

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

ANNUAL MEETING

The Annual Meeting of the Members and Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, December 15, 2021 at 3:00 p.m. in person and in an online format via Zoom and Facebook Live. In addition to a number of members from the charter municipalities of the Municipal Review Committee (“MRC”), 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
Robert Butler, Town of Waldoboro
Aaron Houtari, City of Bangor
Melissa Doane, Town of Bradley

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC
Jon Pottle, Eaton Peabody

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

President Fussell welcomed the membership to the Annual Meeting and each Director proceeded to introduce themselves and provide a brief overview of their service within their community as well as their length of time on the Board of Directors and service on committees for MRC.

ELECTION RESULTS

Michael Carroll summarized results of the election by welcoming Aaron Houtari of Bangor with 32% of the votes, and Karen Fussell of Brewer with 27% of the votes, back to the Board, and Steve Lewis of Boothbay with 25% of the votes, who will begin his first term on January 1, 2022. The Board also thanked James Vallette of Southwest Harbor, with 16% of the votes, for his application and desire to serve. Irene Belanger will end her service on the Board at the end of the year. Michael Carroll thanked her for her service to the MRC Board, and acknowledged her incredible 42 years of service to her community of China, by presenting her with flowers and a plaque. At this time, President Fussell turned the presentation over to Sophie Wilson for the Treasurer's Report.

TREASURER'S ANNUAL REPORT

Sophie Wilson provided an overview of account allocations, which total \$5,545,283 between the Wealth Management Account, Cash Collateral Account, Operating Account and Distribution and Development funds.

Ms. Wilson also presented the projected 2022 revenue budget as well as projected 2022 expenses, noting that the draft budget presented at this meeting is in substantially the form expected to be presented for approval at MRC's quarterly board meeting in January of 2022, and that members are encouraged to submit feedback before that time.

Finally, Ms. Wilson reported on the 2022 member tip fee, which is projected to be \$77.20 per ton due to an escalation of 6.81%, and the rebates, which will be ending as of October 31, 2022. Until such time that the program terminates, rebates will remain at \$5/ton for initial charter members and \$3/ton for new charter members.

REVIEW OF 2021

President Fussell presented a review of 2021, and, upon noting that MRC turned 30 this year, also provided a high-level overview of the last 30 years.

Born from a startup crisis when PERC first opened in 1988, and due to unexpected poor performance, MRC came into existence to help member communities weather obstacles and challenges in PERC operations over the years and to help maintain tip fee stability. It was a successful and financially rewarding partnership; however, as members' contracts were approaching expiration in 2018, MRC began looking to the future. In 2018, construction of the facility in Hampden began with a desire to substantially increase recycling and diversion from landfills, and with this, a move was made to push the region toward the next generation of waste management. Although the facility and its advanced waste processing procedures have proven successful, as shown by the performance test results, the poor management of the plant by Coastal Resources Management, Inc. and a lack of financing proved to be an obstacle too large to overcome.

In 2021, President Fussell noted that MRC has worked harder than ever to reopen the Hampden facility, and through a strategic partnership with Waste Management, has successfully kept $\frac{3}{4}$ of members' waste out of the landfill while the plant remains out of operation. During this shutdown, the plant is secure and in compliance with all its DEP permits and successful winterization has ensured the equipment remains in good working condition. In terms of a sale and reopening of the facility, President Fussell reminded those in attendance that one proposal was chosen in December 2020, by the Bondholders as the current driving force and final decision makers in the sale of the facility, contrary to MRC's preferred prospective buyers. Despite MRC working diligently to make this proposal work while still protecting member interest, after

months of missed deadlines and broken promises from Delta Thermo Energy, MRC declined to extend exclusivity and solicited a second round of proposals. Several special meetings to review the incoming proposals were held, and MRC submitted its final and best offer to the Bondholders' Trustee, however no response has been received. President Fussell recognizes member frustration and disappointment and notes MRC shares these emotions.

President Fussell reviewed the suggested alternatives proposed by members, including that it may be time to "walk away." The Board Members of MRC have reviewed all options in depth and weighed the positives and negatives of each in an effort to ensure that no better and easier long-term solution exists. President Fussell noted that few alternatives to solid waste processing exist in our region, and of the few, most are financially or logistically unavailable to a large portion of member communities. MRC stands behind the plant and its technology and remains committed to the original goals of providing members with the most cost effective and environmentally responsible approach to municipal solid waste possible.

President Fussell extended a huge thank you to all MRC members for their trust and patience through this process. In the face of further challenges and obstacles to reopen the Hamden plant in 2022, President Fussell and the Board Members remain hopeful and ask for continued patience from the members as MRC works diligently to achieve the outcome desired.

President Fussell recognized MRC's Executive Director Mike Carroll for his diligent work, around the clock, to preserve and secure the plant and ensure compliance with DEP permits. Mr. Carroll has been consistent in his development of solutions and problem solving to overcome the many obstacles preventing a sale of the plant. President Fussell also recognized MRC's key contractors who have devoted substantially more of their time than usual on MRC issues in the previous two years: Technical Consultant George Aronson of Commonwealth

Resource Management Corporation; Legal Counsel Jon Pottle of Eaton Peabody; and Communications Manager Jessamine Pottle of Haley Ward.

Also noted were several successful partnerships including Waste Management, PERC, the Town of Hampden, and Maine DEP. President Fussell thanked these partners for their cooperation through this process.

UPCOMING 2022 MEETING DATES

- January 26, 2022 @ 10 a.m. – Zoom format
- April 27, 2022 @ 10 a.m. – Location TBD
- July 27, 2022 @ 10 a.m. – Location TBD
- October 26, 2022 @ 10 a.m. – Location TBD

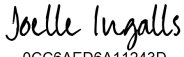
Each meeting is immediately preceded by the Finance Committee Meeting beginning at 9 a.m.

PUBLIC COMMENT AND QUESTIONS

Members and the public attending the Zoom session submitted many questions. Answers were provided regarding topics covered in the Annual Meeting presentation; Mr. Carroll clarified that MRC was paying full fees for pulp and fines before the DEP beneficial use permit was issued and some waste was being used as daily cover; President Fussell addressed questions about why MRC is not returning to PERC; and George Aronson noted that the Air Emissions License was obtained but Phase II was not reached due to the shutdown of the plant. A question regarding a Town's ability to divert school food waste elsewhere was posed, and President Fussell responded that a Town could contract that specific waste to be disposed of any way they chose as long as it was not a Town-wide initiative.

There being no further questions or business to come before the Board, the Annual Meeting was recessed at 4:27 p.m.

Respectively submitted,

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Joelle A. Ingalls

Dated: 1/26/2022
