

CommonWealth

Resource Management Corporation

17 April 2018

The Municipal Review Committee, Inc. (the MRC)

Attn.: Greg Louder, Executive Director

395 State Street

Ellsworth, Maine 04605

RE: Charter Municipality Assets Managed by the MRC:
Financial Statements and Distributions;
Allocation of Funds Between Joining Members and Departing Municipalities as
of 1 April 2018

Dear Members of the Committee:

CommonWealth Resource Management Corporation (CRMC) herein presents financial statements, the cash distribution payable in the second quarter for 2018, allocations and fund balances for the assets of the MRC and the Equity Charter Municipalities as of the end of the first quarter of 2018.

Through March 31, 2018, the MRC managed assets and cash flows on behalf of 86 Equity Charter Municipalities and 47 New Charter Municipalities consistent with the Second Amended, Restated and Extended Waste Disposal Agreements (the Extended Agreements) between its member municipalities and the Penobscot Energy Recovery Company, L.P. (the PERC Partnership). The MRC also conducted its activities consistent with the terms of (i) the MRC Administration Authorization (that is, the MRC By-Laws); (ii) various agreements that govern the flow of funds associated with the Facility among MRC, PERC and Bangor Hydro-Electric Company (Bangor Hydro); (iii) a Settlement Agreement between the MRC and the private partners in the PERC Partnership regarding disposition of assets upon termination of the Extended Agreements on March 31, 2018; and (iv) the Sixth Amended and Restated Agreement of Limited Partnership of PERC (the Partnership Agreement), which was amended as part of the Settlement Agreement. Applicable details of the Settlement Agreement are referenced herein as applicable.

The Extended Agreements terminated as of the close of March 31, 2018. As of April 1, 2018, MRC members will include 83 municipalities and public entities, known as Joining Members, that have elected to enter into Joinder Agreements with the MRC for management of their MSW going forward. The Charter Municipalities that elected not to enter Joinder Agreements are known as Departing Municipalities. In accordance with the agreements mentioned above:

- The MRC will continue to manage assets of the Joining Members, including their shares of various funds and assets as described herein. Those assets include a site and related infrastructure in Hampden, Maine, owned by the MRC on behalf of the Joining Members, which site (the Site) is being leased to Coastal Resources of Maine, LLC (Coastal, which was formed by Fiberight, LLC, and its equity investor). Coastal is constructing a facility on the Site (the Hampden Facility) that would accept MSW from the Joining Members in accordance with a Master Waste Supply Agreement between Coastal and the MRC. MRC costs associated with the development of the site under the Site Lease and the Master Waste Supply Agreement between the MRC and Coastal, are allocated solely to Joining Members in accordance with the Joinder Agreements between the MRC and Joining Members. The MRC also manages several reserve funds being held on behalf of the Joining Members as described further herein.
- The MRC is preparing to release to the Departing Municipalities their shares of various funds described herein. Such release will occur after the calculations and records related to the shares of the Departing Municipalities in the various funds have been audited by an independent auditor. The MRC Board had previously directed that the total value of the shares of various funds held on behalf of the Departing Municipalities, as calculated by the MRC, would be transferred into an escrow account as soon as possible after March 31, 2018. The MRC would release such funds to the Departing Municipalities after the auditor completes its review of the MRC calculations and records.

In accordance with the above, CRMC offers the following recommendations:

1. Distribute **\$546,172.77** to the Charter Municipalities as described herein.
2. Transfer a total of **\$11,581,988.19** from the following accounts into an escrow fund to be released to the Departing Municipalities upon acceptance of the audit:
 - **\$562,901.30** from the Custody Account (\$772,835.60 balance as of April 1, 2018, less \$209,934.30 for cash to be distributed in the second quarter of 2018).
 - **\$10,812,901.25** from the Tip Fee Stabilization Account.
 - **\$206,185.64** from the Operating Budget Stabilization Account.

The remainder of this letter provides the basis for these recommendations, including

- Financial statements for the MRC as of April 1, 2018 (see Tables 1 and 2).
- Basis for distributions to the Charter Municipalities for the first quarter of 2018 and sources of funds for the distributions (Tables 3 and 4).
- Basis for the transfer of amounts into escrow on behalf of the Departing Municipalities, and procedures for release of the funds from escrow (Tables 5 and 6).
- Status and management of funds retained by the MRC on behalf of the Joining Members.

1.0 FINANCIAL STATEMENTS

Table 1 presents balance sheets for the end of the first quarter of 2018 and preceding four quarters of 2017 in a format that reflects the financial statements prepared by the MRC's auditor. Balances are shown both as of April 1, 2018 and as of December 31, 2017, for those Charter Municipalities that use such information in their internal accounting records. As shown, as of April 1, 2018:

