

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, April 26, 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 10:02 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 JANUARY 25, 2023; SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON JANUARY 31, FEBRUARY 14, FEBRUARY 22, FEBRUARY 24, AND MARCH 8, 2023

The next order of business was approval of the minutes of the Quarterly Meeting on January 23, 2023; and Special Meetings of the Board of Directors on January 31, February 14, February 22, February 24, and March 8, 2023. Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Meeting on January 23, 2023; Special Meetings of the Board of Directors on January 31, February 14, February 22, February 24, and March 8, 2023 hereby are approved.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll began by providing an overview of waste from members in the first quarter of 2023 which totaled 18,691 tons, a slight increase from the 18,152 tons in the first quarter of 2022. He further reported that secondary bypass remained in effect through the first quarter of 2023 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.

Mr. Carroll reported that the global permit transfer is complete and all new permits are in hand from DEP for Municipal Waste Solutions, LLC (“MWS”). Mr. Carroll further reported that MRC has submitted an application under the Solid Waste Infrastructure for Recycling Grant Program (SWIFR) and has also applied for Congressionally Directed Spending, which allows members of Congress to work with the communities they represent to fund local community projects, formerly known as earmarks, with the intention to use the funds for the purchase and install of equipment used to scrub natural gas before it can be added to the pipeline.

Mr. Carroll next provided an update on the process of securing a private equity partner and noted that exclusivity ended with Revere Capital Advisors on February 3, 2023 and MRC sent out 10 solicitation letters to potential buyers who previously expressed interest in the Hamden facility shortly thereafter. As of the February 20, 2023 deadline, four inquiries were returned. MRC and its consultants reviewed and vetted each inquiry and selected Innovative Resource Recovery. Mr. Carroll noted this decision was made after careful review of their specialization in distressed assets, immediately available funds through White Oak and the Team's background in recycling and waste management. The terms of the partnership were noted as follows: (1) MRC retains 10% ownership in MWS, with a seat at the table, and an MRC officer on the Board of MWS; (2) an agreed upon purchase price of \$3,000,000; (3) a nonrefundable \$350,000 deposit, which has been received; and (4) a closing date of June 2, 2023.

Mr. Carroll then moved on to committee reports and advised that MRC continues active participation in the Extended Producer Responsibility (EPR) legislation, and Tony Smith has been keeping the Board up to date on all developments. In addition, MRC testimony was submitted on LD 1171 (An Act to Raise Funding to Support Waste Reduction, Reuse, Recycling and Composting in Maine) and testimony has been prepared for submission on LD 1660 (An Act to Provide That Advanced Recycling Facilities Are Subject to Solid Waste Regulation and That Advanced Recycling Does Not Constitute Recycling).

ASSET MANAGEMENT REPORT

George Aronson presented the Asset Management Report for the first quarter of 2023. Although 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 two recommendations:

1. Consistent with the MRC Board decision from its public meeting on July 27, 2022, until the MRC cash position improves, to defer payments of \$92,137.58 to reimburse fees not collected in the quarter as a result of current arrangements; and
2. To transfer \$50,000.00 from the Tip Fee Stabilization Fund to the Operating Account to fund MRC administrative expenses in the upcoming quarter consistent with the 2023 operating budget.

As of April 1, 2023, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$101,183.88 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$999,971.07, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) was \$852,162.65. The Cash Collateral Agency Account now holds a balance of \$315,269.90.

Mr. Aronson reviewed the assets and receivables and noted that as of the end of the quarter, the MRC had a Net Position for the benefit of Joining Members of \$4,467,392.34.

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 defer payments of \$92,137.58 to reimburse fees not collected in the quarter as a result of current arrangements; and (ii) to transfer \$50,000.00 from the Tip Fee Stabilization Fund to the Operating Account to fund MRC administrative expenses in the upcoming quarter consistent with the 2023 operating budget.

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

Sophie Wilson reviewed the Finance Committee Meeting this morning, noting the “budget to actual” figures were reviewed and the Committee will be looking at the tasks associated with separating out the financials of MRC and MWS upon successful closing with Innovative in June. Ms. Wilson then presented bills payable totaling \$32,998.93 to the Board

for consideration. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the bills payable of \$32,998.93 as presented to the Board at this meeting hereby are approved for payment.

SCHEDULE OF UPCOMING MEETING DATES

President Fussell reported the next quarterly meeting of the Board will be held in person on July 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.

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 July 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:

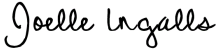
VOTED: That the Executive Director is hereby authorized to execute and deliver an additional extension letter regarding integral capabilities for the Performance Test Protocol, to be further extended to July 28, 2023 with provisions for MRC to terminate the extension with ten business days' notice, and 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 July 28, 2023 on behalf of Municipal Waste Solutions.

PUBLIC COMMENT

No comments were presented or received.

There being no further business, at 10:38 a.m. a motion was made, duly seconded, and approved to adjourn the meeting.

Respectively submitted,

DocuSigned by:

0CC6AED6A11243D
Joelle A. Ingalls

Dated: 7/26/2023