

MUNICIPAL REVIEW COMMITTEE, INC.
BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, June 26, 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
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
Robert Butler, Town of Waldoboro

Staff:

David Eric Johns, MRC Interim Executive Director

Consultants:

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

Guests:

Shelby Wright, Fiberight

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

President Fussell convened the meeting at 1:02 p.m.

APPROVAL OF AGENDA

President Fussell noted that that the sequencing in the agenda will be slightly altered to accommodate schedules. She 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 MINUTES OF MAY 22, 2019 SPECIAL MEETING OF THE MRC BOARD OF DIRECTORS

The Board considered approval of the minutes of the May 22, 2019 special meeting of the Board of Directors. There being no changes to the draft minutes as presented, upon motion made and duly seconded, it was unanimously:

VOTED: That the minutes of the May 22, 2019 special meeting of the Board of Directors hereby are approved in the form presented to the meeting.

CONSIDERATION OF BILLS PAYABLE

Sophie Wilson presented three sets of bills payable – operating budget payables in the amount of \$42,988.01, transportation reimbursement payments in the amount of \$35,738.98, and construction expenses for Sargent Corporation in the amount of \$55,578.38. A discussion ensued regarding the need to transfer the amount of \$55,578.38 from the construction reserve in the Tip Fee Stabilization Fund to the Operating Account in order to properly document the allocation of that expense. Upon motion duly made and seconded, it was unanimously:

VOTED: That the operating budget bills payable of \$42,988.01, as presented to the Board at this meeting, hereby are approved for payment.

VOTED: That the transportation reimbursement payments of \$35,738.98, as presented to the Board at this meeting, hereby are approved for payment.

VOTED: That the amount of \$55,578.38 be transferred from the construction reserve in the Tip Fee Stabilization Fund to the Operating Account, and

subsequently paid out of the Operating Account to Sargent Corporation as payment for construction costs.

REPORT FROM INTERIM EXECUTIVE DIRECTOR

David Eric Johns presented the Interim Executive Report, noting that Coastal's onboarding process continues to go smoothly. The goal is to have a second shift fully engaged by mid-July, and to be able to accept Friday deliveries by the end of July. Jon Pottle continues to work with Pleasant River Solid Waste Disposal District toward a resolution of its current and future status as a Joining Member of the MRC. After discussion, it was agreed that the Finance Committee will review the legal budget, as certain fees associated with the Executive Director search may need to be transferred to the management account. Mr. Johns reviewed his efforts in preparing a SWOT analysis and organizational construct for the incoming Executive Director, as well as his anticipated efforts and training role with the transition.

Mr. Johns reported that the access road is expected to be turned over to the Town of Hampden soon, and the sewer line work is nearing completion. In response to a question from President Fussell, Mr. Johns reported that Don Higgins of Haverlock Estey & Curran has cleared the MRC from an IRS penalty associated with a late filing.

President Fussell thanked Mr. Johns for his efforts over the last several months, reporting that the new Executive Director, Michael Carroll, starts on Monday, July 1. Mr. Johns will provide some transition coverage, and the MRC will receive a revised limited scope for his continued services. Mr. Johns advised that Shelby Wright has scheduled a tour for Mr. Carroll on Tuesday at 10 a.m. at Coastal prior to the Waste Flow Committee meeting.

Tony Smith joined the meeting at 1:23 p.m.

FIBERIGHT/COASTAL FACILITY CONSTRUCTION PROGRESS AND COMMISSIONING REPORT

Shelby Wright of Fiberright reviewed operations at the plant, noting that the ramp up continues and construction is virtually completed. Bancroft rolled out its construction trailer yesterday, and a skeleton crew remains to finish final tasks. Coastal expects to have the facility fully staffed and operating 24/7 by July 15th. The anaerobic digester is scheduled to be installed and completed by mid-July. Coastal is working with the Department of Environmental Protection (“DEP”) on a permit for beneficial use of pulp products, and Ms. Wright has been preparing educational outreach materials relating to Coastal’s “All In One Bin” initiative.

George Aronson reported that the final performance tests likely will be conducted at the beginning of August, noting that some waste byproducts, including pulp and fuel, require beneficial use determinations (“BUD”) from the DEP. The regulatory process for BUD approval may take longer than expected, and the MRC can’t confirm diversion rates until later in the regulatory process. Mr. Aronson reported that pulp samples have been sent to the University of Maine to be analyzed by the same group that performed the initial test assessment back in 2015. The test results are anticipated in the first week of July at which time more quantitative data on the content of the pulp will be available. Materials from the MRF are being baled, marketed, and sold, and one additional part of the diversion system will be completed in mid-July.

Given the foregoing, Mr. Aronson explained that it makes sense to wait until August to complete the performance tests so that the MRC can be confident of diversion rates. The next call is scheduled for July 10th at which time we will have the results from both the University of Maine and the DEP.

In response to a question, George reported that the acceptance test protocol document is largely agreed upon but will have some edits to address procedural changes. The initial capacity performance test and the final performance test will be completely simultaneously.

CONSIDERATION OF TERMINATION DATE FOR BRIDGE WASTE PERIOD FINANCIAL CLAIMS

Eric Johns reported that he is fairly certain that all haulers have now been paid in accordance with the agreement, and suggested that the MRC set an end date by which all member towns must submit claims. A general discussion ensued regarding the process for terminating claims, and Sophie Wilson suggested setting a time period and notifying membership. After discussion, it was agreed to establish a cut-off date of 60 days after the commercial operation date by which all claims must be submitted, after which date the MRC will not consider claims except to the extent that it is legally obligated to do so. It was agreed that a member notification will be sent out to this effect. Upon motion duly made and seconded, it was unanimously:

VOTED: That all claims for transportation reimbursement related to bridge waste must be submitted to the MRC within sixty (60) days after the Commercial Operation Date (as defined in the Master Waste Supply Agreement), after which time the MRC will no longer consider claims for reimbursement except to the extent that it is legally obligated to do so.

