

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, February 27, 2019 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
Dana Wrigley, Sr., Town of Oakland

Staff:

Greg Louder, MRC Executive Director
David Eric Johns, MRC Interim Executive Director

Consultants:

Daniel G. McKay, Eaton Peabody
Jon Pottle, Eaton Peabody
Jessamine Pottle, CES, Inc.
George Aronson, CRMC (by telephone)
Dan Walker, Preti Flaherty (by telephone)

Guests:

Shelby Wright, Fiberight
Scott Alley, NAES Corporation, CRM Plant Manager
Jim Chandler, Hampden Town Manager

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

President Reeves convened the meeting at 1:04 p.m.

APPROVAL OF AGENDA

President Reeves noted that the sequencing in the agenda may need to be slightly altered to accommodate schedules and asked for a motion to accept the agenda as published with that understanding. Upon motion duly made and seconded it was unanimously:

VOTED: That the agenda is hereby accepted as published.

CONSIDERATION OF LETTER OF RESIGNATION

Greg Louder provided brief remarks, noting that he is proud to have been part of an organization that has accomplished so much and persevered in furthering the mission of the MRC. He reported that he will be available during the transition period, and that he has heard from a number of communities over the last several days concerning his resignation, thanking him for his service to the MRC. President Reeves offered remarks on behalf of the MRC Board, thanking Mr. Louder for his efforts on the Coastal project, his support and service over the last twenty-five years, and his level of professionalism during this transition period. Board members echoed their appreciation, and upon motion duly made and seconded, it was unanimously:

VOTED: That Greg Louder's letter of resignation hereby is accepted.

CONSIDERATION OF MINUTES OF JANUARY 23, 2019 QUARTERLY MEETING AND FEBRUARY 11, 2019 SPECIAL MEETING OF THE MRC BOARD OF DIRECTORS

The Board considered approval of the minutes of the January 23, 2019 quarterly meeting and the February 11, 2019 special meeting of the Board of Directors. Minor corrections to date references were noted. There being no further changes to the draft minutes as presented, upon motion made and duly seconded, it was unanimously:

VOTED: That the minutes of each of the January 23, 2019 quarterly meeting of the Board of Directors and the February 11, 2019 special meeting of the Board of Directors hereby are approved in the forms presented to the meeting, as corrected.

CONSIDERATION OF BILLS PAYABLE

Sophie Wilson presented bills payable in the aggregate amount of \$141,786.49. Upon motion duly made and seconded, it was unanimously:

VOTED: That bills payable of \$141,786.49, as presented to the Board at this meeting, hereby are approved for payment.

FIBERIGHT/COASTAL FACILITY CONSTRUCTION PROGRESS REPORT

Plant Manager Scott Alley reported that construction is going well and that Coastal Resources intends to begin onboarding a number of employees within the next 30-45 days. George Aronson reported that the construction schedule is still on track, and there have been no substantial changes. In response to a question, Shelby Wright, Director of Community Services of Fiberright reported that three communities have executed single stream recycling contracts, with several additional communities expected to do so within the next couple of weeks.

ASSIGN RESPONSIBILITY FOR SIGNOFF OF FACILITY PERFORMANCE ACCEPTANCE TESTING

George Aronson reported that he received the confidential Commissioning Plan on February 8th. The Plan is subject to a confidentiality agreement since it contains confidential pricing information and describes procedures for the anticipated performance tests. The plan anticipates beginning the MRF commissioning process without materials in the next few weeks to ensure that the equipment is wired and working properly. Recyclables will be accepted first on a start/stop basis, but the odor control system, which is expected to be completed in April, must be in place before MSW can be processed. The plant has been designed so that MSW processing can begin while the back end of the facility is still under construction. The acceptance testing is

