

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, October 11, 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

Kevin Howell, Town of Carmel
Steve Lewis, Town of Boothbay
Tony Smith, Town of Mount Desert

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC (virtually)
Jon Pottle, Eaton Peabody

Guests:

James Condela (Municipal Waste Solutions, LLC / Innovative Recovery Resources, LLC)

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

President Fussell convened the meeting at 10:00 a.m.

APPROVAL OF AGENDA

The first order of business was approval of the agenda. The agenda was accepted with the removal of the Executive Session, which was determined to be unnecessary.

CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING ON JULY 26, 2023 AND SPECIAL MEETING ON SEPTEMBER 26, 2023

The next order of business was approval of the minutes of the Quarterly Meeting on July 26, 2023 and Special Meeting of the Board of Directors on September 26, 2023. President Fussell requested a minor edit to the minutes of the September 26, 2023 meeting to clarify that “associate members would not hold ownership, **not** be entitled to profit sharing or rebates, and they would have no voting rights” by adding the word not where it is shown bolded above.

Upon motion duly made and seconded, it was unanimously:

VOTED: That the minutes of the Quarterly Meeting on July 26, 2023 and Special Meeting of the Board of Directors on September 26, 2023 hereby are approved with one edit for clarification in the September 26, 2023 minutes.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll began by providing an overview of waste from members in the third quarter of 2023 which totaled 26,501 tons, a slight increase from the 26,388 tons in the third quarter of 2022. Although bypass notices continue monthly, they now say “on behalf of Municipal Waste Solutions,” and the waste is no longer being bypassed to PERC. Mr. Carroll reported that MRC waste is now bypassed to Juniper Ridge (2/3) and Crossroads (1/3). PERC is no longer accepting waste and the assets and land are set to be auctioned later this month. The MRC has extended offers to assist and support PERC through the process where it is able.

Mr. Carroll continued his report by noting the Maine Municipal Association (MMA) Conference on October 4th and 5th was a success, and thanked the many members, Board members and potential associate members who stopped by the MRC booth. Additionally, Mr. Carroll noted that MRC will take part in the Maine Resource Recovery Association (MRRA) Annual Meeting and Workshop at Morgan Hill Events Center in Hermon and have been asked to present with Innovative Resource Recovery (Innovative). MRC Vice President Aaron Huotari will represent MRC and CEO James Condela will represent Innovative in the collaboration.

Mr. Carroll reports he has been working closely with Jessie Pottle at Haley Ward to create informational flyers with updates and timelines for members and associate members, a new power point presentation for use when meeting with members, and to revise the MRC website for a refreshed look. He also reports the survey has been revised and is ready to be sent to Department of Environmental Protection (DEP) and other vendors for input prior to mass distribution to members.

Mr. Carroll went on to report that MRC received \$42,467 in grant funding from the Pandemic Recovery for an Innovative Maine Economy (PRIME) Fund for future staffing and has hired a bookkeeper who has an office on the MWS site. He further notes that since MRC funds are no longer being expended to maintain the plant, the operating account has stabilized and is seeing decent returns in interest. Additionally, since finalizing the partnership with Innovative, MRC has received consistent monthly payments of management service fees and lease payments totaling just over \$42,000. Mr. Carroll reported with the new bookkeeper on staff and Innovative having boots on the ground in Hampden, he has been able to visit members and show appreciation for their support though the difficult times now behind MRC. He reports he has

already visited Orono, Hampden, Dixmont and Chester and has plans to visit all MRC members within the next 6 months.

In a grant and legislative update, Mr. Carroll reported that, although determined eligible for the SWIFR Grant, MRC was not chosen for any grant funding. Out of the 334 applications received only 25 were awarded, and only two of these were awarded to New England communities, neither being in Maine. Mr. Carroll reports MRC has submitted its comments on the Maine DEP 5-year Maine Materials Management Plan, has reviewed and commented on the first phase of the Extended Producer Responsibility (EPR) and is currently reviewing the second phase.

MUNICIPAL WASTE SOLUTIONS UPDATE PRESENTED BY INNOVATIVE

James Condela, CEO of Innovative Resource Recovery presented an update on the plant and progress toward reopening. Mr. Condela noted the primary focus for Innovative is the production of renewable natural gas, and for this purpose new, larger anaerobic digestion processes are required. He reported a trial of the front end was performed in July, using approximately 30 tons of MRC member waste, to validate equipment repairs, test retrofits to the front end equipment and capture representative feedstock from the actual waste stream for examination, which Mr. Condela advised, is under current lengthy pre-treatment testing.

