

**MUNICIPAL REVIEW COMMITTEE, INC.**

**BOARD OF DIRECTORS**

A quarterly meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, October 25, 2017 at 10:00 a.m. at the Town of Orono Municipal Building, 59 Main Street, Orono, Maine. In attendance were the following:

**Directors:**

Sophie Wilson, Orono  
Chip Reeves, Bar Harbor  
Karen Fussell, Brewer  
Tony Smith, Town of Mount Desert  
Susan Lessard, Town of Bucksport  
Mike Roy, City of Waterville

**Staff:**

Greg Louder, MRC Executive Director

**Consultants:**

George Aronson, CRMC  
Daniel G. McKay, Eaton Peabody

**Guests:**

Hank Lang, PERC  
Gary Stacey, PERC  
Craig Stuart-Paul, Fiberight  
Shelby Wright, MRRA

Jennifer Baroletti kept the minutes of the meeting and President Reeves presided.

President Reeves convened the meeting at 10:10 a.m.

**APPROVAL OF MINUTES**

The Board considered approval of the minutes of the July 26, 2017 quarterly meeting of the Board of Directors. There being no changes to the draft minutes as presented, upon motion made and duly seconded, it was unanimously:

**VOTED:** That the minutes of the July 26, 2017 quarterly meeting of the Board of Directors hereby are approved in the form presented to the Board at this meeting.

**CONSIDERATION OF FINANCIAL STATEMENTS  
& BILLS PAYABLE AS OF JULY 20, 2017**

Sophie Wilson reported that the Finance Committee met prior to this meeting and reviewed the Financial Reports. Year to date the MRC is on target with the budget and the Finance Committee recommends acceptance of the Financial Statements.

**VOTED:** That the financial statements hereby are accepted in the form presented to the Board at this meeting.

Ms. Wilson presented bills payable totaling \$484,824.97, noting that the Finance Committee recommends approval of the payables. Ms. Wilson noted that the bulk of the bills payable is attributable to Sargent Corporation's invoice of approximately \$400,000 for work related to the infrastructure project. There being no further discussion, upon motion was duly made and seconded, it was unanimously:

**VOTED:** That bills payable of \$484,824.97 as presented to the Board at this meeting hereby are approved for payment.

**PERC FACILITY OPERATIONS REPORT**

Hank Lang presented the PERC facility operations report, noting that the facility is running extremely well. Mr. Lang reported generation and production rates for July, August and September 2017, noting that generation rates were lower in September because both boiler grates were replaced during that period.

Year to date, PERC has processed approximately 286,000 tons of MSW. Tonnage of nonprocessables has decreased significantly due to the new terminator which is now processing more of those materials and creating fuel. Ash rates were typical. PERC hopes to reduce those rates throughout the rest of the year once the Fer-ash system comes on line. He reported that the

Fer-Ash screen is in place and PERC is working on conveyors now. The system is expected to be up and running within a few weeks.

Mr. Lang also reported that the Department of Environmental Protection (“DEP”) had requested that PERC explore an opportunity to utilize carpet as a fuel source. In August, 2017, 100,000 tons of carpet from the Warren site were delivered to PERC, ground and combusted, and PERC analyzed the results. Mr. Lang has reported to DEP that, although the carpet did generate significant heating value, transportation costs to the PERC Plant site represent a significant challenge and the heating value of about 9,000 Btu per pound was less than had been anticipated.

Board Member Sophie Wilson asked about truck waiting times, and Mr. Lang reported that July and August were fine but that there were a few backups during September as PERC accommodated other suppliers in the area.