- The **Custody Account** balance at Bangor Savings Bank was **\$2,052,629.50**.
- The market value of the **Tip Fee Stabilization Fund**, including accrued income through the end of the first quarter of 2018, was **\$19,022,337.37**, including **\$18,965,174.95** in investments and cash, and **\$57,162.42** in accrued interest. The investments and cash are held in the form of a ladder of money market funds, US Treasury bonds, agency bonds and bank CDs of varying maturities as invested by the MRC's investment advisor, People's United Bank, in accordance with the approved Investment Policy. The balance in liquid money market funds and short-term US Treasury bills readily available for withdrawal as of April 1, 2018, was \$9,335,731.42, with an additional \$2.825 million in government bonds and \$490,000 in CDs scheduled to reach maturity in April 2018.
- By the end of 2017, the MRC had transferred funds from the Tip Fee Stabilization Account to three other accounts set up and managed by People's United Bank associated with the financing by Coastal of the Hampden facility and in accordance with commitments made by the MRC in the master Waste Supply Agreement. All of these transfers were allocated in their entirety to the accounts of Joining Members such that no Departing Municipalities have paid any costs associated with these accounts and have no interest in them. These accounts include:
 - A **Delivery Sufficiency Fund**, (also known as the Cash Collateral Account) which had a balance of **\$3,001,351.38** as of January 1, 2018 and **\$3,002,860.67** as of April 1, 2018. This account was funded initially by a transfer of \$3.0 million in August 2017 from the accounts in the Tip Fee Stabilization Fund of the Equity Charter Members that are Joining Members. The funds are segregated as required by Schedule B to the Joinder Agreements, and by the Master Waste Supply Agreement, as security for certain MRC payment obligations under those agreements. The fund is controlled by a Direct Account Control Agreement between People's United Bank, the MRC and Coastal.
 - A **Supplemental Cash Collateral Account**, which had a balance that reached **\$3,773,022.14** in the fourth quarter of 2017. This account was set up on a temporary basis to secure certain obligations taken on by the MRC on behalf of the Joining Members. The obligations were satisfied as of

December 22, 2017, and the bulk of the funds (other than **\$0.05** in interest) were returned to the Tip Fee Stabilization Fund in 2018.

- **A Cash Sweep Account**, which had a balance of **\$1,007.36** as of January 1, 2018, and **\$469.10** as of April 1, 2018. This account is being used to accept interest earned by the Delivery Sufficiency Fund and the Supplemental Cash Collateral Account and to pay associated bank fees.
- The market value of the **MRC Operating Budget Stabilization Fund** through the first quarter of 2018 (also managed by People's United Bank), was **\$298,916.80**. The entire balance is being held in a liquid money market fund and is readily available for withdrawal as needed.
- Table 1 shows the value of the Site owned by the MRC, as improved for development of the Hampden Facility, on the basis of past expenditures for site acquisition and infrastructure development. The MRC is tracking such funds separately from the balance of the funds in the Tip Fee Stabilization Fund in order to ensure that all such expenditures are allocated only to Joining Members and not to Departing Municipalities. The total value of **\$5,416,173** shown on Table 1 for the value of the Hampden site includes the following expenditures:
 - **\$212,533** released from the Operating Budget Stabilization Fund in the third quarter of 2016 to pay for site development and professional service costs.
 - **\$1,620,173** released from the Tip Fee Stabilization Fund in the fourth quarter of 2016 to pay for the first stage of infrastructure construction.
 - **\$3,379,827** released from the Tip Fee Stabilization Fund on May 1, 2017, to pay for the second stage of infrastructure construction, making a total of \$5.0 million for infrastructure construction.
 - **\$445,875** released from the Tip Fee Stabilization Fund to make certain project-related payments, including **\$203,640** paid to the Hampden Water District (included in the total above) and \$242,235 paid to the Maine Department of Transportation (DOT) and being held in reserve during construction (shown as a separate line-item on Table 1, but not included in the total above).
- In prior quarters, Table 1 had shown a value of **\$1.5 million** for the shares of the PERC Partnership owned by Equity Charter Municipalities, based on the price offered by the PERC Partnership to repurchase all of the ownership shares in the owned by Equity Charter Municipalities under the terms of the Put Option described in the Settlement Agreement. The Put Options were exercised on February 28, 2018, and the MRC then paid the Put Option amounts to the Equity Charter Municipalities that exercised the Put Option after receipt of the funds from the PERC Partnership, all in accordance with the Partnership Agreement as amended by the Settlement Agreement.

The share of the bank debt service reserve fund owned by Equity Charter Municipalities and held in reserve by PERC's lender (**\$1,333,33.33**), which was paid out to the Equity Charter Municipalities in November 2017, is no longer shown as an asset. The MRC distributed the entire amount to the Equity Charter Municipalities without offset of costs for recovery, which costs were covered through other means.

- Cash distributions payable by the MRC to the Charter Municipalities for the first quarter of 2018 are **\$546,172.77**, which are based on the existing approved target value increase schedule without adjustment (see Table 3).

The Net Position of the joint venture includes the amounts in the accounts listed above net of the cash distributions payable. Note 4 to Table 1 provides an updated estimate of \$11,581,988.19 as the amount allocated to the Departing Municipalities from the Custody Account, Tip Fee Stabilization Account and the Operating Budget Stabilization Account as of April 1, 2018. This is the total amount that CRMC recommends be transferred to the escrow account for the Departing Municipalities.

Table 2 presents the revenues and expenditures of the joint venture, as well as the change in Net Position, for the first quarter of 2018 and preceding quarters. The excess of revenues over expenditures, as adjusted for changes in balance sheet items (the investment in PERC and in cash distributions payable) is reconciled with the change in the Net Position over each quarter. Table 2 also shows transfers to the MRC Operating Fund in the first quarter of 2018 and prior quarters of 2017, including transfers of \$52,000 from the Tip Fee Stabilization Fund \$137,000 from the Operating Budget Stabilization Fund in the first quarter of 2018, in each case to support the costs of negotiating and implementing the Settlement Agreement and otherwise wind up arrangements between the Charter Municipalities and PERC under the Extended Agreements.

2.0 DISTRIBUTIONS TO THE CHARTER MUNICIPALITIES

The MRC distributes cash to the Equity Charter Municipalities as required to achieve the target value of **\$67 per ton** of solid waste delivered in the prior quarter for all Equity and New Charter Municipalities on a pooled basis. The target value increased to \$67 per ton from \$63 per ton for cash distributions as of July 1, 2017.

