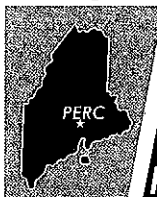



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MRC
Municipal Review Committee, Inc.

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MEMORANDUM

TO: Charter Municipalities
FROM: Greg Louder, Executive Director, Municipal Review Committee 
RE: Settlement Agreement Winding Up PERC Partnership and Related Cash Distributions
from PERC in 2017 and 2018
DATE: 6 January 2017

The MRC and the private partners in the PERC partnership (USA Energy Group, LLC, or USAE, and PERC Holdings, LLC, or PHI) recently finalized a Settlement Agreement that was approved by the MRC Board and signed on December 14, 2016. The Settlement Agreement resolves legal differences between the MRC and USAE and PHI¹ and provides for a positive conclusion to the partnership arrangement at PERC. The Settlement Agreement also addresses certain risks and uncertainties surrounding the wind-up of PERC by providing new agreements regarding cash flows from the PERC facility to the Equity Charter Municipalities, and to the MRC on behalf of all Charter Municipalities, pursuant to the existing waste disposal agreements that are scheduled to end on March 31, 2018.

This memorandum describes the new arrangements resulting from the Settlement Agreement and provides projections of potential cash flows to the Charter Municipalities consistent with the new arrangements.

The Settlement Agreement contains the following terms that affect cash flows to the Charter Municipalities:

- **Performance Credits and Net Cash Flow.** The MRC's share of Performance Credits and Net Cash Flow from the PERC facility, managed for the benefit of the Charter Municipalities, shall be at the guaranteed amount of \$5.4 million over the period from September 1, 2016, through March 31, 2018. Payments will be disbursed over this period in the same way as they have been since 1998, provided that (a) the total of such payments to the MRC shall not exceed \$5.4 million; and (b) in the event the total of such payments is less than \$5.4 million, the difference shall be paid to the MRC no later than March 31, 2018.
- **Consent Payment.** In addition to the above, USAE shall cause to be paid to the MRC \$600,000 as a Consent Payment contemporaneously with the execution of the Settlement Agreement (the payment has been made). The Consent Payment represents compensation for certain agreements related to partnership matters, including (a) removal of existing purchase options for Charter Municipalities in the existing partnership agreement; and (b) addition of new purchase options to the amended partnership agreement (see below). A portion of the Consent Payment will be used by the MRC to offset its costs of achieving the overall settlement. This Consent Payment is part of the

¹ With the exception of the pending Rule 80C appeal by the private partners of PERC of the new processing facility permits issued to MRC and Fiberight, which appeal remains outstanding.

overall settlement and does not relate in any way to the dismissal of the primary litigation issues between the MRC and USAE and PHI.

- **Option to sell partnership interests.** The Equity Charter Municipalities shall have the option, which must be exercised by December 15, 2017, to require PERC to purchase their limited partnership interests in PERC at a pro rata share of a fixed price of \$1.5 million for all such interests. For those Equity Charter Municipalities that elect not to exercise such option, PERC will have the option to purchase back their shares either at an agreed-upon price or at a price that is based on a determination of fair market value that results from an appraisal process.
- **Release of reserve funds.** USAE shall assist the MRC in attempting to secure withdrawal as soon as possible of the \$1.333 million held by TD Bank as a reserve fund in the name of the Equity Charter Municipalities. The MRC anticipates that such funds will be released by or before December 2017 after the last debt service payment has been made.

In addition to the above, upon termination of the waste disposal agreements, the MRC Board has committed to manage the remaining funds in the Custody Account and the Tip Fee Stabilization Account by (a) paying out to the Departing Municipalities their allocable share of available funds; and (b) transferring the funds allocable to Joining Members to the appropriate reserve funds associated with the Fiberight project to be used as provided in the Joinder Agreements. Allocations will be adjusted so that Joining Members will bear all budgeted expenses associated with securing and developing the Hampden site for the Fiberight facility, and Departing Municipalities will not bear any of those expenses. All transfers and payments are anticipated to occur in May 2018. Projections of the amounts to be transferred and paid will be forthcoming.

Regarding specific cash flows to be distributed to the Charter Municipalities in fiscal year 2018, the MRC offers the following:

1. **Performance Credits and Net Cash Flow.** Attachment 1, provided to support your local FY2018 budget development process, shows projected cash distributions to the Charter Municipalities for each quarter of fiscal year 2018, along with the basis for the projections. The projections are based on projections of tip fees and tonnages, and the existing target value for net disposal cost of \$67 per ton. Projected Tip Fees for FY2018 are as follows:

3Q 2017	\$81.76
4Q 2017	\$82.50
1Q 2018	\$82.63

The fourth quarter of fiscal year 2018 is beyond the term of the existing waste disposal agreements with PERC. Joining Members would face a tipping fee of \$70.00 per ton, with rebates to be distributed in FY2019 of \$5.00 for Joining Members that are Equity Charter Municipalities and \$3.00 per ton for Joining Members that are New Charter Municipalities. Departing Members will have other arrangements not known to the MRC. MRC Dues for fiscal year 2018 are budgeted at \$1.25 per ton.

The cash distribution figures are estimates. Actual distributions will be different from projections based on changes from the assumed values of actual tip fees, actual tonnages of MSW delivered to PERC and any change in the target value approved by the MRC Board. Note that the balance of the

\$600,000 Consent Payment, less the cost to secure the settlement, including the Consent Payment, was deposited in the Custody Account and will be distributed to Charter Municipalities as part of the normal quarterly cash distribution process.

