

CommonWealth

Resource Management Corporation

12 April 2022

The Municipal Review Committee, Inc. (the MRC)
Attn.: Michael Carroll, Executive Director
20 Godfrey Drive, Suite 213
Orono, Maine 04473

RE: Joining Member Assets Managed by the MRC for the First Quarter of 2022:
Financial Statements and Distributions

Dear Members of the Committee:

CommonWealth Resource Management Corporation (CRMC) herein presents financial statements through the first quarter of 2022 for assets of Joining Members held by the MRC. The Joining Members include 83 municipalities and public entities that entered into Joinder Agreements with the MRC for management of their MSW and related funds and assets on and after April 1, 2018. The assets include a site and related infrastructure in Hampden, Maine (the Site), owned by the MRC on behalf of the Joining Members, which site has been leased to Coastal Resources of Maine, LLC (Coastal) pursuant to a Restated and Amended Site Lease (the Site Lease). Coastal operated a processing facility on the Site (the Facility) that accepted MSW from the Joining Members in accordance with a Master Waste Supply Agreement between Coastal and the MRC (MWSA), but suspended operations on May 28, 2020. The MRC also manages reserve funds being held on behalf of the Joining Members consistent with the Joinder Agreements.

When Coastal suspended operations of the Facility, it stopped accepting MSW from the Joining Members, and became unable to fulfill its contractual obligations to the MRC under the Master Waste Supply Agreement and the Site Lease. Coastal was also unable to fulfill its payment and other contractual obligations to its lenders and investors. In July 2020, Coastal's lenders had the Facility placed in receivership to facilitate the sale of Coastal's assets. The MRC has been working with the indenture trustee for Coastal's lenders (the Trustee) to negotiate the transfer of ownership of the Facility and other Coastal assets to a new purchaser in order to return the Facility to service. An auction process is now in place for sale of the Facility out of receivership by June 30, 2022. As part of the arrangement, the MRC is serving as a stalking horse such that, in the absence of higher and better bids, the MRC would purchase the Facility after the auction at a price of \$1.5 million less certain expenses, but subject to a minimum price of \$1.0 million.

In advance of the auction and sale, this letter focuses on the financial status of the MRC as of April 1, 2022. It is acknowledged that sale of the Facility through the auction process to another party, or to the MRC, will have a significant and substantial impact on the MRC's financial position.

The suspension of Facility operations has had the following consequences on the MRC's financial position:

- To avoid interruptions in providing MSW disposal services to Joining Members, the MRC assumed Coastal's obligation to manage diversion of MSW from Joining Members to back-up disposal facilities. In this context, the MRC now collects tip fees from Joining Members and pays disposal costs to the back-up facilities. In this role, the MRC needs working capital to the extent that payments for disposal costs at back-up facilities (a) are payable in advance of receiving tip fees collected from Joining Members; and (b) exceed such tip fees, resulting in cash losses. The MRC is seeking recovery of cash losses through claims against Coastal. The MRC financials do not assume recovery of the claims.
- In May 2020, when Coastal suspended Facility operations, the MRC exercised its rights under the Site Lease to (a) secure the condition of the Facility in order to facilitate re-start of operations; and (b) ensure compliance with applicable permits and licenses of the Maine Department of Environmental Protection (the Maine DEP) and the Town of Hampden. These actions were performed at substantial cost to the MRC. The MRC is seeking recovery of unreimbursed costs through claims against Coastal. The MRC financials do not assume recovery of these costs.
- In February 2020, the MRC provided Coastal with an unsecured loan for \$1.5 million on the expectation of repayment from a subsequent refinancing. The refinancing did not close, and Coastal has not repaid the \$1.5 million loan. In January 2022, the MRC Board voted to include on its balance sheet an allowance for non-recovery to offset the full value of the loan principal and interest. The MRC's auditor subsequently advised full removal of the loan value from the balance sheet.

The financial statements that follow reflect these consequences. Accordingly, the balance sheet and statement of activities for the joint venture of the Joining Members and the MRC incorporate line-items, notes and adjustments related to the MRC's roles in securing the Facility and in managing tip fee collection and disposal cost payments for Joining Members.

