

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, September 12, 2018 at 1:00 p.m. at the Brewer Auditorium, 318 Wilson Street, Brewer, Maine. In attendance were the following:

Directors:

Sophie Wilson, City of Orono
Chip Reeves, Town of Bar Harbor
Karen Fussell, City of Brewer
Tony Smith, Town of Mount Desert
Irene Belanger, Town of China

Staff:

Greg Louder, MRC Executive Director

Consultants:

George Aronson, CRMC
Daniel G. McKay, Eaton Peabody
Jon Pottle, Eaton Peabody
Jessamine Pottle, CES, Inc.

Guests:

Craig Stuart-Paul, Fiberight
Shelby Wright, Coastal Resources
Donald Higgins, Haverlock, Estey & Curran, LLC

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

President Reeves convened the meeting at 1:18 p.m.

REVIEW AND CONSIDERATION OF THE ACCEPTANCE OF MRC FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDING MARCH 31, 2018

Donald Higgins, CPA of Haverlock, Estey & Curran, LLC presented the independent auditor's report and financial statements, including management's discussion and analysis and notes to the financial statements. The audit includes a clean and unqualified opinion and, in the

opinion of the auditor, the financial statements are fairly stated in accordance with general accounting principles.

Mr. Higgins noted that copies of monthly bank reconciliations were not provided by the MRC's bookkeeper to management for review. Since this practice can be useful to prevent misstatements, he recommended that the bookkeeper begin doing so. All material misstatements have been corrected, and the schedule of equity charter members was audited for form and content and determined to be fairly stated.

Mr. Higgins reviewed the report regarding internal controls. The only deficiency noted is MRC's reliance on its auditors to propose certain year-end adjustments and to assist in the preparation of financial statements, as it has done in prior years. While this is regarded as a material weakness, no change was recommended, because a change would not be cost effective in view of the MRC's limited staffing.

In response to a question, Greg Louder confirmed that monthly bank reconciliations are now being provided to management for review. There being no further discussion, and upon motion made and duly seconded it was unanimously:

VOTED: That the auditor's report prepared by Haverlock, Estey & Curran, LLC is hereby accepted as presented.

Greg Louder noted that a copy of the report will be made available to all MRC member communities.

APPROVAL OF FINAL CASH DISTRIBUTION TO DEPARTING MEMBERS

Greg Louder noted that George Aronson has prepared a table of allocations to each departing municipality. The funds have been held in escrow pending the release of the audit. George Aronson noted that interest is being allocated pro rata, and the balance is expected to be approximately \$11,648,000, net of bank fees. A motion was made and duly seconded to

distribute the funds to the departing members based on the allocations prepared by George Aronson. A general discussion ensued regarding the estimated timeframe for facilitating the distribution, and Board Member Sophie Wilson noted that any nominal amount remaining for estimated bank fees should revert to the operating account. There being no further discussion, it was unanimously:

VOTED: That the final distribution of cash to departing members is hereby approved.

REPORT AND/OR ACTION REGARDING THE STATUS OF MRC CERTAIN MEMBERS TO DELIVER MSW TO THE JRL LANDFILL

Greg Louder noted that the MRC has worked diligently with Fiberright/Coastal and Casella to reach an agreement allowing those members currently delivering to JRL the ability to continue doing so for the balance of the interim delivery period. Mr. Louder reviewed the terms of a proposed supplemental agreement addressing this issue, summarizing delivery terms through the end of the calendar year and noting that the figures include a modest tip fee increase which Coastal has agreed to pay. Mr. Louder noted that the numbers reflect the effort to reserve capacity against the cap at JRL imposed by the DEP. The same principle has been applied to the first quarter of 2019, in the event that there is a need to continue interim deliveries through that time period. The MRC has received word from Casella that it is agreeable to the changes. The terms of the proposed supplemental agreement were reviewed and discussed. Board Member Sophie Wilson noted that the termination provision states that the first agreement shall control in the event of a conflict with this amendment, and Dan McKay agreed that this technical point should be clarified. There being no further discussion, a motion was made and duly seconded, and the following resolutions were adopted unanimously:

RESOLVED: That the MRC hereby is authorized to enter into a Second Interim Letter Agreement (the "Second Letter Agreement") with Pine Tree Waste, Inc., NEWSME

Landfill Operations, LLC, and Coastal Resources of Maine LLC, which Agreement clarifies and supplements certain obligations of the parties set forth in the original Interim Waste Disposal Agreement among the parties and Waste Management Disposal Services of Maine, Inc., dated March 30, 2018, such Second Letter Agreement to be on substantially the terms presented to the meeting with such modifications as may be approved by the signing officer, his signature thereon to be conclusive evidence of such approval.

RESOLVED: That each of the President and Treasurer, acting singly, hereby is authorized to execute and deliver on behalf of the MRC the Letter Agreement on such final terms as he or she may approve, and he or she is further authorized to take all such other action on behalf of the MRC as he or she may deem necessary or appropriate in order to fully implement the intent of the foregoing resolution.

FIBERIGHT/COASTAL FACILITY CONSTRUCTION PROGRESS REPORT

Craig Stuart-Paul of Fiberright reported that all construction documents and plans have been delivered. The MRF is constructed in three phases, and Phase III is 50% complete. The MRF electrical system is almost complete, and completion of installation of the MRF is expected by the end of the month. Troubleshooting should be completed by mid-October. The commissioning plan is scheduled to be provided to the DEP within the next ten days. Coastal received the construction schedule from Cianbro on August 31st, and Mr. Stuart-Paul noted that he is addressing the holes in the schedule and has created a detailed schedule to align with the commissioning plans. This detailed schedule will be provided to DEP and the MRC by September 21st. A site meeting is scheduled for September 18th, and a meeting with the delegation is slated for October which is expected to include a full tour of the MRF as the catwalks and safety features will be installed at that time.

Board Member Sophie Wilson shared feedback from Orono and other MRC member communities. These communities are anxious to receive a firm commercial operation date. It was noted that the MRC is actively working to get a reliable forecast of the date and will make an announcement to members once a reliable projection for the date has been set. A general

discussion ensued regarding the logistics of the transition to the Coastal Facility, and Greg Louder reported that staff will formulate a matrix with a breakdown of MSW by member in anticipation of the onboarding process. Ted O'Meara addressed the MRC Board on behalf of the PERC partners requesting that the MRC discontinue making public statements which blame PERC for the delay of construction of the facility and reiterating that PERC has a standing offer to process MSW for member communities at a price of \$80 per ton.

In response to a question, Craig Stuart-Paul noted Coastal's commitment to provide DEP and the Town of Hampden with a detailed commission plan within 10 days. In response to an additional question about recycling, Shelby Wright, Director of Community Services for Coastal reported that recycling contracts are still in development. With regard to priority, Ms. Wright noted that materials from single-sort recycling collection programs will be accepted before MSW is accepted, and that the onboarding process will be similar to that for MSW. Mr. Stuart-Paul stated that he has communicated key terms and conditions for recyclables with several communities.

DISCUSSION ON SETTING A MONTHLY REGULAR MEETING SCHEDULE UNTIL FACILITY CONSTRUCTION IS COMPLETE

President Reeves noted that the Board has held several special meetings relating to facility construction, and suggested having a monthly meeting scheduled for the fourth Wednesday of each month (with the exception of those months with quarterly meetings already scheduled) for the duration of the Coastal/Fiberight project. The Board also discussed potential dates for the MRC's annual meeting in December. Upon motion duly made and seconded, it was unanimously:

VOTED: That monthly board meetings shall be held on the fourth Wednesday of each month (with the exception of those months with quarterly meetings already scheduled)

for the duration of the Coastal/Fiberight project; and that the annual meeting shall be held on December 12 at a located to be determined.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 2:18 p.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(A) for the purpose of discussing a personnel matter.

Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 2:35 p.m., the executive session ended and the regular meeting reconvened.

There being no further business to come before the Board, the meeting adjourned at 2:35 p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: October 24, 2018