Innovative continues to seek and formalize relationships with equipment vendors, engineering groups and others with expertise that will benefit the project. Mr. Condela reported a process engineer, Matt Merchant, was hired in August and has an office at the plant where he can work alongside Mike Carroll and Innovative. Mr. Merchant will assume many of the plant manager tasks Mr. Carroll previously handled, which will allow Mr. Carroll more time to focus on MRC members.

As to commercial and regulatory matters, Mr. Condela reported Innovative has been speaking with brokers and potential off takers for the natural gas and investigating ways to maximize value. He further reported active discussions are underway with disposal counterparties. Innovative has been working to identify financial incentives available to the project under the Inflation Reduction Act, and Mr. Condela reported feeling confident in these prospects. In wrap-up, he reported active discussions with DEP, the Town of Hampden and local utilities are underway to ensure a smooth transition upon reopening which is expected in the first half of 2025.

In response to questions from the Board, Mr. Condela reported the start-up date is heavily dependent on the anaerobic digester and lead time on equipment. Discussion ensued regarding the cost and benefit of running the MRF as-is without the anaerobic digester. In response to another question, Mr. Condela advised the engineered fuel briquettes from plastics are proving harder to market and work is in progress to produce product that off takers are seeking to purchase.

**ASSET MANAGEMENT REPORT – CUSTODY ACCOUNT, TIP FEE & OPERATING
BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT, RESERVE
FUND UPDATE, COMMERCIAL WASTE FLOW MEMBER CASH DISTRIBUTION
DEFERRAL PAYMENTS**

George Aronson presented the Asset Management Report for the third quarter of 2023 noting this is a time of transition for the organization. Mr. Aronson reports the current accounts and assets are being evaluated for consolidation, however, the MRC's cash position is more secure than it has been in quite some time. As of October 1, 2023, the assets of MRC and MWS are included in the report. Mr. Aronson proposed the following recommendation:

1. To release payments of \$88,709.53 to certain Joining Members (Bangor, Brewer and Orono) to reimburse fees not collected in prior quarters due to suspension of Facility

operations, and not previously reimbursed due to the MRC's cash flow position in prior quarters.

As of October 1, 2023, the Development and Distribution Account (formerly known as the Custody Account) contained a balance of \$101,599.38 held at First National Bank. As of the same date, the balance of the Tip Fee Stabilization Fund was \$942,019.01, and the balance of the Contingency Account (formerly the Operating Budget Stabilization Account) was \$3,052.79. The Cash Collateral Agency Account now holds a balance of \$309,884.67. Mr. Aronson pointed out that the only current liabilities on the books for MRC are the deferred payments that were approved in January.

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 \$5,197,332.61.

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

VOTED: That the MRC hereby is authorized and directed to release the withheld payments totaling \$88,709.53 to the Cities of Bangor and Brewer and the Town of Orono.

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

Sophie Wilson reported the Finance Committee reviewed the MWS high-level balance sheet from 2020 to present and are looking to finish up and close out the financials on this chapter. Ms. Wilson went on to review the proposed budget adjustments proposed by Mr. Carroll, which were all reviewed by the Finance Committee as well, including several items that were adjusted due to new revenue streams. Ms. Wilson drew the Board's attention to Mr. Carroll's proposed decrease in the Use of Fund Balance by \$111,250 to accurately reflect what was used to date and increase in the Expenses to Secure CRM During Shut Down \$105,000, which increase is due to MWS sale note being completed in the first quarter as expected. Mr. Carroll advised the Board these expenses to secure CRM are reflected in full and no further

expenses are expected. Ms. Wilson continued her overview and noted several increases due to the addition of an administrative employee and the line addition of Payment to Wealth Management Account due to increased revenue. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the proposed line item adjustments to the 2023 budget be accepted and hereby are approved.

Brief discussion ensued with Mr. Condela regarding the transfer of the electric service and the process currently underway to achieve this.

Ms. Wilson next presented bills payable totaling \$26,137.29 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 \$26,137.29 as presented to the Board at this meeting hereby are approved for payment.

REVIEW/APPROVAL OF EXECUTIVE DIRECTOR EMPLOYMENT CONTRACT

President Fussell reminded the Board that an adjustment in Mr. Carroll's pay and benefit package was approved by unanimous vote at the July meeting. She advised the implementation of the retirement plan may need to be effective for 2024 given then time restraints and suggested the Board look at a side letter for 2023. Kevin Howell offered to look into Maine Public Employees Retirement System (MPERS) and Ameriprise for details on eligibility and options available.