Regarding the administration of funds, CRMC offers the following recommendations:

1. Distribute **\$125,603.45** to Joining Members to reduce the effective net disposal costs by \$5 per ton for Joining Members that were Equity Charter Municipalities, and by \$3 per ton for those Joining Members that were New Charter Municipalities, per Exhibit B to the Joinder Agreements, and to reimburse fees not being collected as a result of current arrangements.
2. Transfer **\$125,000** from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account (the D and D Account) in order to fund the distribution amount referenced in Item 1 above.
3. Transfer an additional **\$200,000** from the Tip Fee Stabilization Fund to the Contingency Account to prepare for cash flow needs in the upcoming quarter.

4. Transfer **\$50,000** to the Operating Account to fund administrative expenses in the next quarter as anticipated in the 2022 MRC Operating Budget.
5. As part of serving as a stalking horse for the auction sale process, make a deposit of \$150,000 with the Receiver or their designee as a downpayment, and place an additional \$850,000 in an escrow account. Both amounts would come from the Cash Collateral Account and would be applied to the sale price if the MRC is the ultimate purchaser.

The remainder of this letter provides the basis for these recommendations, including

- Financial statements for the MRC Joint Venture with the Joining Members as of April 1, 2022, and prior quarters (Tables 1 and 2).
- Basis for distributions to Joining Members (Table 3).

MRC quarterly financial statements: balance sheets and statements of Net Position

Table 1 presents balance sheets for the end of the first quarter of 2022 and preceding quarters in a format that reflects financial statements prepared previously by the MRC's auditor, with additional line-items and adjustments to present activity related to the suspension of Facility operations. As shown, as of April 1, 2022, the joint venture of the MRC and the Joining Members had total assets of **\$6,238,851.36** comprised of the following:

- The Development and Distribution Account (the D and D Account, formerly the Custody Account) balance of **\$26,153.79** held at First National Bank (First NB). The D and D Account was used during the quarter to pay distributions to Joining Members, which was funded by a transfer of \$150,000.00 from the Target Value Reserve Fund in the Tip Fee Stabilization Account.
- Accounts Receivable of **\$410,993.91** for tip fees from Joining Members for MSW delivered in the quarter, of which \$375,642.53 have been out for less than 30 days.
- The Tip Fee Stabilization Account balance, which was **\$3,110,165.30** comprised of **\$3,102,531.60** in market value of investments in the form of fixed income assets (US Treasury bills, US agency bonds, commercial bank CDs and \$577,961.29 in cash equivalents) and **\$7,633.70** in accrued interest. This fund is managed by First National Wealth Management, which is affiliated with First NB. Withdrawals during the quarter include \$150,000 transferred to the D and D Account, \$133,253.64 transferred to the MRC Operating Account for administrative expenses and \$316,746.36 transferred to the Contingency Account to pay for bypass disposal costs and for pay utilities to secure the condition of the Facility.
- The Contingency Account (formerly the Operating Budget Stabilization Account) balance of **\$91,328.85**, which is held in a liquid money market account at First NB. This account was used

in the quarter to pay \$1,883,665.13 of disposal costs to back-up disposal facilities and to receive tip fees of \$1,478,993.66 from Joining Members.

- The Cash Collateral Agency Account balance, which was **\$1,461,461.24**, all held at First NB in the name of Coastal Resources of Maine, LLC for benefit of the MRC, valued as follows:
 - **\$1,459,237.80** held at First NB in the form of fixed income funds, short-term investment funds and money market funds. About 95.8 percent was invested, with \$66,988.28 held as cash and equivalents.
 - **\$ 4,233.22** in accrued interest from fixed income assets.

Note that the market value of the Cash Collateral Account balance is now below the \$1,500,000 minimum balance per the Site Lease and Master Waste Supply Agreements and prior waivers. Given that Coastal is in default of both agreements, the obligation is not binding. The balance declined due to loss of market value of fixed income funds as a consequence of rapid increases in interest rates during the quarter.