2. **Reconciliation payment.** If the total payments of Performance Credits and Net Cash Flow to the MRC through March 31, 2018, are less than \$5.4 million, and a payment is made to the MRC for the difference, then the MRC would distribute the payment to the Equity Charter Municipalities shortly thereafter. It is not known for certain at this time whether such a payment will be due. The MRC projects that the amount of the payment will be between \$0 and \$1.5 million.
3. **Payments for partnership interests.** Attachment 2 shows the values that PERC would pay to purchase limited partnership interests from those Equity Charter Municipalities that exercise their option to sell by December 15, 2017. The MRC encourages all Equity Charter Municipalities to take advantage of this option to sell their limited partnership interests at what we believe is a fair valuation. The MRC projects that PERC would provide payment to the Equity Charter Municipalities for the partnership interests by or before March 31, 2018.
4. **Released reserve funds.** Attachment 3 shows the MRC's most recent projection of the amounts of the debt service reserve fund that would be released to each Equity Charter Municipality. These estimated amounts may change due to variations from the projection regarding (a) the share of overall tonnage delivered to the PERC facility over the period of allocation, which is used to allocate the payments; and (b) costs of recovery of the funds that would be charged against and netted out of the amount released.

Please contact Greg Lounder at 1-866-254-3507 or 664-1700 or by email at glounder@mrcmaine.org with any questions.

Attachment 2		
ECM Put Option to Sell LP shares		
Value for each Equity Charter Municipality		
	LP ownership	Share value at
Equity Charter Municipality	share	1,500,000.00
Albion	0.115200%	6,770.79
Alton	0.053777%	3,160.70
Atkinson	0.016704%	981.76
Baileyville	0.188154%	11,058.60
Bangor	4.324165%	254,149.36
Bar Harbor	0.848682%	49,880.61
Blue Hill/Surry	0.527452%	31,000.57
Boothbay RRDD	0.722256%	42,450.02
Bradley	0.068282%	4,013.22
Brewer	1.286299%	75,601.20
Brooks	0.035971%	2,114.17
Brownville	0.115223%	6,772.14
Bucksport	0.406500%	23,891.71
Burnham	0.082797%	4,866.33
Carmel	0.133851%	7,866.99
Central Penobscot	0.223590%	13,141.32
China	0.292066%	17,165.95
Clifton	0.047476%	2,790.36
Clinton	0.391141%	22,989.00
Dedham	0.065330%	3,839.72
Dover-Foxcroft	0.296503%	17,426.73
Eddington	0.139017%	8,170.61
Enfield	0.116763%	6,862.65
Fairfield	0.408549%	24,012.14
Glenburn	0.250042%	14,696.02
Gouldsboro	0.124736%	7,331.26
Greenbush	0.080853%	4,752.07
Guilford	0.211599%	12,436.56
Hampden	0.507683%	29,838.67
Hancock	0.090230%	5,303.20
Hermon	0.411467%	24,183.65
Holden	0.137542%	8,083.92
Jackson	0.016186%	951.32
Lamoine	0.083018%	4,879.32
Lee	0.060512%	3,556.55
Levant	0.130044%	7,643.23
Lincoln	0.599549%	35,238.02
Lucerne	0.033430%	1,964.82
Mariaville	0.019156%	1,125.88
Mars Hill	0.151091%	8,880.25
Mattawamkeag	0.063687%	3,743.15

Attachment 2		
ECM Put Option to Sell LP shares		
Value for each Equity Charter Municipality		
	LP ownership	Share value at
Equity Charter Municipality	share	1,500,000.00
Midcoast SWD	1.232567%	72,443.15
Mid-Maine SWD	0.729280%	42,862.85
Milford	0.178976%	10,519.17
Millinocket	0.466113%	27,395.42
Milo	0.196676%	11,559.48
Monson	0.032485%	1,909.28
Mt. Desert area ADD	0.960269%	56,439.05
Newburg	0.080330%	4,721.33
Old Town	0.772617%	45,409.95
Orland	0.079493%	4,672.14
Orono	0.662183%	38,919.28
Otis	0.033372%	1,961.41
Palmyra	0.095658%	5,622.22
Parkman	0.025709%	1,511.03
Penobscot Co.	0.132932%	7,812.97
Pleasant River SWD	0.201455%	11,840.36
Plymouth	0.076122%	4,474.01
Reed Pt	0.014551%	855.22
Rockland	0.850547%	49,990.22
Sangerville	0.070695%	4,155.04
Searsport	0.207542%	12,198.12
Stetson	0.054586%	3,208.25
Steuben	0.076527%	4,497.81
Stonington	0.129296%	7,599.27
Thomaston Group	0.550964%	32,382.47
Thorndike	0.043315%	2,545.81
Troy	0.033720%	1,981.87
Union River SWD	0.048905%	2,874.35
Unity	0.113136%	6,649.48
Vassalboro	0.229933%	13,514.13
Veazie	0.116191%	6,829.03
Verona	0.044567%	2,619.39
Waldoboro Group	0.471227%	27,695.99
Waterville	1.516595%	89,136.67
Winslow	0.469420%	27,589.79
West Gardiner	0.185858%	10,923.66
Winthrop	0.461015%	27,095.79
	25.521400%	1,500,000.00