To achieve the target value, the MRC needs to distribute at least **\$546,172.77** to the Charter Municipalities to offset a portion of tip fees paid for MSW delivered in the first quarter of 2018 (**\$492,812.08** to Equity Charter Municipalities and **\$53,360.69** to New Charter Municipalities) based on the actual tonnages delivered by the Equity and New Charter Municipalities for the previous quarter and the prior tipping fee of **\$81.50**. The basis for this requirement is provided in Table 3.

Per Table 4, the sources of cash for the distribution include:

- **\$328,850.01** in Performance Credits distributed by PERC to the MRC on behalf of the Equity Charter Municipalities in the previous quarter.
- **\$161,171.23** in partnership cash distributions (Net Cash Flow) from PERC to the MRC on behalf of the Equity Charter Municipalities in the previous quarter.
- **\$56,151.53** of Performance Credits from prior quarters held in the Custody Account and the Tip Fee Stabilization Account.

The balance of \$2,052,629.50 in the Custody Account as of April 1, 2018, is sufficient to provide cash for the total recommended distribution to the Charter Municipalities (which is \$546,172.77). Therefore, no transfer of cash from the Tip Fee Stabilization Fund to the Custody Account is needed to make the distribution.

Under the Settlement Agreement, PERC and USA Energy Group, LLC, had guaranteed pay the MRC for the Charter Municipalities an aggregate amount of \$5.4 million in Performance Credits and Net Cash Flow stemming from partnership performance over the period from September 1, 2016, to March 31, 2018, as well as an additional payment of \$600,000 within 15 days of execution of a settlement agreement. PERC made the last payment to fulfill these obligations during February 2018.

3. FUNDS FOR ESCROW ON BEHALF OF THE DEPARTING MUNICIPALITIES

Tables 5 presents the balances of each Equity Charter Municipality in each of the Custody Account, the Tip Fee Stabilization Fund and the Operating Budget Stabilization Fund, net of funds to be paid out as the remaining the cash distribution. Table 6 isolates the balances of each Departing Municipality in each of these accounts and funds. As shown, the amounts to be transferred to escrow from each account on behalf of the Departing Municipalities are:

- **\$562,901.30** from the Custody Account (based on a current balance of \$772,835.60 less \$209,934.30, which is the share of the cash distribution payable that would be paid to Departing Municipalities out of the Custody Account).
- **\$10,812,901.25** from the Tip Fee Stabilization Account.
- **\$206,185.64** from the Operating Budget Stabilization Account.

The MRC will release to the Departing Municipalities their shares of various funds described herein after the calculations and records related to the shares of the Departing Municipalities in the various funds have been audited by an independent auditor. The MRC Board had previously directed that the total value of the shares of various funds held on behalf of the Departing Municipalities, as calculated by the MRC, would be transferred into an escrow account as soon as possible after March 31, 2018. The final release of such funds to the Departing Municipalities would occur after the auditor had completed its review of the MRC calculations and records.

Independent of any adjustments suggested by the auditor, the estimated values provided above are also subject to adjustment for (a) receipt or payment of any final reconciliation of tip fee payments to or from PERC for the first quarter of 2018; (b) interest earned on the funds; and (c) applicable bank fees.

4. FUNDS RETAINED BY THE MRC ON BEHALF OF THE JOINING MEMBERS

The funds to be retained by the MRC on behalf of the Joining Members after the above payments are made to the Departing Municipalities (excluded accounting for the PERC tip fee reconciliation, interest earned and bank fees) are as follows as of April 1, 2018:

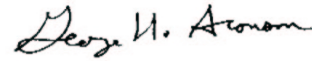
- \$ 943,555.43 in the Custody Account
- \$8,209,436.12 in the Tip Fee Stabilization Fund
- \$ 92,731.16 in the Operating Budget Stabilization Fund

From available resources, the MRC can satisfy the requirements for reserve funds in Exhibit B, Section 2 of the Joinder Agreements as follows:

Reserve fund requirement	Resources
\$5.0 million for actual expenditures for acquisition of the site and development of related infrastructure	Satisfied by prior expenditure in 2016 and 2017
\$3.0 million for the Delivery Sufficiency Reserve Fund	Satisfied with a dedicated fund set up in 2017
\$1.0 million for Bridge Waste transportation costs	Funds in the Custody Account supplemented with \$56,444.57 available if needed from the Tip Fee Stabilization Fund
Up to \$7.0 million as the Building Reserve	Satisfied by the \$3.0 million in the Delivery Sufficiency Reserve Fund and a covenant to maintain a minimum balance of \$4.0 million in the Tip Fee Stabilization Fund. No additional reserve fund is required.
\$1.167 million as the Closure Reserve Fund	Funded by expenditures from the Operating Fund in previous quarters. Could be supplemented, if necessary (but not anticipated to be necessary) by funds in the Tip Fee Stabilization Fund
\$1.5 million in the Target Value Reserve Fund	More than satisfied by \$2.986 million in available funds in the Tip Fee Stabilization Fund that are in excess of (i) the \$4.0 minimum balance covenant; (ii) the allowance of \$56,444.57 for Bridge Waste transportation costs; and (iii) \$1.167 million for the Closure Reserve.

If you have any further questions, please feel free to contact me.

