

## MRC 2021 Annual Meeting

Karen Fussell

- I am pleased to be here today, though I have to admit this is not the annual meeting we as a board had hoped for or expected.
- We had hoped to be introducing you to new buyers of the plant in Hampden and talking about the future under their leadership. But, perhaps fitting for this process which has been so painfully--really excruciatingly--drawn out so far, we are not quite there yet...Though it is not for a lack of trying.
- I will talk in a bit about the status of the plant sale, but I thought it would be useful to start by taking stock of where we've come from, what we've accomplished and the important role MRC plays in ensuring the communities in this region have a viable, long term, environmentally desirable—and sustainable—waste management solution.
- Many may not know this, but MRC turned 30 years old this year. That accomplishment alone deserves recognition.

- Some of you listening might remember MRC's origin story. How when PERC first opened in 1988 it did not perform as expected and how, by 1989, the owners declared the need for higher tip fees to remain solvent.
- Out of that facility's startup crisis, MRC was born. Communities—our communities--which all had individual contracts with PERC, realized we could be much more effective working together. And so began a very successful and financially rewarding partnership.
- Other storms hit the PERC operation over the years, and MRC helped communities to weather them, navigating members through the obstacles and challenges, not to mention multiple changes in PERC ownership, all while strengthening members' positions and maintaining tip fee stability.
- As the 2018 expiration date of members' contracts approached, MRC looked to the future.
- Our goal was to move this region to the next generation of waste management—one that would substantially increase recycling and diversion from landfills. And one that would rely on less waste and be more appropriately sized to our needs.
- PERC's partners, however, had a different vision of the future, which led MRC to the process that resulted in the construction of the facility in Hampden.

- An advanced waste processing plant that removes salable recyclables from MSW at the front end, converts organics into energy products, and creates pulp and other commodities out of fiber waste and other residuals.
- It was – and is – a beautiful thing; a future to be excited about.
- Of course, we are all too familiar with the Hampden facility's own startup crisis. However, it's important to remember—that roadblock and that failure was due to Coastal's poor management and a lack of financing, not because the facility didn't work.
- From its startup phases and months of full commercial operations, we know that the plant and its technology work. And we know what improvements are needed to enhance efficiency and increase diversion rates.
- That is why we are doing everything in our power to reopen the Hampden facility.
- Unfortunately, MRC's interests and efforts to that end have been significantly stymied by the complex legal ownership structure and inaction on the part of the bondholders, who hold primary position in the receivership and sale process.

- While some have painted MRC as showing the same lack of action this past year plus since the plant's been closed, nothing could be further from the truth.
- In fact, MRC and, in particular, our Executive Director Mike Carroll have been working harder than ever.
- Within weeks of the plant closing, MRC was able to work behind the scenes with Waste Management and PERC to keep 3/4 of members MSW out of the landfill.
- MRC ensured that the plant was secure and in compliance with its DEP permits.
- And, although legally the bondholders were in the driver's seat, it was the MRC who reached out to potential investors and buyers for the plant and moved that first proposal process forward.
- In December 2020, out of the three proposals submitted, the Bondholders chose Delta Thermo Energy, despite DTE being last on MRC's list.
- MRC spent countless hours undertaking a good faith effort to make the proposal work while protecting member interests.
- However, after months of missed deadlines and broken promises, MRC said "Enough" and revoked DTE's exclusivity. Although the Bondholders may still be holding out hope for a deal with DTE, the MRC has moved on.

- This fall, MRC solicited another round of proposals and received two complete submissions. MRC has now had three in depth meetings with one of the prospects and reviewed and commented on draft terms.
- The company has given the Bondholder's trustee their final and best offer. But we are disappointed to say that we are still waiting for the Bondholder's Trustee to get back to the buyer and MRC with their response. As you may have seen, MRC has another special board meeting this Friday to discuss our next steps.
- I share all of this history to help our members and the public understand the amount of time, effort and passion that MRC has put into finding a solution—a long-term solution that moves the region forward in terms of recycling rates and landfill diversion.
- We hear a bit of frustration out there: about how we are not doing enough to reopen the facility, or that we are not transparent and are holding too many executive sessions.
- To that, I say that MRC and its volunteer board has never worked harder for its members and the future of waste disposal in this region than we have over the last two years.