anticipated to occur in mid-June. George Aronson explained the levels of performance testing, including internal testing to be conducted by Coastal Resources and then a level of external testing as required by the Site Lease and by Coastal Resources' owners and investors. Mr. Aronson noted the ramp up period for the anaerobic digester will take until the end of July or early August. In response to a question, Mr. Aronson reported that the MRC's sign off on the performance test triggers delivery obligations under the Master Waste Supply Agreement, as that date becomes the Commercial Operation Date, unless the MRC does not accept the results. It also triggers Coastal's payment obligations under the Site Lease. The Commercial Operation Date is also the milestone by which any future waste which is not accepted at the Hampden Facility becomes classified as bypass, rather than bridge waste, which in turn triggers a different set of obligations on the part of Coastal to accept deliveries and to absorb costs associated with any bypass, including transportation costs. George Aronson reviewed other permitting considerations and President Reeves noted that discussions at the construction meetings have been focused on reviewing operation manuals, and should shortly move into permit discussions.

There being no further discussion, President Reeves asked the MRC Board to authorize a one or more board members to sign off on the acceptance tests. Upon motion duly made and seconded, it was unanimously:

VOTED: That each of Tony Smith, Kevin Howell, and Chip Reeves, acting singly, hereby is authorized to review and accept the performance tests as contemplated by the Commissioning Plan on behalf of the MRC, and each hereby is further authorized and directed, acting singly, to execute any and all documents on behalf of the MRC in connection therewith, his signature thereon to be conclusive evidence of such approval, and to take all such other action in connection with the performance and acceptance of performance tests as he may deem appropriate.

LEGISLATIVE SESSION UPDATE

Board Member Cathy Conlow introduced Dan Walker of Preti Flaherty to provide the legislative session update. Mr. Walker noted that he, Cathy Conlow, Craig Stuart-Paul of Fiberight, and Shelby Wright of Fiberight recently met with several members of legislative leadership as well as the Chairs of the Environment and Natural Resources “ENR” Committee. The meetings provided a great opportunity to brief everyone about an exciting new construction project, and the project received solid support. Cathy Conlow agreed that the meeting was educational and that the project was well received.

Mr. Walker provided a summary of certain bills that are of interest to the MRC, including:

- LD112:** An Act To Implement Changes to Maine's Solid Waste Laws Pursuant to a Review of the State Waste Management and Recycling Plan
- LD401:** An Act to Preserve State Landfill and Promote Recycling
- LD988:** Act to Reduce the Landfilling of Municipal Solid Waste

Mr. Walker noted that the ENR Committee’s next meeting is on March 22nd, and they have expressed interest in visiting each of PERC, JRL, and Coastal. He will coordinate with Shelby Wright to facilitate the Coastal visit.

Lastly, Mr. Walker noted that he would like to have a call with Coastal representatives to better understand its highest priorities. Sophie Wilson noted the importance of being strategic with the MRC’s comments during this legislative session so that we don’t dilute the MRC’s input. Greg Louder reminded everyone that the MRC did provide comments on LD112 and suggested that we reach out before that bill is finalized to make sure MRC’s comments are being considered.

Mr. Walker concluded by noting that PERC has brought Rod Carr in house (no longer at Doyle & Nelson). Ed Spencer of Orono addressed the meeting briefly regarding LD112.

REPORT OF THE WASTE FLOW COMMITTEE

Tony Smith, Chairman of the Waste Flow Committee reported that the Committee has met several times to discuss how the MRC should approach consideration of new members should other municipalities express interest in joining the MRC. The Committee determined that significant effort would be required to actively recruit new members and that, if the MRC Board were to consider admitting new members, those members should pay a higher tip fee. Sophie Wilson commended the Waste Flow Committee's efforts presenting a thorough recommendation, but cautioned that the MRC will be challenged to support its operating budget without additional membership. On a different topic, Mr. Smith also noted that the MRC continues to receive requests for reimbursement for damaged tires from various haulers, and it is the Waste Flow Committee's recommendation that MRC staff refer these requests to the appropriate member town for consideration.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 2:07 p.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(A) for the purpose of discussing with legal counsel regarding legal rights and duties. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 2:49 p.m., the executive session ended and the regular meeting reconvened.

