

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, November 28, 2018 at 1:00 p.m. at Machias Savings Bank, 581 Wilson Street, Brewer, Maine. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Catherine Conlow, City of Bangor
Chip Reeves, Town of Bar Harbor
Karen Fussell, City of Brewer
Tony Smith, Town of Mount Desert
Kevin Howell, Town of Carmel
Ralph Saucier, Town of Millinocket
Irene Belanger, Town of China
Gary Bowman, Town of Oakland

Staff:

Greg Louder, MRC Executive Director

Consultants:

Daniel G. McKay, Eaton Peabody
Jessamine Pottle, CES, Inc.
George Aronson, CRMC (by telephone) ¹

Guests:

Shelby Wright, Coastal Resources
Dale Daniels, Coastal Resources Construction Manager
Scott Alley, Coastal Resources General Manager

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

President Reeves convened the meeting at 1:13 p.m.

APPROVAL OF AGENDA

President Reeves asked for a motion to accept the agenda as published, noting the need to adjust the sequencing of Item 6 regarding the draft 2019 operating budget, if necessary, to ensure

¹ Participation limited due to poor conference phone connection

Board Member and MRC Treasurer, Sophie Wilson is present for that discussion. Upon motion duly made and seconded it was unanimously:

VOTED: That the agenda is hereby accepted as published.

CONSIDERATION OF OCTOBER 24, 2018 MEETING MINUTES

The Board considered approval of the minutes of the October 24, 2018 quarterly meeting of the Board of Directors. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the October 24, 2018 quarterly meeting of the Board of Directors hereby are approved in the form presented to the Board at this meeting.

APPROVAL OF SLATE OF NOMINEES FOR 2018 ANNUAL ELECTION OF DIRECTORS

Greg Louder reviewed the slate of nominees for the 2018 annual election of directors and the board reviewed the candidates in light of the eligibility requirements set forth in the Bylaws. The Board confirmed that the four nominees are duly qualified and eligible to serve under the criteria established by the MRC Bylaws, and upon motion duly made and seconded, a general discussion ensued regarding the adjournment of the annual meeting to allow sufficient time for member voting on the slate of nominees. The annual meeting will adjourn on December 12, 2018 and briefly reconvene by teleconference on December 28, 2018, at which time Mr. Louder will announce the results of the election. Minor clarification edits to the member notice and voting ballot were noted, and there being no further discussion, it was unanimously:

VOTED: That each of Irene Belanger (China), Catherine M. Conlow (Bangor), Karen Fussell (Brewer), and Dana Wrigley Sr. (Oakland) are approved as nominees for the 2018 annual election of directors.

CONSIDERATION OF FINANCE REPORT AND BILLS PAYABLE

Greg Louder presented a list of bills payable totaling \$235,212. He answered several questions concerning specific items on the payables list, and noted that the payables list includes

payment of a large invoice to Sargent Corporation. Upon motion duly made and seconded, it was unanimously:

VOTED: That bills payable as presented to the Board at this meeting totaling \$235,212 hereby are approved for payment.

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

FACILITY CONSTRUCTION UPDATE

Dale Daniels of Coastal Resources provided the facility construction update, noting that asphalt paving is complete. The 40 ton main pulper was set before Thanksgiving (3 weeks early), which will now allow closure of the roof. Electrical and piping work are in progress.

Completion of installation of concrete on the west end of the building, installation of the scale, and delivery of the boiler all are scheduled next week. The MRF commissioning is still on target for the end of March, and the odor control system should be completed within the next few weeks. A general discussion ensued regarding parking at the site for workers, and Jim Chandler, the Town Manager of the Town of Hampden, confirmed that the Hampden Town Council is scheduled to consider acceptance of the public road on December 17, 2018.

Sophie Wilson joined the meeting at 1:34 pm.

Mr. Daniels introduced Scott Alley, the recently hired General Manager of the Fiberight facility, who briefly addressed the MRC Board and provided a history of his background and experience.

DISCUSSION ON DRAFT MRC 2019 OPERATING BUDGET

Sophie Wilson reported that the Finance Committee, together with the Executive Director, has approached the 2019 budget process in light of the changing landscape of MRC operations. Communication with MRC members remains the number one mission, and

legislative advocacy and oversight remains a priority. Significant technical resources will be needed in the first quarter as the MRC prepares for commercial operation, and George Aronson has prepared a scope of work anticipating that the need for those resources will taper later in the year. Ms. Wilson noted that the MRC will have significantly less revenue due to decreased membership, and that although the Finance Committee has discussed potential dues increases, this draft budget does not contemplate a dues increase which would not occur until such time as an in-depth operating plan has been established and notification has been made to members.