Sincerely,



George H. Aronson
Principal

Attachments Tables 1 through 6
Copies: PERC, LP

Table 1
Joint Venture of the Charter Municipalities of the
Municipal Review Committee, Inc.
Governmental Funds Balance Sheet / Statement of Net Position
Quarterly Basis, 2017-18, unaudited

	Notes	Unaudited 4/1/2018	Unaudited 1/1/2018	Unaudited 10/1/2017	Unaudited 7/1/2017	Unaudited 4/1/2017	Audited 1/1/2017
ASSETS							
Cash and cash equivalents							
Custody Account (Bangor Savings Bank money market fund)	1,4	2,052,629.50	2,432,394.48	1,858,044.90	1,244,588.01	883,100.45	454,455.57
Maine DOT escrow account (allocated to Equity Charter Joining Members)	2	242,974.67	242,765.10	242,553.38	242,235.00		
Cash Sweep Account (Peoples UB)	4,5	469.10	1,007.36				
Accounts Receivable							
Consent Payment receivable							600,000.00
Cash distribution (Net Cash Flow from PERC) receivable			80,172.96				
Investments							
Tip Fee Stabilization Fund (portfolio managed by Peoples UB)							
Account balance (CDs, money market fund, US agency bonds and Treasury notes)	1,4,5	18,965,174.95	15,214,132.96	19,063,980.09	22,021,331.80	26,139,569.11	26,112,661.26
Accrued interest income	4	57,162.42	38,887.23	57,290.78	45,663.71	64,304.15	47,994.84
MRC Operating Budget Stabilization Fund (Peoples UB)							
Account balance (CDs, money market fund, US agency bonds and Treasury notes)	1	298,916.80	105,556.79	193,314.13	193,414.59	192,573.88	192,918.49
Accrued interest income	1				-	-	-
Cash Collateral Account/Delivery Sufficiency Fund (account control agreement)	4,5	3,002,860.67	3,001,351.38	3,000,854.92			
Supplemental Cash Collateral Account (temporary acct control agreement)	4,5	0.05	3,773,022.14				
Value of Hampden site, improved (cost basis, allocated to Equity Charter Joining Members)		5,416,173.00	5,416,173.00	5,416,173.00	5,416,173.00	1,832,706.00	1,832,706.00
Value of Equity Charter Municipal ownership share of the PERC Partnership	3	-	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Value of Equity Charter Municipal ownership share of Debt Service Reserves		-	-	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33
TOTAL ASSETS		30,036,361.16	31,805,463.40	32,665,544.53	31,996,739.44	31,945,586.92	32,074,069.49
LIABILITIES AND NET POSITION							
Liabilities							
Cash distributions payable, current quarter		546,172.77	543,818.49	553,363.10	642,906.03	602,602.91	658,519.01
Indenture reserves released, awaiting final allocation							
Statement of Net Position held for the benefit of Charter Municipalities		29,490,188.39	31,261,644.91	32,112,181.43	31,353,833.41	31,342,984.01	31,415,550.48
TOTAL LIABILITIES AND NET POSITION		30,036,361.16	31,805,463.40	32,665,544.53	31,996,739.44	31,945,586.92	32,074,069.49

NOTES

- Investments valued per market conditions as of date shown to account for unrealized gains and losses, and accrued interest.
 - Value held in Maine DOT escrow account at Katahdin Trust Company. Allocated among Joining Members only. Funds would be released upon completion of construction.
 - Value on and after 10/1/2016 based on the aggregate price for purchase of Equity Charter Municipal interests in PERC Partnership per the settlement agreement. Value returned to zero after exercise of Put Option on February 28, 2018, and distribution of Put Option proceeds on March 1, 2018.
 - Net Position includes amounts accrued for payment to Charter Municipalities that departed the Joint Venture as of 31 March 2018 (known as Departing Municipalities). Final amounts payable to the Departing Municipalities will be determined after March 31, 2018, when the full basis for payment is confirmed. The estimated amount of such payments will be moved to escrow until the audit is complete. The amounts accrued for payment to Departing Municipalities from accounts and funds managed by the MRC as of the end of the past three quarters are as follows:

	4/1/2018	1/1/2018	10/1/2017
Custody Account	772,835.60	913,942.98	704,165.30
Tip Fee Stabilization Account	10,812,901.25	10,805,010.99	10,872,733.09
Operating Budget Stabilization Account	206,185.64	86,786.16	159,008.03
	11,791,922.49	11,805,740.13	11,735,906.42
Distribution in 2Q 2018 from the Custody Account	(209,934.30)		
Total before tip fee reconciliation, interest or bank fees	11,581,988.19		
- Actual distributions to the Departing Municipalities will also account for (i) distribution of \$209,934.30 in performance credits and net cash flow in 2Q 2018 to meet the target values for 1Q 2018; (ii) interest earned on accounts from April 1, 2018 until the distribution date; (iii) final reconciliation of PERC tipping fees for 1Q 2018; (iv) bank fees to manage the escrowing and distribution of the funds; and (vi) offsets of amounts payable.
- Funds in the following accounts are treated as part of the Tip Fee Stabilization Account:

	4/1/2018	1/1/2018	10/1/2017
Tip Fee Stabilization Fund (including accrued interest)	19,022,337.37	15,253,020.19	19,121,270.87
Supplemental Cash Collateral Account (subject to a direct account control agreement that expired on December 22, 2017). These funds were returned to the Tip Fee Stabilization Fund in early 2018.	0.05	3,773,022.14	-
Delivery Sufficiency Fund (subject to a direct account control agreement)	3,002,860.67	3,001,351.38	3,000,854.92
Cash Sweep Account	469.10	1,007.36	-
	22,025,198.09	22,027,393.71	22,122,125.79
- Withdrawals from the Tip Fee Stabilization Fund to create the Supplemental Cash Account, Delivery Sufficiency Fund and Cash Sweep Account are allocated only to Joining Members.

