

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 25, 2023 at 10:00 a.m. in a hybrid format with the Board Members attending in person at the Orono Town Office and various attendees present via Zoom. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Karen Fussell, City of Brewer
Aaron Huotari, City of Bangor
Melissa Doane, Town of Bradley
Steve Lewis, Town of Boothbay

Kevin Howell, Town of Carmel
Robert Butler, Town of Waldoboro
Tony Smith, Town of Mount Desert
Ella Bowman, Town of Oakland

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC (virtually)
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 was approval of the agenda. The agenda was accepted as presented with no changes.

CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING ON OCTOBER 26, 2022; SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON NOVEMBER 4, NOVEMBER 9, NOVEMBER 23, NOVEMBER 29 AND DECEMBER 19, 2022; AND ANNUAL MEETING ON DECEMBER 14, 2022

The next order of business was approval of the minutes of the Quarterly Meeting on October 26, 2022; Special Meetings of the Board of Directors on November 4, November 9, November 23, November 29 and December 19, 2022; and Annual Meeting on December 14, 2022. A request was made to amend the minutes of the annual meeting on December 14, 2022 to reflect Kevin Howell in attendance, remove Sophie Wilson as having attended, and correct spelling errors, a typo and a date reference. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Meeting on October 26, 2022; Special Meetings of the Board of Directors on November 4, November 9, November 23, November 29 and December 19, 2022; and Annual Meeting on December 14, 2022, hereby are approved as amended.

WELCOME NEW AND RETURNING BOARD MEMBERS

President Fussell welcomed the newly elected Board Member Ella Mik'aella Bowman to the Board, noting that Ms. Bowman served on the Board previously and has now returned. President Fussell also welcomed Tony Smith and Bob Butler back to the board.

OFFICERS

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: 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:	Aaron Huotari
Treasurer:	Sophie Wilson
Clerk:	Michael Carroll

BOARD COMMITTEE ASSIGNMENTS FOR COMMUNICATIONS, FINANCE AND WASTE FLOW

The Board next requested interested individuals to serve on the Finance, Communication, and Waste Flow Committees for the ensuing year. Following review of roles and responsibilities for each committee, the committee appointments as presented were agreed upon, with two additions to the Waste Flow Committee, and accepted as follows:

Finance Committee:	Karen Fussell Robert Butler Sophie Wilson	Tony Smith Aaron Huotari
Communication Committee:	Karen Fussell Steve Lewis Ella Bowman	Melissa Doane Aaron Huotari
Waste Flow Committee:	Kevin Howell Tony Smith Ella Bowman Steve Lewis	Melissa Doane Robert Butler Aaron Huotari

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll began by providing the following summary waste statistics: waste from members in 2022 totaled 111,155 tons (including the commercial waste estimation of 22,500 tons), a slight decrease of 2,562 tons from the 113,717 tons in 2021 (which also includes the

commercial waste estimation). He further reported that secondary bypass has been in effect since November 2022 and approximately two thirds of member waste has been going to Juniper Ridge that in turn is “swapped” with waste that goes to Crossroads landfill. MRC is hopeful to begin returning a percentage of waste to PERC, as they are able to accept it, once capacity and hot spot issues are resolved. Beginning on January 1, 2023 the new Consumer Price Index (CPI) went into effect, and the new rate is \$82.69 per ton for joining members that were charter municipalities and \$84.90 per ton for joining members that were not charter municipalities. Mr. Carroll reported several communications were provided in advance of the increase to ensure members and their accounting departments were aware, including a written note on the December invoice.

Mr. Carroll reminded those in attendance that the Rebate/Member Distributions ended 10/31/2022 and MRC has completed its contractual obligations.