#### **FOURTH QUARTER 2017 TIPPING FEE CALCULATION**

George Aronson presented the PERC tipping fee calculation for the fourth quarter of 2017 of \$79.50 per ton, which is slightly lower than the budgeted number due to a slight increase in tonnage and lower residuals. Deliveries from Charter Municipalities were down slightly in the third quarter. The PERC facility conducted its annual stack test in August, 2017, and passed all tests for emissions. Mr. Aronson noted that one event of elevated carbon monoxide emissions was recorded but was ultimately determined not to be an exceedance. Based upon his review of the PERC materials, Mr. Aronson recommended that the Board vote to accept the tipping fee calculation. There being no discussion, and upon motion made and duly seconded, it was unanimously:

**VOTED:** To accept the tipping fee for the fourth quarter of 2017 at \$79.50 per ton as calculated by PERC.

**CHARTER MUNICIPALITY ASSET MANAGEMENT REPORT – CUSTODY  
ACCOUNT, TIP FEE & OPERATING BUDGET STABILIZATION FUNDS, 4<sup>th</sup>  
QUARTER CASH DISTRIBUTION**

George Aronson presented an overview of the Charter Municipality Asset Management Report compiled by Commonwealth Resource Management. He summarized key elements of the Report noting that there are current balances of \$1,858,044.90 in the Custody Account, \$19,121,270.87 in the Tip Fee Stabilization Fund and \$193,314.13 in the Operating Budget Stabilization Fund. He recommended a quarterly cash distribution of \$553,363.10.

Mr. Aronson noted the balance of approximately \$3,000,000 in the Delivery Sufficiency Fund, which was created at the time of the equity closing for the Fiberright facility. This amount is allocated only out of accounts attributable to Joining Members. The amount of \$1,333,333.33, representing the MRC's share of PERC's bank debt service reserve fund is now included above the line on the balance sheet as those funds will be paid out within one year as PERC's debt matures. Mr. Aronson reviewed actual PERC payments to date on the \$5,400,000 guarantee included as part of the PERC Settlement Agreement, reporting that all appears on track to fulfill that obligation. He also noted that there is sufficient cash on hand to make the quarterly distribution, and no transfer from the Tip Fee Stabilization Account will be necessary this quarter. Upon motion made and duly seconded it was unanimously:

**VOTED:** That the Charter Municipality Asset Management Report hereby is approved in the form presented to the Board at this meeting and that a cash distribution in the aggregate amount of \$553,363.10 be made to MRC members as recommended.

**CONSIDERATION OF ALLOCATION AND DISTRIBUTION OF  
PERC \$1,333,333.33 DEBT SERVICE RESERVE**

Mr. Aronson reminded the Board that when PERC refinanced in 2011, a \$2,000,000 debt service reserve fund was funded by the PERC Partnership. At the request of PERC's private partners, the MRC advanced the private partners' one-third share and, accordingly, the MRC

Equity Charter Municipalities own \$1,333,333.33 of the approximately \$2,000,000 balance in the account. The outstanding principal on the PERC loan is now less than the reserve fund, and the bank has approved release of the reserve fund before the last debt service payment is made later this year. Following this approval, \$1,333,333.33 was transferred from the reserve account into MRC's account earlier this month. Mr. Aronson reminded the Board that back at the time of the financing, the MRC Board had voted to allocate the MRC share of the reserve fund on the basis of tonnage delivered by each Equity Charter Member during the period from July 1998 through the date of distribution which was September 30, 2017. Mr. Aronson reviewed the allocation spreadsheet included in the board packet which outlines the amounts to be distributed to each Equity Charter Municipality using the methodology previously approved by the MRC Board. It had been agreed that any costs associated with releasing and distributing the funds would be netted out prior to distribution, but as there were no such associated costs, the entire amount is available for distribution. In response to a question, Mr. Aronson noted that this allocation, which is based on tonnage delivered to PERC during a specified time period, differs from other allocations that are based on ownership percentages. A discussion ensued regarding timing of the distribution, and it was agreed that distributions could be made as early as next week. There being no further discussion, and upon motion made and duly seconded it was unanimously:

**VOTED:** That the distribution to Equity Charter Municipalities of \$1,333,333.33 from the PERC financing debt reserve account in accordance with the allocation presented to the Board at this meeting hereby is approved.

**COMMUNICATIONS COMMITTEE REPORT AND RECOMMENDATION  
REGARDING OUTSIDE SERVICES TO UPDATE AND IMPROVE THE MRC  
WEBSITE FOR THE POST 2018 ERA**

Board Member Karen Fussell reported that the Communications Committee has explored options to revamp the MRC’s website to reflect the partnership with Fiberight in the post-2018 era. The goal is to have a draft of the website ready for the Board’s review at the December meeting, and to have the website completed by March 2018, to be able to launch the website in conjunction with the opening of the new Fiberight facility in April, 2018. The MRC recently put out a Request for Proposals (“RFP”) and, after reviewing responses, recommends to the Board approval of the proposal received from Sutherland Weston for the amount of \$8,500.

