

Board of Directors Meeting
May 12, 2008 @ 7:00pm
Conference Room, Corporation Office

Directors Present: James W. Lavin, Chairman
Colin McPherson
John Ward
David Chandler

Also Present: Terry Fancher, Executive Director
Jim Young, Project Manager
Patricia Petrillo, Controller
Beth Mitchell, Legal Counsel
Eric Kfoury, Greg D'Agostino, Dan Gangwish & Stan Elkerton, Consultants
Bill Ryan and Rich Kleiman, LNR Team

The Chairman opened the meeting at 7:08pm.

Minutes

VOTED: Motion of Colin McPherson, seconded by David Chandler, to approve the April 28, 2008, open session minutes.

Unanimous vote

A discussion ensued on the approval and release of Executive Session minutes. A vote was tabled pending a legal opinion.

Financials

Mrs. Petrillo summarized the financial accounting and system services needed to create a MUNIS Chart of Accounts. A proposal (The Abrahams Group) recommended by James A. Wilson, Weymouth CFO, was reviewed by the Directors. Mr. Abrahams developed the initial budgeting, accounting and reporting requirements that SSTTDC has used since its inception.

The Chairman made a public disclosure that Judith Killinger, mentioned in Mr. Abraham's proposal as a possible assistant on the project, had served on the SSTTDC Board of Directors from 1998–2001. The Board reviewed the proposed fees (up to \$9,000) to build, load and edit the MUNIS chart of accounts by June 30, 2008. Discussion ensued on the reporting element of the MUNIS accounting system.

VOTED: Motion of Colin McPherson, seconded by John Ward, to authorize the Executive Director to retain the financial accounting and systems services of Mark D. Abrahams, President of the Abrahams Group, to assist SSTTDC in developing, loading and implementing a MUNIS Chart of Accounts (Phase 1 of the proposal) in an amount not to exceed \$9,000.

Unanimous vote

08-031 FY09 Municipal Budget

Discussion ensued on free cash certification and setting an appropriate tax rate and assessment levy. The components that control issuing estimated tax bills include an approved balanced Budget, a functioning MUNIS accounting system, completed land assessments and mapping, and revisions to the tax plan.

Mr. McPherson stated that some line items in the Operations Budget were actually Development expenses that should be voted when a funding source has been identified. Mrs. Petrillo was directed to eliminate the Reserve Fund and some consultant expenses from the FY09 Operations Budget, to be voted in a supplemental Budget in November when free cash was certified, and to present a revised Budget to the Board at the May 27th Board Meeting.

Executive Director Update

Mr. Fancher noted that LNR requested another week's extension on delivering a signed DDA to the Board. Mr. Ryan apologized for the slow pace of LNR's partner's review process and the delay in signing the document. Ms. Mitchell noted that timeline dates in the DDA may need to be amended to keep the project moving forward. Board members voiced concern on LNR financial obligations that were being held up pending a signed DDA.

VOTED: Motion of Colin McPherson, seconded by John Ward, to extend LNR's delivery date for a signed DDA to on or before Tuesday, May 27, 2008.

Unanimous vote

Mr. Fancher also noted that the existing LLP Insurance Policy with AIG terminates in a few days and that Legal Counsel recommended a sixth month extension to cover the pending Navy land transfer. LNR acknowledged that the expense would pass through to them.

VOTED: Motion of Colin McPherson, seconded by John Ward, to authorize the Executive Director to extend the existing LLP Insurance Policy with same terms and conditions, for six (6) months to November 15, 2008, provided that LNR is responsible for the premium.

Unanimous vote

The Board was updated on the Request for Qualifications (RFQ) for the Parkway Design/ Build, and established a Selection Committee consisting of the Executive Director, the Facilities Administrator and Rich Kleiman, LNR, to review the RFQ proposals and reduce the field of 11 candidates down to three (3). It was noted that Mr. Ned Corcoran and Mr. Chris Calnan would assist the Committee as Technical Advisors.

VOTED: Motion of David Chandler, seconded by John Ward, to form a Subcommittee of the Board, a Parkway Design/Build Selection Team, made up of Terry Fancher, Rick Packard and Rich Kleiman.

Unanimous vote

Ms. Mitchell reported that NAVY's Counsel was drafting a Purchase Agreement and would provide a copy to Ms. Mitchell and to be shared with LNR's Counsel.

Bonding Presentation

Mr. Dan Gangwish, Banc of America Securities (BAS), gave an overview of typical bonding procedures and BAS's function. The procedure starts with the revised Enabling Legislation authorizing issuance of Bonds and ends with a Bond Contract. A discussion ensued on bond transfers, payment terms, disclosure obligations, the development plan, potential sales and users, LIFO property, land specific obligations, prepaying bonds, market value, land value with improvements, debt ratio, pricing appropriate risks, salable bonds that the market would accept and the Board's readiness for bond approval when NAVY transfers land.

