

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, April 22, 2020 at 10:00 a.m. in an online format via Zoom. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Karen Fussell, City of Brewer
Kevin Howell, Town of Carmel
Irene Belanger, Town of China
Tony Smith, Town of Mount Desert

Dana Wrigley, Sr., Town of Oakland
Robert Butler, Town of Waldoboro
Catherine Conlow, City of Bangor
Ralph Saucier, Town of Millinocket

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC
Jon Pottle, Eaton Peabody
Jessamine Pottle, CES, Inc.

Guests:

Dan Walker, PretiFlaherty
Shelby Wright, Fiberight
Craig Stuart-Paul, Fiberight
Steve Davey – Chief Operating Officer, Fiberight
Carl Knowlton – CFA, VP & Head of Corporate Development and Asset Management, Fiberight
Alan Iantosca – VP, Engineering & Projects, Fiberight

Joelle Ingalls kept the minutes of the meeting and President Fussell presided.

President Fussell convened the meeting at 10:01 a.m.

REVIEW OF REMOTE VOTING PROCEDURE

As the first order of business, Jon Pottle completed a roll call of all Board Members. President Fussell reviewed the remote voting procedure, explaining that all votes of the Board will be completed by roll call performed by Jon Pottle. President Fussell went on to provide the methods in which the public in attendance can submit questions or concerns.

APPROVAL OF AGENDA

Upon motion duly made and seconded it was unanimously:

VOTED BY ROLL CALL: That the agenda hereby is approved as presented.

CONSIDERATION OF MINUTES OF FEBRUARY 26, 2020 SPECIAL MEETING OF THE BOARD OF DIRECTORS

The next order of business to come before the Board was approval of the minutes of the February 26, 2020 special 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 BY ROLL CALL: That the minutes of the February 26, 2020 special meeting of the Board of Directors hereby are approved in the form presented at the meeting.

ASSET MANAGEMENT REPORT - CUSTODY ACCOUNT, TIP FEE & OPERATING BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT, RESERVE FUND UPDATE, FIRST QUARTER JOINING MEMBER CASH DISTRIBUTIONS

George Aronson presented the Asset Management Report and proposed two recommendations:

1. To distribute \$121,858.07 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$346,476.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution referenced in Item 1 above;

As of April 1, 2020, the Custody Account balance included \$380,500.41 held at First National Bank and \$914.08 held at Bangor Savings Bank pending transfer to First National Bank. Mr. Aronson noted that the Custody Account has been used as an escrow account to hold the proceeds of the interim short-term loan provided by the MRC to Coastal. As of the same date, the value of the Tip Fee Stabilization Fund was \$7,832,575.40, and the balance of the Operating Budget Stabilization Account was \$5,458.61. The Cash Collateral Agency Account now holds a balance of \$1,539,640.88.

A general discussion ensued regarding flow control communities. Michael Carroll advised he has engaged in recent discussion with Coastal regarding weight slips and returning to the practice of gathering those from haulers. He will be meeting with the four flow control members to present possible solutions on how the communities can go back to invoicing the haulers this fee internally.

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

VOTED BY ROLL CALL: That (i) the MRC hereby is authorized and directed to distribute the amount of \$121,858.07 ratably to Joining Members to reduce their effective net disposal costs; transfer \$346,476.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution in the first recommendation; and (ii) the Executive Director and Treasurer hereby are authorized to take such action, or cause such action to be taken, as may be necessary or appropriate to effectuate such transfers and payments.

HAROLD BOUCHARD WAY CONSTRUCTION AND ROAD ACCEPTANCE UPDATE

Mr. Carroll reported that he and Tony Smith will meet with Public Works, Town of Hampden, on May 5th regarding acceptance of the road and pump station. Mr. Carroll expressed thanks to the City of Bangor, and Catherine Conlow, for monitoring and maintaining the pump station in the event of alarms through the winter.

Mr. Smith reported the invoice for Sargent Corporation totals \$221,476.00 for work done on the road and pump station and is now owed for payment.

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

VOTED BY ROLL CALL: That the MRC hereby is authorized and directed to transfer the amount of \$221,476.00 in order to pay the invoice from Sargent Corporation.

TREASURER'S REPORT INCLUDING CONSIDERATION OF THE FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE & FIRST QUARTER BUDGET RECONCILIATION

Sophie Wilson presented bills payable totaling \$31,455.46 to the Board for consideration. Ms. Wilson reports all vendor bills are up to date at this time and a review of the budget shows 35% expenditure for the year. Ms. Wilson noted that the operating expenses being presented do not include the previously mentioned payment to Sargent Corporation. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$31,455.46 as presented to the Board at this meeting hereby are approved for payment.

EXECUTIVE DIRECTOR REPORT

Mr. Carroll began his report with an overview of Quarter One operations at Coastal. Improvements to the plant are in process, however the Covid-19 scenario has limited the work of most contractors and therefore delayed some processes. Mr. Carroll reported 14 of the 70.5 operational days in Quarter One were bypassed due to minor repairs, the previously reported propane cylinder incident, and preparation for required Covid-19 change in operations. The plant is currently processing 250 tons in 8.5 hours for an approximate 33-35 tons per hour.

Mr. Carroll then provided an update on the short term loan provided to Fiberight. As of April 13, 2020 the final funds transfer of \$31,000 was made. Nine draws in total were authorized and all were reviewed with a verification of the previous funds usage before the next draw was authorized.

Quarter One of 2020 saw an increase in members MSW of 2.2% over Quarter One of 2019 with an overall increase in members MSW of 0.6% from April 2019 to March 2020. The diversion rate increased to 66% in the month of March reflecting an increase of 17% from February. Coastal is now accepting recycling from communities across the state, and an anticipated reduction in waste from municipalities heavily affected by tourism and the Covid-19 restrictions will be monitored.

