

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, January 26, 2022 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
Tony Smith, Town of Mount Desert
Steve Lewis, Town of Boothbay

Dana Wrigley, Sr., Town of Oakland
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 convened the meeting at 10:01 a.m.

APPROVAL OF AGENDA

The first order of business to come before the Board was approval of the agenda. Bob Butler inquired about adding election of officers to the agenda. Karen Fussell proposed a change to include Election of Officers and Committee Assignments after Item 4, whereupon the agenda was accepted as amended.

CONSIDERATION OF MINUTES OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON NOVEMBER 5 AND 18, 2021 AND DECEMBER 7 AND 17, 2021; THE QUARTERLY MEETING ON OCTOBER 27, 2021; AND THE ANNUAL MEETING ON DECEMBER 15, 2021

The next order of business to come before the Board was approval of the minutes of Special Meetings on November 5 and 18, 2021 and December 7 and 17, 2021; the Quarterly Meeting on October 27, 2021; and the Annual Meeting on December 15, 2021. Dana Wrigley proposed removal of his name in the minutes of the Annual Meeting on December 15, 2021, as he was not present. Upon motion duly made and seconded, it was:

VOTED BY ROLL CALL: That the minutes of the Special Meetings on November 5 and 18, 2021 and December 7 and 17, 2021, and the Quarterly Meeting on October 27, 2021, hereby are approved in the form presented at the meeting; and the minutes of the Annual Meeting on December 15, 2021, hereby are approved as amended.

The motion passed, with Steve Lewis abstaining from the vote, as he was not on the Board at the time of the meetings and minutes being considered.

WELCOME NEW BOARD MEMBER STEVE LEWIS

President Fussell introduced and welcomed Steve Lewis to the Board. Mr. Lewis is the Boothbay Region Refuse Manager and Town of Boothbay Selectman.

APPOINTMENT OF OFFICERS FOR 2022

President Fussell requested nominations for officers to serve on behalf of the MRC for the ensuing year. Nominations for President, Vice President, Treasurer and Clerk were made, following which, upon a motion made and duly seconded to approve the slate of officers nominated, it was unanimously:

VOTED BY ROLL CALL: That the following individuals are elected to the offices set forth opposite their respective names, each to serve in that capacity until his/her successor has been duly elected and qualified or until his/her earlier resignation or removal from office:

President: Karen Fussell
Vice President: Tony Smith
Treasurer: Sophie Wilson
Clerk: Michael Carroll

2022 MRC COMMITTEE MEMBER APPOINTMENTS

The Board next reviewed interested individuals to serve on the Finance, Communication, and Waste Flow Committees, for the ensuing year. Following review of current appointments, the current committee appointments as presented were agreed upon and accepted as follows:

Finance Committee:	Karen Fussell Robert Butler Sophie Wilson	Tony Smith Aaron Houtari
Communication Committee:	Karen Fussell Steve Lewis Dana Wrigley, Sr.	Melissa Doane Aaron Houtari
Waste Flow Committee:	Kevin Howell Tony Smith Dana Wrigley, Sr.	Melissa Doane Robert Butler

EXECUTIVE DIRECTOR REPORT

Mr. Carroll provided the following information in his report: Processed waste from members in 2021 totaled 113,717 tons, including the commercial waste total of 23,500 tons, a slight increase over the 107,633 tons (including commercial waste) processed in 2020. Beginning January 1, 2022 the new Consumer Price Index (CPI) went into effect, and the new rate was reflected on the invoices beginning January 3, 2022 as \$77.20 per ton for joining members who are also charter members, and \$79.41 per ton for non-charter joining members. Mr. Carroll also reported PERC has sent no secondary Bypass Notices in the previous ten weeks.

All member waste allocated to PERC was processed on site versus bypass to Juniper Ridge. Additionally, Mr. Carroll reported that two of the MRC insurance policies were transferred to MMA for a savings of \$6,000 a year.

The Natural Resource Counsel of Maine is examining the current municipal cost flow of recyclables and presented questions to Mr. Carroll, which he answered in full. In an update on the Hampden facility, Mr. Carroll noted that the MRC continues to oversee the site, the heat is on and the facility remains in compliance with all DEP permitting requirement.

In an update on the Hampden Facility, Mr. Carroll reports MRC continues to monitor the site, the heat and gas are on despite being previously disconnected by Bangor Natural Gas in November. Both the electricity and gas are in MRC's name and not Coastal. Mr. Carroll continues to meet with D.E.P. regularly via Zoom and an in person facility visit occurred in response to the gas disconnect by Bangor Natural Gas, after which D.E.P. indicated their concerns were addressed.

Mr. Carroll had no update to provide on the status of the sale of the Hampden Plant due to a lack of responsiveness from the Bondholders' Trustee. Attorney Jon Pottle reported that he has been in correspondence with the attorneys representing all parties with mechanics' liens against Coastal and the contractors are reportedly supportive of MRC and wish to continue their support of the Plant under new ownership.