Table 2
Joint Venture of the Charter Municipalities of the
Municipal Review Committee, Inc.
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance/Statement of Activities
Quarterly basis, 2017-18, unaudited

	Period from to	<i>Unaudited</i> First quarter 1/1/2018 4/1/2018	<i>Unaudited</i> Fourth quarter 10/1/2017 1/1/2018	<i>Unaudited</i> Third quarter 7/1/2017 10/1/2017	<i>Unaudited</i> Second quarter 4/1/2017 7/1/2017	<i>Unaudited</i> First quarter 1/1/2017 4/1/2017
ADDITIONS (revenue)						
PERC Performance Credits		328,850.01	966,796.88	1,007,510.91	766,213.74	372,925.49
Net earning from investment in PERC (Net Cash Flow)		161,171.23	238,454.71	247,804.97	197,757.62	114,666.60
Consent Payment						
Appreciation (depreciation) of investments						
Tip Fee Stabilization Fund		(9,934.89)	(33,271.42)	2,303.32	(22,207.35)	(22,166.00)
MRC Operating Budget Stabilization Fund		-	(87.50)	(92.75)	(105.00)	(315.00)
Interest and dividend income						
Tip Fee Stabilization Fund - net earnings		39,954.74	76,074.29	40,344.97	78,672.04	49,073.85
Tip Fee Stabilization Fund - interest accrued		18,275.19	(18,403.55)	11,627.07	(18,640.44)	16,309.31
Op Budget Stabilization Fund - net earnings		360.01	1,180.16	(7.71)	945.71	(29.61)
Op Budget Stabilization Fund - interest accrued		-	-	-	-	-
Escrow and other account interest		1,180.65	2,087.68	1,173.30		
Custodial Account (interest net of bank fees)		4,032.27	2,634.05	1,047.04	119.11	(428.20)
TOTAL REVENUE (ADDITIONS)		543,889.21	1,235,465.30	1,311,711.12	1,002,755.43	530,036.44
DEDUCTIONS (expenditures)						
Distributions to Charter Municipalities (rebates)		543,818.49	553,363.10	642,906.03	602,602.91	658,519.01
Transfer to Operating Fund for operations		189,000.00	208,850.00		349,000.00	-
Transfer to Operating Fund for Hampden site development						
GAT shortfall penalty payment						
TOTAL EXPENDITURES (DEDUCTIONS)		732,818.49	762,213.10	642,906.03	951,602.91	658,519.01
EXCESS OF ADDITIONS OVER DEDUCTIONS		(188,929.28)	473,252.20	668,805.09	51,152.52	(128,482.57)
ADJUSTMENTS						
Change in value of ownership position in PERC		(1,500,000.00)				
Reserve funds released			(1,333,333.33)			
Change in Net Cash Flow receivable		(80,172.96)				
Change in cash distribution payable		(2,354.28)	9,544.61	89,542.93	(40,303.12)	55,916.10
Total adjustments		(1,582,527.24)	(1,323,788.72)	89,542.93	(40,303.12)	55,916.10
Adjusted Excess of Additions over Deductions		(1,771,456.52)	(850,536.52)	758,348.02	10,849.40	(72,566.47)
CHANGE IN NET POSITION						
End of period		29,490,188.39	31,261,644.91	32,112,181.43	31,353,833.41	31,342,984.01
Start of period		31,261,644.91	32,112,181.43	31,353,833.41	31,342,984.01	31,415,550.48
Change in Net Position over Period		(1,771,456.52)	(850,536.52)	758,348.02	10,849.40	(72,566.47)
		-	-	-	-	-

Table 3				
Distributions to the Charter Municipalities				
in the Second Quarter of 2018				
Equity Charter Municipalities				
	Tipping Fee, first quarter		\$	81.50
	Target value		\$	(67.00)
	Distributions required to achieve the target value, \$ per ton		\$	14.50 (A)
	Waste deliveries, Equity Charter Municipalities, tons			33,987.04 (B)
	Distributions required to achieve the target value		\$	492,812.08 (A) x (B)
New Charter Municipalities				
	Tipping Fee, first quarter		\$	81.50
	Target value		\$	(67.00)
	Distributions required to achieve the target value, \$ per ton		\$	14.50 (D)
	Waste deliveries, New Charter Municipalities, tons			3,680.04 (E)
	Distributions required to achieve the target value		\$	53,360.69 (D) x (E)
Summary for all Charter Municipalities				
	Equity Charter Municipalities		\$	492,812.08 (A) x (B)
	New Charter Municipalities		\$	53,360.69 (D) x (E)
	Total		\$	546,172.77

Table 4				
Uses and Sources of Cash for the Distribution				
in the Second Quarter of 2018				
	Distributions required to achieve the target values		\$	546,172.77
Net Cash Flow				
	Received in prior quarter	\$	161,171.23	
	Distributed previously	\$	-	
	Deferred for future distribution	\$	-	
	Distribution		\$	(161,171.23)
Performance Credits				
	Received in prior quarter	\$	328,850.01	
	Distributed previously			
	New Charter Municipalities		\$	-
	Deferred for future distribution			
	Equity Charter Municipalities - current distribution	\$	(328,850.01)	
	Subtotal	\$	(490,021.24)	\$ (490,021.24)
	Additional funds required		\$	56,151.53
Other cash available				
	From prior Custody Account balance			
	Equity Charter allocation	\$	2,790.84	
	New Charter allocation	\$	53,360.69	
		\$	56,151.53	\$ (56,151.53)
	Total		\$	-

Table 5
Estimated Equity Charter Municipality Account Balances After 1 April 2018
Joining Members and Departing Municipalities