A discussion ensued regarding the costs of webhosting services and, in particular, the relative merits of utilizing a less expensive template approach and the practicality of maintaining a web site in-house given the MRC's limited staffing. Following extended discussion, a motion was duly made and duly seconded to approve the proposal from Sutherland Weston. By a vote of 5 to 1, with Board Member Sophie Wilson voting against, it was:

**VOTED:** That the proposal for website services submitted by Sutherland Weston in the amount of \$8,500 hereby is approved in substantially the form presented at this meeting.

Chairman Reeves thanked Karen Fussell and the Communications Committee for their efforts, noting that Cathy Conlow serves on the Communications Committee but recused herself from this process because Cary Weston is a Bangor City Councilor.

Board Member Sophie Wilson asked for clarification of the source of funds for this project and it was confirmed that payment will come from the budget line item for post-2018 planning. Board Member Karen Fussell noted that the MRC will move forward with Sutherland

Weston for web hosting services for now, and can revisit that engagement later on, once the website is operational.

### **REPORT ON MRC ROAD AND INFRASTRUCTURE**

Chairman Reeves noted that the road construction project is 95% complete and is on budget. Remaining work is expected to be complete by year end following which the MRC will work to transfer the roadway to the Town of Hampden and the water main to the Hampden Water District.

Greg Lounder reviewed a draft Improvement Guarantee Agreement with the Town of Hampden which is designed to meet municipal surety requirements related to construction of the roadway. He noted that, together with Dan McKay, he has worked with Angus Jennings, Town Manager of Hampden, and Ed Bearor, the Town of Hampden's attorney, to finalize the terms of the agreement. Because the project is almost complete, the sum of the surety amount to be placed in escrow would be only \$147,480. The timing of the surety was discussed, and it was noted that the MRC likely will not have to make final payment to Sargent Corporation until shortly after the surety amount is released by the Town.

Board Member Karen Fussell indicated that the language in agreement is vague in terms of time frame specified for providing deliverables and a discussion ensued regarding the challenges of including a date certain in the agreement. Dan McKay noted that the Town of Hampden is ready to sign this version of the agreement, but that minor edits may be achievable. Chairman Reeves expressed his appreciation of the host community Town of Hampden's willingness to work with the MRC to bring this to a conclusion. Upon motion made and duly seconded it was unanimously:

**VOTED:** That an Improvement Guarantee Agreement and a related Temporary Easement between the MRC and the Town of Hampden, each in substantially the form

presented to the meeting, hereby are approved for the purpose of providing cash security to the Town of Hampden to secure payment of any remaining costs associated with construction of an access road and associated improvements to the so-called Fiberight project site located off Coldbrook Road.

**VOTED:** That the MRC hereby is authorized to transfer to an account established by the Town of Hampden an amount of up to \$147,480 to be held by the Town as contemplated by, and subject to the terms of, the said Improvement Guarantee Agreement.

**VOTED:** That each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the Improvement Guarantee Agreement and related Temporary Easement on behalf of the MRC in substantially the form presented to the meeting with such modifications as may be approved by the signing officer, his or her signature thereon to constitute conclusive evidence of such approval, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of this resolution.

### **REPORT ON FIBERIGHT FACILITY DEVELOPMENT PROGRESS AND SCHEDULE**

Craig Stuart Paul reported on the status of the Fiberight facility, noting that the foundation and walls are complete. The first loads of steel have arrived on-site and the steel production crew is moving in now, anticipating that the structural steel will be up within the next 30 days. The project is currently two weeks ahead of schedule thanks to a favorable construction season this year. Board member Karen Fussell suggested a press event for a beam raising ceremony, and the Communications Committee will work to organize such an event at an appropriate time.

