

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 24, 2024 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:

Aaron Huotari, City of Bangor	Karen Fussell, City of Brewer
Robert Butler, Town of Waldoboro	Tony Smith, Town of Mount Desert
Steve Lewis, Town of Boothbay	Melissa Doane, Town of Bradley (virtually)
Paula Scott, Town of Hampden (virtually)	Belle Ryder, Town of Orono
Bethany Leavitt, Town of Bar Harbor	

Staff:

Michael Carroll, MRC Executive Director

Consultants:

Shawn Doil, Eaton Peabody

Guests:

James Condella, CEO, Innovative Resource Recovery
Kevin Hogan, CFO, Innovative Resource Recovery

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

President Huotari convened the meeting at 10:04 a.m.

APPROVAL OF AGENDA

The first order of business was approval of the agenda. Michael Carroll requested a reordering of the items to place the Treasurer’s Report before the Asset Management Report. The agenda was accepted with the proposed change.

**CONSIDERATION OF MINUTES OF THE
SPECIAL BOARD MEETING ON FEBRUARY 26, 2024**

The next order of business was approval of the minutes of the Special Meeting on February 26, 2024. Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the minutes of the Special Meeting on February 26, 2024 hereby are approved as presented.

**CONSIDERATION BOARD APPOINTMENT(S) TO FILL
TWO BOARD MEMBER VACANCIES**

President Huotari next turned to consideration of two Board appointees to fill existing Board vacancies. Karen Fussell made a motion to appoint Belle Ryder and Bethany Leavitt to fill the vacancies until the next Annual Meeting of MRC. President Huotari provided a brief history of the nominees’ experience and education, and further noted how these nominees would serve MRC’s mission well. Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the Board appoint Belle Ryder to fill the vacancy due to Sophie Wilson’s resignation, and further to appoint Bethany Leavitt to fill the vacancy due to the passing of Kevin Howell, both to serve until the next MRC Annual Meeting per MRC Bylaws.

With a unanimous vote, both appointees joined the Board for the remainder of the meeting in the role of Board Member. Both Ms. Ryder and Ms. Leavitt expressed their gratitude for the appointment and excitement to move forward in their new role.

ELECTION OF OFFICER TO ACT AS MRC TREASURER

President Huotari advised the role of Treasurer is vacant at this time. Ms. Fussell made a motion that Belle Ryder be elected to serve as MRC Treasurer. Ms. Fussell noted that Ms. Ryder worked closely with Sophie Wilson for over a decade and is familiar with MRC. Upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That Belle Ryder is hereby elected to serve as MRC Treasurer for the remainder of her term.

**BOARD COMMITTEE ASSIGNMENTS FOR COMMUNICATIONS,
FINANCE AND WASTE FLOW**

President Huotari next turned to the Board committee assignments and requested Mr. Carroll explain the process used to assign Board Members to various committees. Mr. Carroll advised he reached out to each Board Member with the proposed assignments and received verification of acceptance. Bethany Leavitt and Belle Ryder had not yet been consulted on their assignments, so President Huotari verified acceptance from both. The assignments are as follows:

Communication Committee:

Steve Lewis, Karen Fussell, Paula Scott, Melissa Doane, Belle Ryder

Waste Flow Committee:

Aaron Huotari, Tony Smith, Robert Butler, Paula Scott, Bethany Leavitt

Finance Committee:

Aaron Huotari, Karen Fussell, Tony Smith, Belle Ryder, Robert Butler

TREASURER'S REPORT (INCLUDING UPDATE FROM FIRST NATIONAL BANK REPRESENTATIVE ON INVESTMENT ACCOUNTS, CURRENT BILLS PAYABLE, FIRST QUARTER BUDGET RECONCILIATION)

Mr. Carroll began the Treasurer's Report, on behalf of the newly elected Treasurer, by introducing John Dolloff of First National Bank Wealth Management. Mr. Dolloff provided an overview of his experience and knowledge base before proceeding to a presentation of the

current market and MRC's investments. Mr. Dolloff noted in 2021 interest rates skyrocketed as the Federal Reserve tried and get a hold on inflation, and further noted as these rates continue to increase there are both plus sides and down sides. He advised one significant plus side is the higher rate of return on the fixed income investments MRC has in its portfolio. In a review of the MRC portfolio, Mr. Dolloff reported current investments are almost exclusively mutual funds due to prior liquidity needs and risk tolerance. He further explained that each mutual fund has more than one bond in place leading to less of an impact if one fails. Mr. Dolloff provided a high level explanation of duration and how it is used with fixed income to keep the higher interest rates working for investors for a longer period of time. In response to a question from Karen Fussell, Mr. Dolloff reported the target duration for MRC is north of 6 years right now, with the expectation that the lower interest rate investments will have started to mature and come off the books as the interest rates start to lower leaving newer investments with higher interest rates.

