

MUNICIPAL REVIEW COMMITTEE, INC.
BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, August 28, 2019, at 1:00 p.m. at Machias Savings Bank, 581 Wilson Street, Brewer, Maine. In attendance were the following:

Directors:

Karen Fussell, City of Brewer
Sophie Wilson, Town of Orono
Catherine Conlow, City of Bangor
Tony Smith, Town of Mount Desert
Ralph Saucier, Town of Millinocket
Irene Belanger, Town of China
Dana Wrigley, Sr., Town of Oakland

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC (by phone)
Daniel G. McKay, Eaton Peabody
Jon Pottle, Eaton Peabody
Jessamine Pottle, CES, Inc.

Guests:

Shelby Wright, Fiberight

In the absence of Jennifer Baroletti, Dan McKay kept the minutes of the meeting. President Karen Fussell presided.

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

APPROVAL OF AGENDA

President Fussell asked for a motion to accept the agenda as published. Tony Smith asked that an item be added to address additional costs associated with fixing the access road to the Coastal Facility. Upon motion duly made and seconded it was unanimously:

VOTED: That the agenda hereby is accepted as amended.

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

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

VOTED: That the minutes of the July 24, 2019 quarterly meeting of the Board of Directors hereby are approved in the form presented to the meeting. (Fussell abstaining)

FINANCE COMMITTEE REPORT INCLUDING: CONSIDERATION OF FINANCIAL STATEMENTS AND BILLS PAYABLE, REOCCURRING RENT PAYMENT AND EXECUTIVE DIRECTOR SPENDING

Sophie Wilson reviewed the most recent interim financial statements. Dues are running about as expected. Annual lease payments are under budget because of delays in achieving the commercial operation date at the Fiberright Facility. Additional revenue will need to be transferred from reserves to the operating account to cover current operating expenses, and there may be a need to amend the budget at a future meeting to realign it with current expectations. In conjunction with that process, the sources for payment of legal expenses will need to be addressed to allocate those expenses to the appropriate accounts. A budget amendment may need to be considered at the October Board meeting.

Ms. Wilson presented bills payable in the aggregate amount of \$35,039.35 and reviewed line items in summary form. She suggested adding mileage and MRC office relocation expense reimbursements for Mike Carroll to the payables list bringing the total to \$36,043.18.

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

VOTED: That operating bills payable of \$36,043.18, as presented to the Board at this meeting, hereby are approved for payment.

Ms. Wilson suggested that, in order to streamline operations, the Treasurer be authorized to approve certain recurring expenses without separate Board approval and that the Executive Director be given authority to make individual operating expenditures of up to \$1,000 within budget parameters. A motion was duly made and seconded to approve authorizing the Executive Director to expend up to \$1,000 for budgeted individual operating expenses without specific authorization from the Treasurer. There being no further discussion, it was unanimously:

VOTED: That the Treasurer hereby is authorized to approve routine budgeted expenses without separate Board approval, and that the Executive Director hereby is authorized to expend up to \$1,000 for individual operating expenses within the parameters of the budget without specific authorization from the Treasurer.

There was discussion of the need to reimburse bridge waste transportation expenses for certain members aggregating \$26,606.46. Following brief discussion, it was unanimously:

VOTED: That bridge waste transportation costs as presented to the meeting in the aggregate amount of \$26,606.46 be reimbursed to the appropriate member communities, and that funds in that amount be transferred from the Tip Fee Stabilization Account or the Custody Account to the Operating Account for that purpose.

CONSIDERATION OF MRC INVESTMENT POLICY

George Aronson reviewed with the Board proposed revisions to the MRC's existing investment policy as previously distributed to the Board. He noted that Bob Butler has suggested that the draft policy be reorganized to move the paragraphs identifying the various funds and

accounts to the beginning of the policy. This would involve some reordering of paragraphs but would not change any substantive provisions. A discussion ensued regarding the mechanics for moving funds among accounts and for investing those funds. It was the consensus that the provisions in the draft policy allowing the Treasurer to approve transfers and investments were consistent with the current Investment Policy and should be maintained. After discussion, it was unanimously:

VOTED: That the revised Investment Policy hereby is approved as presented to the meeting subject to reordering the provisions of the policy to move the sections describing the accounts to which it applies to the beginning of the Policy.