### **APPROVAL OF SLATE OF NOMINEES FOR 2017 ANNUAL ELECTION OF DIRECTORS**

Greg Louder reviewed the slate of nominees for the 2017 annual election of directors and the board reviewed the candidates in light of the eligibility requirements set forth in the Bylaws. It was noted that nominee Gary Bowman of the Town of Oakland does not yet meet the requirements under the Bylaws because Oakland will not formally become an MRC member until April 1, 2018. A discussion ensued and it was noted the status of at least one current Board member will change in April, 2018, at which time the MRC Board would have the power to



appoint a replacement at which point Mr. Bowman would be eligible to serve and could be considered. The Board confirmed that the other three nominees are duly qualified and eligible to serve under the criteria established by the MRC Bylaws, and upon motion made and duly seconded, with Sophie Wilson abstaining, it was unanimously:

**VOTED:** That each of Kevin Howell (Carmel), Ralph Saucier (Millinocket) and Sophie Wilson (Orono) are approved as nominees for the 2017 annual election of directors.

**ADMINISTRATIVE REPORT – TRENDS IN MSW DELIVERIES, MMA CONFERENCE, MRC ANNUAL MEETING/2017 AND 2018 REGULAR MEETING SCHEDULE/ PUT OPTIONS**

Greg Lounder noted that MSW deliveries are down slightly from last year, particularly from a few communities in the system that historically have delivered MSW to PERC in excess of their annual tonnage. It appears that a few communities have made arrangements elsewhere and are delivering enough tonnage to meet, but not exceed, their GAT.

Mr. Lounder reviewed an updated listing of Equity Charter Municipalities that have exercised their put option to sell back to PERC their partnership interest under the terms set forth in the PERC Settlement Agreement, reporting that as of October 16, 2017, 56 of 86 communities have exercised. Mr. Lounder is continuing to work with PERC on this effort.

The MRC's annual meeting is scheduled for Wednesday, December 13, 2017 from 3-5 p.m. at the Hampden Town Hall. A site visit for board members is scheduled for earlier that afternoon prior to the board meeting. The MRC meeting schedule for 2018 will be consistent with past practice, and quarterly meetings will be held on the fourth Wednesday of each of January, April, July and October, 2018.

Greg Lounder and Craig Stuart-Paul of Fiberight attended the Maine Resource Recovery Association ("MRRA") event in October, and Mr. Lounder noted that most questions he received were regarding the status of the Fiberight facility and whether or not it will be ready by April

2018. There were also questions related to zero sort services. Mr. Louder noted appreciation for all that the MRRA is doing in the interest of helping communities and promoting responsible resource recovery efforts. Chairman Reeves thanked Board Members Tony Smith, Sophie Wilson and Cathy Conlow for assisting at the MRRA conference.

### **EXECUTIVE SESSION**

A motion was made, and duly seconded, at 11:33 a.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) for discussion with legal counsel concerning legal rights and duties regarding certain MSW delivery contract negotiations.

Whereupon, it was unanimously:

**VOTED:** That the meeting is adjourned to executive session.

At 12:16 p.m., the executive session ended and the Board took a lunch break.

At 12:57 p.m., the board reconvened.

### **MRC CONSIDERATION OF AMENDMENTS TO SITE LEASE AND WASTE MANAGEMENT WASTE DISPOSAL AGREEMENT, INCLUDING APPROVAL OF SECURITY DOCUMENTS CONTEMPLATED BY THE SITE LEASE**

Dan McKay introduced a series of proposed resolutions relating to actions that must be taken by the Board preparatory to the final closing of the FAME bond financing. He first reviewed the language of resolutions recommended for adoption regarding amendments to the Site Lease between the MRC and Coastal Resources of Maine LLC. The Site Lease contemplates that the MRC will grant to Coastal Resources a security interest in the so-called Cash Collateral Account established under the Site Lease. In order to perfect this security interest, it is necessary that the MRC, Coastal Resources and People's United Bank enter into a deposit account control agreement granting to Coastal Resources the right to control withdrawals from the Cash Collateral Account. MRC counsel has reviewed and approved the proposed form

of agreement subject to final negotiation of a handful of remaining points. The first resolution is to approve and authorize execution of the Deposit Account Control Agreement once it is final form.