Print date	4/12/2018	Tip Fee		Operating Budget						
		Custody	Stabilization	Stabilization					Joining	Departing
		Account	Fund	Fund	Subtotal	2Q Distribution	Total		Members	Municipalities
Albion		10,156.42	72,185.57	451.21	82,793.20	(3,496.03)	79,297.17	1	79,297.17	-
Alton		3,935.19	27,512.80	340.06	31,788.05	(1,090.92)	30,697.13	1	30,697.13	-
Atkinson		1,797.55	9,780.30	43.79	11,621.64	(473.37)	11,148.27	1	11,148.27	-
Baileyville		19,991.04	289,588.15	4,539.48	314,118.67	(4,605.95)	309,512.72	0	-	309,512.72
Bangor		336,699.89	2,303,240.63	24,951.45	2,664,891.97	(98,571.45)	2,566,320.52	1	2,566,320.52	-
Bar Harbor		90,931.90	460,205.09	4,930.87	556,067.86	(15,188.72)	540,879.14	1	540,879.14	-
Blue Hill/Surry		55,026.12	323,844.90	2,201.07	381,072.09	(13,070.70)	368,001.39	1	368,001.39	-
Boothbay RRDD		72,359.50	411,060.08	4,329.08	487,748.66	(13,993.83)	473,754.83	1	473,754.83	-
Bradley		5,930.00	38,437.69	306.88	44,674.57	(1,639.49)	43,035.08	1	43,035.08	-
Brewer		72,862.44	580,675.82	11,204.02	664,742.28	(22,190.60)	642,551.68	1	642,551.68	-
Brooks		5,403.93	24,668.06	(175.90)	29,896.09	(1,654.75)	28,241.34	1	28,241.34	-
Brownville		8,203.65	56,826.79	865.71	65,896.15	(2,133.21)	63,762.94	1	63,762.94	-
Bucksport		18,107.21	167,524.10	4,427.89	190,059.20	(5,074.01)	184,985.19	1	184,985.19	-
Burnham		9,398.19	97,693.21	1,484.25	108,575.65	(2,143.13)	106,432.52	0	-	106,432.52
Carmel		14,028.34	82,939.19	305.32	97,272.85	(3,888.62)	93,384.23	1	93,384.23	-
Central Penobscot		30,939.70	166,642.43	(217.60)	197,364.53	(7,821.43)	189,543.10	1	189,543.10	-
China		18,442.89	142,512.38	2,486.90	163,442.17	(5,045.67)	158,396.50	1	158,396.50	-
Clifton		4,829.30	28,736.43	131.31	33,697.04	(1,387.88)	32,309.16	1	32,309.16	-
Clinton		20,174.50	370,293.53	8,747.26	399,215.29	(6,228.68)	392,986.61	0	-	392,986.61
Dedham		5,243.82	34,262.66	462.54	39,969.02	(1,343.63)	38,625.39	1	38,625.39	-
Dover-Foxcroft		31,540.65	173,429.91	854.11	205,824.67	(8,319.90)	197,504.77	1	197,504.77	-
Eddington		11,237.75	70,279.73	819.07	82,336.55	(3,399.87)	78,936.68	1	78,936.68	-
Enfield		8,482.58	126,715.93	2,535.76	137,734.27	(2,261.99)	135,472.28	0	-	135,472.28
Fairfield		44,268.15	525,424.74	7,361.37	577,054.26	(11,514.11)	565,540.15	0	-	565,540.15
Glenburn		31,472.10	314,177.58	4,269.70	349,919.38	(7,243.61)	342,675.77	0	-	342,675.77
Gouldsboro		6,978.61	128,232.00	2,977.38	138,187.99	(1,732.13)	136,455.86	0	-	136,455.86
Greenbush		7,731.86	92,063.29	1,555.21	101,350.36	(2,153.44)	99,196.92	0	-	99,196.92
Guilford		18,137.47	103,380.83	1,235.33	122,753.63	(4,827.21)	117,926.42	1	117,926.42	-
Hampden		43,069.61	279,366.80	2,513.25	324,949.66	(13,256.97)	311,692.69	1	311,692.69	-
Hancock		5,319.97	88,749.33	2,021.36	96,090.66	(1,436.55)	94,654.11	0	-	94,654.11
Hermon		47,054.38	515,557.93	6,981.77	569,594.08	(13,415.65)	556,178.43	0	-	556,178.43
Holden		13,391.89	76,581.32	517.19	90,490.40	(3,604.37)	86,886.03	1	86,886.03	-
Jackson		2,351.84	22,102.03	214.59	24,668.46	(666.55)	24,001.91	0	-	24,001.91
Lamoine		7,722.49	96,685.29	1,648.56	106,056.34	(1,832.86)	104,223.48	0	-	104,223.48
Lee		6,474.80	32,667.85	210.77	39,353.42	(1,502.18)	37,851.24	1	37,851.24	-
Levant		12,615.93	73,065.74	442.02	86,123.69	(3,680.45)	82,443.24	1	82,443.24	-
Lincoln		45,233.68	590,686.48	12,137.71	648,057.87	(11,732.03)	636,325.84	0	-	636,325.84
Lucerne		3,975.57	21,439.38	88.99	25,503.94	(972.85)	24,531.09	1	24,531.09	-
Mariaville		1,911.30	11,289.82	82.49	13,283.61	(436.45)	12,847.16	1	12,847.16	-
Mars Hill		9,863.47	154,159.39	3,110.48	167,133.34	(3,296.93)	163,836.41	0	-	163,836.41
Mattawamkeag		3,913.11	31,133.37	512.29	35,558.77	(1,154.27)	34,404.50	1	34,404.50	-

Table 5
Estimated Equity Charter Municipality Account Balances After 1 April 2018
Joining Members and Departing Municipalities

