

MINUTES

MUNICIPAL REVIEW COMMITTEE, INC.

ANNUAL MEETING

Location: Orono Town Office

The Annual Meeting of the Members and Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, December 11, 2024 at 3:00 p.m. in person and in an online format via Zoom. In addition to members from charter municipalities of the Municipal Review Committee (“MRC”), in attendance were the following:

Directors:

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

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC
Jon Pottle, Eaton Peabody

Guests:

Gary Hartman and Kevin Hogan - Innovative Resource Recovery, LLC
Melanie Loyzim - Commissioner, Maine Department of Environmental Protection
Suzanne Miller – Director, Bureau of Remediation and Waste Management, Maine Department of Environmental Protection
Jessica Masse - Designlab

Joelle Ingalls kept the minutes of the meeting and President Huotari presided. President Huotari welcomed the membership and convened the meeting at 3:02 p.m. After a brief overview of the ownership history of the Hampden facility and a timeline review showing the

progression from MRC's 100% ownership to the 90/10% split ownership with Innovative Resource Recovery, LLC (Innovative), President Huotari turned the meeting over to the guest speaker, Melanie Loyzim - Commissioner, Maine Department of Environmental Protection.

PRESENTATION - DEPARTMENT OF ENVIRONMENTAL PROTECTION

Melanie Loyzim - Commissioner, Maine Department of Environmental Protection, began her presentation with an overview of the overall state-wide increase of disposed waste versus diverted waste over the last ten years, noting municipal solid waste recycling in 2022 was 34% against the state goal of 50%. Additionally, Commissioner Loyzim reported the average cost per ton for disposal was \$87.00 and the cost of hauling recycling in 2022 was \$441.00.

Commissioner Loyzim provided her praise and accolades for the Hampden facility and noted it to be critical in reducing disposed waste and increasing diversion in the State of Maine.

Commissioner Loyzim advised there is a role for landfills in the State of Maine, but noted many materials being landfilled instead of diverted and recycled are simply taking up space, such as mattresses, cardboard, and plastic. She further reviewed the waste to energy process and noted that the Governor's office is preparing to release their Energy Plan which, she reported, can only be successful with the help of forward thinking technology like that of the MWS facility in Hampden. Moving on, Commissioner Loyzim reviewed the statistics on food loss and waste in Maine as well as the role of anaerobic digestion in reversing these numbers. She further reviewed recycling efforts in Maine and briefly touched on the new EPR rule, the Bottle Bill and a new prohibition on intentionally added PFAS in take-out containers coming in 2026. She noted storm debris management and climate change are being addressed at state and municipal levels in the wake of the devastating storms that hit Maine in 2023 and 2024.

Commissioner Loyzim next turned her focus to how the MWS facility fits into the efforts citing specifically the potential impact of recycling and anaerobic digestion. In 2022, municipal solid waste (MSW) landfilled in Maine totaled 515,474 tons. Additionally, Commissioner Loyzim noted in 2002, waste-to-energy totaled 382,609 tons, and waste disposed of out of state totaled 54,437 tons. The Hampden facility, at fully operational capacity, could process 10-20% of all MSW generated in the State of Maine and make a profound change in the up-ticking numbers provided at the beginning of the presentation. Commissioner Loyzim again expressed her belief in the mission of MRC and thanked the Board for their continued hard work and diligence.

CONSIDERATION OF MINUTES OF THE QUARTERLY MEETING OF THE BOARD OF DIRECTORS ON OCTOBER 23, 2024 AND THE SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON NOVEMBER 7, 2024 AND DECEMBER 3, 2024

The next order of business was approval of the minutes of the Quarterly Meeting of the Board of Directors on October 23, 2024 and Special Meetings of the Board of Directors on November 7, 2024 and December 3, 2024 . Upon motion duly made and seconded, Bob Butler noted, for voting purposes, he was not present at the October 23, 2024 meeting, Tony Smith noted he was not present at the December 3, 2024 meeting, and Bethany Leavitt noted she was not present at the October 23 and November 7, 2024 meeting, it was then unanimously:

VOTED: That the minutes of the Quarterly Meeting of the Board of Directors on October 23, 2024 and Special Meetings of the Board of Directors on November 7, 2024 and December 3, 2024 hereby are approved as presented.