In addition, Mr. McKay noted that the property descriptions in the Site Lease and the related Memorandum of Lease have been revised slightly to correct a couple of technical ambiguities in the originals. The second resolution approves those technical amendments. There being no discussion, a motion was made and duly seconded, the following resolutions were adopted unanimously:

**RESOLVED:** That, as contemplated by Section 20.1(b) of the Site Lease dated August 17, 2017, among the Municipal Review Committee, Inc. (the "MRC"), Coastal Resources of Maine LLC ("Coastal Resources") and Fiberight LLC (the "Site Lease"), the MRC hereby is authorized to enter into a deposit account control agreement and such other documents (collectively, the "Security Documents") as may be necessary or appropriate in order to establish and perfect a security interest in favor of Coastal Resources in the Cash Collateral Account (as defined in the Site Lease), such Security Documents to be in such form as may be approved by the signing officer, such signature to constitute conclusive evidence of such approval; and that each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the Security Documents on behalf of the MRC, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of Section 20.1 of the Site Lease and this resolution.

**RESOLVED:** That a First Amendment to Site Lease and a related Memorandum of Lease, each in substantially the form presented to the meeting, hereby are approved for the purpose of making technical corrections to the property descriptions set forth therein and attached thereto; and that each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the First Amendment to Site Lease and a related Memorandum of Lease on behalf of the MRC, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of this resolution.

Mr. McKay next reviewed certain amendments to the so-called Crossroads Waste Disposal Agreement entered into originally by the MRC and Waste Management of Maine, Inc,

These amendments have been negotiated by Fiberight/Coastal, the MRC and Waste Management and are designed to address the following principal points:

1. Add Fiberight and Coastal Resources as parties to the Agreement and recognize that Fiberight has assigned its rights under the Agreement to Coastal Resources.
2. Clarify that Coastal Resources/Fiberight has the direct right to enforce against Waste Management its rights under the Agreement.
3. Clarify that Coastal Resources/Fiberight and the Joining Members are obligated to deliver all residuals, Bypass and Bridge Capacity to Waste Management as provided under the Agreement.
4. Clarify the right of Coastal Resource/Fiberight to remove household recyclables from By-pass and Bridge Waste otherwise deliverable to Waste Management.
5. Establish certain provisions governing the treatment under the Agreement of Alternative Daily Cover delivered by Crossroads/Fiberight to Waste Management.
6. Expressly permit collateral assignment of the Agreement.

Mr. McKay reported that MRC staff and counsel have reviewed and recommend the proposed amendment. There being no discussion, a motion was made and duly seconded, and the following resolution was adopted unanimously:

**RESOLVED:** That the Municipal Review Committee, Inc. (the "MRC") hereby is authorized to enter into a First Amendment to Waste Disposal Agreement among the MRC, Waste Management Waste Disposal Services of Maine, Inc., Coastal Resources of Maine LLC and Fiberight LLC (the "Amendment") in substantially the form presented to the meeting with such further modifications and amendments as may be approved by the signing officer, such signature to constitute conclusive evidence of such approval; and that each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the Amendment on behalf of the MRC, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of this resolution.

**CONSIDERATION OF CONTRACT AMENDMENTS AND UNDERTAKINGS  
PERTAINING TO FIBERIGHT/COASTAL BOND FINANCING**

Mr. McKay noted that as part of the FAME bond financing process, the MRC will be required to execute and deliver at closing certain agreements and undertakings as follows:

1. Agreement to Enforce Contracts. This agreement obligates the MRC to enforce its contract rights under the Waste Management Waste Disposal Agreement and the Joinder Agreements and allows the Collateral Agent, on behalf of the bondholders, to bring action to force the MRC to enforce those rights if the MRC does not do so on its own. It is designed to ensure that, in the event of a default of the bonds, the Collateral Agent can take steps to keep in force those MRC agreements necessary in order to keep the Project operating. MRC counsel has reviewed and approved the proposed form of agreement.
2. Continuing Disclosure Agreement. This agreement requires various continuing disclosures by Coastal Resources, the City of Bangor (as the largest Joining Member) and the MRC. Most of these requirements do not pertain to the MRC which is only required to disclose its annual financial statements MRC counsel has reviewed and approved the proposed form of agreement and staff has reviewed and recommends it.
3. Acknowledgement of Collateral Assignment. As part of the FAME bond closing, the MRC likely will be required to sign a short acknowledgement of its consent to the collateral assignment by Coastal Resources/Fiberight to the Collateral Agent and/or the bond trustee of contracts to which the MRC is a party. No draft of this document has yet been prepared, but it is fairly standard in form and, in the judgment of counsel, can be reviewed and approved by the signing officer with the guidance of counsel.