Attachment 1						
Projected Cash Distributions to the Equity Charter Municipalities						
Fiscal Year 2018						
Period in which cash is actually distributed (typically in middle of second calendar month of the quarter)						
Run date	20-Dec-16	Total Cash	2017	2017	2018	2018
Charter Municipality		Distributions	3Q	4Q	1Q	2Q
Albion		\$ 13,342.53	\$ 3,310.22	\$ 3,557.74	\$ 3,449.53	\$ 3,025.04
Alton		\$ 4,526.79	\$ 1,153.07	\$ 1,137.94	\$ 1,222.48	\$ 1,013.30
Atkinson		\$ 2,095.92	\$ 513.33	\$ 588.09	\$ 540.93	\$ 453.57
Baileyville		\$ 22,964.26	\$ 4,781.35	\$ 5,727.77	\$ 6,854.24	\$ 5,600.90
Bangor		\$ 422,495.72	\$ 101,512.40	\$ 108,781.73	\$ 111,007.95	\$ 101,193.64
Bar Harbor		\$ 80,809.21	\$ 18,903.63	\$ 33,346.17	\$ 17,841.06	\$ 10,718.35
Blue Hill/Surry		\$ 63,728.41	\$ 14,588.64	\$ 20,009.77	\$ 15,931.17	\$ 13,198.83
Boothbay RRDD		\$ 66,662.50	\$ 15,263.09	\$ 25,246.57	\$ 14,688.09	\$ 11,464.75
Bradley		\$ 7,533.38	\$ 1,795.46	\$ 1,800.75	\$ 2,207.65	\$ 1,729.52
Brewer		\$ 83,344.01	\$ 20,283.33	\$ 21,231.01	\$ 21,636.92	\$ 20,192.75
Brooks		\$ 7,564.20	\$ 1,811.91	\$ 1,890.02	\$ 1,917.71	\$ 1,944.56
Brownville		\$ 8,822.46	\$ 2,444.26	\$ 2,262.79	\$ 2,236.82	\$ 1,878.59
Bucksport		\$ 15,039.19	\$ 3,691.55	\$ 4,039.99	\$ 4,143.40	\$ 3,164.25
Burnham		\$ 10,078.84	\$ 2,843.44	\$ 2,689.06	\$ 2,568.27	\$ 1,978.07
Carmel		\$ 18,181.40	\$ 4,168.78	\$ 4,799.34	\$ 4,897.43	\$ 4,315.85
Central Penobscot		\$ 37,132.98	\$ 9,239.20	\$ 9,102.47	\$ 10,007.81	\$ 8,783.50
China		\$ 18,088.73	\$ 4,360.84	\$ 4,989.21	\$ 4,710.96	\$ 4,027.72
Clifton		\$ 6,048.13	\$ 1,415.52	\$ 1,699.71	\$ 1,511.82	\$ 1,421.08
Clinton		\$ 20,531.90	\$ 5,415.65	\$ 5,664.09	\$ 4,928.86	\$ 4,523.30
Dedham		\$ 5,515.80	\$ 1,303.32	\$ 1,672.23	\$ 1,334.21	\$ 1,206.04
Dover-Foxcroft		\$ 36,148.27	\$ 8,851.86	\$ 10,139.66	\$ 9,334.69	\$ 7,822.06
Eddington		\$ 12,986.88	\$ 3,101.85	\$ 3,408.28	\$ 3,478.25	\$ 2,998.50
Enfield		\$ 11,551.04	\$ 2,834.66	\$ 2,992.63	\$ 3,126.35	\$ 2,597.40
Fairfield		\$ 44,259.98	\$ 10,060.69	\$ 10,348.43	\$ 12,481.19	\$ 11,369.67
Glenburn		\$ 34,388.27	\$ 8,533.67	\$ 8,461.17	\$ 9,302.96	\$ 8,090.47
Gouldsboro		\$ 6,348.05	\$ 1,458.86	\$ 2,005.16	\$ 1,588.97	\$ 1,295.06
Greenbush		\$ 9,469.68	\$ 2,220.00	\$ 2,542.66	\$ 2,666.62	\$ 2,040.40
Guilford		\$ 21,942.66	\$ 5,507.78	\$ 5,479.16	\$ 5,671.46	\$ 5,284.26
Hampden		\$ 52,270.38	\$ 13,030.82	\$ 13,846.42	\$ 13,834.06	\$ 11,559.08
Hancock		\$ 5,186.69	\$ 1,211.89	\$ 1,529.32	\$ 1,297.22	\$ 1,148.26
Hermon		\$ 58,769.24	\$ 14,206.19	\$ 14,696.34	\$ 15,948.47	\$ 13,918.24
Holden		\$ 15,914.72	\$ 3,848.35	\$ 4,095.67	\$ 4,282.36	\$ 3,688.34
Jackson		\$ 3,123.52	\$ 759.61	\$ 756.01	\$ 849.67	\$ 758.23
Lamoine		\$ 7,867.39	\$ 1,822.78	\$ 2,249.85	\$ 2,064.93	\$ 1,729.83
Lee		\$ 7,686.76	\$ 1,896.93	\$ 1,963.29	\$ 2,254.27	\$ 1,572.27
Levant		\$ 15,874.42	\$ 3,951.21	\$ 3,739.18	\$ 4,359.06	\$ 3,824.97
Lincoln		\$ 47,828.99	\$ 12,621.75	\$ 13,205.56	\$ 11,957.85	\$ 10,043.83
Lucerne		\$ 4,512.86	\$ 1,066.38	\$ 1,368.08	\$ 1,091.64	\$ 986.76
Mariaville		\$ 2,163.81	\$ 443.36	\$ 517.72	\$ 576.28	\$ 626.45
Mars Hill		\$ 14,876.66	\$ 3,163.73	\$ 3,339.52	\$ 4,796.38	\$ 3,577.03
Mattawamkeag		\$ 4,679.21	\$ 1,205.20	\$ 1,338.42	\$ 1,108.49	\$ 1,027.10