CONSIDERATION OF MRC BANKING RFP

Mike Carroll presented a proposed form of RFP for banking services in light of the transfer of MRC accounts from Peoples United to Bar Harbor Bank. Mike solicited comments from the Board to the draft RFP before it is distributed to the banks. Comments from the Board should be communicated to Mike by Friday, August 30. The RFP will then go out during the first week of September.

EXECUTIVE DIRECTOR REPORT

Executive Director Mike Carroll reported that there was a 300% increase in tonnage accepted at the Coastal Facility in July over June and that volumes have continued to build in August. Coastal is now in a position to accept all MRC waste subject to receiving final DEP permit approvals. The delay is a result of the DEP's reinterpreting its regulations to impose additional permitting requirements regarding beneficial use of pulp and plastics extracted from the waste stream. A recent meeting with representatives of the DEP was encouraging.

Representatives from Coastal and Ultra Capital, together with Mike and Dan Walker, recently met with a representative of the Governor's office to ensure that the Governor has an understanding of the waste processing technology being employed at the Coastal Facility.

An equipment failure in the processing line last Thursday resulted in a multi-day shutdown at the Plant. Process changes have been made to preclude a recurrence.

The processing goal for August is to average 300 tons per day. The Plant was on track to meet that goal until the equipment failure, and it is still anticipated that the Plant will be at or near the final goal of processing 400 tons per day by the first week in September.

A second shift has been added at the Plant and Saturday deliveries are scheduled to begin on September 7. There was a brief discussion with Shelby Wright concerning the need in certain circumstances for longer plant hours to accommodate hauling schedules. Coastal will seek to accommodate these needs.

The auditor has received substantially all information from the MRC necessary in order to complete its audit. The audit is scheduled to be completed by mid-September and will be presented to the Board at its regular October Board meeting.

August was a busy month with many visits to members. Mike has attended a half dozen forums and town meetings, and his presence was well received. Representatives from the DEP, the Maine Municipal Association ("MMA"), Senator Collins and Channel 5 all will be touring the plant in the coming days.

There are still some local issues with Acceptable Waste limitations, but they are being worked through. Mike is working on an RFP for alternative disposal of certain categories of Unacceptable Waste which hopefully may alleviate some of the remaining issues.

There needs to be attention given to the existing Road Use Agreement. Mike is reviewing it with counsel.

A new agreement with Bangor Payroll has been entered into with some favorable changes.

Coastal is still struggling with collections from MRC members. Coastal will start to impose late fees as provided for on the invoice.

The MRC has moved to a new office location in Orono. Dan McKay noted the need to provide notice of the new address under various MRC agreements.

COASTAL FACILITY CONSTRUCTION PROGRESS AND COMMISSIONING REPORT

Shelby Wright reported that the fines bin, which suffered an unexpected breakdown last week, is being repaired and waste hopefully will be accepted beginning on Thursday with waste acceptance at the 400 ton/day level beginning next Tuesday. Coastal has been working with the MRC to find alternative waste disposal outlets for bulky waste. DEP is having regional informational meetings to discuss proposed packaging legislation which is still being developed. Coastal is participating in the process to ensure that language is adopted that gives appropriate recognition to the Coastal processes. Comments will be accepted until September 19. The goal is to have a final bill draft by mid-December.

Shelby reviewed briefly the general status of the commissioning process. Senator Collins will tour the plant next Tuesday. Channel 2 was in the Plant last week and a story will run over Labor Day weekend.

Coastal is migrating its billing system to the scale house system. All invoices will be e-billed unless paper billing is requested. There will be an administrative fee for paper billing. The goal is to start electronic invoicing during the last week of September.