Print date	4/12/2018	Custody Account	Tip Fee Stabilization Fund	Operating Budget Stabilization Fund	Subtotal	2Q Distribution	Total	Joining Members	Departing Municipalities
Midcoast SWD		93,472.94	1,214,690.49	24,309.03	1,332,472.46	(23,531.01)	1,308,941.45	0	1,308,941.45
Mid-Maine SWD		61,024.39	346,216.93	4,398.21	411,639.53	(16,292.51)	395,347.02	1	-
Milford		12,367.17	177,162.74	3,700.98	193,230.89	(3,529.54)	189,701.35	0	189,701.35
Millinocket		34,563.68	233,967.11	3,268.55	271,799.34	(8,462.29)	263,337.05	1	-
Milo		18,133.50	107,069.92	859.60	126,063.02	(4,794.78)	121,268.24	1	-
Monson		3,026.37	18,834.48	199.86	22,060.71	(588.64)	21,472.07	1	-
Mt. Desert area ADD		93,735.55	559,608.78	6,077.51	659,421.84	(18,843.20)	640,578.64	1	-
Newburg		6,154.50	89,083.77	1,716.08	96,954.35	(1,870.84)	95,083.51	0	95,083.51
Old Town		40,073.36	699,338.91	16,882.32	756,294.59	(13,166.16)	743,128.43	0	743,128.43
Orland		3,962.91	56,724.49	1,687.32	62,374.72	(1,166.69)	61,208.03	0	61,208.03
Orono		52,508.82	331,504.26	3,511.44	387,524.52	(15,992.81)	371,531.71	1	-
Otis		3,046.79	15,655.67	210.65	18,913.11	(771.74)	18,141.37	1	-
Palmyra		10,939.12	58,758.51	161.98	69,859.61	(2,867.59)	66,992.02	1	-
Parkman		2,940.78	16,037.84	54.91	19,033.53	(706.56)	18,326.97	1	-
Penobscot Co.		10,058.41	138,993.22	2,665.42	151,717.05	(2,896.88)	148,820.17	0	148,820.17
Pleasant River SWD		7,872.09	93,314.90	2,465.00	103,651.99	(2,252.23)	101,399.76	1	-
Plymouth		6,725.11	82,227.74	1,515.02	90,467.87	(1,882.89)	88,584.98	0	88,584.98
Reed Plt		1,216.82	15,356.38	277.38	16,850.58	(300.66)	16,549.92	0	16,549.92
Rockland		72,290.86	888,769.11	17,059.14	978,119.11	(19,082.50)	959,036.61	0	959,036.61
Sangerville		8,415.66	44,960.09	95.62	53,471.37	(2,193.58)	51,277.79	1	-
Searsport		15,093.34	184,086.25	3,708.02	202,887.61	(4,086.29)	198,801.32	0	198,801.32
Stetson		6,717.71	79,817.63	1,186.01	87,721.35	(1,745.81)	85,975.54	0	85,975.54
Steuben		7,874.16	46,653.80	175.07	54,703.03	(2,046.42)	52,656.61	1	-
Stonington		16,244.58	169,625.05	2,307.74	188,177.37	(3,404.10)	184,773.27	0	184,773.27
Thomaston Group		47,911.81	632,881.43	11,256.45	692,049.69	(11,608.59)	680,441.10	0	680,441.10
Thorndike		2,104.52	22,633.69	492.48	25,230.69	(643.92)	24,586.77	1	-
Troy		2,106.40	16,333.72	276.32	18,716.44	(636.29)	18,080.15	1	-
Union River SWD		4,901.61	28,492.21	187.36	33,581.18	(1,312.26)	32,268.92	1	-
Unity		11,511.64	68,136.74	398.23	80,046.61	(3,111.79)	76,934.82	1	-
Vassalboro		16,722.80	116,372.11	1,540.26	134,635.17	(4,900.21)	129,734.96	1	-
Veazie		8,622.56	118,851.99	2,300.01	129,774.56	(2,305.73)	127,468.83	0	127,468.83
Verona		3,693.82	23,703.76	232.73	27,630.31	(1,123.48)	26,506.83	1	-
Waldoboro Group		33,506.27	257,491.93	3,805.27	294,803.47	(9,479.34)	285,324.13	1	-
Waterville		78,166.46	1,623,270.46	33,863.48	1,735,300.40	(24,830.53)	1,710,469.87	0	1,710,469.87
Winslow		41,669.77	556,169.24	9,000.16	606,839.17	(12,014.43)	594,824.74	0	594,824.74
West Gardiner		12,963.35	186,360.04	3,857.46	203,180.85	(3,356.60)	199,824.25	0	199,824.25
Winthrop		33,081.08	487,363.43	9,308.74	529,753.25	(8,891.44)	520,861.81	0	520,861.81
Total		2,052,629.50	19,022,337.37	298,916.80	21,373,883.67	(546,172.77)	20,827,710.90	46	9,245,722.71 20,827,710.90

Table 6
Estimated Equity Charter Municipality Account Balances After 1 April 2018
Transfers to Escrow Account