As part of the agreement on the auction sale process, which could result in the MRC purchasing the Facility as the stalking horse in the absence of higher or better bids, the MRC agreed to make a deposit of \$150,000 as a downpayment pending the completion of the auction process, and to place an additional \$850,000 in an escrow account. Both amounts would come from the Cash Collateral Account and would be applied to the sale price if the MRC is the ultimate purchaser. The remaining funds would be provided by the MRC at the closing from the cash Collateral Account funds or from other accounts if necessary.

- The Site owned by the MRC improved for development of the Hampden Facility, valued at **\$1,138,748.27**. In prior asset management letters, the Site had been valued at \$6,214,505.22 on the basis of past expenditures for site acquisition and infrastructure development. Note that although the MRC continues to own the Site, ownership of the access road to the Facility and certain other infrastructure features has been turned over to the Town of Hampden. The MRC has not performed an appraisal of the Site market value, which is likely less than the valuation at book cost. In this circumstance, the MRC Board directed that the MRC balance sheet continue to show the original book value of the Site until a supportable basis could be developed through an appraisal or otherwise. Subsequently, the auditor recommended the value of \$1,138,748.27 on the basis of the full book cost for Site acquisition and improvements net of the book cost of the access road and other infrastructure turned over to the Town of Hampden. The statements provided herein are based on the auditor's recommendation.

As Table 1 also shows, as of April 1, 2022, the joint venture of the MRC and the Joining Members had liabilities and payables of **\$231,901.98** comprised of the following:

- Distributions and fee reimbursements payable of **\$125,603.45** per Table 3 as described below.

- An amount of **\$310.94** to adjust the D and D Account balance for prior distribution payments to Joining Members that have not yet cleared that account.
- Accrued disposal cost payments of **\$105,987.59** based on disposal fees incurred but not yet paid for bypass MSW delivered for disposal through the end of the quarter.

Accounting for the Total Assets of \$6,236,851.36 and total liabilities and payables of \$231,901.98, as of the end of the quarter the MRC had a Net Position for the benefit of Joining Members of **\$6,006,949,38**.

MRC quarterly financial statements: statement of activities and Change in Net Position

Table 2 presents additions (revenues) and deductions (expenditures) of the joint venture for the first quarter of 2022 and preceding quarters. The excess of revenues over expenditures, as adjusted for changes in balance sheet items, is reconciled with the change in the Net Position over each quarter. Table 2 also shows transfers to the MRC Operating Fund. As shown:

- The MRC received revenue from tip fees for Joining Member MSW delivered and accepted **\$1,476,993.66** in the quarter.
- The MRC earned **\$11,387.92** in interest and dividends net of bank fees from invested funds in the quarter. Accrued interest increased by **\$3,917.25**. The market value of investments depreciated by **\$185,774.87** during the quarter, which is attributable to changes in the market valuations of fixed income assets as interest rates fluctuate.
- The MRC paid distributions to Joining Members of **\$145,624.53** in the quarter, including payments from prior quarters that cleared the account in the past quarter.
- The MRC paid disposal costs of **\$1,883,655.13** for disposal of bypassed Joining Member MSW in the quarter.
- The MRC paid expenses of **\$105,126.93** related to securing the Facility in the quarter.
- The MRC transferred **\$116,746.36** to the Operating Fund during the quarter.

Accounting for the excess of additions over deductions and adjusting for payment lags due to accounts payable and receivable, the MRC experienced a Change in Position that was a net reduction of **\$327,821.88** in the quarter.

Distributions and transfers

Table 3 shows the basis for the **\$125,603.45** in distributions proposed for payment to the Joining Members for the past quarter as follows:

- **\$85,455.56** for distribution to Joining Members to reduce the effective net disposal costs by \$5 per ton for those Joining Members that were Equity Charter Municipalities and by \$3 per ton for those Joining Members that were New Charter Municipalities and for the Town of Oakland. In the Joinder Agreements, Exhibit B, Section 2(c), the MRC is obligated to make such distribution payments in the first 36 months after the Commercial Operation Date, which occurred on November 1, 2019.
- **\$40,147.89** for payment to the Cities of Bangor and Brewer and the Towns of Hampden and Orono, for per-ton distributions and budgeted fees not collected as a consequence of interim transportation arrangements that continued during the quarter.

