

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. (“MRC”) was held on Wednesday, July 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

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
Jessica Cormier, CES, Inc.

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

President Fussell convened the meeting at 10:00 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

President Fussell presented the agenda for approval by the Board. Sophie Wilson noted two Public Comment sections and asked that the public comments in Item 15 be limited to comments regarding Items 11-14 on the agenda. In response, President Fussell requested that all public comments concerning Items 1-9 be submitted in Item 10 and comments regarding Items 11-14 be submitted in Item 15. Upon motion duly made and seconded, it was unanimously:

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

**CONSIDERATION OF MINUTES FROM SPECIAL AND EMERGENCY MEETINGS
ON MAY 21, JUNE 3, JUNE 16 AND JULY 9, 2020**

The next order of business to come before the Board was approval of the minutes of the special and emergency meetings of the Members and Board of Directors on May 21, June 3, June 16 and July 9, 2020. 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 May 21, June 3, June 16 and July 9, 2020 special and emergency meetings of the Board of Directors hereby are approved in the form presented to the meeting.

**ASSET MANAGEMENT REPORT – CUSTODY ACCOUNT, TIP FEE AND
OPERATING BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT,
RESERVE FUND UPDATE, SECOND QUARTER JOINING MEMBER CASH
DISTRIBUTION**

George Aronson reviewed the Asset Management Report and noted that Coastal's suspension of facility operations on May 28, 2020 had consequences on the MRC's the financial position in the quarter including the following: (1) Coastal's failure to secure additional financing and repay the \$1.5 million short-term bridge loan to the MRC by June 15, 2020 as anticipated; (2) the role of MRC, rather than Coastal, accepting tip fees from Joining Members

and paying disposal costs to the operators of back-up facilities. Because disposal fees exceed tip fees, MRC will need working capital to fulfill this role; and (3) the costs associated with the MRC's efforts to secure the facility and ensure the facility stays in compliance with the applicable permits and licenses of the Maine Department of Environmental Protection and the Town of Hampden. The MRC is seeking recovery of these costs from reserve funds and/or claims against Coastal or its successors.

Mr. Aronson reviewed the following four recommendations in letter:

1. To distribute \$141,312.70 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$125,000.00 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;
3. To transfer up to \$300,000.00 from the Tip Fee Stabilization Fund to the Operating Budget Reserve Stabilization Fund as working capital for payment of disposal fees in advance of collection of tip fees from Joining Members; and
4. To transfer up to \$250,000.00 from the Tip Fee Stabilization Fund to the MRC Operating Account to cover MRC operating and administrative expenses.

As of July 1, 2020, there was \$224,949.65 in the Custody Account held at First National Bank (with an additional \$524.70 in an account at Bangor Savings Bank pending transfer to First National Bank), \$6,375.610.68 in the Tip Fee Stabilization Fund, and \$33,212.54 in the Operating Budget Stabilization Account. The Cash Collateral Agency Account now holds a balance of \$1,513,118.52.

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 \$141,312.70 ratably to Joining Members to reduce their effective net disposal costs; transfer \$125,000.00 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; to transfer up to \$300,000.00 from the Tip Fee Stabilization Fund to the Operating Budget Reserve Stabilization Fund as working capital for payment of disposal fees in advance of collection of tip fees from Joining Members; and to transfer \$250,000.00 from the Tip Fee Stabilization Fund to the MRC Operating Account to cover MRC operating and administrative expenses; 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.

TREASURER'S REPORT - INCLUDING CONSIDERATION OF THE FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE AND SECOND QUARTER BUDGET RECONCILIATION

Sophie Wilson presented bills payable totaling \$72,330.34 to the Board for consideration. Ms. Wilson reported 51% of the budgeted revenue has been collected and 77% of the expenses incurred for 2020. Ms. Wilson continues to work with First National Wealth Management and monitor progress of the MRC's investments. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$72,330.34 as presented to the Board at this meeting hereby are approved for payment.

EXECUTIVE DIRECTOR REPORT

Mike Carroll began his report with an overview of the plant status. All waste has been removed and disposed of, and the list of requirements provided by DEP has been completed to keep the plant in compliance with DEP permits and licenses. Mr. Carroll reports he is still participating in calls and plant tours with DEP weekly. A skeleton crew remains employed at the plant to facilitate the weekly tours and perform scheduled turning of the motors to ensure the equipment remains in working order.