Attachment 1						
Projected Cash Distributions to the Equity Charter Municipalities						
Fiscal Year 2018						
Period in which cash is actually distributed (typically in middle of second calendar month of the quarter)						
Run date	20-Dec-16	Total Cash	2017	2017	2018	2018
Charter Municipality	Distributions		3Q	4Q	1Q	2Q
Midcoast SWD	\$ 100,579.99		\$ 22,446.19	\$ 29,776.80	\$ 26,406.98	\$ 21,950.02
Mid-Maine SWD	\$ 73,460.50		\$ 18,438.67	\$ 18,343.35	\$ 18,987.44	\$ 17,691.04
Milford	\$ 13,997.41		\$ 3,468.27	\$ 3,533.46	\$ 3,714.36	\$ 3,281.32
Millinocket	\$ 36,220.06		\$ 9,324.35	\$ 10,792.29	\$ 8,611.04	\$ 7,492.38
Milo	\$ 21,410.50		\$ 5,609.53	\$ 5,474.80	\$ 5,391.45	\$ 4,934.72
Monson	\$ 3,008.20		\$ 759.33	\$ 903.14	\$ 810.57	\$ 535.16
Mt. Desert/EMR	\$ 86,306.21		\$ 18,549.75	\$ 31,193.29	\$ 20,260.15	\$ 16,303.02
Newburg	\$ 8,437.22		\$ 2,050.52	\$ 2,386.37	\$ 2,073.36	\$ 1,926.97
Old Town	\$ 47,053.89		\$ 12,241.67	\$ 12,197.45	\$ 11,580.39	\$ 11,034.38
Orland	\$ 4,000.42		\$ 987.35	\$ 1,036.89	\$ 1,111.65	\$ 864.53
Orono	\$ 61,056.84		\$ 15,178.63	\$ 15,318.01	\$ 16,832.58	\$ 13,727.62
Otis	\$ 2,801.31		\$ 633.89	\$ 975.83	\$ 674.93	\$ 516.66
Palmyra	\$ 13,650.25		\$ 3,279.83	\$ 3,437.65	\$ 3,837.67	\$ 3,095.10
Parkman	\$ 3,399.83		\$ 789.99	\$ 941.96	\$ 913.44	\$ 754.44
Penobscot Co.	\$ 12,155.32		\$ 3,030.07	\$ 3,080.44	\$ 3,194.17	\$ 2,850.64
Pleasant River SWD	\$ 7,156.40		\$ 1,716.16	\$ 1,828.23	\$ 1,922.22	\$ 1,689.79
Plymouth	\$ 7,652.97		\$ 1,893.44	\$ 1,914.73	\$ 2,030.35	\$ 1,814.45
Reed Pt	\$ 1,406.08		\$ 366.42	\$ 347.91	\$ 424.09	\$ 267.66
Rockland	\$ 75,725.89		\$ 17,712.37	\$ 20,695.55	\$ 19,368.67	\$ 17,949.30
Sangerville	\$ 9,955.55		\$ 2,437.15	\$ 2,793.74	\$ 2,570.68	\$ 2,153.98
Searsport	\$ 14,489.33		\$ 3,481.37	\$ 3,996.22	\$ 3,733.76	\$ 3,277.98
Stetson	\$ 7,727.92		\$ 1,862.64	\$ 2,042.82	\$ 2,107.04	\$ 1,715.42
Steuben	\$ 10,017.57		\$ 2,500.99	\$ 2,677.57	\$ 2,534.29	\$ 2,304.72
Stonington	\$ 18,313.08		\$ 3,944.38	\$ 6,590.35	\$ 4,561.78	\$ 3,216.57
Thomaston Group	\$ 60,850.57		\$ 14,398.81	\$ 16,186.70	\$ 16,040.35	\$ 14,224.71
Thorndike	\$ 2,683.96		\$ 613.26	\$ 604.51	\$ 823.21	\$ 642.98
Troy	\$ 2,381.89		\$ 588.45	\$ 632.57	\$ 594.62	\$ 566.25
Union River SWD	\$ 6,047.25		\$ 1,435.31	\$ 1,678.63	\$ 1,570.92	\$ 1,362.39
Unity	\$ 14,108.29		\$ 3,417.81	\$ 3,615.46	\$ 3,728.04	\$ 3,346.98
Vassalboro	\$ 19,311.36		\$ 4,504.96	\$ 5,032.39	\$ 5,140.61	\$ 4,633.40
Veazie	\$ 9,270.21		\$ 2,336.52	\$ 2,335.33	\$ 2,370.22	\$ 2,228.14
Verona	\$ 4,554.42		\$ 1,087.14	\$ 1,133.57	\$ 1,171.95	\$ 1,161.76
Waldoboro Group	\$ 37,810.45		\$ 9,655.10	\$ 10,106.65	\$ 9,827.20	\$ 8,221.50
Waterville	\$ 86,193.70		\$ 21,230.12	\$ 21,237.99	\$ 22,048.23	\$ 21,677.36
Winslow	\$ 49,825.17		\$ 11,631.61	\$ 11,942.01	\$ 13,840.37	\$ 12,411.18
West Gardiner	\$ 13,304.49		\$ 3,222.27	\$ 3,458.15	\$ 3,686.38	\$ 2,937.69
Winthrop	\$ 41,940.97		\$ 10,431.29	\$ 10,334.18	\$ 11,526.25	\$ 9,649.25
TOTAL	\$ 2,320,621.31		\$ 557,852.17	\$ 638,835.97	\$ 601,729.89	\$ 522,203.28
Assumptions						
1	Cash distributions are the amount that must be distributed for the Equity Charter Municipalities to achieve the target value in \$ per ton for tipping fees less cash distributions on a system-wide average basis for all Equity Charter Municipalities. If tipping fees are higher than projected, then cash distributions will increase; if tipping fees are lower than projected, then cash distributions will decrease. The actual cash distributions will vary among Equity Charter Municipalities for reasons that include impacts of seasonality of waste deliveries, ownership of limited partnership shares in PERC based on historical values of GAT and actual deliveries since July 1, 1998; unforeseen changes in waste generation and collection; time lags; and other factors.					
2	Tipping fees are based on PERC's projected budget for the calendar year 2017, lagged one quarter to account for time to ascertain actual waste deliveries for each Charter Municipality in the previous quarter. The tipping fee for the first quarter of 2018 is extrapolated from available data.					