There being no discussion, upon motion made and duly seconded, the following resolutions were adopted unanimously:

**WHEREAS**, Municipal Review Committee, Inc. (the "MRC"), and Fiberight LLC ("Fiberight") entered into a Development Agreement dated February 4, 2015 pursuant to which Fiberight proposed to develop, construct, maintain and operate a municipal solid waste processing facility (the "Facility"); and

**WHEREAS**, the MRC and Fiberight have entered into a Master Waste Supply Agreement as of January 1, 2016 setting forth the terms on which members of the MRC will deliver waste to the Facility for processing; and

**WHEREAS**, Coastal Resources of Maine LLC ("Coastal Resources") has been formed by Fiberight as a single purpose entity in order to facilitate project financing; and

**WHEREAS**, Fiberight has assigned to Coastal Resources its rights under the Development Agreement and the Master Waste Supply Agreement, and the MRC, Fiberight and Coastal Resources have entered into the First Amended and Restated Master Waste Supply Agreement dated August 17, 2017, to reflect such assignment and to amend certain other provisions thereof; and

**WHEREAS**, the Finance Authority of Maine ("FAME") is proposing to issue its Solid Waste Disposal Facility Revenue Bonds (the "FAME Bonds") for the purpose of providing financing to Coastal Resources to enable construction of the Facility; and

**WHEREAS**, construction of the Facility will be of benefit to the MRC and its members; and

**WHEREAS**, in order to facilitate sale of the FAME Bonds, the MRC has agreed to enter into certain agreements and to provide certain assurances to FAME and the trustee for the bondholders;

**NOW THEREFORE, it hereby is:**

**RESOLVED:** That the MRC hereby is authorized to enter into an Agreement to Enforce Contracts among the MRC, the Collateral Agent and the Trustee (each as defined therein) and a Continuing Disclosure Agreement among the MRC, Coastal Resources, the City of Bangor, and U.S. Bank National Association, as Dissemination Agent (collectively the "FAME Financing Agreements"), each in substantially the form presented to the meeting with such further modifications and amendments as may be approved by the signing officer, such signature to constitute conclusive evidence of such approval.

**RESOLVED:** That the MRC hereby is authorized to enter into an Acknowledgement of Collateral Assignment in such form as may be approved by the signing officer, such signature to constitute conclusive evidence of such approval, for the purpose of acknowledging and consenting to the collateral assignment by Coastal Resources to the Collateral Agent and/or the Trustee (each as defined therein) of certain rights under contracts entered into by Coastal Resources and the MRC related to the development, construction and operation of the Facility.

**RESOLVED:** That the MRC hereby is authorized to enter into such further agreements, and to execute and deliver such further documents, as in the judgment of the signing officer may be necessary or appropriate in order to enable or facilitate issuance and sale of the FAME Bonds.

**RESOLVED:** That each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver each of the foregoing documents on behalf of the MRC, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of this resolution.

Sue Lessard left the meeting at 1:08 p.m.

**CONSIDERATION OF APPROVAL OF FORM OF WITHDRAWAL AGREEMENT TO  
SUPPORT THE WIND UP OF THE PERC PARTNERSHIP**

Mr. McKay explained that each MRC Member that has elected to withdraw from the MRC effective as of April 1, 2018 will be asked to sign a Withdrawal Agreement. Two forms of agreement have been prepared: one for withdrawing Equity Charter Members and one for withdrawing New Charter Members. Both forms of agreement contain mutual waivers and releases pursuant to which the Withdrawing Member will waive any future claims against the MRC, and its officers and directors, relating to the MRC's activities in overseeing the PERC Partnership and the PERC Facility. The principal difference between the two forms of agreement is that the version to be signed by the withdrawing Equity Charter Members includes provisions relating to PERC partnership interests and detailing distributions from various funds held by the MRC for the benefit of Equity Charter Members. Those provisions have been omitted from the version prepared for withdrawing New Charter Members since those members have no interest in either the PERC Partnership or the enumerated funds. Once the forms of agreement have been approved, the appropriate form of agreement will be sent to each Withdrawing Member for its review and signature.