Mr. Carroll then provided an update on the temporary bypass. Waste Management is allowing three quarters (3/4) of all waste to be delivered to Penobscot Energy Recovery Co.

(PERC) versus Crossroads, and the MRC's contract with Waste Management remains in full effect.

Finally Mr. Carroll reported on the status of prospective entities. As of the time of the meeting four entities had submitted Letters of Interest.

HAROLD BOUCHARD WAY ROAD ACCEPTANCE UPDATE

Mr. Carroll reported that he, Tony Smith, and the Town of Hampden had a meeting on Monday to discuss acceptance of the road. The punch list of tasks required for the Completion Certificate to be issued has been completed by Sargent Corporation. Mr. Carroll further reported that the MRC has been requested to sweep the road periodically as long as Waste Processing Facility remains in operation to avoid nails and debris on the road, as well as periodic flushing of certain sewer infrastructure while the plant is not in operation to maintain minimum flow requirements. The maintenance timelines and minimum flow requirements will be determined at the meeting on Monday and further discussion regarding these requests will be had by the Board once details have been finalized.

COMMITTEE REPORTS

Mr. Carroll provided an update on committee activity. Currently the Waste Flow and Legislative Committees are not active. The Communications Committee continues to maintain communications through Constant Contacts and the second quarter Newsletter. In addition, virtual Town Hall Meetings are also being held regularly via Zoom.

SCHEDULE OF UPCOMING MEETING DATES

The next virtual Town Hall is scheduled for August 19th at 10:00 a.m. via Zoom.

PUBLIC COMMENT

President Fussell asked for comments from the public. Comments submitted via the Zoom platform were read by Jessica Cormier from CES, Inc. for Board discussion. Mr. Carroll responded to a question regarding the occupancy permit and noted that he continues to work with the Hampden Code Enforcement officer and State Fire Marshall to finalize the permit. In response to several questions Mr. Aronson advised that the MRC will strive to avoid delays in moving forward with the Letters of Intent that have been submitted without jeopardizing progress. No timeframe is available at this time for reopening of the plant.

FIRST EXECUTIVE SESSION

At 11:05 a.m., a motion was made and duly seconded to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §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 12:35 p.m., the executive session ended. The regular meeting resumed at 12:36 p.m.

SECOND EXECUTIVE SESSION

At 12:39 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 conducting the Executive Director Annual Performance Review.

Whereupon, it was unanimously:

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

At 1:13 p.m., the executive session ended. The regular meeting resumed at 1:14 p.m.

**REVIEW OF EXTENSION LETTER RE: INTEGRAL CAPABILITIES FOR
PERFORMANCE TEST PROTOCOL (JULY 25, 2020)**

Mr. Aronson noted that the performance test, completed in October 2019 yielded some concerns that were required to be addressed by December 31, 2019. This deadline has been extended twice and, due to the current bypass scenario, a further extension is required to address the outstanding concerns still needing to be addressed. Mr. Aronson proposed an extension to October 24, 2020 with the understanding that the extension will be revoked if there is no continuing forward motion to reopen the plant. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the Executive Director is hereby authorized to execute and deliver an additional extension letter regarding integral capabilities for the Performance Test Protocol, to be further extended to October 24, 2020 with provisions for MRC to terminate the extension with three days' notice.

PUBLIC COMMENT

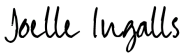
President Fussell asked for public comment. There was none.

CONSIDERATION OF ANY ITEMS AS A RESULT OF EXECUTIVE SESSION

President Fussell reviewed the discussion and resulting changes from the second executive session, noting that Michael Carroll’s salary will be increased by 3%, a fourth week of vacation will be added to his benefits and he will be allowed to carry 200 hours versus 160 hours of vacation time. Also agreed upon was a twelve (12) month severance package to be provided to Mr. Carroll in the event that the MRC were to dissolve or the Executive Director position were to be terminated. President Fussell noted that Mr. Carroll has exhibited exemplary service to the MRC and the amendments to his benefits are a direct result of this. Many of the Board Members echoed this sentiment and thanked Mr. Carroll for his service.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 1:24 p.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: October 14, 2020