

MRC Statement Following February 26, 2020 Special Board Meeting

“At the last board meeting, the Municipal Review Committee’s (MRC) board agreed to a request by Coastal Resources for a short-term loan of \$1.5 million dollars subject to certain conditions, which closed on Friday. The first of two installments of the money was advanced from an existing account specifically set up to address contingencies associated with plant operations. These funds will support the ongoing efforts to ramp up this state-of-the-art facility. Coastal Resources recently passed a round of key tests, but as we have acknowledged, more needs to be done at the plant to meet our operational expectations.

“In order to continue our progress toward full commercial operation, the board believed the short-term loan should be made. Release of funds depended on having a commitment for further outside investment of at least \$10 million, a commitment Coastal Resources is currently working to complete. The short-term MRC loan would be repaid from the proceeds of that outside funding.

“While the current financial situation for Coastal Resources is not ideal, it also is not unexpected. The changes in recycling markets, delays in permitting, and the nature of the technology involved have presented significant challenges over the last year. The delayed sampling for the DEP permit has been completed. Once the laboratory results are received, we will work closely with Coastal Resources and DEP to finalize the reuse permit. In the context of at least 25 years of expected operation by Coastal Resources, however, we believe it’s prudent to meet these challenges with sufficient funding, time, and due diligence to ensure the plant’s ultimate smooth operation.”

--Michael Carroll, MRC Executive Director