Projected Cash Distributions to the Equity Charter Municipalities								
Fiscal Year 2018								
Groups of municipalities with amounts allocated on basis of GAT								
Blue Hill/Surry								
			Share of	Total Cash	2017	2017	2018	2018
	GAT		Total GAT	Distributions	3Q	4Q	1Q	2Q
	Blue Hill	2657	66.7%	\$ 42,490.94	\$ 9,726.98	\$ 13,341.52	\$ 10,622.11	\$ 8,800.32
	Surry	1328	33.3%	\$ 21,237.47	\$ 4,861.66	\$ 6,668.25	\$ 5,309.06	\$ 4,398.51
	Total	3985	100.0%	\$ 63,728.41	\$ 14,588.64	\$ 20,009.77	\$ 15,931.17	\$ 13,198.83
			check	\$ 63,728.41				
Mt. Desert/EMR								
		2013	Share of	Total Cash				
	GAT		Total GAT	Distributions				
	Mt. Desert	1883	29.2%	\$ 25,235.19	\$ 5,423.79	\$ 9,120.65	\$ 5,923.89	\$ 4,766.86
	SW Harbor	2274	35.3%	\$ 30,475.20	\$ 6,550.02	\$ 11,014.52	\$ 7,153.97	\$ 5,756.69
	Tremont	1056	16.4%	\$ 14,152.07	\$ 3,041.70	\$ 5,114.92	\$ 3,322.16	\$ 2,673.29
	Trenton	1227	19.1%	\$ 16,443.75	\$ 3,534.25	\$ 5,943.20	\$ 3,860.13	\$ 3,106.18
	Total	6440	100.0%	\$ 86,306.21	\$ 18,549.75	\$ 31,193.29	\$ 20,260.15	\$ 16,303.02
			Allocation factor	-0.00025				
			check	\$ 86,306.21				
Thomaston Group								
			Share of	Total Cash				
	GAT		Total GAT	Distributions				
	Thomaston	1979	53.1%	\$ 32,285.06	\$ 7,639.48	\$ 8,588.06	\$ 8,510.42	\$ 7,547.10
	S. Thomaston	762	20.4%	\$ 12,431.14	\$ 2,941.53	\$ 3,306.77	\$ 3,276.88	\$ 2,905.96
	Owls Head	989	26.5%	\$ 16,134.37	\$ 3,817.81	\$ 4,291.86	\$ 4,253.06	\$ 3,771.64
	Total	3730	100.0%	\$ 60,850.57	\$ 14,398.81	\$ 16,186.70	\$ 16,040.35	\$ 14,224.71
			Allocation factor	(0.0001)				
			check	\$ 60,850.57				
Waldoboro Group								
			Share	Total Cash				
	GAT		By agreement	Distributions				
	Cushing	598	19.77%	\$ 7,475.13	\$ 1,908.81	\$ 1,998.09	\$ 1,942.84	\$ 1,625.39
	Friendship	543	14.84%	\$ 5,611.07	\$ 1,432.82	\$ 1,499.83	\$ 1,458.36	\$ 1,220.07
	Waldoboro	2222	65.39%	\$ 24,724.25	\$ 6,313.47	\$ 6,608.74	\$ 6,426.01	\$ 5,376.04
	Total	3363	100.00%	\$ 37,810.45	\$ 9,655.10	\$ 10,106.65	\$ 9,827.20	\$ 8,221.50
			Allocation factor	0.00109				
			check	\$ 37,810.45				

Projected Cash Distributions to the New Charter Municipalities					
Fiscal Year 2018					
Run	20-Dec-16				
Prior quarter tipping fee		\$ 77.00	\$ 79.00	\$ 78.70	\$ 81.01
Prior quarter target value		\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00
Rebate amount per ton		\$ 10.00	\$ 12.00	\$ 11.70	\$ 14.01
Period of cash receipt based on prior period tons and tip fees					
	Total Cash	2017	2017	2018	2018
	Distributions	3Q	4Q	1Q	2Q
Charter Municipality					
Abbot	1,658.86	392.92	477.76	454.75	333.43
Bancroft	268.32	62.84	68.91	77.99	58.59
Belfast	8,035.27	1,725.23	2,424.28	1,906.51	1,979.26
Bowerbank	414.24	90.92	119.62	102.16	101.54
Castine	2,271.99	411.43	998.08	461.22	401.26
Cherryfield	5,392.69	1,169.39	1,485.66	1,482.07	1,255.57
Chester	4,623.61	1,012.09	1,104.82	1,295.45	1,211.26
Cranberry Isles	852.13	76.04	426.58	182.99	166.51
Dixmont	1,842.47	414.19	434.62	548.62	445.03
Drew Plt	233.98	55.95	56.97	69.13	51.92
East Millinocket	8,118.41	1,631.85	2,342.25	1,891.30	2,253.02
Edinburg	512.81	119.78	149.40	114.77	128.86
Etna	2,221.92	556.33	478.12	539.09	648.38
Franklin	2,394.86	434.68	797.61	568.83	593.74
Freedom	2,241.83	358.84	403.89	858.86	620.24
Garland	2,618.63	596.61	714.28	661.80	645.93
Harrington	5,073.75	1,012.09	1,380.10	1,372.30	1,309.26
Haynesville	655.00	154.05	168.08	190.14	142.72
Howland	3,120.82	714.13	784.26	738.76	883.67
Hudson	1,853.75	407.20	523.51	444.30	478.74
Kenduskeag	4,751.53	1,003.22	1,221.12	1,252.31	1,274.87
Knox	5,091.53	1,006.47	1,198.90	1,623.51	1,262.64
LaGrange	3,565.85	760.62	1,008.60	880.21	916.43
Machias	17,761.44	4,515.44	1,984.93	5,333.91	5,927.16
Macwahoc Plt	714.50	168.14	183.33	207.39	155.64
Maxfield	599.21	132.29	170.33	161.08	135.52
Medford	1,293.24	342.68	315.48	371.65	263.43
Medway	8,038.92	1,803.44	2,188.71	2,005.95	2,040.83
Milbridge	7,597.71	1,549.80	2,178.66	1,843.51	2,025.74
Montville	1,261.31	280.73	293.61	366.32	320.66
N.Katahdin	13,679.07	3,036.66	3,960.41	3,343.74	3,338.27
Oakfield	3,938.29	793.52	336.28	1,210.65	1,597.84
Passadumkeag	2,044.34	472.90	538.16	528.30	504.97
Penobscot	6,086.24	1,270.65	1,812.60	1,543.25	1,459.74
Piscataquis Co.	3,959.27	823.85	1,472.18	981.69	681.55
Searsmont	2,474.23	536.83	758.73	560.20	618.47
Sebec	2,473.64	544.31	706.84	612.99	609.50
Sherman	7,992.91	1,955.13	2,213.89	1,970.64	1,853.26
Sorrento	735.91	154.94	268.55	153.93	158.49
Springfield	1,908.14	279.64	307.67	956.94	363.88
Stockton Springs	5,196.48	1,244.55	1,641.56	1,079.54	1,230.83
Sullivan	1,831.43	384.45	538.05	436.58	472.35
Swans Island	1,583.00	344.26	553.89	321.93	362.93
TCSWMO	20,997.43	4,663.48	5,807.17	5,375.91	5,150.88
Winn	2,220.50	478.12	632.84	538.63	570.90
Winter Harbor	1,715.71	361.00	626.81	358.71	369.18
Wiscasset	21,112.91	4,439.89	6,212.95	4,924.11	5,535.96
	205,030.06	44,743.53	54,471.05	52,904.62	52,910.86