CONSIDERATION OF MODIFYING 2019 BUDGET LINE ITEM FOR CES, INC.

Vice President Tony Smith reported that additional work on the access road by CES, Inc. in excess of the MRC's budgeted line item of \$15,000 is required to address drainage around the sanitary manholes is necessary prior to final road acceptance by the Town of Hampden. A discussion ensued regarding increasing this budget line item to \$33,500 to account for this additional work. Vice President Smith noted that total construction costs are approximately \$89,000 under budget and suggested that the MRC use a portion of these unused funds to cover

this additional expense. A discussion ensued, and it was noted that those funds would need to be transferred from reserves as construction costs are not paid out of the operating budget. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the budget for engineering services relating to completion of the Coastal Facility access road be increased to \$33,500, that the operating budget be amended accordingly, and that the amount of \$18,500 be transferred from funds allocated to construction costs in the Tip Fee Stabilization Fund to the Operating Account as the source for payment of the increase.

Vice President Smith reported that CES has proposed a solution to address the heaving issues in the access road, and a discussion ensued about the process for obtaining design approval from Woodard & Curran and executing a change order with Sargent Corporation for subgrade improvements to eliminate the heaving problem around the sanitary sewer manholes to ensure road acceptance. After discussion, and upon motion duly made and seconded, it was it was unanimously:

VOTED: That the amount of up to \$20,000 shall be transferred from funds allocated to construction costs in the Tip Fee Stabilization Fund to the Operating Account in order to fund subgrade improvements to the access road; and in connection therewith, each officer hereby is authorized, acting singly, to execute an appropriate change order.

CONSIDERATION OF MRC CONSENT TO ASSIGNMENT AND ASSUMPTION OF JOINDER AGREEMENT AND RELATED MRC ASSETS BETWEEN THE TOWN OF ATKINSON AND PISCATAQUIS COUNTY IN CONJUNCTION WITH THE TOWN'S DEORGANIZATION

President Fussell reported that the Town of Atkinson is in the process of deorganizing as a town and will be assigning its rights under its Municipal Joinder Agreement to Piscataquis County, which is already a member of the MRC. There being no discussion, and upon motion duly made and seconded, it was it was unanimously:

VOTED: That the MRC hereby consents to the assignment of the Town of Atkinson's rights and obligations under its Municipal Joinder Agreement to Piscataquis County, and in connection therewith, the President of the MRC

hereby is authorized, acting singly, to execute and deliver an Assignment and Assumption Agreement on behalf of the MRC indicating such consent in such form as she may approve, her signature thereon to constitute conclusive evidence of such approval.

LEGISLATIVE SESSION UPDATE

Cathy Conlow reported that Dan Walker of Preti Flaherty was very helpful in the legislative session, noting his attention to detail and various relationships in Augusta. Ms. Conlow recommended that additional board members be involved in the next session, and a discussion ensued about the importance of educational outreach about the Coastal facility. Sophie Wilson praised Ms. Conlow's efforts in traveling to Augusta to represent the MRC during this session.

COMMUNICATIONS COMMITTEE UPDATE

President Fussell reported that a notification will be going out to MRC members this week that the commercial operation date will not occur on July 1st. A general discussion ensued about the content of the message. President Fussell noted that the MRC has scheduled a press release to announce Michael Carroll as the new Executive Director, and the July newsletter will include a Q&A with Mr. Carroll. The upcoming Maine Municipal Association ("MMA") Conference will include a panel discussion with Coastal and a session with the Maine Chapter of Public Works. Kevin Howell suggested that it be made clear to the membership that, while the delay in completing the performance test will delay the commercial operation date as defined in the contracts, on a practical level, the plant is currently operating and is accepting and processing waste for many member towns.

WASTE FLOW COMMITTEE UPDATE

Vice President Smith reviewed the status of efforts with Pleasant River Solid Waste Disposal District ("PRSWDD"), noting that he has traveled twice to meet with representatives of

the District and its member communities and is currently preparing a draft letter reviewing PRSWDD's current status under the Joinder Agreement. A discussion ensued about the content of the letter and at President Fussell's direction, the discussion was tabled for executive session. Vice President Smith noted that an MRC member has questions about the contractual definition of acceptable waste, which discussion was also tabled for executive session. The Waste Flow Committee will be meeting next Tuesday at 1:00 p.m. at Brewer City Hall, which meeting will be properly noticed with an agenda.

FINANCE COMMITTEE UPDATE

Sophie Wilson reported that she and George Aronson are planning to discuss updated investment guidelines with the MRC's investment advisor in July. Once the new Executive Director is up to speed, Ms. Wilson will revisit the discussion about dues adjustments to begin in July 2020 in anticipation of the preparation of the 2020 budget.

CONSIDERATION OF COMMITTEE ASSIGNMENTS FOR NEW DIRECTOR, BOB BUTLER

President Fussell stated that Bob Butler has indicated interest in serving on the Finance and Waste Flow Committees, both of which are a fine match for his skill set. There being no discussion, and upon motion duly made and seconded, it was it was unanimously:

VOTED: That Bob Butler hereby is appointed to each of the Finance Committee and Waste Flow Committee.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 2:33 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 3:44 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 3:44

p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: July 24, 2019