A general discussion ensued and Board members concurred that the draft is good in concept and agreeable. The draft will likely be reviewed by town counsel for various withdrawing members and there may be some negotiation or comments. It was agreed that all comments such comments should be directed initially to Greg Louder to ensure an orderly and efficient process.

After discussion, upon motion made and duly seconded, the following resolutions were adopted unanimously:

**RESOLVED:** That the proposed forms of Withdrawal Agreement between the MRC and its withdrawing Equity Charter Members and New Charter Members), respectively, hereby are approved in substantially the form presented to the meeting.

**RESOLVED:** That the MRC hereby is authorized to enter into withdrawal agreements (collectively, the "Withdrawal Agreements") with each Withdrawing Member (as defined therein) in substantially the form presented to the meeting with such further modifications and amendments as may be approved by the signing officer, such signature to constitute conclusive evidence of such approval; and that each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the Withdrawal Agreements on behalf of the MRC, and each is further authorized to execute and deliver such other documents, and to take such further actions, as may be necessary or appropriate in order to fully implement the intent of this resolution.

Finally, Mr. McKay reported that he received an email this morning from the underwriter requesting a template agreement for subsequent new members. A discussion ensued regarding the time frame for the bond financing and the MRC's next steps to move forward. The Board agreed that members who signed on early took substantial risk, and that any new members, including any returning members, should have to pay higher tip fees in recognition of that fact.

**DISCUSSION ON DEVELOPMENT OF THE 2018 OPERATIONS BUDGET AND THE MRC MANAGEMENT AND MONITORING ROLE OF THE FIBERIGHT FACILITY**

Greg Louder noted that the MRC's budget year is typically the calendar year. Given the transition in April, 2018, and the MRC's changing role after that time to monitoring the Fiberight facility, the 2018 budget will be somewhat different than in prior years. The Finance Committee has initiated discussions in this regard, including a change in revenue lines after the transition in 2018. The MRC will be losing certain revenue sources, but also gaining revenue sources (i.e. annual lease payments). It was noted that George Aronson's scope of engagement will be much different moving forward, and Mr. Aronson observed that part of this analysis is to systematically review the contracts to understand the MRC's obligations in order to prepare a work plan for next year. This work plan will need to be completed prior to creating the budget,



and Board Member Sophie Wilson noted that that Finance Committee has agreed to meet with Greg Louder once the draft work plan is complete to prepare a draft budget to present to MRC members at the annual meeting.

**EXECUTIVE SESSION**

A motion was made, and duly seconded, at 1:33 p.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) for discussion with legal counsel concerning legal rights and duties regarding certain MSW delivery contract negotiations. Whereupon, it was unanimously:


**VOTED:** That the meeting is adjourned to executive session.

At 1:40 p.m., the executive session ended and the regular meeting reconvened. A brief discussion ensued concerning comfort requested from Coastal Resources concerning maintenance of the minimum balance covenant included in the Site Lease pending final close of the bond financing. Following discussion, and on motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of the MRC hereby affirms its commitment to maintain a minimum balance of not less than Four Million Dollars (\$4,000,000) in the MRC Tip Fee Stabilization Account for as long as the Pre-Debt Financing Put Option (as defined in Section 3.3(b) of the Site Lease dated August 17, 2017 between the MRC and Coastal Resources of Maine LLC) remains in effect and thereafter at all times to comply with the Minimum Balance Covenant set forth in Section 20.2 of the Site Lease.

There being no further business to come before the Board, the meeting adjourned at 1:42 p.m.

Respectively submitted,

  
\_\_\_\_\_  
Jennifer S. Baroletti

Dated: January 31, 2018