

MUNICIPAL REVIEW COMMITTEE, INC.
BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, May 22, 2019 at 12:00 p.m. at the Town of Orono Municipal Building, 59 Main Street, Orono, Maine. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Catherine Conlow, City of Bangor
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:

David Eric Johns, MRC Interim Executive Director

Consultants:

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

Guests:

Craig Stuart-Paul, Fiberight
Shelby Wright, Fiberight

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

President Fussell convened the meeting at 12:23 p.m.

APPROVAL OF AGENDA

President Fussell 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.

EXECUTIVE SESSION

At 12:24 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)(A) for the purpose of discussing personnel matters, whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 12:49, the executive session ended and the board took a brief break.

At 1:01 p.m., the Board reconvened.

CONSIDERATION OF BOARD VACANCY

President Fussell reported that two letters of interest were received in response to the Statement issued to membership concerning the current board vacancy. President Fussell briefly summarized the qualifications of each of Peter Lyford of Eddington and Robert Butler of Waldoboro and opened the floor to comments from the board. Sophie Wilson reminded that this directorship is only until the next election, which is in December 2019. A general discussion ensued. The importance of coming up to speed quickly and of maintaining a geographic balance in Board representation were noted. Upon motion made and duly seconded, it was unanimously:

VOTED: That Robert Butler hereby is elected to fill the vacancy on the Board of Directors created by Mr. Reeves' resignation to serve until the next annual meeting.

The Board expressed its appreciation to both candidates for their interest. President

Fussell invited Mr. Butler to join the board at the table.

CONSIDERATION OF MINUTES OF APRIL 24, 2019 QUARTERLY MEETING OF THE MRC BOARD OF DIRECTORS

The Board considered approval of the minutes of the April 24, 2019 quarterly meeting of the Board of Directors. There being no further changes to the draft minutes as presented, upon motion made and duly seconded, with Mr. Butler abstaining, it was unanimously:

VOTED: That the minutes of the April 24, 2019 special meeting of the Board of Directors hereby are approved in the form presented to the meeting, as corrected.

CONSIDERATION OF BILLS PAYABLE

Sophie Wilson presented two sets of bills payable – operating budget payables in the amount of \$54,024.03 and transportation reimbursement payments in the amount of \$37,870.20, for an aggregate amount of \$91,894.23. Ms. Wilson noted that there is nothing outside of the usual course. President Fussell acknowledged Eric Johns’ efforts to improve the invoicing process and office procedures. Upon motion duly made and seconded, it was unanimously:

VOTED: That the operating budget bills payable of \$54,024.03, as presented to the Board at this meeting, hereby are approved for payment.

VOTED: That the transportation reimbursement payments of \$37,870.20, as presented to the Board at this meeting, hereby are approved for payment.

REPORT FROM INTERIM EXECUTIVE DIRECTOR

David Eric Johns presented the Interim Executive Report, noting that the onboarding process at Coastal is going very well. In response to a question, Mr. Johns clarified that he is working with both Coastal and haulers on the timing for deliveries, and a general discussion ensued regarding appropriate lead time necessary for haulers during this period. Mr. Johns reported that he and Vice President Smith recently met with representatives of the Pleasant River

Solid Waste Disposal District, and at their request, are arranging another meeting with their full board.

Mr. Johns is working with Jon Pottle and George Aronson on an updated Document Management Policy, and has prepared a Record Retention Policy to be presented at this meeting for the Board's review and approval. Mr. Johns reported on his continued efforts in preparing a transition checklist which contains key events and deadlines throughout the year to be used by the board and the new Executive Director.

The final version of LD 112 is satisfactory to the MRC. Cathy Conlow has traveled to Augusta to present to the ENR Committee, and Preti Flaherty is continuing to monitor the bill and keep the MRC informed.

Emera did not strike ledge during its power installation on the access road to the Fiberright facility, so the MRC received a reimbursement from Emera in the amount of \$17,139.20.

The MRC's old laptop has been donated to Partners for Peace. President Fussell noted her appreciation for Mr. Johns' diligent work, including preparation of the annual calendar and checklist, updating policies, and office organizational practices, all of which have provided benefit in a short amount of time.