To fund these payments, CRMC recommends that the MRC transfer **\$125,000** from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the D and D Account. In the period since the Commercial Operation Date of November 1, 2019, which began the 36-month distribution period, if the recommended distribution is approved, MRC will have distributed \$1,378,340.24 including the distribution recommended herein. This is an excess of \$170,006.91 over the budgeted amount for distributions of \$1,208,333.33 for the first 29 months of the 36 month-period.

To continue to fund the costs of bypass disposal and to secure the condition of the Facility, CRMC recommends that the MRC transfer an additional **\$200,000** from the Tip Fee Stabilization Fund to the Contingency Account (formerly the Operating Budget Stabilization Account) at this time.

In addition, CRMC recommends that the MRC transfer \$50,000 to the Operating Account to fund administrative expenses in the next quarter as anticipated in the 2022 MRC Operating Budget.

Reserve fund requirements and resources

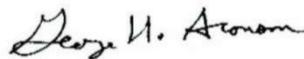
As of April 1, 2022, the status of the requirements for reserve funds in Exhibit B, Section 2 of the Joinder Agreements is described below:

Reserve fund requirement	Resources
\$5.0 million for actual expenditures for acquisition of the site and development of related infrastructure	Satisfied by expenditures in 2016 and 2017
\$1.167 million as the Closure Reserve Fund	Satisfied by funding expenditures from the Operating Fund

\$3.0 million for the Delivery Sufficiency Reserve Fund	The minimum balance requirement was waived by Coastal with the consent of its lenders as a condition precedent to the short-term interim loan to Coastal.
Up to \$7.0 million as the Building Reserve	The secured obligations are not binding, because Coastal is in default of the Site lease and the Master Waste Supply Agreement.
\$1.0 million for Bridge Waste transportation costs held in Tip Fee Stabilization Fund and D and D Account	The cost reimbursement period ended for the MRC at the Commercial Operation Date. The remaining funds are now included in the Target Value Reserve Fund.
Target Value Reserve Fund	<p>\$1,500,000 reserved \$1,227,000 transferred through 1Q2022 <u>\$ 125,000 transfer recommended in 2Q 2022</u> \$1,352,000 to be transferred or recommended</p> <p>\$180,000 reserved after recommended transfer</p> <p>\$1,378,340.24 distributed or recommended for distribution since the Commercial Operation Date.</p>
Unrestricted fund balance in the Tip Fee Stabilization and D and D Accounts (excludes Minimum Balance requirement of \$4.0 million assumed to be suspended under current circumstances)	<p>\$3,110,165.30 in the Tip Fee Stabilization Account <u>26,153.79</u> in the D and D Account \$3,136,319.09 (\$ 125,000.00) recommended transfer 2Q 2022 <u>(\$ 180,000.00) reserved for future distributions</u> \$2,831,319.09 remaining unrestricted balance</p>

If you have any further questions, please feel free to contact me.

Sincerely,



George H. Aronson, Principal

Attachments: Tables 1 through 3

Table 1
Joint Venture of the Joining Members of the Municipal Review Committee, Inc.
Governmental Funds Balance Sheet / Statement of Net Position
Quarterly Basis through 1Q 2022, adjusted for audit through 4Q 2020