President Fussell commended Mr. Carroll and his oversight and management of the Coastal facility. Tony Smith echoed this and also offered his appreciation of the input provided by Bob Butler.

COASTAL RESOURCE OF MAINE/FIBERIGHT REPORT

Steve Davey, Alan Iantosca, and Carl Knowlton were present on the call to provide an update on operations at Coastal and reported that Shelby Wright and Craig Stuart-Paul were also in attendance by phone but would not be presenting.

Steve Davey introduced Mr. Iantosca who began the presentation with an update on the changes to plant operation in response to Covid-19 including social distancing, staggered breaks, increased cleaning and sanitation and the use of masks. Operations remain in full effect although restrictions on contractors and vendors from out of state have posed a challenge in the ongoing improvements being made to the plant.

Mike Carroll requested an update on the Design Change Notices (DCNs) and Mr. Iantosca advised Atlantic Recycling is commissioning a new Compactor which will correct the inaccuracy of the trailer weights being recorded light due to residue buildup.

In response to a question from President Fussell, Mr. Iantosca reported overall volume is consistent despite the increase in residential waste due to the corresponding reduction in commercial waste. Mr. Carroll noted he has received calls from members stating they are receiving all waste together and not separating it, which results in it all being processed as residential, to abide by social distancing guidelines.

With respect to permitting, it was noted the Beneficial Use permit remains under review with the Department of Environmental Protection.

Carl Knowlton continued the presentation with an update on the Bondholders' Loan status. Mr. Knowlton reports the Bondholders are receiving the paperwork to review today and the bridge loan is expected to close on April 24, 2020. Mr. Knowlton noted that the bridge loan was increased from \$10,000,000 to \$14,750,000 to compensate for the impact of Covid-19. He also reports the bonds will be able to be traded publicly per Bondholder request.

In response to a question from George Aronson, Mr. Knowlton stated there was a call later today with the Board and he would know better at that time whether anything will be needed from the MRC in order to close the bridge loan.

The presentation by Fiberright concluded at 11:03am and Steve Davey, Alan Iantosca, Carl Knowlton, Shelby Wright and Craig Stuart-Paul left the call.

LEGISLATIVE REPORT

Dan Walker provided the legislative report and advised he has been working to keep the perspective of the MRC and Coastal in front of legislators. In late November and early

December legislators were offered a tour of the facility. Mr. Walker provided an overview of the pertinent bills worked on throughout the previous session which included LD401 (An Act To Preserve State Landfill Capacity and Promote Recycling) which was passed, and LD988 (An Act To Reduce the Landfilling of Municipal Solid Waste) and LD2401 (An Act To Support and Increase the Recycling of Packaging) both of which were carried over.

Mr. Walker reported that the legislature adjourned abruptly in mid-March with the onset of Covid-19 concerns. Many bills were still being reviewed and will only be revisited if a special session is held. In light of the Covid-19 scenario, Mr. Walker reports he worked to help ensure that MSW disposal activities would be designated as essential and that waste being sent to energy facilities would still be considered recycled. He encouraged the Board to start considering what to work on in the next legislative session.

COMMITTEE REPORTS

Mr. Carroll reported the Communications Committee met CES, Inc. to perform an annual review of the website. Further, the Maine Resource Recovery Association's 27th Annual Maine Recycling and Solid Waste Conference & Trade Show scheduled for April 27-28, 2020 has been rescheduled for October 26-27, 2020 due to Covid-19. Mr. Carroll also noted a reminder will go out to members on May 1st reminding them of the upcoming increase on July 1st. This will be the first official notice, but the increase has been discussed in Board meetings, reflected in the minutes and it has also been included in the newsletter.

He further reported that the Waste Flow Committee will continue to monitor volumes of residential and commercial waste.

SCHEDULE OF UPCOMING MEETING DATES

The next regular Board meeting is scheduled for July 22nd at 10:00 a.m. at a location to be determined. The Finance Committee meeting will be held at 9:00 a.m. prior to the Board meeting.

PUBLIC COMMENT

President Fussell advised one email question was received from Larry at the Transfer Station in China, ME asking about the \$10,000,000 loan and whether any of the DCNs will require a large sum of money. Mr. Carroll provided an overview of the loan and advised that we would know more after executive session regarding the DCN question. President Fussell checked both the Facebook Live platform and the Zoom Question and Answer platform and reported no further questions were submitted.

EXECUTIVE SESSION

At 11:30 a.m., a motion was made and duly seconded to adjourn the meeting to executive session pursuant to 1 M.R.S. §405(6)(E) for the purpose of consultation with MRC's legal counsel.

Whereupon, it was unanimously:

VOTED BY ROLL CALL: That the meeting is adjourned to executive session.

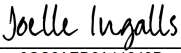
At 1:04 p.m., the executive session ended. The regular meeting resumed at 1:14 p.m. and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the MRC approve a second extension regarding the Integral Capabilities for Performance Test Protocol to and until June 15, 2020, and further that President Karen Fussell and Vice President Tony Smith, acting singly, are hereby authorized to execute and deliver this second extension and take any further necessary and appropriate actions to implement this vote; and

VOTED BY ROLL CALL: That the MRC authorize President Karen Fussell and Vice President Tony Smith, acting singly, to execute and deliver acknowledgements regarding any amendments to the Leasehold Mortgage as well as any other necessary or appropriate documents on behalf of MRC in connection with the bridge loan financial closing associated with the Coastal Resources of Maine Hampden Facility.

There being no further business, the meeting was adjourned at 1:27 p.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: June 2, 2020