



**MIDCOAST SOLID WASTE CORPORATION
BOARD OF DIRECTORS
MINUTES OF
MARCH 22, 2017
MEETING**

MEMBERS PRESENT: Tom Ford (Acting Chairman) – Hope John French (Secretary) Camden, – Owen Casas (Treasurer) – Rockport, Bill Chapman–Rockport, Michael Brown – Hope, David Barrows – Lincolnville, Keryn Laite – Lincolnville

MEMBERS ABSENT EXCUSED: Don White – Camden

REPRESENTATIVES PRESENT: Jim Guerra–MCSWC Manager, Jodi Hanson–Lincolnville Interim Town Administrator, Richard C. Bates–Rockport Town Manager, Samantha Mank – Hope Town Manager,

REPRESENTATIVES ABSENT EXCUSED:

David Kinney–Lincolnville Town Administrator Representative, Roberta Smith–Interim Camden Town Manager

Guests: Paul Gibbons, Corporate Attorney

Acting Chair Tom Ford called the meeting to order.

1. PUBLIC COMMENT ON NON-AGENDA ITEMS:

Alison McKellar spoke about a Police Hauling Ordinance she recently researched and asked if it could be enforced with regard to the commercial haulers in Camden. French responded that the Ordinance fines would require a court dates which would inevitably cost more than the fine collected. Ford suggested that the Board review and digest this information and that a first step would be for Guerra to draft a letter to the haulers referencing the information so they are made aware of the Ordinance. Dave Edwards, a member of the Waste Watch Committee added that if commercial haulers/contractors couldn't afford appropriate material covers that a means to assist them might be developed.

Chairman Ford announced that Camden Selectman Don White will join the MCSWC Board of Directors and serve the remainder of Leonard Lookner's term.

2. MOMENT OF REFLECTION FOR LEONARD LOOKNER: Chairman Ford spoke to the Board and audience members about the passing of Leonard Lookner. He pointed out his caring nature about the environment and how hard he worked on solid waste issues for our four communities. Ford asked that the Board take a moment to reflect on what a special person Leonard Lookner was.

3. NOMINATIONS AND VOTE TO FILL VICE -CHAIRMAN VACANCY:

Tom Ford opened the nomination for Vice -Chairman. *John French nominated Michael Brown. David Barrows seconded. No Discussion. John French moved to cease nominations. Casas seconded. Vote Passed 6-0-1 (Michael Brown abstained).*

4. ecomaine ‘Excellence Award’:

Tom Ford introduced Alison McKellar a member of the Mid-Coast Waste Watch and spoke on behalf of the Board to congratulate her on receiving the “Environmental Excellence Award’ from ecomaine for volunteer work on solid waste and environmental issues in her community. Owen Casas spoke about his nomination letter which included descriptions of McKellar’s “amazing activism” displayed in her efforts to divert waste to her Syria Project, working to form the Waste Watch Committee and researching improvements for our waste stream processes. Casas read the letter McKellar received from ecomaine regarding the award which was followed by group applause and congratulations.

5. MANAGER’S UPDATE:

Facility: There is a lot of housekeeping taking place by the staff. There has been a reporting system for equipment and facility repairs set up as a result of the Union Contract that was signed last spring.

Audit: Guerra began work on the unassigned balance with information he was given from the auditor at RHR Smith & Co.; he reported an error in the approved budget for FY18. French asked why MCSWC audit is being held up. Guerra confirmed it was because the Camden audit process was a priority and we use the same bookkeeping department. An excel sheet operator issue caused the listed carry forwards from FY17 totaling \$55,000 to not be included in the calculations. This amount will reduce each town’s assessment by their percentage and he will let the four Town Managers know of the financial change in writing. A lengthy discussion followed on the effect of the change. Ford suggested that a motion be made when financials were reviewed in order to direct Jim in communicating the resolution.

Facility Highlights: Ford explained that he has asked Guerra to construct a memorandum on the Manager’s Update to provide information and highlight activities taking place at the facility.

Northern & Southern End Jacobs Quarry Update: The leachate flow is down to 14 GPM in the Southern end of the quarry showing the Southern end is getting much easier to draw down. Water continues to rise visibly in the Northern side of the Quarry. The ‘gut’ project is looking very promising. Guerra will re-install a stadia rod to achieve more accurate and regular measurements when the ice is out.

Landfill: Casas asked about the possible continued threat of a fire. Guerra does not see any potential for a fire occurring outside the normal chances. The water from the last fire continues to be pumped out but he has new firefighting equipment for getting water down to the fire instead of digging up the landfill should this occur in the future. French asked if there were expenses forthcoming for the water used by Rockport Fire Dept. for extinguishing the fire. Guerra said he has not received any information on that to date.