	Notes	Unaudited 1-Apr-22	Unaudited 1-Jan-22	Unaudited 1-Oct-21	Unaudited 1-Jul-21	Unaudited 1-Apr-21	Audited 1-Jan-21
ASSETS							
Cash and cash equivalents							
D and D Account (First National Bank)	1	26,153.79	22,045.91	21,391.94	25,977.36	28,876.23	9,339.90
Custody Account (Bangor Savings Bank)	2						233.07
Accounts Receivable							
Tip Fees receivable for Joining Members MSW	3	410,993.91	134,265.96	579,625.56	339,053.45	532,067.06	688,938.00
Reimbursements receivable for Facility costs	4		-	9,739.95	7,050.79	-	15,342.04
Investments							
Tip Fee Stabilization Fund							
Account balance (at First National Wealth Management)	5	3,102,531.60	3,809,371.05	4,411,548.86	5,055,927.52	5,237,748.51	5,520,157.59
Accrued income	5	7,633.70	5,441.64	14,092.99	12,319.58	9,207.90	19,715.64
Contingency Account (First National Bank WM)		91,328.85	269,574.05	239,770.80	335,570.69	286,756.15	438,527.50
Cash Collateral Account/Delivery Sufficiency Fund							
Account balance (at First National Wealth Management)	5	1,459,237.80	1,526,807.27	1,527,500.89	1,525,331.01	1,506,803.43	1,532,869.71
Accrued income (at First National Wealth Management)	5	2,223.44	498.25	3,506.95	2,323.74	1,131.13	1,088.33
Promissory Note (Interim Loan to Coastal Resources of Maine LLC)	6						
Value of Hampden site and infrastructure	7	1,138,748.27	1,138,748.27	1,138,748.27	1,138,748.27	1,138,748.27	1,138,748.27
TOTAL ASSETS		6,238,851.36	6,906,752.40	7,945,926.21	8,442,302.41	8,741,338.68	9,364,960.05
LIABILITIES AND NET POSITION							
Liabilities							
Cash payable to Joining Members, current quarter	8	125,603.45	146,036.62	167,311.84	151,651.68	126,636.89	149,421.48
Other payables	9	310.94	367.45	2,087.90	8,142.30	2,366.40	49,623.36
Costs payable to disposal facilities for Joining Member MSW	10	105,987.59	583,783.09	152,213.75	538,431.07	489,450.13	645,642.37
Statement of Net Position held for the benefit of Joining Members		6,006,949.38	6,176,565.24	7,624,312.72	7,744,077.36	8,122,885.26	8,569,896.20
TOTAL LIABILITIES AND NET POSITION		6,238,851.36	6,906,752.40	7,945,926.21	8,442,302.41	8,741,338.68	9,364,960.05
NOTES							
1	D and D Account balance on 1 January 2021 reduced by \$59,350.30 for payments made prior to end of 2020 that cleared in 2021.						
2	Custody Account at Bangor Savings Bank closed in 1Q 2021.						
3	Receivable for tonnage delivered for disposal through end of quarter.						
4	Receivable for costs paid with prior agreement on reimbursement.						
5	Assets include investments valued at market value. Accrued income stated separately. Tip Fee Stabilization Fund Minimum Balance of \$4.0 million does not apply due to uncured default by Coastal Resources under the Site Lease. Cash Collateral Account Minimum Balance was reduced from \$3.0 million to \$1.5 million by consent of Coastal and lenders. Further withdrawal requires additional consents from Coastal and its lenders.						
6	Promissory Loan of \$1.5 million marked to zero per auditor advice based on Coastal failure to make repayment.						
7	Value includes the booked cost of Site acquisition and development, net of booked cost of access road transferred to the Town of Hampden. The Site market value has not been appraised independently.						
8	Cash payable to Joining Members in subsequent quarter per the Joinder Agreements.	125,603.45	146,036.62	167,311.84	151,651.68	126,636.89	149,421.48
9	Checks to Joining Members not yet not cleared	310.94	367.45	2,087.90	8,142.30	2,366.40	49,623.36
10	Disposal costs payable to bypass facilities. Includes unpaid invoices and and tons delivered by end of quarter not yet invoices.	105,987.59	583,783.09	152,213.75	538,431.07	489,450.13	645,642.37
	Tip fees receivable from Joining Members						
	MSW tons to JRL after Suspension		3,327.46	6,539.43	7,603.62		
	MSW tons to Crossroads after Suspension	6,171.41	6,990.85	8,382.42	7,740.70	6,389.74	7,874.50
	MSW tons to the PERC facility after Suspension	11,980.83	12,005.92	12,029.79	7,388.77	11,861.47	14,561.57
	Total MSW tons received	18,152.24	22,324.23	26,951.64	22,733.09	18,251.21	22,436.07
	Net receivables (per Aging Report)	410,993.91	134,265.96	579,625.56	339,053.45	532,067.06	688,938.00
	Tip Fees payable to disposal facilities for Joining Members						
	WMI Crossroads	thru March 26					
	Tons received after last invoice paid	383.56					
	Disposal per-ton cost	68.75					
	Disposal cost	26,369.75					
	PERC	thru March 26					
	Tons received after last invoice paid	845.20					
	Disposal per-ton cost (tip fee + royalty to WMI)	94.20					
	Disposal cost	79,617.84					
	Total disposal cost payable, end of quarter	105,987.59					