With no further questions for Mr. Dolloff, Mr. Carroll proceeded with the Treasurer's report presenting bills payable totaling \$25,808.54 to the Board for consideration. There being no discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the bills payable of \$25,808.54 as presented to the Board at this meeting hereby are approved for payment.

Mr. Carroll next presented the first quarter budget reconciliation, noting MRC is at 28% of revenue. Mr. Carroll commended Innovative for paying their management fee and lease payment every month without fail, and further noted with the dues and these monthly payments MRC will not need to tap into the reserves this year. Moving on to expenses, Mr. Carroll noted MRC is at 17% for first quarter. He noted he has been working with marketing companies and

the budgeted funds for marketing have not yet been utilized but will be reflected shortly in the expenses.

**ASSET MANAGEMENT REPORT - CUSTODY ACCOUNT, TIP FEE & OPERATING
BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT, RESERVE
FUND UPDATE**

In George Aronson's absence, Mr. Carroll presented the Asset Management Report for the first quarter of 2024. Mr. Carroll reported the joint venture had total assets of \$5,189,115.68, made up of 6 accounts as follows: three cash accounts including the ICS Sweep Account containing \$1,056,735.52, the Development and Distribution Account containing \$31,190.50, the Contingency Account containing \$0.00; and three investment accounts including a high interest account at Androscoggin Bank containing \$50,184.91, and two accounts managed by First National Wealth Management including the Tip Fee Stabilization Account containing \$992,983.08, and the Cash Collateral Account containing \$328,028.29. Mr. Carroll briefly reviewed the physical assets to include the Hampden site and a 10% ownership position in Municipal Waste Solutions, LLC (MWS).

Karen Fussell noted the recommendations in Mr. Aronson's report: (1) Continue consolidation of the cash accounts to simplify accounting and reduce banking fees; and (2) Complete consolidation of the investment accounts and asked for further clarification on the consolidation of the cash accounts. In response to her inquiry, Mr. Carroll clarified that the recommendation is to consolidate the cash accounts, however, once the money in the Development and Distribution Account is moved, he would recommend \$5,000 remain and the account remain open to be used if further grant funds are received as a way to track and provide an audit trail. A general agreement was noted among Board Members.

EXECUTIVE DIRECTOR AND COMMITTEE REPORTS

Mr. Carroll reported waste from members in the first quarter of 2024 totaled 19,522 tons (including commercial waste), a slight increase of 831 tons from the 18,691 tons in first quarter of 2023 (which also includes the commercial waste estimation). He reported he has been visiting Members and touring transfer stations, where applicable, in the past few months with the hope to complete all Member visits by mid-Summer. Additionally, several tours have been requested and conducted at the MWS facility including 40+ members of the Maine chapter of the National Society of Professional Engineers in March, six community Board Members from the Towns of Blue Hill and Surry, and a requested tour is being scheduled for a local Maine Senator and State Representative.

In December MRC was asked to participate on the Maine Climate Control Council Materials Management Task Force (MMTF) with Co-Chairs DEP Commissioner, Melanie Loyzim and Dr. Cindy Eisenhower, Associate Professor of Anthropology and Climate Change at University of Maine. The MMTF consists of 40 individuals and 4 regular meetings have been held, with 6 smaller work session meetings, focusing on waste, green energy and environmental impact. Two more regular meetings are scheduled before the MMTF will wrap up and provide a report on strategy and action for the existing Maine Climate Control Action Plan.

Mr. Carroll reports MRC worked closely with Bangor Area Staffing to recruit and hire for the Bookkeeper and Admin position for MRC. Recently, with all contractual obligations filled, MRC hired for the position which will be based in an office at the MWS facility. Continuing his report, Mr. Carroll advised he has reached out to four marketing firms over the last few months and has received proposals from two. Once the proposals have all been

collected and revised to meet the needs of MRC and its Members, a committee will be formed to hear the proposals and determine how to move forward.