The Maine DEP released the 2020-2021 Municipal Solid Waste Generation and Disposal Report to legislators last month. The report was submitted to the Joint Standing Committee on Environmental and Natural Resources and reviews Maine’s solid waste and recycling landscape. Predictably, Maine did not meet its goal of 50% recycling rate for 2020-2021, reaching 34% and 33.7% each year respectively. The report highlights that there is only enough existing permitted landfill space in the state for the next five years at Maine’s current solid waste generation rate and confirms the importance of reopening Municipal Waste Solution (MWS) in Hampden. However, with the extensive bypass that occurred in 2022 this timeline may be accelerated from the predicted 5 years. Mr. Aronson noted the opportunities for expansion of Juniper Ridge and Crossroads are more difficult now than when the permits were first issued. A discussion ensued

regarding the decrease in waste, an overall increase in recycling, and the need to continue encouraging diversion amongst our members.

Mr. Carroll went on to provide an update of the progress made toward the partnership with private equity partner, Revere Capital Advisors (“Revere”) in the last quarter. He reported as of January 10, 2023 all the filings have been completed for a global transfer of the permits to MWS. DEP is currently reviewing the request and a draft transfer permit is expected soon. Once the global transfer has been completed, Revere has advised they will be in a position to move forward. Mr. Carroll reported that \$400,000.00 in non-refundable deposits have been received to extend exclusivity rights. In follow up, President Fussell noted that there is no definitive timeline for closing, however the Board will be discussing any future extension of exclusivity in executive session.

Mr. Carroll moved on to committee reports and advised that MRC has been closely watching and actively participating in the Extended Producer Responsibility (EPR) legislation, and Tony Smith has been keeping the Board up to date on all developments. Bob Butler has been working on submitting an application under the Solid Waste Infrastructure for Recycling Grant Program (SWIFR). The SWIFR grant provides \$275 million for Solid Waste Infrastructure for Recycling grants and funds are allocated as \$55 million per year from Fiscal Years 2022 to 2026 to remain available until expended. MRC is applying for the maximum amount of \$4,000,000, and the City of Bangor has agreed to collaborate with MRC and will be applying for the grant funds while MRC will be the sub-recipient. Mr. Butler is working to have the grant application complete by January 31st so the Board and the City of Bangor can review it in advance of the submission deadline of February 15th. Aaron Huotari will be presenting to the Infrastructure Committee and Bangor’s City Council to obtain the permissions to move forward.

ASSET MANAGEMENT REPORT

George Aronson presented the Asset Management Report for the fourth quarter of 2022. Although the MWS has been formed, he noted only the assets of MRC are included in the report, including its position in MWS. He further noted that all advances from MRC to MWS are being tracked as MWS does not yet have its own assets. Mr. Aronson proposed four recommendations:

1. To distribute \$36,074.24 to Joining Members to reduce their effective net disposal costs;
2. Consistent with the MRC Board decision from its public meeting on July 27, 2022, until the MRC cash position improves, to defer payments of \$13,145.45 to reimburse fees not collected in the quarter as a result of current arrangements;
3. To transfer \$40,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account to fund the distribution referenced in Item 1 above; and
4. To transfer an additional \$25,000.00 from the Tip Fee Stabilization Fund to the Contingency Account to be prepared to meet cash flow needs in the upcoming quarter.

As of January 1, 2023, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$97,129.41 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$1,044,208.43, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) was \$423,517.34. The Cash Collateral Agency Account now holds a balance of \$306,776.25.

Mr. Aronson noted that as of the end of the quarter, the MRC had a Net Position for the benefit of Joining Members of \$3,778,693.21, and he further noted as cash continues to get tighter the payables versus receivables need more attention in order to heed the gap. There being no further discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That (i) the MRC hereby is authorized and directed to distribute the amount of \$36,074.24 ratably to Joining Members to reduce their effective net disposal costs; (ii) defer payments of \$13,145.45 to reimburse fees not collected in the quarter as a result of current arrangements; (iii) transfer \$40,000 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Development and Distribution Account to fund the distribution in the first

recommendation; and (iv) transfer \$25,000.00 from the Tip Fee Stabilization Fund to the Contingency Account 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.