To memorialize the approved changes, several updates to Mr. Carroll's employee contract were proposed for the Board's consideration. President Fussell noted, along with removal of obsolete language regarding "Coastal," the 6% retirement contribution has been added as well as updates to the three-year term, now beginning July 1, 2023 and ending June 30,

2026. There being no further discussion, upon motion made and duly seconded, it was unanimously:

VOTED: That the proposed changes to Michael Carroll's employment contract are hereby accepted as presented.

**BOARD DISCUSSION AND APPROVAL OF PROPOSED AMENDMENT TO MRC
BYLAWS**

President Fussell next turned to the proposed amendment to the MRC Bylaws. Discussion ensued regarding the benefits of becoming an MRC Associate Member and the options for future waste disposal for communities who choose to remain independent. There being no further discussion, being duly noticed, the Board of Directors of the Municipal Review Committee, Inc. ("MRC") hereby resolves:

- (1) To approve amendments to the MRC Bylaws as set forth in the Attachment A to this Resolution, incorporated herein; and
- (2) That each the Executive Director, President, Vice President, and Treasurer, acting singly, hereby is authorized to execute and deliver such documents as he or she deems necessary and appropriate, his or signature thereon to constitute conclusive evidence of such approval, to effect the aforescribed Bylaw amendments, and to take such further actions as her or she may deem necessary or appropriate in order to implement this Resolution.

Upon motion made and duly seconded, it was unanimously:

VOTED: The resolutions as presented are adopted this 11th day of October, 2023.

**BOARD DISCUSSION AND APPROVAL OF MRC ASSOCIATE MEMBER
AGREEMENT FORM**

The Boad next turned their attention to approval of the MRC Associate Member Agreement Form. After brief review, President Fussell recommended updating the specific dollar amount in paragraph 8 (Early Termination or Withdrawal) be replaced with language referring to the current agreed upon dollars per ton at the time of termination or withdrawal. There being no further discussion, and consistent with the Bylaws of Municipal Review

Committee, Inc. (“MRC”) approved as of October 11, 2023, the MRC Board of Directors hereby resolved:

- (1) To approve acceptance of Associate Members that (i) satisfy Associate Member eligibility requirements as set forth in the MRC Bylaws approved as of October 11, 2023, or as may hereafter be amended; (ii) satisfy the material terms and conditions of the attached Associate Member Agreement (Attachment A), incorporated herein; and (iii) are approved by an authorized MRC representative consistent with this Resolution; and
- (2) That each the Executive Director, President, Vice President, and Treasurer, acting singly, hereby is authorized to approve acceptance of an Associate Member consistent this Resolution through execution and delivery of an Associate Member Agreement in substantial form as attached hereto, and further to execute and deliver such other agreements or documents to implement this Resolution on such terms and conditions he or she may approve, his or her signature thereon to constitute conclusive evidence of such approval, and to take such further actions as he or she may deem necessary or appropriate in order to implement this Resolution.

Upon motion made and duly seconded, it was unanimously:

VOTED: The resolutions as presented are adopted this 11th day of October, 2023.

APPROVAL OF SLATE FOR 2023 MRC BOARD OF DIRECTORS ELECTION

President Fussell reported that four nominations were received for the three open seats on the Board. Those four nominations were:

- Kevin Howell – Town Manager for Carmel
- Sophie Wilson - Town Manager for Orono
- Melissa Doane – Town Manager for Bradley
- Paula Scott – Town Manager and Treasurer for Hampden

President Fussell confirmed all current nominees meet the criteria. With no further discussion, and upon a motion duly made and seconded, it was unanimously:

VOTED: That the slate for the 2023 MRC Board of Directors election is hereby accepted.

President Fussell reported ballots will be sent out by Mr. Carroll in the coming week and the election is held at the Annual Meeting, next month. President Fussell also reported that she received a formal resignation from Ella Bowman, who has resigned her position at the Town of Oakland and will be moving to a non-member community. The Board wished Ella well and agreed to further discuss the unexpected vacancy and how to fill it without delay.

UPCOMING MEETINGS – MRC ANNUAL MEETING - DECEMBER

After discussion, the Board agreed the Annual Meeting will be held December 6, 2023, in person, hosted by the Town of Orono, from 3p - 5p.

PUBLIC COMMENT

No comments were presented or received.

There being no further business to come before the Board after coming out of executive session, the meeting adjourned at 11:37 a.m.

Respectively submitted,

DocuSigned by:
Joelle Ingalls
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Joelle A. Ingalls

Dated: January 24, 2024