**GOVERNANCE; CONSIDERATION OF UPDATED ARTICLES OF
INCORPORATION; REPEAL OF OBSOLETE POLICY FOR ADMITTING NEW
MUNICIPALITIES FOR WASTE AGREEMENTS WITH PERC, AND ADOPTION OF
RECORD RETENTION POLICY**

President Fussell explained that there are several resolutions to be presented for consideration by the board relating to corporate governance. A motion was duly made and seconded to approve the Restated Articles of Incorporation as presented, and a discussion

ensued. Dan McKay clarified that the Restated Articles are in substantially the same form that the Board previously approved, but have been updated to reflect Jon Pottle as the current clerk. Mr. McKay also noted upcoming changes to the MRC bylaws to address the change of clerk, as well as to remove the election process to provide flexibility for the Board to direct that process as desired. It was agreed that a draft of the restated bylaws would be presented at a future board meeting. There being no further discussion, it was unanimously:

VOTED: That the Restated Articles of Incorporation are hereby approved in substantially the form previously reviewed and approved by the Board, and as presented to update the change of MRC's registered clerk and agent, and that the Clerk and each of the officers of MRC, acting singly, hereby is authorized to take such actions as may be necessary or appropriate to effectuate the filing of the Restated Articles of Incorporation with the Maine Secretary of State.

VOTED: That the MRC's "Policy for Admitting New Charter Municipalities", which historically guided acceptance of new members regarding long-term waste disposal agreements with PERC, hereby is repealed.

VOTED: That the policy entitled "Municipal Review Committee Record Retention Policy" dated May 22, 2019, in substantially the form presented, hereby is adopted.

FIBERIGHT/COASTAL FACILITY CONSTRUCTION PROGRESS AND COMMISSIONING REPORT

Craig Stuart-Paul of Fiberright reviewed operations at the plant, noting that almost all of the incoming material has been processed, and that Coastal is educating certain communities on unacceptable waste on an individual basis. The MRF is running approximately 40 tons per hour and is performing well. Next week the hydrotesting will begin on the wet end of the facility, and Coastal will be commissioning the pulper with the expectation that it will come online at the beginning of June. Mr. Stuart-Paul reported that there has been a market shift of manufacturing packaging materials back to the US, generating a demand for cellulose pulp in the United States. Noting the potential long term economic benefit, Mr. Stuart-Paul explained that this market opportunity for cellulose pulp was not considered in the pro forma. A discussion ensued

regarding waste composition and its impact on efficiency, as well as acceptable waste and the appropriate message to deliver to members. President Fussell suggested that the Waste Flow Committee add this item to their agenda. In response to a question about waste audits, Shelby Wright of Coastal explained that both she and the operator conduct a visual inspection upon receipt of each load. The audit is documented with photos, and she reaches out to each community with feedback. Ms. Wright also reported that the facility is now accepting all contracted recycling on a continuous basis.

CONSIDERATION OF RESOLUTIONS TO SUPPORT COASTAL RESOURCES OF MAINE FINANCING APPLICATION

Dan McKay reported that Coastal Resources is working with Finance Authority of Maine (“FAME”) on the issuance of a series of project completion bonds to provide supplemental monies to fund the completion of construction of the Coastal Plant. The MRC signed a continuing disclosure agreement at the time of the bond financing, and that agreement will need to be amended to add some additional disclosure requirements related to Coastal. The MRC is a party to that agreement, so must sign the amendment, but it will not undertake any new obligations as a consequence of the amendment. Several certificates also will need to be provided. Upon motion made and duly seconded, the following resolutions were adopted:

WHEREAS, on December 22, 2017 the Finance Authority of Maine (the "Authority") issued its Solid Waste Disposal Facility Revenue Bonds (Coastal Resources of Maine, LLC Project), Series 2017 (Green Bonds) (the “Series 2017 Bonds”) in the aggregate principal amount of \$45,000,000, and loaned the proceeds thereof to Coastal Resources of Maine LLC ("Coastal") pursuant to a Financing Agreement dated as of December 1, 2017 between the Authority and Coastal for the purpose of providing financing to Coastal for the construction, equipping and installation of a solid waste disposal facility in the Town of Hampden, Maine located on a site leased from the Municipal Review Committee, Inc. (“MRC”) pursuant to a Site Lease entered into by and between MRC, as landlord, and Coastal, as tenant, the construction of an initial building of approximately 144,000 square feet and related structures (e.g., tanks and piping) and site improvements thereon, and the acquisition and installation of machinery and

equipment in connection therewith, all for the processing, recycling and disposal of municipal and commercial solid waste (collectively, the “Project”); and

