

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, January 22, 2014 at 10:00 a.m. at the Town of Orono Municipal Building, 59 Main Street, Orono, Maine. In attendance were the following:

Directors:

Phil McCarthy, Clinton
Sophie Wilson, Orono
Karen Fussell, Brewer
Tony Smith, Mt. Desert

James Guerra, Rockport
Chip Reeves, Bar Harbor
Joshua Reny, Fairfield
Elery Keene, Winslow

Consultants:

Greg Lounder, MRC Executive Director
Dan McKay, Esq., Eaton Peabody
George Aronson, CRMC

Guests:

Peter Prata, PERC
Gary Stacey, PERC
Kevin Tritz, PERC
Denis St. Peter, CES, Inc.

Jennifer Baroletti kept the minutes of the meeting and President Reeves presided.

ELECTION OF OFFICERS

The first order of business to come before the Board was the election of officers to serve on behalf of the MRC for the ensuing year. Nominations for President, Vice President, Treasurer and Clerk were made, following which, a motion was made and duly seconded to approve the slate of officers nominated. Whereupon, 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: Chip Reeves
Vice President: Joshua Reny
Treasurer: Sophie Wilson
Clerk: Greg Louder

COMMITTEE MEMBER APPOINTMENTS

Chip Reeves welcomed James Guerra of Rockport to the Board, and re-welcomed Elery Keene for yet another term. The Board next nominated individuals to serve on the Finance and Insurance, Waste Flow Management, Communications and PERC Oversight Committees for the ensuing year. Following nominations, a motion was made and duly seconded to accept the nominees as presented. Whereupon, it was unanimously:

VOTED: That the 2014 MRC Committee appointments are as follows:

Finance & Insurance
Committee:

Karen Fussell
Chip Reeves
Sophie Wilson

Joshua Reny
Catherine Conlow

Waste Flow Management
Committee:

Philip McCarthy
Joshua Reny
Tony Smith

Chip Reeves
James Guerra

Communications
Committee:

Elery Keene
Philip McCarthy
Tony Smith

Karen Fussell
James Guerra

PERC Oversight Committee:

Greg Louder

CONSIDERATION OF MINUTES OF OCTOBER 24, 2013 QUARTERLY BOARD OF DIRECTORS MEETING

The Board then considered approval of the minutes for the October 24, 2013 quarterly Board of Directors meeting. After discussion, and upon motion duly made and seconded, by a vote of 6 to 0, with Elery Keene and James Guerra abstaining, it was:

VOTED: That the minutes of the October 24, 2013 quarterly meeting of the Board of Directors of the MRC hereby are approved in the form presented to the Board at this meeting.

CONSIDERATION OF MINUTES OF DECEMBER 11, 2013 ANNUAL MEETING

The Board then considered approval of the minutes for the December 11, 20103 Annual Meeting of the Members of the MRC. After discussion, and upon motion duly made and seconded, by a vote of 7 to 0, with Phil McCarthy abstaining, it was:

VOTED: That the minutes of the December 11, 2013 annual meeting of the Members of the MRC hereby are approved in the form presented to the Board at this meeting.

CONSIDERATION OF FINANCIAL STATEMENTS & BILLS PAYABLE

Sophie Wilson presented bills payable totaling \$31,281.36 to the Board for consideration, and praised the efforts of the new bookkeeper. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That bills payable of \$31,281.36 as presented to the Board at this meeting hereby are approved for payment.

EXECUTIVE SESSION

At 10:25 a.m., a motion was made and duly seconded to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(A) for the purpose of discussing Greg Lounder's annual performance evaluation for his position as Executive Director of the MRC. Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 10:50 a.m., the executive session ended and the Board reconvened in regular session.

CONSIDERATION OF 2014 MRC OPERATING BUDGET

Sophie Wilson presented the 2014 MRC Operating Budget, which has been updated to reflect the stabilization fund transfer and to itemize administrative services expenses. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the 2014 MRC Operating Budget as presented to the Board at this meeting hereby is adopted.

FIRST QUARTER 2014 TIPPING FEE CALCULATION

George Aronson presented the tip fee calculation for the first quarter. Mr. Aronson noted that the proposed tipping fee of \$76.00, which is slightly increased from the fourth quarter of 2013, is based on base fee inflation and charter municipalities and tonnage data. He recommended that PERC's calculation be accepted. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED: That the First Quarter 2014 tipping fee calculated by PERC in the amount of \$76.00 per ton hereby is accepted.