Mr. Carroll next provided a brief MWS Facility Update noting that CEO, James Condella, and CFO, Kevin Hogan, of Innovative Resource Recovery (Innovative) would be providing a more in depth update later in the meeting. Mr. Carroll reported MWS has been working diligently on the redevelopment plan to engineer and retrofit the plant with the intent to produce an enhanced product of renewable natural gas. On January 1, 2024, MWS received approval from Maine DEP to begin running tests, and several weekly system trials have been successful and safely performed with waste collected from Bangor, Brewer, Orono, Eddington, Clifton, Carmel and Hampden over a ten week period. MWS utilized multiple technical consultants to facilitate the trials including the University of Maine's Process and Development Center.

In an update on Penobscot Energy Recovery Company (PERC), Mr. Carroll reported the assets were auctioned and bought in November 2023. Recently the purchasing company sold a majority ownership to a newly formed company called Eagle Point Energy Center, of which the Town of Orrington and Bemis Capital are majority owners. Of note, Eagle Point Energy Center is also the owner of the Orrington Industrial Park that is being developed. Mr. Carroll further reports thousands of tons of trash remain on the floor at PERC, despite plans to bale and remove it, as DEP intervened citing lack of required permits to take any further action.

MRC remains active in the legislature and recently provided a summary of MWS operations and the waste swap arrangement to Representative James Dill and submitted testimony in regard to LD2135 (Resolve, to Investigate and Address Municipal Solid Waste Disposal Services Issues). MRC also remains heavily invested and involved in LD1541

(Extended Producer Responsibility Program for Packaging). Recently Mr. Condella and Mr. Carroll met with Susan Lee from the University of Maine regarding the Maine DEP Food Loss and Waste Generation Study, and Mr. Condella has been asked to speak at the Maine Resource Recovery Association (MRRA) annual conference in June.

In response to a question Mr. Carroll reported the marketing proposals are expected to be fully reviewed and revised in advance of the July quarterly meeting. President Huotari thanked the Board members who participated in the meetings with DEP and committee meetings for the EPR, and Ms. Fussell praised Mr. Carroll for his level of engagement and participation in committees in Augusta to increase the level of understanding of MRC and its mission.

INNOVATIVE FIRST QUARTER 2024 MWS FACILITY UPDATE

Mr. Carroll introduced CEO, James Condella, and CFO, Kevin Hogan, of Innovative, who provided an update on the MWS facility for the first quarter of 2024. Mr. Condella reported the better part of Q1 was focused on processing waste materials thru the Materials Recovery Facility (MRF) and gathering more information about the feedstock. He noted lab analytics are being performed both at the Hampden facility as well as being sent away to a third party lab, and Mr. Condella reported the results of the Biochemical Methane Production (BMP) have been in line with what was expected. The project timeline presented by Mr. Condella noted final design of the major equipment expected in the latter half of 2024 and substantial down payments slated for Q4 of this 2024. Mr. Condella reported detailed engineering will continue on the pre-treatment system and anaerobic digestion system, and installation of the equipment is expected to occur throughout 2025, with a plan for bringing in waste and ramping up facility operations by the end of 2025. In the meantime, Mr. Condella reported continued work with DEP, Town of Hampden, City of Bangor, regulatory bodies and stakeholders as well as Versant Power and Bangor Natural Gas.

In response to questions, Mr. Condella advised major permits (land, air and solid waste) will need to be modified as they are each specific to an operating plan. As the operating plans change the permits will need to be modified as well. Mr. Condella noted extra development on the south side of the building will be necessary to accommodate a larger flare, which could have an impact on wetlands, and the air emissions will likely change, however, are expected to lower. In further response to questions, Mr. Condella confirmed the plan is to ultimately tap into the Bangor Natural Gas pipeline; PFAS is not currently a concern although Innovative has been in touch with the Bangor Wastewater Treatment Plans, where discharge will go, to discuss this issue; Several grants are available and have been applied for or received already, and Mr. Hogan reported Innovative is looking to collaborate with other providers to pursue a custom package application. A general discussion ensued regarding processing of glass and the comparisons between anaerobic digestion and composting.

SCHEDULE OF UPCOMING MEETING DATES

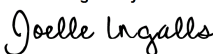
President Huotari reported the next quarterly meeting will be held on July 24, 2024 at the Orono Town Hall at 10 a.m. The finance committee meeting will be held immediately preceding the board meeting.

PUBLIC COMMENT

No comments were presented or received.

There being no further business to come before the Board the meeting was adjourned at 11:13 a.m.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 7/24/2024