Table 2						
Joint Venture of the Joining Members of the Municipal Review Committee, Inc.						
Statement of Governmental Fund Revenues, Expenditures and						
Changes in Fund Balance/Statement of Activities						
Quarterly basis through 1Q 2022, audited through 4Q 2020						
	Period	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	from	4Q 2021	4Q 2021	3Q 2021	2Q 2021	1Q 2021
	to	1-Jan-22	1-Oct-21	1-Jul-21	1-Apr-21	1-Jan-21
		1-Apr-22	1-Jan-22	1-Oct-21	1-Jul-21	1-Apr-21
ADDITIONS (revenue)						
Revenue from operations						
	Tip fees received from Joining Members MSW	1,476,993.66	1,619,522.91	2,019,256.49	1,586,077.79	1,454,403.87
	Reimbursements received for Facility costs	-	-	5,659.20	17,483.80	53,788.40
Revenue from investments						
Interest and dividend income net of fees						
	D and D (Custody) Account	83.31	54.92	(192.13)	12.91	(214.78)
	Tip Fee Stabilization Fund - net earnings	6,776.75	54,367.38	20,801.61	16,482.05	34,922.67
	Tip Fee Stabilization Fund - change to accrued income	2,192.06	(8,651.35)	1,773.41	3,111.68	(10,507.74)
	Tip Fee Stabilization Fund - appreciation (depreciation)	(113,616.20)	(55,933.19)	(15,180.27)	26,696.96	(77,331.75)
	Contingency Account (Op Budget Stab) - net earnings	(61.34)	125.98	197.65	157.77	51.65
	Cash Collateral Account - net earnings	4,589.20	23,390.56	6,540.17	5,501.19	8,355.56
	Cash Collateral Account - change to accrued income	1,725.19	(3,008.70)	1,183.21	1,192.61	42.80
	Cash Collateral Account - appreciation (depreciation)	(72,158.67)	(24,084.18)	(4,370.29)	13,026.39	(34,421.84)
	TOTAL REVENUE (ADDITIONS)	1,306,523.96	1,605,784.33	2,035,669.05	1,669,743.15	1,429,088.84
DEDUCTIONS (expenditures)						
	Joining Member cash payments	145,624.53	169,400.95	156,275.01	120,860.99	196,678.44
	Distributions/adjustments to members					(59,305.30)
	Disposal costs paid for Joining Member MSW	1,883,655.13	1,734,016.80	2,451,872.69	1,610,359.09	1,575,912.78
	Expenses paid to secure the Facility	105,126.93	25,850.13	13,517.43	45,292.38	46,764.88
	Transfers to Operating Fund	116,746.36	260,590.71	153,641.39	6,304.14	120,446.43
	TOTAL EXPENDITURES (DEDUCTIONS)	2,251,152.95	2,189,858.59	2,775,306.52	1,782,816.60	1,880,497.23
	EXCESS OF ADDITIONS OVER DEDUCTIONS	(944,628.99)	(584,074.26)	(739,637.47)	(113,073.45)	(451,408.39)
ADJUSTMENTS						
	Change in cash payable to Joining Members	20,433.17	21,275.22	(15,660.16)	(25,014.79)	22,784.59
	Change in other payables	56.51	1,720.45	6,054.40	(5,775.90)	(2,366.40)
	Change in disposal costs payable	477,795.50	(431,569.34)	386,217.32	(48,980.94)	156,192.24
	Change in receivables					
	Other adjustment (dues transfer, etc.)	-	(9,739.95)	2,689.16	7,050.79	(15,342.04)
	Change in JM tip fees receivable	276,727.95	(445,359.60)	240,572.11	(193,013.61)	(156,870.94)
	Total adjustments	775,013.13	(863,673.22)	619,872.83	(265,734.45)	4,397.45
	Adjusted Excess of Additions over Deductions	(169,615.86)	(1,447,747.48)	(119,764.64)	(378,807.90)	(447,010.94)
CHANGE IN NET POSITION						
	End of period	6,006,949.38	6,176,565.24	7,624,312.72	7,744,077.36	8,122,885.26
	Start of period	6,176,565.24	7,624,312.72	7,744,077.36	8,122,885.26	8,569,896.20
	Change in Net Position over Period	(169,615.86)	(1,447,747.48)	(119,764.64)	(378,807.90)	(447,010.94)
		-	-	-	-	-
	Interest					
	Accrued income					