Commonwealth Resource Management Corporation										
Projections of Cash Distributions										
		Current	Prior		ECM		20-Dec-16			
		Quarter	Quarter		Per-ton	Tons in	ECM	Year-to-year	4-quarter	
		Tipping	Tipping	Target	Cash	Prior	Base Cash	tonnage	moving avg	Date of
Year	Quarter	Fee	Fee	Value	Distribution	Quarter	Distribution	change	tonnage	cash distribution
Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
2001	1	\$ 56.27	\$ 55.76	\$ 45.00	\$ 10.76	40,365.93	\$ 434,337			
	2	\$ 55.27	\$ 56.27	\$ 45.00	\$ 11.27	34,466.81	\$ 388,441			
	3	\$ 57.30	\$ 55.27	\$ 45.00	\$ 10.27	44,301.05	\$ 454,972			
	4	\$ 45.00	\$ 57.30	\$ 45.00	\$ 12.30	47,129.10	\$ 579,688			
2002	1	\$ 59.92	\$ 56.95	\$ 45.00	\$ 11.95	41,579.36	\$ 496,874	3.0%		
	2	\$ 57.12	\$ 59.92	\$ 45.00	\$ 14.92	39,175.87	\$ 584,504	13.7%		
	3	\$ 55.38	\$ 57.12	\$ 45.00	\$ 12.12	47,375.97	\$ 574,197	6.9%		
	4	\$ 56.52	\$ 55.38	\$ 45.00	\$ 10.38	50,996.97	\$ 529,342	8.2%	7.7%	
2003	1	\$ 58.24	\$ 56.52	\$ 45.00	\$ 11.52	44,785.70	\$ 515,931	7.7%	8.9%	
	2	\$ 60.34	\$ 58.24	\$ 45.00	\$ 13.24	38,901.59	\$ 515,057	-0.7%	5.7%	
	3	\$ 60.85	\$ 60.34	\$ 45.00	\$ 15.34	48,428.70	\$ 742,896	2.2%	4.5%	
	4	\$ 57.92	\$ 60.85	\$ 45.00	\$ 15.85	51,870.89	\$ 822,154	1.7%	2.7%	
2004	1	\$ 59.17	\$ 57.92	\$ 45.00	\$ 12.92	47,376.35	\$ 612,102	5.8%	2.3%	
	2	\$ 61.44	\$ 59.17	\$ 45.00	\$ 14.17	39,194.79	\$ 555,390	0.8%	2.6%	
	3	\$ 60.16	\$ 61.44	\$ 45.00	\$ 16.44	47,589.69	\$ 782,375	-1.7%	1.6%	
	4	\$ 59.65	\$ 60.16	\$ 45.00	\$ 15.16	51,982.20	\$ 788,050	0.2%	1.2%	
2005	1	\$ 61.04	\$ 59.65	\$ 45.00	\$ 14.65	45,058.09	\$ 660,101	-4.9%	-1.5%	
	2	\$ 62.90	\$ 61.04	\$ 45.00	\$ 16.04	39,263.54	\$ 629,787	0.2%	-1.6%	
	3	\$ 61.50	\$ 62.90	\$ 45.00	\$ 17.90	49,276.73	\$ 882,053	3.5%	-0.2%	
	4	\$ 62.50	\$ 61.50	\$ 45.00	\$ 18.50	52,380.77	\$ 864,283	0.8%	-0.1%	
2006	1	\$ 64.80	\$ 62.50	\$ 45.00	\$ 17.50	46,838.10	\$ 819,667	4.0%	2.1%	
	2	\$ 64.00	\$ 64.80	\$ 45.00	\$ 19.80	40,510.56	\$ 802,109	3.2%	2.8%	
	3	\$ 65.00	\$ 64.00	\$ 45.00	\$ 19.00	47,545.45	\$ 903,364	-3.5%	0.9%	
	4	\$ 66.20	\$ 65.00	\$ 45.00	\$ 20.00	52,279.39	\$ 1,045,588	-0.2%	0.6%	
2007	1	\$ 66.75	\$ 66.20	\$ 45.00	\$ 21.20	46,730.24	\$ 990,681	-0.2%	-0.4%	
	2	\$ 65.75	\$ 66.75	\$ 45.00	\$ 21.75	39,127.54	\$ 851,024	-3.4%	-1.8%	
	3	\$ 65.75	\$ 65.75	\$ 45.00	\$ 20.75	47,021.55	\$ 975,697	-1.1%	-1.1%	
	4	\$ 65.25	\$ 65.75	\$ 45.00	\$ 20.75	50,134.32	\$ 1,040,287	-4.1%	-2.2%	
2008	1	\$ 67.25	\$ 65.25	\$ 45.00	\$ 20.25	44,750.49	\$ 906,197	-4.2%	-3.2%	
	2	\$ 68.50	\$ 67.25	\$ 45.00	\$ 22.25	39,049.29	\$ 868,847	-0.2%	-2.5%	
	3	\$ 69.00	\$ 68.50	\$ 45.00	\$ 23.50	46,594.14	\$ 1,094,962	-0.9%	-2.5%	
	4	\$ 67.00	\$ 69.00	\$ 45.00	\$ 24.00	49,819.52	\$ 1,195,868	-0.6%	-1.5%	
2009	1	\$ 73.20	\$ 67.00	\$ 45.00	\$ 22.00	42,774.48	\$ 941,039	-4.4%	-1.5%	
	2	\$ 72.50	\$ 73.20	\$ 45.00	\$ 28.20	36,179.86	\$ 1,020,272	-7.3%	-3.1%	5/15/2009
	3	\$ 71.50	\$ 72.50	\$ 45.00	\$ 27.50	44,128.24	\$ 1,213,527	-5.3%	-4.2%	8/15/2009
