which would be subject to the Co-op acquiring the necessary financing.

Chip C. expressed a concern that if we extend and a contractor runs into financial problems and shuts down his operation before the actual award date that this would cause additional delays for the Co-op and that we need to get this going soon. Craig added that Beloin has agreed to provide a 100% performance bond.

Paul M. asked that given the concerns of Chip does Craig still feel comfortable with this recommendation? Craig said yes.

Motion made by Paul Moynihan to issue a condition of award to Daniel Ladd for the facility road and utility work, through April 15, 2012; subject to financing and approval of the Joint Board. Second to the motion by George Turcotte. No further discussion the Chairman Stetson called for the vote. All votes in favor (7), none opposed and no abstentions.

Discussion about the possibility of additional costs of the building due to an increase in the cost of steel. Craig stated that these can be handled through a change order and perhaps would not have a large affect on the total costs.

George T. asked if the \$4.7 million figure includes a contingency. Jim said no, it is not in the bid, but is in the overall construction budget.

Craig added that he is working on a report to present to the Joint Board. Paul M. asked if we do not extend will the bid be lost. Craig said yes which is why we are requesting to extend beyond Feb. 23, 2012.

Motion made by Paul Moynihan to issue a condition of award to Beloin Construction for the building of the facility, through April 15, 2012; subject to financing and approval of the Joint Board. Second to the motion by George Turcotte. No further discussion the Chairman called for the vote. All votes in favor (7), none opposed and no abstentions.

3. Co-op Agreement Amendment for financing single stream facility and to clean up other items in the Agreement.

Jim P. said that this amendment would clean up some minor housekeeping items and addresses the funding situation should there be a closure of the facility. Bill Wilson explained that section 9.8 clearly points out the different types of "Tipping Fees". Sec. 9.12 (d) and (g) describe the repayment process regarding closure and post-closure of the Plant. Mark S. asked in the unlikely hood of failure what happens.

Bill W. said this is not odd but only logical for all the Co-op members.

Question rose about this amendment having to go back to the communities. Bill W. said that the original Co-op Agreement provides for that. Paul M. added that when the Joint Board Members were appointed by the communities they also gave them the authority to speak and vote on their behalf.

Jim added any of the communities that feel they need to can go back to their community, and is always free to do so.

Mark S. said what we are here for today is simply to make a recommendation to the Joint Board.

David H. said he does not see protection for those not participating and is concerned due to the fact that Warner (his community) has funds at risk, while there is no risk for the RFAM's.

Jim P. said the concern is understood and we are currently working out a reserve strategy so that a comfort level can be reached for those funding issues.

Bill W. said this is not new. It is a function of how the structure was initially setup and still requires a two-thirds vote of the entire Co-op.

George T. said some 20+ years ago we were all scared as we are now but he feels this project is worth it and increases our need to go forward.

There being no further discussion a motion was made by Jeanne B. to recommend the Fourth Amendment to the Co-op Agreement to the Joint Board. Second to the motion by George T.

Vote taken all votes in favor (7), none opposed and no abstentions.

5. Review Financing Resolution.

Bill W. said that this basically cleans up odds & ends that were needed for clarity. Bill then added that if the Fourth Amendment is not adopted this finance resolution would not be required.

There being no further discussion a motion was made by Jeanne B. to recommend this Financing Resolution to the Joint Board. Second to the motion by George T.

Vote taken all votes in favor (7), none opposed and no abstentions.

7. Nonpublic session with Counsel per RSA 91-A:2

Motion to temporarily adjourn to non-meeting as per RSA 91-A:2 Non Public session with Counsel at 3:10 pm by George T. with a second by Paul M. All votes in favor (7) none opposed and no abstentions.

Chip Chesley left meeting at 3:45 pm leaving voting count at six.

3:50 pm. Motion by Joseph Jesseman to come out of Nonpublic session. Second by Mark Stetson. Vote taken all in favor (6), none opposed and no abstentions.

A motion was made by Joseph Jesseman to recommend to the Joint Board the approval of the proposed settlement with Allenstown. That agreement being Allenstown will get their GMQ reduced from 2,600 tons to 1,300 tons; they will pay all tons at \$66.80 and they will no longer be members of the Co-op at the end of the current WCC contract on December 31, 2014.


Second to the motion by George Turcotte. Chairman called for the vote. All votes in favor (6) none opposed and no abstentions.

8. Any other business

Date for next Joint Board Meeting – Wednesday, February 15, 2012.

No further business meeting adjourned at 4:04 pm.

Respectfully submitted:


Sheldon Morgan
Secretary