

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, December 12, 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
George Aronson, CRMC

Guests:

Shelby Wright, Coastal Resources

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

President Reeves convened the meeting at 1:09 p.m.

APPROVAL OF AGENDA

President Reeves asked for a motion to accept the agenda as published. Upon motion duly made and seconded it was unanimously:

VOTED: That the agenda is hereby accepted as published.

CONSIDERATION OF NOVEMBER 28, 2018 MEETING MINUTES

The Board considered approval of the minutes of the November 28, 2018 quarterly meeting of the Board of Directors. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the November 28, 2018 quarterly meeting of the Board of Directors hereby are approved in the form presented to the Board at this meeting.

UPDATE ON DRAFT MRC 2019 OPERATING BUDGET

Sophie Wilson presented an updated draft of the MRC 2019 operating budget, noting that she has worked with officers and consultants to finalize the numbers based on discussions at the November special meeting. The budget amount for legal fees has been increased to \$41,000, which is \$4,000 less than the 2018 budget number, as the flat fee structure has been slightly changed to include more administrative services. The CES, Inc. line item has been increased to \$22,900 based on information received from Jessie Pottle of CES, Inc. regarding standard services and rates for communication services. Overall, the revised draft operating budget is \$40,000 more than the draft budget presented at the November meeting. Ms. Wilson noted the agreement with Coastal Resources (“Coastal”) to reimburse the MRC for 50% for legal advocacy expense. The MRC Board has agreed not to raise membership dues so that line item remains the same, therefore the additional \$40,000 is expected to be taken out of reserves. In response to a question, Mr. Louder reported little activity on procuring new office space, and reported that he will accelerate those efforts and update the board at its January quarterly meeting.

**REVIEW OF CLOSURE RESERVE BALANCE PER JOINDER AGREEMENT,
EXHIBIT B, SECTION 2(c)**

George Aronson noted that the Joinder Agreement provides that the amount of \$1,167,000 was to be held as reserve against liabilities relating to the closure of the PERC

partnership and was to be revisited at the end of calendar year 2018. Mr. Aronson advised that this should be reviewed in the context of all reserve funds and commitments, and reviewed the balance and status of the five reserve fund accounts. Mr. Aronson noted that for each of the five reserve funds, either the commitment has been satisfied, or the MRC has set aside what appears to be sufficient funds based on forecasts. The MRC Board has the authority to release funds held in the closure reserve fund as the work is essentially complete, and based on the current schedule, it appears that \$1,000,000 will be sufficient for those costs associated with the bridge waste fund. The funds held in the cash collateral account are required by contract to remain. These funds currently are being held in low interest accounts, and there is an initiative to find higher return investments to offset operating expenses.

Mr. Aronson stated that the MRC Board has option to reallocate the closure reserve fund to the Tip Fee Stabilization Fund. Dan McKay noted that, despite releases signed by most Departing Municipalities, there is still a slight, though unlikely, possibility that PERC or a Departing Municipality could bring a legal action outside the scope of those releases.

A general discussion ensued regarding the reserve funds, and upon motion duly made and seconded, it was unanimously:

VOTED: That following review and discussions regarding of the status of reserve funds, decisions regarding the disposition of reserve funds shall be tabled until six months after the commencement of commercial operations at the Coastal facility.

ROAD ACCEPTANCE UPDATE

Greg Louder explained that the Hampden Town Council's final consideration of public acceptance of the access road to the Coastal facility is scheduled for December 17th, but given the increased activity at the site in anticipation of commercial operation, site parking has become a challenge. President Reeves noted that approximately fifty cars have been parking along the

access road due to limited onsite parking, which will be prohibited once the road is accepted as a public road. Delaying acceptance of the public road by Hampden's Town Council will not affect acceptance of sewer infrastructure, but could affect Brian Bouchard's ability to sell lots without frontage, however Mr. Bouchard has indicated his support. As a result of these circumstances, the Hampden Town Council's consideration of the acceptance of the public road has been postponed to April 2019. President Reeves has provided a list of conditions to Coastal relating to the delay, most notably that Coastal will be responsible for plowing the access road this winter.

Board Member Sophie Wilson shared feedback from Orono and other MRC member communities which are anxious to receive a firm commercial operation date, and it was noted that the MRC is actively seeking a reliable forecast and will make an announcement to members once that forecast is available.

After further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: To engage corporate counsel to draft a formal written agreement memorializing agreements made with Coastal relating to the delay in public road acceptance on substantially the terms as may be approved by the signing officer; and that the President, acting singly, hereby is authorized to execute and deliver the final form of said agreement on behalf of the MRC, his signature thereon to be conclusive evidence of such approval.

CONSIDERATION OF RECYCLING AGREEMENT TEMPLATE

George Aronson reviewed the purpose of the recycling agreement, explaining that the MRC is not a party to the agreement but has been involved in the process as the agreement gives preferential treatment for recycling efforts by Joining Members delivering MSW to Coastal. Dan McKay noted minor cleanup changes, and a substantive change to the most recent draft to clarify that, with respect to commercial accounts and municipalities which have elected to deliver

recyclables under this agreement, the favorable price would inure to the benefit of the municipalities, but not the haulers who would be hauling recyclables under a contract. This revised draft has been reviewed and approved by Coastal. A discussion ensued regarding the process for verifying which generators are eligible under each municipality. Upon motion duly made and seconded, it was unanimously:

VOTED: That the revised template Recycling Agreement is hereby approved in the form presented at this meeting.

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

George Aronson noted that the existing SWAP agreement is set to expire on December 31, 2018, and will need to be extended to maintain the current arrangement through the first and second quarter of 2019. Casella has agreed to clarify language in the agreement relating to its obligation to reserve sufficient capacity to cover tonnage pursuant to the agreement. Dan McKay reviewed the pricing element, which the board approved at its November meeting, noting that a separate extension agreement will be signed by Waste Management. A motion was made to enter into the Third Interim Waste Disposal Agreement in substantially the form presented to the meeting; and further that the MRC enter into an companion 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 that each of the President and the Treasurer, be 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.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 1:52 p.m. 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 an MSW swap agreement entered into among MRC/Fiberight/Coastal. Casella, and Waste Management on or around March 30, 2018, as well as related contractual arrangements with Coastal. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

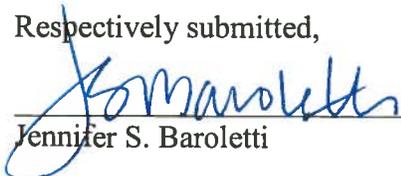
At 2:23 p.m., the executive session ended and the regular meeting reconvened.

Following discussions held in executive session, Board Member Sophie Wilson amended the current motion to authorize the President and Vice President, and there being no further discussion, the motion was duly seconded, and it was:

VOTED: That the Third Interim Waste Disposal Agreement hereby is approved in substantially the form presented to the meeting; and further that the MRC enter into an companion 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 that each of the President and the Vice President, 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.

The motion carried with Board Member Sophie Wilson voting against. There being no further business to come before the Board, the meeting adjourned at 2:25 p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: January 23, 2019