Print date	4/12/2018		Tip Fee	Operating Budget				
		Custody	Stabilization	Stabilization				
		Account	Fund	Fund	Subtotal	2Q Distribution	Total	
Albion		-	-	-	-	-	-	1
Alton		-	-	-	-	-	-	1
Atkinson		-	-	-	-	-	-	1
Baileyville		19,991.04	289,588.15	4,539.48	314,118.67	(4,605.95)	309,512.72	0
Bangor		-	-	-	-	-	-	1
Bar Harbor		-	-	-	-	-	-	1
Blue Hill/Surry		-	-	-	-	-	-	1
Boothbay RRDD		-	-	-	-	-	-	1
Bradley		-	-	-	-	-	-	1
Brewer		-	-	-	-	-	-	1
Brooks		-	-	-	-	-	-	1
Brownville		-	-	-	-	-	-	1
Bucksport		-	-	-	-	-	-	1
Burnham		9,398.19	97,693.21	1,484.25	108,575.65	(2,143.13)	106,432.52	0
Carmel		-	-	-	-	-	-	1
Central Penobscot		-	-	-	-	-	-	1
China		-	-	-	-	-	-	1
Clifton		-	-	-	-	-	-	1
Clinton		20,174.50	370,293.53	8,747.26	399,215.29	(6,228.68)	392,986.61	0
Dedham		-	-	-	-	-	-	1
Dover-Foxcroft		-	-	-	-	-	-	1
Eddington		-	-	-	-	-	-	1
Enfield		8,482.58	126,715.93	2,535.76	137,734.27	(2,261.99)	135,472.28	0
Fairfield		44,268.15	525,424.74	7,361.37	577,054.26	(11,514.11)	565,540.15	0
Glenburn		31,472.10	314,177.58	4,269.70	349,919.38	(7,243.61)	342,675.77	0
Gouldsboro		6,978.61	128,232.00	2,977.38	138,187.99	(1,732.13)	136,455.86	0
Greenbush		7,731.86	92,063.29	1,555.21	101,350.36	(2,153.44)	99,196.92	0
Guilford		-	-	-	-	-	-	1
Hampden		-	-	-	-	-	-	1
Hancock		5,319.97	88,749.33	2,021.36	96,090.66	(1,436.55)	94,654.11	0
Hermon		47,054.38	515,557.93	6,981.77	569,594.08	(13,415.65)	556,178.43	0
Holden		-	-	-	-	-	-	1
Jackson		2,351.84	22,102.03	214.59	24,668.46	(666.55)	24,001.91	0
Lamoine		7,722.49	96,685.29	1,648.56	106,056.34	(1,832.86)	104,223.48	0
Lee		-	-	-	-	-	-	1
Levant		-	-	-	-	-	-	1
Lincoln		45,233.68	590,686.48	12,137.71	648,057.87	(11,732.03)	636,325.84	0
Lucerne		-	-	-	-	-	-	1
Mariaville		-	-	-	-	-	-	1
Mars Hill		9,863.47	154,159.39	3,110.48	167,133.34	(3,296.93)	163,836.41	0
Mattawamkeag		-	-	-	-	-	-	1

Table 6
Estimated Equity Charter Municipality Account Balances After 1 April 2018
Transfers to Escrow Account

Print date	4/12/2018		Tip Fee	Operating Budget				
		Custody	Stabilization	Stabilization				
		Account	Fund	Fund	Subtotal	2Q Distribution	Total	
Midcoast SWD		93,472.94	1,214,690.49	24,309.03	1,332,472.46	(23,531.01)	1,308,941.45	0
Mid-Maine SWD		-	-	-	-	-	-	1
Milford		12,367.17	177,162.74	3,700.98	193,230.89	(3,529.54)	189,701.35	0
Millinocket		-	-	-	-	-	-	1
Milo		-	-	-	-	-	-	1
Monson		-	-	-	-	-	-	1
Mt. Desert area ADD		-	-	-	-	-	-	1
Newburg		6,154.50	89,083.77	1,716.08	96,954.35	(1,870.84)	95,083.51	0
Old Town		40,073.36	699,338.91	16,882.32	756,294.59	(13,166.16)	743,128.43	0
Orland		3,962.91	56,724.49	1,687.32	62,374.72	(1,166.69)	61,208.03	0
Orono		-	-	-	-	-	-	1
Otis		-	-	-	-	-	-	1
Palmyra		-	-	-	-	-	-	1
Parkman		-	-	-	-	-	-	1
Penobscot Co.		10,058.41	138,993.22	2,665.42	151,717.05	(2,896.88)	148,820.17	0
Pleasant River SWD		-	-	-	-	-	-	1
Plymouth		6,725.11	82,227.74	1,515.02	90,467.87	(1,882.89)	88,584.98	0
Reed Plt		1,216.82	15,356.38	277.38	16,850.58	(300.66)	16,549.92	0
Rockland		72,290.86	888,769.11	17,059.14	978,119.11	(19,082.50)	959,036.61	0
Sangerville		-	-	-	-	-	-	1
Searsport		15,093.34	184,086.25	3,708.02	202,887.61	(4,086.29)	198,801.32	0
Stetson		6,717.71	79,817.63	1,186.01	87,721.35	(1,745.81)	85,975.54	0
Steuben		-	-	-	-	-	-	1
Stonington		16,244.58	169,625.05	2,307.74	188,177.37	(3,404.10)	184,773.27	0
Thomaston Group		47,911.81	632,881.43	11,256.45	692,049.69	(11,608.59)	680,441.10	0
Thorndike		-	-	-	-	-	-	1
Troy		-	-	-	-	-	-	1
Union River SWD		-	-	-	-	-	-	1
Unity		-	-	-	-	-	-	1
Vassalboro		-	-	-	-	-	-	1
Veazie		8,622.56	118,851.99	2,300.01	129,774.56	(2,305.73)	127,468.83	0
Verona		-	-	-	-	-	-	1
Waldoboro Group		-	-	-	-	-	-	1
Waterville		78,166.46	1,623,270.46	33,863.48	1,735,300.40	(24,830.53)	1,710,469.87	0
Winslow		41,669.77	556,169.24	9,000.16	606,839.17	(12,014.43)	594,824.74	0
West Gardiner		12,963.35	186,360.04	3,857.46	203,180.85	(3,356.60)	199,824.25	0
Winthrop		33,081.08	487,363.43	9,308.74	529,753.25	(8,891.44)	520,861.81	0
Total		772,835.60	10,812,901.25	206,185.64	11,791,922.49	(209,934.30)	11,581,988.19	46