Table 3												
MRC Distributions to Joining Members per Joinder Agreements, Exhibit B, Section 2(c)												
Joining Members	EDA	Equity/New	Tons by month			Tonnage Adjustments	Tonnage Total	Rate	Distribution	Distribution adjustments	Adjusted total	Tip Fee @ \$2.21 per ton
			Jan-22	Feb-22	Mar-22							
Abbott	140	New	-	11.97	15.71		27.68	\$ 3.00	83.04		83.04	
Albion	900	Equity	60.18	60.26	81.21		201.65	\$ 5.00	1,008.25		1,008.25	
Alton	290	Equity	22.44	21.60	29.85		73.89	\$ 5.00	369.45		369.45	
Piscataquis Co (Atkinson)	131	Equity	13.24	8.47	11.90		33.61	\$ 5.00	168.05		168.05	
Bangor	28,000	Equity	821.71	714.62	897.01		2,433.34	\$ 5.00	12,166.70		12,166.70	
Bar Harbor	5,056	Equity	197.60	160.50	244.79		602.89	\$ 5.00	3,014.45		3,014.45	
Belfast	700	New	41.55	59.68	37.31		138.54	\$ 3.00	415.62		415.62	
Blue Hill/Surry	4,000	Equity	267.99	251.81	304.51		824.31	\$ 5.00	4,121.55		4,121.55	
Boothbay Region	4,500	Equity	256.71	224.24	302.95		783.90	\$ 5.00	3,919.50		3,919.50	
Bowerbank	33	New	3.33	2.13	2.99		8.45	\$ 3.00	25.35		25.35	
Bradley	400	Equity	36.65	39.24	51.88		127.77	\$ 5.00	638.85		638.85	
Brewer	5,275	Equity	256.63	222.23	280.17		759.03	\$ 5.00	3,795.15		3,795.15	
Brooks	417	Equity	27.62	19.87	27.03		74.52	\$ 5.00	372.60		372.60	
Brownville	575	Equity	40.95	42.40	56.85		140.20	\$ 5.00	701.00		701.00	
Bucksport	1,000	Equity	80.13	63.43	92.54		236.10	\$ 5.00	1,180.50		1,180.50	
Burlington/Lowell	260	Non	28.25	19.35	31.86		79.46	\$ -	-		-	\$175.61
Carmel	1,150	Equity	83.04	81.92	114.44		279.40	\$ 5.00	1,397.00		1,397.00	
Castine	200	New	11.70	13.05	14.01		38.76	\$ 3.00	116.28		116.28	
Central Penobscot	2,500	Equity	196.83	186.61	223.03		606.47	\$ 5.00	3,032.35		3,032.35	
Cherryfield	478	New	25.55	24.27	24.45		74.27	\$ 3.00	222.81		222.81	
Chester	414	New	27.77	28.73	40.69		97.19	\$ 3.00	291.57		291.57	
China	996	Equity	99.77	90.53	104.73		295.03	\$ 5.00	1,475.15		1,475.15	
Clifton	435	Equity	23.48	23.80	25.28		72.56	\$ 5.00	362.80		362.80	
County of Aroostook	23	New	-	-	-		-	\$ 3.00	-		-	
County of Piscataquis	34	New	16.24	11.20	16.05		43.48	\$ 3.00	130.45		130.45	
Cranberry Isle	50	New	-	-	7.70		7.70	\$ 3.00	23.10		23.10	
Dedham	350	Equity	25.27	23.10	31.25		79.62	\$ 5.00	398.10		398.10	
Dixmont	153	New	13.28	10.56	14.66		38.50	\$ 3.00	115.50		115.50	
Dover - Foxcroft	2,200	Equity	231.46	148.01	207.95		587.42	\$ 5.00	2,937.10		2,937.10	
Eddington	864	Equity	71.69	54.89	73.97		200.55	\$ 5.00	1,002.75		1,002.75	
Franklin	197	New	22.81	21.55	25.53		69.89	\$ 3.00	209.67		209.67	
Freedom	115	New	9.40	8.24	13.52		31.16	\$ 3.00	93.48		93.48	
Frenchboro	18	Non	2.19	-	-		2.19		-		-	\$4.84
Garland	215	New	12.01	13.31	13.37		38.69	\$ 3.00	116.07		116.07	
Guilford	1,256	Equity	110.94	107.97	135.36		354.27	\$ 5.00	1,771.35		1,771.35	
Hampden	3,400	Equity	173.18	156.49	214.56		544.23	\$ 5.00	2,721.15		2,721.15	
Holden	966	Equity	51.33	51.18	53.72		156.23	\$ 5.00	781.15		781.15	
Hudson	146	New	39.91	36.97	49.68		126.56	\$ 3.00	379.68		379.68	
Knox	410	New	17.38	6.25	5.00		28.63	\$ 3.00	85.89		85.89	
Lee	447	Equity	32.23	20.66	27.99		80.88	\$ 5.00	404.40		404.40	
Levant	1,000	Equity	91.53	57.85	79.71		229.09	\$ 5.00	1,145.45		1,145.45	
Lucern	301	Equity	20.67	18.90	25.56		65.13	\$ 5.00	325.65		325.65	
Mariaville	142	Equity	22.50	-	-		22.50	\$ 5.00	112.50		112.50	
Mattawamkeag	312	Equity	20.54	23.20	32.75		76.49	\$ 5.00	382.45		382.45	