ELECTION RESULTS

President Huotari summarized the results of the election beginning with the Three-Year Term winners: Aaron Huotari with 36.8% of the votes, Karen Fussell with 22.05%, and Paula

Scott with 11.37%. Continuing on to the Two-Year Term slots, he noted the winners were Steve Lewis with 8.38% and Rebecca J. Hapgood, Town Manager for the Town of China, with 8.1%. Belle Ryder will fill the One-Year Term slot with 7.76% of the votes.

President Huotari reminded those in attendance that the Board is made up of 9 members, each elected by the MRC membership with one vote per member, ranked on tonnage.

TREASURER'S ANNUAL REPORT

Belle Ryder began her report with an overview of the balances currently held in the MRC accounts: \$360,780.00 in the Operating Account used for expenses and revenue; \$1,082,580.31 in the high interest bearing Contingency Account; \$351,959.19 in the Distribution & Development Account, which was recently funded with a transfer from the former Coastal account, and \$503.15 in the Androscoggin Account. She further reports investments in the two Wealth Management Accounts currently total \$1,193,556.00 as of December 1, 2024. In 2024 MRC maintained financial integrity using only incoming cash flows, while also paying back \$160,000.00 to the investment account by year end.

Ms. Ryder next reviewed the proposed 2025 FY budget, which will be voted on in January 2025, noting the budget is up approximately \$10,000 from last year due in large part to the previously grant funded staff costs being absorbed by MRC as well as administration costs. She further reports this increase is largely offset by the anticipated decrease in financial and technical consulting services for 2025. Ms. Ryder reports there are no plans to draw from reserves or investment accounts at this time.

2023 AUDIT RESULTS

George Aronson presented the 2023 audit on behalf of Haverlock, Estey & Curran, LLC, CPAs, noting MRC has operated out of two cost centers historically, a fiduciary fund, and a

general fund. Mr. Aronson noted several key transactions which occurred in 2022 and 2023, most notably the purchase of the Hampden facility in 2022, and the subsequent formation of MWS, LLC and sale of 90% ownership to Innovative in 2023. Mr. Aronson noted the assets and liabilities relevant in 2023, such as the carrying costs to maintain the non-operational facility in between the purchase and sale, many of which are no longer relevant today. Mr. Aronson reported the auditor's findings reflected no disagreements or significant difficulties with Management reported and financial positions and activities were all presented fairly in all material aspects. The Audit Results showed an increase in assets by approximately \$3,100,000 and a decrease in liabilities by approximately \$1,455,750, leading to an increase in MRC's Net Position by approximately \$4,583,000. Mr. Aronson noted his materials contained an error, and President Huotari clarified that the figures in Mr. Aronson's presentation included transposed numbers however the overall figures presented in the Auditor's Report are accurate. With this verification, and there being no discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the auditor's report prepared by Haverlock, Estey & Curran hereby is accepted for 2023.

EXECUTIVE DIRECTOR'S REVIEW OF 2024

Mr. Carroll began his presentation with a review of 2024 and noted as Innovative began running daily operations MRC was available to participate in more community and state endeavors. In legislative news, Mr. Carroll highlighted MRC's role in development of the Department of Environmental Protection's (DEP) Extended Producer Responsibility (EPR) rule and emphasized the significance of MRC's continued participation and public testimony. Mr. Carroll also noted MRC was invited to join the Materials Management Task Force (MMTF) in January, consisting of approximately 40 experts in their respective fields, to make recommendations

to the Climate Control Council on Maine's existing Climate Action Plan. Additionally, MRC followed along closely and monitored the advancement of LD 1660 "An Act to Provide That Advanced Recycling Facilities Are Subject to Solid Waste Regulation and That Advanced Recycling Does Not Constitute Recycling" providing testimony and consulting with the Environmental Natural Resource Committee which lead to amendments to the bill and the eventual passing of LD1660 into law.