In light of this constructive response from contractors, and due to a lack of options for municipal solid waste disposal otherwise available, Mr. Carroll reported the MRC is considering a more direct role regarding the Plant and has begun looking at all the potential options to make this a reality, including discussions with lenders and contacts in Augusta.

President Fussell reiterated MRC's dissatisfaction with the lack of responsiveness from the Bondholders and Bondholders' Trustee and expressed concern that any current prospective Buyer has likely moved on.

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

George Aronson presented the Asset Management Report, and proposed three recommendations:

1. To distribute \$146,036.62 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$150,000.00 Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account (formerly known as the Custody Account) to fund the distribution referenced in Item 1 above; and
3. Transfer \$200,000.00 from the Tip Fee Stabilization Fund to the Contingency Account (formerly known as the Operating Budget Stabilization Fund) to be prepared to meet cash flow needs in the upcoming quarter.

Mr. Aronson notes that it is further recommended for the Promissory Note in the amount of \$1,500,000.00 be written down, as the possibility for repayment seems remote. Additionally, the value of the Hampden site and improvements at cost, which is now \$6,200,000.00, all of which have been turned over to the Town of Hampden, be removed from the asset totals for a more accurate and fair representation of where the MRC stands financially.

As of January 1, 2022, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$22,265.95 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$3,814,812.69, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) balance was \$269,574.05. The Cash Collateral Agency Account now holds a balance of \$1,527,305.52.

Mr. Aronson noted that all of the MRC's obligations are being satisfied and the unrestricted fund balance in the Tip Fee Stabilization Fund and Custody Account (excluding the Minimum Balance requirement of \$4.0 million) totals \$3,401,416.96.

Sophie Wilson remarked that the Finance Committee discussed the Coastal loan and value of the Plant being included on the Balance Sheet and agreed that removal of these would be prudent. 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 \$146,036.62 ratably to Joining Members to reduce their effective net disposal costs; transfer \$150,000.00 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; transfer \$200,000.00 from the Tip Fee Stabilization Fund to the Operating Budget Stabilization Fund to meet cash flow needs in the upcoming quarter related to payment of disposal fees for bypassed waste from Joining Members in advance of collection of the corresponding tip fee payments; 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 AND CURRENT BILLS PAYABLE

Sophie Wilson presented bills payable totaling \$46,559.51 to the Board for consideration. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$46,559.51 as presented to the Board at this meeting hereby are approved for payment.

Ms. Wilson next presented the proposed 2022 budget noting there is no recommendation to increase dues for 2022, and there is only a slight increase in expenses for the upcoming year as legislative advocacy, engineering support and costs to secure the Hampden plant are all showing

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

VOTED: That the 2022 MRC Operating Budget as presented to the Board at this meeting hereby is adopted.

SCHEDULE OF UPCOMING MEETING DATES

The next quarterly Board Meeting is scheduled for April 27, 2022.

REVIEW OF EXTENSION LETTER RE: INTEGRAL CAPABILITIES FOR PERFORMANCE TEST PROTOCOL

Attorney Pottle reminded those in attendance that the performance test for the CRM facility included conditions regarding the integral capabilities for the performance test protocol that were initially required to be addressed by December 31, 2019. This deadline has been extended multiple times and, due to the current bypass scenario, a further extension is recommended. Attorney Pottle proposed an extension to April 29, 2022, with the understanding the MRC may choose to terminate the extension with notice consistent with the most recent extension. Attorney Pottle noted conditions regarding the integral capabilities of the performance test protocol related to key agreements with the CRM facility that, if triggered, can result in termination of agreements if not fulfilled.

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 April 29, 2022 with provisions for MRC to terminate the extension with ten business days' notice.

PUBLIC COMMENT

In response to a question, Michael Carroll stated that any proposal made by the MRC to the Bondholders would not be for public disclosure, and President Fussell clarified there has been no proposal made by the MRC. President Fussell also confirmed that Delta-Thermo Energy is no longer being considered.

EXECUTIVE SESSION

At 10:46 a.m., a motion was made and duly seconded to go into 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 12:50 p.m. the executive session ended. The regular meeting resumed at 12:55 p.m.

CONSIDERATION OF ITEMS AS A RESULT OF EXECUTIVE SESSION

President Fussell reports only one item requires a motion and vote.

Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the MRC to authorize the President and/or the Vice President, acting singly, to direct legal counsel to take all necessary and appropriate actions, including moving to dissolve the Receivership, unless a sale is promptly implemented, and further to prosecute MRC’s legal claims against Coastal, Fiberright, and any other parties.

President Fussell advised there will be an Executive Session with Members in mid-February where each Municipal Member will be allowed one representative in attendance. A Constant Contact will be sent with more details.

There being no further business, at 12:58 p.m. a motion was made, duly seconded, and approved to adjourn the meeting.

Respectively submitted,

DocuSigned by:
Joelle Ingalls
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Joelle A. Ingalls

Dated: 4/27/2022