PERC FACILITY OPERATIONS REPORT

Peter Prata, Plant Manager of PERC, presented on operations at the PERC facility during 2013. Mr. Prata indicated that PERC processed 2,000 tons more than budget, 7,300 tons were bypassed during planned shutdowns, electricity generation was 1.5% better than budget, and glass and grit were close to budget. He reported that 32 tons of non-processibles were sent to the landfill in 2013, and that PERC only received three odor complaints in 2013.

He also indicated that MRC tonnage was down again, to 179,000 tons, which is 1,300 tons less than 2012, continuing the steady decrease since 2006.

The 2014 planned outages started in January, primarily for routine maintenance. The A & B line outages are complete, and the boiler outages are scheduled to take place in March. There has been no significant change in truck waiting times.

Mr. Prata reported that there may be some ISO mandated outages in 2014 to accommodate Central Maine Power line work related to the Maine Power Reliability project. A general discussion ensued regarding the role and impact of ISO New England on plant operations.

Chip Reeves introduced Kevin Tritz of PERC Holdings, Inc.. Mr. Tritz briefly described to the Board his role at PERC.

**CHARTER MUNICIPALITY ASSET MANAGEMENT REPORT – CUSTODY
ACCOUNT, TIP FEE & OPERATING BUDGET STABILIZATION FUNDS & 1st
QUARTER CASH DISTRIBUTION**

George Aronson presented the Asset Management Report. As of January 1st, there was approximately \$1.8 million in the Custody Account, \$21 million in the Tip Fee Stabilization Account, and \$2.2 million in the Operating Budget Stabilization Account. The cash distribution for the quarter is \$1,025,550.86. There is sufficient cash flow to make this distribution, and no transfer from the Tip Fee Stabilization Account will be necessary. After discussion, upon motion duly made and seconded, it was unanimously:

VOTED: That the recommended cash distribution for the quarter of \$1,025,550.86 hereby is approved.

**ADMINISTRATIVE REPORT – WASTE DELIVERY TRENDS, JUNIPER RIDGE
LANDFILL LICENSE DECISION, 2014 LEGISLATIVE SESSION LD 1483, WEBSITE
CHANGES, 2014 STAFFING NEEDS AND MEMBER OUTREACH, MEMBER
ACTION ON POST 2018 PLANNING RESOLUTION**

Greg Louder reported that MSW overall volume in 2013 decreased from the prior year by 3.2%. He reviewed with the Board towns that experienced significant declines, and indicated he is hopeful that the additional staff member can pay more attention to waste delivery trends.

A general discussion ensued regarding the towns participating in single-stream recycling and the MRC's role in overseeing the baseline for each participating town to ensure that it receives appropriate credit under the agreement between PERC and Casella. Tonnage fluctuates every year, so it is necessary to separate what tonnage loss is attributable to the program and what may be attributable to other factors.

The Board next discussed the Juniper Ridge Landfill Decision, and concluded that the MRC generally supported the Order, but that the MRC had objected to the licensing expiration date of March, 2016, as it is two years before the expiration of MRC's contract with PERC. The final Order retained the 2016 expiration date despite the MRC's objection. Mr. Louder reported that the DEP Order has been appealed, and the MRC will monitor the appeal as it progresses.

Mr. Louder next reviewed the status of LD 1483, noting that the bill includes three changes in law which would restrict the MRC from reaching its post-2018 objectives. He reported that the MRC continues to object to the bill, but its partner, USA Energy, supports and advocates for the bill, despite its direct conflict with the MRC's objectives and its current contract with PERC.

Mr. Louder then directed the discussion to member action on the Post-2018 planning resolutions which were presented at the annual meeting. He indicated that several member

communities have expressed their intent to adopt the resolutions, and the following thirty-four (34) towns have already done so:

Baileyville	Gouldsboro	Southwest Harbor
Bangor	Glenburn	Springfield
Bar Harbor	Hermon	Steuben
Bradley	Howland	Sullivan
Brewer	Lincoln	Swans Island
Brownville	Mattawaumkeag	Tremont
Central Penobscot	Milford	Veazie
Cushing	Millinocket	Verona Island
Dexter	Mount Desert	Waldoboro
Dover Foxcroft	Searsmont	Wiscasset
Eddington	Searsport	
Franklin	Sherman	

Chip Reeves next raised the question of whether, in view of the amount of work before the Board, additional Board meetings should be scheduled in between the regular quarterly meetings. He suggested holding interim meetings every six weeks and expressed the hope that meeting more regularly could assist in streamlining the meetings. A teleconference option would be available if necessary, and the Board agreed this would be helpful. Mr. Reeves and Mr. Louder were charged with developing a schedule for Wednesday Board meetings every six weeks. After further discussion, upon motion duly made and seconded, it was unanimously:

VOTED: That the Board of the MRC supplement its quarterly meeting schedule to allow for meetings every six weeks.