	4	\$ 72.00	\$ 71.50	\$ 45.00	\$ 26.50	48,528.99	\$ 1,266,018	-2.6%	-4.8%	11/15/2009
2010	1	\$ 72.20	\$ 72.00	\$ 45.00	\$ 27.00	42,573.72	\$ 1,149,490	-0.6%	-3.8%	2/15/2010
	2	\$ 71.50	\$ 72.20	\$ 45.00	\$ 27.20	37,067.44	\$ 1,008,234	2.5%	-1.8%	5/15/2010
	3	\$ 73.00	\$ 71.50	\$ 45.00	\$ 26.50	42,498.33	\$ 1,126,206	-3.7%	-1.3%	8/15/2010
	4	\$ 73.00	\$ 73.00	\$ 45.00	\$ 28.00	46,441.89	\$ 1,300,373	-4.3%	-1.8%	11/15/2010
2011	1	\$ 74.20	\$ 73.00	\$ 45.00	\$ 28.00	42,128.13	\$ 1,179,532	-1.1%	-1.9%	2/15/2011
	2	\$ 71.50	\$ 74.20	\$ 45.00	\$ 29.20	35,352.27	\$ 1,032,286	-4.6%	-3.4%	5/15/2011
	3	\$ 71.00	\$ 71.50	\$ 46.00	\$ 25.50	42,204.87	\$ 1,076,224	-0.7%	-2.7%	8/15/2011
	4	\$ 73.20	\$ 71.00	\$ 46.00	\$ 25.00	46,553.18	\$ 1,163,830	0.2%	-1.4%	11/15/2011
2012	1	\$ 76.50	\$ 73.20	\$ 46.00	\$ 27.20	40,543.66	\$ 1,102,786	-3.8%	-2.1%	2/15/2012
	2	\$ 73.00	\$ 76.50	\$ 46.00	\$ 30.50	35,116.18	\$ 1,071,043	-0.7%	-1.2%	5/15/2012
	3	\$ 73.00	\$ 73.00	\$ 48.00	\$ 25.00	41,916.50	\$ 1,047,913	-0.7%	-1.2%	8/15/2012
	4	\$ 74.00	\$ 73.00	\$ 48.00	\$ 25.00	44,652.44	\$ 1,116,311	-4.1%	-2.4%	11/15/2012
2013	1	\$ 76.00	\$ 74.00	\$ 48.00	\$ 26.00	40,411.16	\$ 1,050,690	-0.3%	-1.6%	2/15/2013
	2	\$ 74.75	\$ 76.00	\$ 48.00	\$ 28.00	34,012.38	\$ 952,347	-3.1%	-2.1%	5/15/2013
	3	\$ 74.75	\$ 74.75	\$ 51.00	\$ 23.75	41,291.56	\$ 980,675	-1.5%	-2.3%	8/15/2013
	4	\$ 74.75	\$ 74.75	\$ 51.00	\$ 23.75	46,090.22	\$ 1,094,643	3.2%	-0.3%	11/15/2013
2014	1	\$ 76.00	\$ 74.75	\$ 51.00	\$ 23.75	39,299.29	\$ 933,358	-2.8%	-0.9%	2/15/2014
	2	\$ 77.00	\$ 76.00	\$ 51.00	\$ 25.00	33,121.90	\$ 828,048	-2.6%	-0.7%	5/15/2014
	3	\$ 77.00	\$ 77.00	\$ 55.00	\$ 22.00	42,704.07	\$ 939,490	3.4%	0.5%	8/15/2014
	4	\$ 77.00	\$ 77.00	\$ 55.00	\$ 22.00	45,215.49	\$ 994,741	-1.9%	-0.9%	11/15/2014
2015	1	\$ 78.25	\$ 77.00	\$ 55.00	\$ 22.00	39,856.58	\$ 876,845	1.4%	0.1%	2/15/2015
	2	\$ 79.50	\$ 78.25	\$ 55.00	\$ 23.25	31,543.15	\$ 733,378	-4.8%	-0.3%	5/15/2015
	3	\$ 79.00	\$ 79.50	\$ 59.00	\$ 20.50	41,680.32	\$ 854,447	-2.4%	-1.8%	8/15/2015
	4	\$ 76.80	\$ 79.00	\$ 59.00	\$ 20.00	43,980.62	\$ 879,812	-1.5%		11/15/2015
2016	1	\$ 76.50	\$ 76.80	\$ 59.00	\$ 17.80	40,012.66	\$ 712,225	-1.5%		2/15/2016
	2	\$ 77.00	\$ 76.50	\$ 59.00	\$ 17.50	34,435.64	\$ 602,624	-1.5%		5/15/2016
	3	\$ 79.00	\$ 77.00	\$ 63.00	\$ 14.00	40,024.55	\$ 560,344	-1.5%		8/15/2016
	4	\$ 78.70	\$ 79.00	\$ 63.00	\$ 16.00	43,940.68	\$ 703,051	-1.5%		11/15/2016
Projected		Projected	Projected	Approved	Calculated	Calculated	Calculated	Projected		Projected
2017	1	\$ 81.01	\$ 78.70	\$ 63.00	\$ 15.70	39,412.47	\$ 618,776	-1.5%		2/15/2017
	2	\$ 81.15	\$ 81.01	\$ 63.00	\$ 18.01	33,919.11	\$ 610,853	-1.5%		5/15/2017
	3	\$ 81.76	\$ 81.15	\$ 67.00	\$ 14.15	39,424.18	\$ 557,852	-1.5%		8/15/2017
2018	4	\$ 82.50	\$ 81.76	\$ 67.00	\$ 14.76	43,281.57	\$ 638,836	-1.5%		11/15/2017
	1	\$ 82.63	\$ 82.50	\$ 67.00	\$ 15.50	38,821.28	\$ 601,730	-1.5%		2/15/2018
		\$ 82.63	\$ 82.63	\$ 67.00	\$ 15.63	33,410.32	\$ 522,203	-1.5%		5/15/2018