CONSIDERATION OF ACTIONS RELATING TO MANAGEMENT TRANSITION

Following discussions held in executive session, upon motions made and duly seconded, and it was unanimously:

VOTED: That a resignation agreement between the MRC and Greg Louder (the "Resignation Agreement") hereby is approved in substantially the form presented at this meeting, and that the President hereby is authorized and directed, acting singly, to execute and deliver the Resignation Agreement on behalf of the MRC, his signature thereon to be conclusive evidence of such approval.

VOTED: That Jonathan A. Pottle hereby is elected as Clerk of the Municipal Review Committee, Inc. ("MRC"), effective as of March 1, 2019.

VOTED: That the resignation of Greg Louder as the Executive Director of the MRC hereby is accepted, and that David Eric Johns hereby is appointed as the interim Executive Director of the MRC, and that in connection therewith, the President's execution and delivery of the Agreement for Services between the MRC and David Eric Johns hereby is ratified, confirmed, and approved.

VOTED: That the Treasurer hereby is authorized and directed to approve and pay all invoices from the Interim Executive Director for services as they are rendered, as outlined in the Agreement for Services, including reimbursements of expenses.

Sophie Wilson recommended an amendment to the FY2019 operating budget to add an expense line titled "Management Transition," and to fund that line item with \$70,000, and to further increase the revenue budget under Transfer from Reserves and Earnings by \$70,000.

There being no discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That the FY2019 operating budget hereby is amended to add an expense line titled "Management Transition and to fund that line item with \$70,000, and to further increase the revenue budget under "Transfer from Reserves and Earnings" by \$70,000.

Given the management transition, Dan McKay proposed a resolution to address financial authority for the MRC. There being no discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That (i) all outstanding authorities of Greg Louder with respect to the deposit, withdrawal or transfer of funds of the MRC, and all authority to execute and deliver

contracts or other documents on behalf of the MRC, hereby are terminated; and (ii) the existing signature authorities of the President and the Treasurer with respect to the deposit, withdrawal or transfer of funds of the MRC hereby are reaffirmed.

President Reeves reported on the status of efforts to procure office space in the Bangor/Brewer area, with the anticipation that the MRC will transition out of its current location by the end of March. After discussion, and upon motion made and duly seconded, it was unanimously:

VOTED: That each of the President, Vice President, and Treasurer of the MRC, acting singly, hereby is authorized and empowered to execute a lease of new office space and to approve related moving and/or storage expenses, in each case on such terms and conditions as he or she may determine to be in the best interest of the MRC, his or her signature thereon to be conclusive evidence of such approval.

A general discussion ensued regarding storage and records management. The digitization of files was discussed, and Interim Executive Director David Eric Johns reported on the status of those efforts. After discussion, it was agreed that Mr. Johns will work with Jon Pottle on a draft document retention policy to be presented to the MRC Board at its next monthly meeting.

A general discussion ensued regarding management transition. It was agreed that Tony Smith will work with Mr. Johns to explore potential document management systems. Sophie Wilson noted that it would be beneficial if MRC board members and staff could have separate email addresses for MRC business. A discussion ensued regarding getting a cell phone for the Interim Executive Director which would be transferred to the new Executive Director when he or she is in place. After discussion, and upon motion made and duly seconded, it was:

VOTED: That each of the President, Vice President, and Treasurer of the MRC, acting singly, hereby is authorized and empowered to execute on behalf of the MRC such contracts related to communication services as he/or she deems appropriate, his/her signature thereon to be conclusive evidence of such approval.

Sophie Wilson requested that Mr. Johns come to the next meeting prepared to share strategies for moving forward with the MRC Board. There being no further business to come before the Board, the meeting adjourned at 3:21 p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: March 27, 2019