- MRC follows Maine's public meeting laws so you know about all of our meetings. And, yes, we have held a lot of executive sessions this past year, but all have been warranted given the complex legal and financial issues we've been grappling with. Take heart--if this were the private sector, these would all have taken place in a back room and you'd never even know about them.
- Just like our members do with their select boards and councils, MRC needs to have private conversations with its legal counsel, advisors and prospective buyers regarding contract and negotiation issues. Even if it didn't send every potential investor or buyer running for the hills, broadcasting a play by play would make any deal less competitive, not to mention open the MRC up to legal issues.
- With regard to reopening the Hampden facility, some have hinted—and not too subtly—that perhaps it's time to walk away from the plant—that it's too problematic. But to those critics, I ask—sincerely—what is the alternative?
- Reinstating recycling programs at a going rate of about \$140 per ton may be an option for wealthier communities, but what about others? And with the remainder of MSW going where? To landfill? To PERC, which, while still operating is having its own issues and is regularly bypassing to Juniper Ridge? To ecomaine,

which is close to capacity, not to mention over 100 miles distant from the bulk of MRC waste?

- Trust me, if there were an easier or better long term solution to this region's waste problem, we would not be fighting for this plant.
- The simple truth is that there are few alternatives for solid waste processing in our region. Which is why MRC is working so hard to create a new option that will benefit the region as a whole.
- MRC stands behind the plant, because we know the technology works.
- This transition has been more challenging than we ever imagined. However, our goals have NOT changed. MRC seeks to provide its members with the most cost effective and environmentally responsible approach to MSW possible. For the long-term.
- An organization like ours stands out in today's world. As politics and chatter drive more local, state, national and even global reports of us versus them and walls going up, here is an organization made up of a diverse set of members. We are rural and urban, small towns and Maine's third largest city, northern forests, country and coastal communities, who are coming together under one goal.

- We are seeking a long-term processing solution for our municipal solid waste and recycling that is cost-effective for all our members. We believe that we will achieve greater diversion rates from landfills and more recycling by sticking together and negotiating with one voice – through the MRC.
- We know the Hampden plant works and what it needs to run more efficiently. As painful as this transition period is, the plant remains this region’s best hope to maximize recovery and reduce our reliance on landfill for the long term. And we can do that together. We will do that together.
- Despite the challenges, we should be proud of our collaboration, 30 years and going – and our members should be proud of the work undertaken by this volunteer board of directors.
- MRC and its board are you – town managers, select board and council members, public works directors, finance directors, concerned citizens and public servants. We believe in our collective power and voice and look forward to the future when, with the facility reopened, we can turn our attention to find more ways to collaborate on other hard to dispose of items like construction demolition debris, carpets, mattresses, tires and more.



- Before I conclude and we open the floor to questions, I want to make sure I acknowledge some folks and their efforts over the last year.
  - First and foremost, MRC's Executive Director Mike Carroll. Mike, it is safe to say we would not have a plant in sellable and reopenable condition if not for your Herculean efforts since May 2020. It is not an overstatement to say that Mike has worked around the clock – days, nights, weekends and holidays – to preserve and secure the plant, ensure compliance with DEP permits, and develop solutions to the many obstacles preventing a plant sale, all while managing the disposal of members' waste. Mike, your problem solving powers never cease to amaze. And your dedication to our members is second to none. Thank you.
  - I also want to acknowledge and thank MRC's key contractors, including Technical consultant George Aronson, Commonwealth Resource Mgmt Corporation. Legal counsel Jon Pottle, Eaton Peabody. Communications manager, Jessie Pottle, Haley Ward. And many more behind the scenes. I know we pay them for their work, but they all have spent substantially more of their time than usual on MRC issues these past couple years.

- I'd also like to acknowledge our partners at Waste Management, PERC, the Town of Hampden, and Maine DEP. Thank you for all your cooperation through this whole process.
- I also offer my sincere thanks and appreciation to my fellow MRC Board Members for their time, commitment and dedication to this process and to our members.
- Last, and certainly not least, our biggest thank you goes to all of our MRC members, for your trust and your patience. We look forward to providing you lots of positive and progress filled reports in 2022!