Table 3 (continued)										
Reimbursements of Lost Fee Collections due to Interim Disposal Arrangement per Joinder Agreements, Exhibit B, Section 2(c)										
	<i>Tonnage diversion</i>				<i>Reimbursement of lost distribution</i>			<i>Reimbursement of lost admin fees</i>		
	EDA	1Q 2018	1Q 2022	Basis tons						
	Tons/yr	tons	tons	(Variance)	Basis tons	Rate	Payment	Basis tons	Rate	Payment
Bangor	28,000	6,411.10	2,433.34	(3,977.76)	3,977.76	\$ 5.00	19,888.80	3,977.76	\$ 2.70	\$ 10,739.95
Brewer	5,275	1,267.17	759.03	(508.14)	508.14	\$ 5.00	2,540.70	508.14	\$ 2.96	\$ 1,504.09
Hampden	3,400	913.65	544.23	(369.42)	369.42	\$ 5.00	1,847.10	369.42	\$ -	\$ -
Orono	3,750	1,075.22	574.91	(500.31)	500.31	\$ 5.00	2,501.55	500.31	\$ 2.25	\$ 1,125.70
		9,667.14	4,311.51	(5,355.63)	5,355.63		\$ 26,778.15	5,355.63		\$ 13,369.74
										\$ 40,147.89