Ms. Wilson reviewed each line item in the draft budget, noting that the Legislative/Executive Advocacy Reimbursement income line item of \$18,000 represents Fiberight's cost-sharing portion of that expense. A scope of work has been requested from Preti Flaherty, but has not yet been received. The Finance Committee proposes using approximately \$144,000 from reserves to fund transition operations in anticipation of a dues increase and reduction in expenses in 2020. A general discussion ensued regarding timing of a membership dues increase. The importance of a multi-year ramp-up plan for dues increases was noted, and the timing of that increase and preparation of a plan were discussed. Cathy Conlow made a motion to raise dues by \$0.25 as of July 1, 2019, the motion was seconded, and further discussion ensued regarding the timing of rolling out a plan to address dues increases. Following discussion, with only Cathy Conlow voting in favor, the motion did not carry.

The Board next reviewed the expenses in the draft budget. President Reeves noted that office relocation has become a higher priority and a discussion ensued about that effort to date. Ms. Wilson pointed out the changing needs of the MRC in terms of administrative support, and noted that administrative position (and associated expense) will end on March 31, 2019. The importance of redundancy in Mr. Louder's position was highlighted, and it was suggested that a

committee or subset of board members evaluate future needs after the commercial operation date.

The legislative advocacy expense was noted as an important role for the MRC, and it was agreed that the process should be more transparent. After discussion, it was agreed that Greg Louder would arrange for Dan Walker of Preti Flaherty to attend an upcoming board meeting to update board members on efforts to date. George Aronson's scope of work for technical services and Eaton Peabody's projected legal fees were discussed, but those items have not yet been finalized. After discussion, it was agreed that the Finance Committee will work on the remaining items and bring an updated draft budget to the annual meeting for approval.

A discussion ensued regarding the MRC's attendance at the MMA conference and the MRRA conference. The MMA conference was removed from the 2019 budget, however the board discussed and agreed to add that line item back into the budget, as the conference is being held in Bangor in 2019.

STATUS OF RECYCLING AGREEMENT TEMPLATE

The Waste Flow Committee has reviewed the recycling agreement template, and George Aronson and Greg Louder have made a few minor edits, most of which have been accepted by Coastal Resources. Greg Louder noted that the Waste Flow Committee is recommending this final form to the board for approval. In response to a question, a general discussion ensued regarding which materials Coastal Resources is permitted or obligated to take under this agreement. Based on that discussion, Dan McKay recommended minor revisions to the agreement for clarification.

EXECUTIVE SESSION

At 2:50 p.m., a motion was made, and duly seconded, to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) for the purpose of discussing with legal counsel rights

and duties regarding a MSW Swap Agreement among the MRC, Coastal Resources of Maine LLC, Pine Tree Waste, Inc., NEWSME Landfill Operations, LLC and Waste Management Disposal Services of Maine, Inc., whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 3:27, the executive session ended and the regular meeting reconvened.

**CONSIDERATION OF A THIRD INTERIM WASTE DISPOSAL AGREEMENT
AMONG THE MRC, COASTAL RESOURCES OF MAINE, LLC, PINE TREE WASTE
AND NEWSME LANDFILL OPERATIONS, LLC**

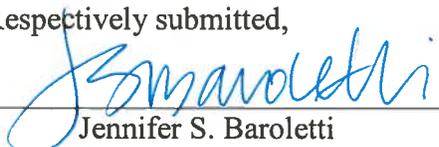
Following discussions held in executive session, and on motion duly made and seconded, it was unanimously:

VOTED: That the Third Interim Waste Disposal Agreement hereby is approved in substantially the form presented to the meeting, with the requirement that the form be compared to the second version for consistency; and further that the MRC enter into an appropriate agreement with Waste Management to extend the current waste swap agreement with Waste Management originally dated March 30, 2018 (the "Waste Swap Extension") through 2019; and further that both the Third Interim Waste Disposal Agreement and the Waste Swap Extension undergo final legal review; and that that each of the President and the Treasurer, acting singly, hereby is authorized to execute and deliver the Third Interim Waste Disposal Agreement and the Waste Swap Extension in such final form as he or she may approve, his or her signature thereon to be conclusive evidence of such approval.

Sophie Wilson noted that although premature at this juncture, given the capital outlay and significant political risk taken by initial members, it would be beneficial for a subset of board members, with input from Dan McKay, Greg Lounder and George Aronson, to prepare a recommendation for a new class of membership for the MRC in the event that additional communities are interested in joining the MRC. A discussion ensued regarding fee structure for new members and it was suggested that upon commercial operation, Fiberright provide information on their website for interested communities to contact the MRC Executive Director for information about joining the MRC.

At 3:44 p.m., there being no further business, the meeting was adjourned.

Respectively submitted,



Jennifer S. Baroletti

Dated: December 12, 2018