**TREASURER’S REPORT INCLUDING CONSIDERATION OF
FINANCIAL STATEMENTS, CURRENT BILLS PAYABLE, FOURTH QUARTER
BUDGET RECONCILIATION**

Sophie Wilson presented the unaudited financial statement for FY22 from the bookkeeper and also the reconciled and adjusted statement by Mr. Carroll for the Board’s review. Ms. Wilson noted that the operating account contained \$136,000.00 at the start of 2022, and over the course of the year, \$521,422.00 came in and expenses totaled \$605,299.00. She clarified that not all income represents revenue as many inter-agency transfers were made as well. Ms. Wilson further noted that expenditures represent 95% of the proposed expenses for the year and 82% of proposed revenue was utilized. During the finance committee meeting, investments were reviewed and a suggestion was made to look at bonds and individual instruments as well as funds. Ms. Wilson next presented bills payable totaling \$24,138.99 to the Board for consideration. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the proposed line item adjustments, with no change in the overall 2023 budget, be accepted, and that the bills payable of \$24,138.99 as presented to the Board at this meeting hereby are approved for payment.

As the next order of business, Ms. Wilson presented the FY23 budget for consideration and adoption by the Board, noting Budget A, as presented at the Annual Meeting in December, is the budget being proposed. Budget A is structured with MRC being the sole owner of MWS with no private partner, as that best reflects the current operating scenario. Ms. Wilson noted the sale of ownership would incur costs and result in income not reflected on Budget A, however, she did note Budget B, which was included for reference, does show these revenue streams and costs for comparison. A question was raised regarding revenue from the towns and why this is

not reflected on the Budget. President Fussell explained that MWS has its own accounts and separate books not reflected on the budget being considered today. Budget A, as presented, represents what it costs to run and operate MRC for the year. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the 2023 MRC Operating Budget as presented to the Board at this meeting hereby is adopted.

SCHEDULE OF UPCOMING MEETING DATES

President Fussell reported the quarterly board meetings have been set for 2023 on the fourth Wednesday of the first month of each quarter, with the next meeting being held in person on April 26, 2023 at the Orono Town Hall at 10 a.m. The finance committee meeting will be held immediately preceding the board meeting each quarter.

A special meeting of the MRC Board will be held on Tuesday, January 31, 2023 at 9 a.m. in Zoom format.

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

Attorney Pottle reminded the Board that the performance test for the Municipal Waste Solutions facility (previously known as CRM) 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 28, 2023, with the understanding that the MRC may choose to terminate the extension with notice consistent with prior extensions. Attorney Pottle noted that conditions regarding the integral capabilities of the performance test protocol related to key agreements with the MWS facility that, if triggered, can result in termination of agreements if not fulfilled. As the Site

Lease has been assigned to MWS, Attorney Pottle recommends two authorizations, one on behalf of MRC and one on behalf of MWS.

Upon motion duly made and seconded, it was unanimously:

VOTED: 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 28, 2023 with provisions for MRC to terminate the extension with ten business days' notice, and that the MRC President, as Manager of Municipal Waste Solutions, 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 28, 2023 on behalf of Municipal Waste Solutions.

PUBLIC COMMENT

In response to a public comment Sophie Wilson noted that organics are critical in getting to the 50% diversion rate and MRC is working toward the highest diversion rate possible, however, with the limited resources and volunteer hours, the primary focus must be on getting the Hampden facility open and actively processing waste. President Fussell also added that food waste diversion is not always the gold standard for everyone, but MWS will provide an opportunity for recycling organics that many communities would not otherwise have.

EXECUTIVE SESSION

At 11:27 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.

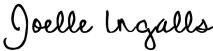
Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 1:34 p.m., the executive session ended. The regular meeting resumed at 1:37 p.m.

There being no further business, at 1:37 p.m. a motion was made, duly seconded, and approved to adjourn the meeting.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 4/26/2023