Mr. Carroll further reported the following developments in 2024: MRC revised their Bylaws in 2024 to accept new associate members; throughout the year various MRC Board Members joined Mr. Carroll to visit all existing Members personally; in September, MWS and MRC celebrated National Truck Drivers Appreciation Week providing thank you gifts in the form of gift cards and snacks to drivers; and an MRC office was added at the facility in Hampden and staff were hired to handle all billing and invoicing for MWS. Moving into 2025, Mr. Carroll advised MRC plans to focus on staying involved and engaged with distribution of educational material and adding value for Members.

Several Board members thanked Mr. Carroll for his careful diligence and unwavering support and leadership for MRC over the years.

PRESENTATION – INNOVATIVE RESOURCE RECOVERY

President Huotari introduced Gary Hartman and Kevin Hogan from Innovative to present their MWS year in review. Mr. Hogan reported Innovative is pleased with the progress made in 2024 toward commercial operations and further reports the MWS/Innovative Team has grown to 8 members with plans for further expansion as active operations commence. Mr. Hogan noted Innovative has formally engaged technology vendors and equipment suppliers who are pushing ahead with development of the Materials Recovery Facility (MRF), which Mr. Hartman advised, upon completion of the design phase will be retrofitted over an approximate six-month period. Mr.

Hartman also noted the Anaerobic Digester (AD) plans were modestly behind schedule but progressing well and near completion. Mr. Hogan further reported the Hampden facility completed ten trials in 2024 using waste from six different MRC communities to allow for AD feedstock testing. Mr. Hogan advised all necessary permitting has been secured and all repairs and maintenance have been completed to allow for safe return to limited operations in the first quarter of 2025, most notably the purchase of a “Fire Rover” active fire suppression system. Mr. Hartman further noted the Fire Rover has the ability to fight fire while also calling for assistance and minimizing damage to the plant while awaiting response. Mr. Hartman wrapped up the presentation noting Innovative recently signed a term sheet with a 3rd party for the sale of a material portion of un-recyclable plastics (largely films) with an expectation to secure a formal agreement in 2025. Various Board Members offered expressions of excitement at the prospect of operations and the purchase of the Fire Rover.

PRESENTATION – DESIGNLAB

Karen Fussell provided a brief history of the birth of MRC and the progression of the organization across the years to bring those in attendance to the current day, noting the quiet effectiveness in the overall waste processing community meant MRC was largely unknown. She further noted now is the time to re-new, re-imagine and re-introduce MRC to the community and its Members with a re-branding after 32 year. Ms. Fussell introduced Jessica Masse and advised Designlab will be collaborating with MRC to move forward in a memorable and impactful way with, among other changes, a new name expected to be revealed in 2025.

Ms. Masse noted Designlab and MRC have been working together for approximately 6 months and have conducted a series of focus groups in the community to provide a solid foundation for the work planned for 2025. She further provided an overview of the relationships

that MRC has built over the years and how this will be instrumental in the future as well as the positive work the Board has done in serving as ambassadors for the organization. She reported Designlab plans to begin the new branding effort in the next six months while strengthening existing relationships and building new ones through education, advocacy, and negotiations.

COMMENTS FROM THE BOARD

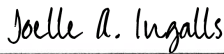
President Huotari reviewed the upcoming quarterly meetings for 2025 (January 22, April 23, July 23, and October 22) and then asked if there were any comments from the Board. Bob Butler reviewed the successes of MRC over the last few years to see itself through incredibly difficult times and find itself on the cusp of commercial operations again. Mr. Butler highlighted the unwavering support of those on the Board and the communities making up the MRC Membership, while also reminding those in attendance that there is strength in numbers.

PUBLIC COMMENT AND QUESTIONS

President Huotari opened the meeting for public comment and a resident of Old Town, who noted that they host the Juniper Ridge landfill, provided an overview of his concerns and requested MRC continue efforts to divert waste from landfills. A resident of Orono also expressed concern regarding landfilling in Maine.

There being no further questions or business to come before the Board, the Annual Meeting adjourned at 4:43 p.m.

Respectively submitted,

Signed by:

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Joelle A. Ingalls

Dated: 2/12/2025 | 7:07 AM PST