WHEREAS, at the request of the Company, the Authority proposes to issue its Solid Waste Disposal Facility Revenue Bonds (Coastal Resources of Maine LLC Project), Series 2019 (Green Bonds) (the “Series 2019 Bonds”) to provide additional funds necessary to finance completion of the Project; and

WHEREAS, issuance of the 2019 Bonds and completion of the Project will be of benefit to the MRC and its members; and

WHEREAS, in order to facilitate issuance and sale of the 2019 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 execute and deliver such agreements and documents as may be approved by the signing officer for the purpose of facilitating issuance and sale of the 2019 Bonds including, but not limited to, (i) a First Amendment to Continuing Disclosure Agreement among the MRC, Coastal Resources of Maine LLC, the City of Bangor, Maine and U.S. Bank National Association, as Dissemination Agent, in substantially the form presented to this meeting with such further modifications as may be approved by the signing officer, and (ii) an Acknowledgement of Collateral Assignment for the purpose of acknowledging and consenting to the collateral assignment by Coastal Resources of Maine LLC to the Collateral Agent and/or the Trustee (each as defined therein) of certain rights under contracts entered into by Coastal Resources of Maine LLC and the MRC related to the development, construction and operation of the Project.

RESOLVED: That the MRC hereby is authorized to enter into such further agreements, and to execute and deliver such certifications, acknowledgements and other 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 2019 Bonds.

RESOLVED: That each of the President and the Treasurer, acting singly, hereby is authorized to approve, execute and deliver each of the foregoing documents on behalf of the MRC, 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 she may deem necessary or appropriate in order to facilitate the issuance and sale of the 2019 Bonds.

Dan McKay then reported that a lien has been filed on the plant property by Josie Construction Services relating to the ongoing litigation between subcontractors in Pennsylvania. The lien alleges that the contractor is owed monies for construction performed on the property. This lien just came to the MRC's attention due to an address error, and Mr. McKay recommended to the Board that the MRC promptly provide notice to the Dissemination Agent as required by the Continuing Disclosure Agreement.

LEGISLATIVE SESSION UPDATE

Board Member Cathy Conlow reported on LD 112, noting that the MRC provided testimony at a recent hearing in Augusta. The bill was carried over, and is expected to pass, but revisions have been made which address the MRC's concerns. Ms. Conlow noted that the process was a bit disjointed, and recommended that the MRC reach out to Maine Municipal Association ("MMA") to coordinate efforts. The MRC Board agreed and President Fussell suggested arranging that discussion this summer.

COMMUNICATIONS COMMITTEE UPDATE

President Fussell noted that because of limited capacity due to the onboarding process, Coastal Resources has deferred the opportunity to donate waste disposal services for the American Folk Festival in Bangor this summer.

WASTE FLOW COMMITTEE UPDATE

Vice President Smith reported on the recent meeting with Penobscot River Solid Waste Disposal District ("PRSWDD"), noting that they are seeking the MRC's guidance with respect to maintaining viability, as a dissolution would be a default under the Joinder Agreement. The Waste Flow Committee will continue to monitor the status.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 2:10 p.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) to consult with legal counsel regarding legal rights and duties. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 3:32 p.m., the executive session ended and the regular meeting reconvened.

At 3:32 p.m., Sophie Wilson left the meeting.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 3:32 p.m. to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(A) to discuss personnel matters. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 3:54 p.m., the executive session ended and the regular meeting reconvened.

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

VOTED: That the President, Vice President and Treasurer are hereby empowered, acting together with Rich Cromwell, to negotiate the terms and conditions of a contract with the selected candidate for the Executive Director position, including, but not limited to, a salary and benefits package and all other terms of employment, and that each of the President, Vice President, and Treasurer is hereby authorized, acting singly, to approve, execute and deliver the final version of the contract, his/her signature thereon to be conclusive evidence of such approval.

There being no further business to come before the Board, the meeting adjourned at 3:58

p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: June 26, 2019