TECHNICAL ADVISOR ACCEPTANCE TESTING UPDATE

George Aronson reported that things are on track to run performance testing within the next couple of weeks. The front end is performing well. The attention is on the back end in order to achieve final commercial operation. The DEP permitting process regarding beneficial use of pulp and plastic briquettes is ongoing. The last meeting with technical staff was promising but testing protocols still are under discussion. A conditional approval process is under discussion that will shorten the processes required and allow operations to proceed pending final testing. The DEP is allowing Coastal to stockpile pulp on site pending final permit approval which offers a significant economic advantage. Up to six weeks of pulp can be stored at the Facility, and it is hoped that a final permit will issue within this time frame.

The next stakeholder meeting is scheduled for September 11. Following that meeting, a final schedule for performance testing will be developed in conjunction with Coastal. That testing likely will occur toward the end of September and may spill over into October.

LEGISLATIVE SESSION UPDATE

Mike Carroll will be attending the meeting of the MMA Legislative Policy Committee in Augusta. Kevin Howell also will attend. The MRC will submit formal comments to DEP on the extended producer responsibility law for packaging to ensure that the proposed legislation adequately contemplates the Coastal Facility process.

COMMUNICATIONS COMMITTEE UPDATE

Mike briefly reported on plans for the MRC's presence at the upcoming MMA meeting in Bangor.

WASTE FLOW COMMITTEE UPDATE

Mike has met with representatives of the Pleasant River Solid Waste Disposal District. The MRC will attempt to assist PRSWDD, particularly with regard to the handling of recycling. Mike and Tony will be meeting further with the affected communities in the coming weeks.

SCHEDULE UPCOMING MEETING DATES

The next Board meeting is scheduled for September 25 at Machias Savings Bank in Brewer.

BYLAW AMENDMENT OVERVIEW

Dan McKay briefly reviewed proposed technical changes proposed to be made to the Bylaws as previously distributed to the Board. The changes will be considered for action at the regular October meeting.

PUBLIC COMMENTS

A Casella hauler representative reported positively on current communications from a hauling perspective. Communication during the transition period has been a challenge but is generally working well. He noted that more flexibility in hours of operation would be very helpful to haulers.

A Waste Management representative introduced himself.

Doreen Wilson from Central Penobscot seconded comments about improved communication since Mike's arrival. She suggested that advance communication of holidays when the Coastal Facility will be closed would be helpful.

EXECUTIVE SESSION

A motion was made, and duly seconded, at 3:05 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 legal rights and duties. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 3:25 p.m., the executive session ended and the regular meeting reconvened.

The Board discussed certain matters surrounding additional improvements to the Coastal Facility access road required as a precondition to acceptance of the road as a public way by the Town of Hampden, including the need for additional funds to complete the improvements.

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

VOTED: That the Executive Director, in conjunction with legal counsel, hereby is authorized to enter into an amendment of the existing Road Use Agreement between the MRC and Coastal Resources of Maine LLC for the purpose of addressing maintenance responsibilities for the Coastal Facility access road pending its acceptance as a public way, such amendment to be in such form and on such terms as the Executive Director may approve.

VOTED: That the total amount authorized from the Tip Fee Stabilization Fund for land acquisition and improvements to the Coastal Facility project site, including the access road, hereby is increased to an amount not to exceed \$6,050,000.

VOTED: That the Board hereby authorizes the transfer of an amount not to exceed \$75,000 from the Tip Fee Stabilization Account to the Operating Account for the purpose of funding additional improvements to the Coastal Facility access road.

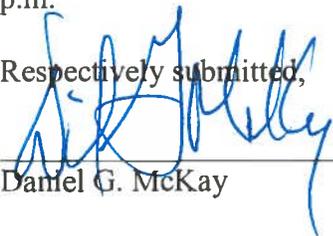
Ms. Fussell left the meeting due to a prior commitment.

Ms. Wilson noted the need to transfer additional funds from the Tip Fee Stabilization Account in order to fund current operations. Upon motion duly made and seconded, it was unanimously:

VOTED: That interest earned in the Tip Fee Stabilization Account and the Cash Collateral Agency Account since the start of calendar year 2019, in an amount estimated at \$82,000, be transferred to the Operating Account for the purpose of funding current operations.

There being no further business to come before the Board, the meeting adjourned at 3:34 p.m.

Respectively submitted,



Daniel G. McKay

Dated: 9/25/19_____