Attachment 3

Allocation of Debt Service Reserve Fund Among the Equity Charter Municipalities

Interim values as of the end of third quarter of 2016 for illustration purposes only

Actual values will be pro rata shares of fund balance based on tons delivered through the release date

Equity Charter Municipality	Allocated Share	Equity Charter Municipality	Allocated Share
Albion	\$ 7,966.67	Midcoast SWD	\$ 55,099.99
Alton	\$ 2,630.84	Mid-Maine SWD	\$ 33,851.81
Atkinson	\$ 1,003.19	Milford	\$ 8,582.94
Baileyville	\$ 14,363.04	Millinocket	\$ 21,696.34
Bangor	\$ 236,812.20	Milo	\$ 10,626.43
Bar Harbor	\$ 40,338.00	Monson	\$ 1,794.10
Blue Hill/Surry	\$ 31,448.09	Mt. Desert/EMR	\$ 52,274.31
Boothbay RRDD	\$ 38,081.12	Newburg	\$ 5,296.60
Bradley	\$ 4,030.73	Old Town	\$ 34,341.76
Brewer	\$ 52,777.99	Orland	\$ 2,648.97
Brooks	\$ 2,845.03	Orono	\$ 31,223.98
Brownville	\$ 5,534.27	Otis	\$ 1,511.22
Bucksport	\$ 15,157.95	Palmyra	\$ 6,788.62
Burnham	\$ 5,029.43	Parkman	\$ 1,600.62
Carmel	\$ 8,952.86	Penobscot Co.	\$ 6,720.21
Central Penobscot	\$ 18,321.65	Pleasant River SWD	\$ 10,102.94
China	\$ 14,019.21	Plymouth	\$ 4,336.82
Clifton	\$ 3,261.44	Reed Pt	\$ 734.23
Clinton	\$ 18,120.13	Rockland	\$ 44,358.49
Dedham	\$ 3,336.56	Sangerville	\$ 4,766.50
Dover-Foxcroft	\$ 17,751.95	Searsport	\$ 7,741.46
Eddington	\$ 7,338.55	Stetson	\$ 4,605.69
Enfield	\$ 6,380.93	Steuben	\$ 4,717.67
Fairfield	\$ 28,749.04	Stonington	\$ 8,339.21
Glenburn	\$ 17,089.33	Thomaston Group	\$ 32,504.78
Gouldsboro	\$ 5,733.69	Thorndike	\$ 2,266.88
Greenbush	\$ 4,862.06	Troy	\$ 1,665.75
Guilford	\$ 10,235.29	Union River SWD	\$ 3,017.25
Hampden	\$ 27,249.36	Unity	\$ 7,193.64
Hancock	\$ 4,056.80	Vassalboro	\$ 11,701.20
Hermon	\$ 26,940.21	Veazie	\$ 5,655.73
Holden	\$ 7,419.80	Verona	\$ 2,447.96
Jackson	\$ 1,292.11	Waldoboro Group	\$ 25,227.91
Lamoine	\$ 4,721.21	Waterville etc.	\$ 72,407.00
Lee	\$ 3,308.60	Winslow	\$ 26,519.96
Levant	\$ 7,526.59	West Gardiner	\$ 8,403.88
Lincoln	\$ 29,132.82	Winthrop	\$ 22,510.66
Lucerne	\$ 2,311.13	Total	\$ 1,333,333.33
Mariaville	\$ 1,185.84		
Mars Hill	\$ 7,798.49		
Mattawamkeag	\$ 2,935.62		