CONDITIONAL OUTSIDE DELIVERIES WAIVER AGREEMENT – WINTHROP

Mr. Louder informed the Board that the town of Winthrop has requested a waiver to be able to secure outside deliveries. Winthrop's GAT is currently at the 125% ceiling, which was created as part of the initial policy back when the MRC feared too much tonnage. It was noted that PERC would need to consent to the waiver as the contract is between PERC and the town of Winthrop. After discussion, upon motion duly made and seconded, it was unanimously:

VOTED: That the MRC recommend to PERC to approve a waiver agreement with the town of Winthrop to adjust their GAT ceiling to allow for outside deliveries and additional tonnage.

At 12:00 p.m., the meeting adjourned for lunch.

At 12:30 p.m., the meeting reconvened.

EXECUTIVE SESSION

At 12:30 p.m., a motion was made and duly seconded to adjourn the meeting to executive session pursuant to 1 M.R.S.A. §405(6)(E) for the purpose of discussing with legal counsel rights and duties over certain contract matters related to potential negotiations with the PERC Partners.

Whereupon, it was unanimously:

VOTED: That the meeting is adjourned to executive session.

At 2:30 p.m., the executive session ended and the Board reconvened in regular session.

Upon motion duly made and seconded, it was unanimously:

VOTED: That an Option to Purchase a potential site for an integrated solid waste management facility on the terms presented at the meeting hereby is approved.

Upon motion duly made and seconded, upon unanimous vote, and the following resolution was duly adopted:

WHEREAS, the Municipal Review Committee, Inc. ("MRC") represents approximately 187 municipalities or groups of municipalities (the "Charter Municipalities") all of which have entered into long term Waste Disposal Agreements with the Penobscot Energy Recovery Company ("PERC") providing for waste disposal needs through March 31, 2018; and

WHEREAS, the mission of the MRC is to ensure the affordable, long-term, environmentally-sound disposal of the municipal solid waste ("MSW") of its members; and

WHEREAS, the Waste Disposal Agreements expire on or about March 31, 2018, unless extended; and

WHEREAS, the MRC, pursuant to a Resolutions adopted by its Board of Directors on December 10, 2009 and December 11, 2013, has been actively engaged in investigating alternative waste disposal arrangements to replace the existing Waste Disposal Agreements after March 31 2018; and

WHEREAS, in furtherance of its mission, the MRC proposes to continue its efforts to extend its mission beyond 2018 by developing one or more alternative solid waste management and disposal solutions for consideration by the legislative bodies of the Charter Municipalities, which alternatives may include potential development of an integrated solid waste management and resources recovery facility to be owned and controlled either by the Charter Municipalities or in partnership with other private partners; and

WHEREAS, the MRC has issued a Request for Expressions of Interest soliciting proposals for alternative technologies for the sorting, recycling, processing and disposal of MSW and is exploring several alternative sites for such a facility within the MRC Region with a view to securing options on one or more potential sites for this purpose; and

WHEREAS, the MRC has resolved to take steps to further develop a potential integrated solid waste management and resource recovery facility to accommodate the management and disposal of MSW originating in the Charter Municipalities at PERC or other facilities after March 31, 2018 including, without limitation, (i) exploring available alternative technologies for the sorting, recycling, processing and disposal of MSW originating in the Charter Municipalities; (ii) engaging in discussions with possible joint venture partners or other third parties with respect to the potential financing, development and/or ownership of an alternative facility either under the control of the MRC or under shared control with other private partners; (iii) securing options or other rights in land on one or more potential sites for such a facility, and (iv) preparing and filing an application with the Maine Department of Environmental Protection for a Determination of Public Benefit in connection therewith (the foregoing elements being referred to collectively in the following resolutions as the "MRC Post-2018 Planning Initiative")

NOW THEREFORE, in recognition of the above, it hereby is:

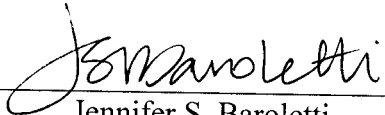
RESOLVED: That the MRC staff hereby is directed to proceed to work with Fiberright LLC to investigate the technical and economic feasibility (including projected revenues, expenses, capital costs and tip fees) of developing a municipal solid waste processing facility using Fiberright technology to serve the MRC communities.

Sophie Wilson addressed the Board, stressing the importance of receiving meaningful input from member communities. She suggested that the Communications Committee develop a

strategy to hold meetings to discuss the emerging technologies and to provide members with an opportunity to attend and participate in the discussion.

There being no further business to come before the Board, the meeting adjourned at 2:40 p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: May 7, 2014