The Board acknowledged that a lot of due diligence needed to be completed by the end of June. Mr. Gangwish provided reference materials on Infrastructure Financing to the Directors and staff.

WRF Membrane Manufacturer

Mr. Young noted the Corporation contracted Mr. Stan Elkerton to serve as peer review engineer on the future design of the Waste Water Treatment Plant (WWTP) by Metcalf & Eddy (LNR's plant designer). Metcalf and Eddy procured proposals for a Membrane Bioreactor (MBR) Vendor.

Mr. Elkerton presented his recommendation for the MBR Vendor and outlined the MBR process, including the resulting quality of water; the scope of the RFP and the detailed proposals submitted by three firms (GE Zenon, Koch Membrane Systems & Enviroquip). Mr. Elkerton reviewed the scoring evaluation of the general, technical and economic criteria, the capital and life cycle costs, energy cost projections, guarantees and Metcalf & Eddy's recommendation of Enviroquip. Mr. Elkerton reviewed the (2008) design schedule, the tasks completed, the (2008-2010) construction schedule, the MBR vendor proposal bond and the State Revolving Fund (SRF) application process. Mr. Elkerton recommended that Metcalf & Eddy be authorized to notify Enviroquip that SSTDTC also selected them as the preferred MBR vendor.

Discussion ensued on the WWTP facility's capacity and location, the high end technology; the leaching area's surrounding impervious barrier and engineered fill to contain the highly treated water, which will eventually travel through native soil underneath a day-lighted section of French's Stream.

Concerns were raised on flooding conditions in Rockland. Mr. Elkerton noted that the inflow of treated water from WWTP would be devoid of nutrients and would not have a deleterious impact on that waterway. Mr. Young noted the FEIR indicated decreased storm flows to French's Stream (studies included both stormwater and inflow from the WWTP) and that the next step was to go through the State's permitting process. Mr. Kleiman noted that stormwater management would significantly reduce flow to the overall downstream benefit of Rockland. It was noted that some treated water would be diverted to irrigate the golf course and landscaping around commercial buildings. Mr. Kleiman noted that market demand for bio-tech or other water intense industry would determine the total flow capacity at full buildout.

Further discussion ensued on Enviroquip and the SRF approval process. Concerns were raised on the MBR product still being in existence 10 years out and on the reliability of the operating system. Mr. Elkerton noted several examples of proven plant technology. WWTP capital, operations and maintenance costs were reviewed.

Ms. Mitchell informed the Board that a project management agreement related to the WWTP, as contemplated with LNR in the DDA, was still pending.

VOTED: Motion of John Ward, seconded by David Chandler, to authorize Metcalf and Eddy to notify Enviroquip that the Corporation selects Enviroquip as the preferred MBR manufacturer for the SouthField Water Reclamation Facility, pursuant to the terms of the Enviroquip proposal submitted to M&E on April 14, 2008, subject however to typical negotiation and scope refinement.

Unanimous vote

The Board was informed they would receive Health Regulations, a Housing Plan and revisions to Administrative Rules and Regs at the end of the week for their review prior to the public hearing on May 27th.

Mr. Kfoury updated the Board on the status of the Enabling Legislation and comments/amendments added by the Dept. of Revenue and Administration & Finance. Discussion ensued on the Board's quorum issue (Sec. 8D). The Board agreed that the proposed amendments would be left in the hands of Chairman Ron Mariano.

VOTED: Motion of Colin McPherson, seconded by John Ward to accept the proposed amendments, with the exception of Section 8D, and to present them to Chairman Ron Mariano for further

discussion.

Unanimous vote

Personnel Sub-Committee

The Committee recommended that the Board of Directors hire an interim Executive Director to work with Mr. Fancher for the month of June and follow through with the work to be completed after June 30th. The Committee indicated there would only be one candidate interviewed for this interim position. Mr. McPherson voiced concern with interviewing just one candidate.

VOTED: Motion of David Chandler, seconded by John Ward, to create an interim position from June 1 to Oct. 31, 2008 to complete the work still pending after June 30th, define the necessary skills for the next Executive Director, and determine the future staffing needs of the Corporation.

3-1 vote Mr. McPherson opposed

VOTED: Motion of Colin McPherson, seconded by John Ward, to enter into Executive Session for the purpose of discussions related to development negotiations and related financial matters.

McPherson, aye, Ward, aye, Chandler, aye, Lavin, aye

Open Session ended 10:30pm

Executive Session ended 11:00pm

VOTED: Motion by Colin McPherson, seconded by John Ward, to adjourn the meeting.

Unanimous vote

The meeting ended 11:00pm

Mary Cordeiro, Recording Secretary

James W. Lavin, Chairman of the Board

