

Lamprey Regional Cooperative

Trucking Group Meeting

September 23, 2014

Present: Ed Jansen, Roger Rice, Dennis Koch, Paul Deschaine, and Mike Durfor from NNRA

Mr. Deschaine opened the meeting asking the members present to look back to the May 2014 spreadsheets and comparing them to the present, the trucking group is in a good financial position as it was hoped to be by this time, which also includes a contribution toward the truck loan payment.

Mr. Durfor was asked to attend the meeting as a consultant to the trucking group regarding the possibility of contracting out the hauling if it was decided to do so. Mr. Durfor started by explaining that the analysis was based on a per ton measurement. He felt that the trucking group was in a very strong bargaining position for several reasons. Mr. Deschaine stated that the Cooperative had been approached, but had not seen a formal proposal from Waste Management. Mr. Durfor said that it is standard for disposal companies to ask for a 5, 10 or 20 year contracts, and when nearing the end of the contract, they will make an offer in order for you not to go out to bid. He suggested that the Cooperative look at the whole package including tip numbers, hauling fees, and C&D at the same time, and to get at least two or three closed bids from different sources. Some detailed discuss occurred regarding the pros and cons of owning vs leasing hauling equipment. He stated that the Cooperative had done really well in managing the hauling division for this long, as it's a challenge when the truck goes down, or the driver is unavailable. Part of the pricing for any private contractor should come in at less than you can do it yourself because they have backup, redundancy and buying power. It should be assumed that hauling rates would be lower with a private hauling contractor.

Mr. Deschaine stated a concern that, in his experience, when packaging the RFP to combine disposal and trucking, it cuts down the number of players who can bid, and that becomes a trade-off.

Mr. Deschaine also expressed a concern that if the Cooperative contracts with a different disposal company for trucking, and that trucking company does not use Waste Management, it would affect our disposal contract with Waste Management for the member towns that do not use the Lamprey trucking currently. He also expressed a concern that another disposal company may be trucking further away than Rochester (Waste Management site). He agreed that until a formal RFP process is put in place, these issues will remain unknown.

Mr. Rice spoke that in the past the Cooperative had been having some personnel issues as it related to the driver, along with the cost of the truck and its efficiency. He stated as a representative of Lee, he had no predisposed opinion of which way to go, however, if it was decided as a group that it would be more cost effective to contract the hauling out, that he would be in favor of it.

Mr. Deschaine stated that the driver is now back from his medical leave and we had various temporary drivers who were able to fill in for his absence. He stated that so far this year the truck did not have any major maintenance issues. Mr. Moriarty spoke to say that it seemed the trucking group was on track to make a loan payment this year of at least the \$18,385. He went on to state that in his opinion it would be good to run the trucking division another year or two to get the loan payment paid down before a decision was made to contract out the hauling. His two main concerns were the cost of maintaining the truck and the instability of a driver. He stated that he did feel that there were conveniences to having the truck that the Cooperative might not realize until it is not in the Cooperative's control. Mr. Moriarty again expressed his desire for the truck to be housed at a member town with a public works department that may benefit from the Cooperative's paying the housing costs to the town, and Lamprey may benefit from the availability of a backup driver. He stated that as a representative of Madbury, he felt that the town would be agreeable to whatever is decided as the most cost effective way to move forward. He stated that he was happy that financially the trucking group is on track, but also stated that one major maintenance issue with the truck can change that very quickly.

Mr. Jansen stated that as a representative of Rollinsford, he was in agreement with Mr. Moriarty. He stated that his Select Board felt that they are paying too much for hauling based on conversations they had had with other hauling contractors.

Mr. Koch from Epping stated that in his analysis Waste Management was offering a hauling rate lower than the current Lamprey hauling rate. Mr. Moriarty stated that the Lamprey rate was higher now due to the fact that it had actually been too low in the past and that currently the rate was higher to make up for being behind and to catch up on the truck loan payments. At the current rate, the truck loan payments look to be on track.

Mr. Durfor stated that until the Cooperative has knowledge of where the MSW will be taken, it's impossible to know what the hauling charges would be, so it would be necessary to combine the tipping into the equation. Eco Maine, Turnkey, Covanta are the three in this area. He felt that a sound decision could not be made until consideration was given to tipping and trucking.

It was decided to arrange a meeting with representatives from Waste Management to discuss the total contract for MSW before a decision was made regarding Lamprey hauling. Mr. Deschaine stated that he was expecting a proposal for renewal of the contract for MSW, but had not received it to date. Mr. Deschaine asked the members presents if it was there desire to also persue a recycling contract with Waste Management. It was decided to request an option to add recycling to the renewal contract.

Mr. Deschaine asked if the members were in favor of staying the course with the trucking and if so for what timeframe. It was decided to continue with the 2015 budget cycle as a base point and maintain the trucking as is at least until a discussion can take place with Waste Management on the complete contract renewal options. The subject of the Moriarty's trying to retire from the responsibilities of maintaining the truck and doing the dispatching was brought up. Mr. Koch from Epping stated that he had discussed housing and dispatching the truck in Epping with his Highway Supervisor and said that if it comes to that, Epping is an option. Mr. Deschaine

suggested that a meet should take place between Mr. Koch, Greg Dodge and Jay Moriarty regarding this proposal, and that it would take a Selectmen's vote in Epping to make it official.

Mr. Deschaine asked if there were any other matters to be discussed. Mr. Rice asked when the next meeting would take place, and Mr. Deschaine replied that he would arrange a meeting with representatives from Waste Management and would notify the members present of that date.