6. PUT Option presented by PERC and MRC:

Guerra provided information on the pending sale of the PERC - MRC Limited Partnership Shares. The four towns are part of a group of Equity Charter Members that own a Limited Partnership in PERC facility; a value of \$1.5 million has been determined for these original Limited Partnership shares. The Towns of Camden, Hope, Lincolnville and Rockport that make up the MCSWC will receive a value of

\$72,442.15 for their shares. Attorney Gibbons has outlined the Settlement Agreement in a memorandum provided to the Board. Gibbons has met with the Executive Committee on March 9th and indicated the best course of action would be for all the funds to go back to the MCSWC because the original purchase investment came from the Corporation. A second disbursement estimated to be valued at \$1.2 million will be distributed back to the Towns next year when the PERC Stabilization Fund is liquidated. MCSWC has a landfill closure cost currently estimated at \$2.3 million dollars and the funds have been recently been drawn down for the Wall project to approximately \$1.4 million. Gibbons suggested that the management of MCSWC make an effort to go to each town and explain that investing these original share proceeds into the closure fund will be the best allocation of the proceeds to lower the future costs of each town's contribution responsibility for the landfill closure. Gibbons made mention that the DEP may have some say as to how the funds may need to be directed because they have the ability to look at the closure of our remediation site to be sure they don't have a future unforeseen responsibility in connection with the closing.

Samantha Mank and Michael Brown spoke about the Hope Select Board Meeting and agreed that the Board of MCSWC needed to put together some information to share with the Towns. They also felt a clear picture should be shown as to where the redesign funds would come if these funds are not available.

Chapman asked if the formula should be reviewed with regard to the original allocation of purchase funds for the Limited Partnership shares to allocate the distribution. French countered that the every year the percentages change by not very much and the use of yellow bags also changed things dramatically so using past ratios would make this more difficult. Bates countered that the current percentages used are just the precursor to the next step, and the steps taken now will be similar to future steps taken in connection with the closure. The funds the Towns invest back to Mid-Coast Solid Waste will give returns for a long time into the future vs. helping the budgets temporarily for a year or two.

Ford asked if the general consensus was agreed that the shares would be kept in MCSWC and placed in the Closure Reserve Fund and be based on current budget assessment percentages with the idea that it will lessen the future costs due from each town at that time. The Board agreed there was a consensus. The timeline for placing a Warrant Article was discussed. Chairman Ford entertained a motion from the Board on distributing information to the Four Towns and solidifying the placement of the Articles on the June Warrant for a floor vote in each town. ***Attorney Gibbons suggested the motion be worded as follows: That Articles I and II be presented to all four towns as recommended by the Mid-Coast Solid Waste Board which also recommends that both Articles appear at Town Meeting as a floor vote. Bill Chapman moved the motion as presented. Owen Casas seconded.***

A lengthy discussion continued on the where the funds may be allocated with regard to the facility redesign and landfill closure language. Casas asked if a recommendation should be made from the Board stating they support allocating the proceeds to the closure fund in the information presented to the Four Towns prior to the vote.

Chapman provided a basic breakdown on the funds as follows:

Camden	-	42.6	\$30,894
Rockport	-	30.8	\$ 22,296
Lincolnville	-	16.7	\$ 8,769
Hope	-	9.9	\$ 7,150

Chair Ford called the motion as it stood. No discussion. Motion passed 7-0-0.

Chairman Ford asked if there was general consensus from the Board for a letter to be developed which Ford will draft to go along with a revision of Attorney Gibbons memorandum which will be done in cooperation with Manager Guerra. Discussion on the letter took place. The letter will be reviewed by all Board members via email and distributed to the four Towns by next week. Gibbons will include in his letter a list the dates for each town for Warrant submissions for June and the breakdown of funds to be allocated to each town.

Casas asked if a review of the interest rates on reserve funds would be prudent. Guerra mentioned that Virginia Lindsey, Finance Director of Camden, recently reviewed interest rate capabilities on the Closure Fund for a better return. Guerra will clarify account interest rates with Lindsey and discuss future interest rate possibilities.

McKellar asked if the Board was allowed to conduct business through email as a group. A discussion was held on email use for Board business and Attorney Gibbons stated that The Board is required to communicate this information to the communities it serves. The email is not a public hearing; it is a discussion on wording. Gibbons says this is an acceptable manner to communicate on this information.

There was General Consensus from the Board to write the letters.

7. MID-COAST WASTE WATCH COMMITTEE:

Tom Ford introduced members of the Mid-Coast Waste Watch Committee who were in attendance to present their Mission Statement, elected Officers list and work plans for engaging with MCSWC and the public through the current fiscal year. Ford further mentioned that the formation of this Committee fulfills a Corporate Goal approved by the Board in the fall of 2015. Josh Gerritsen, Alison McKellar and Dave Edwards gave a brief explanation of what the Committee has accomplished to date. The Mission Statement is as follows:

The mission of the Mid-Coast Waste Watch Committee is to recommend, develop, and facilitate programs which promote ever increasing recycling, waste reduction, and sustainable management of resources.

Goals for the group through June 2017 include: Ongoing education outreach to the community, Swap Shop improvements, Analyzing Survey Information, Compost Demonstration and Education Area Design at MCSW, Business Survey, and a Waste Audit

Further discussion on the status of the survey being conducted was held; 880 responses have been received to date and the survey will continue until the end of March.

Ford asked the Board to endorse the group as a formal Committee of the MCSWC Board of Directors and asked that there be seven members in the core membership and that the terms for Officers be staggered so that half the officers commit to a minimum term of one year expiring in 2018 and half the core members hold two year terms not to expire until 2019. McKellar stated that the Committee is formal but they hope to engage a variety of volunteer groups to handle different areas of concern under the Committee such as education, composting and recycling. Guerra added that the survey information will be invaluable as we move forward with the facility redesign. Bill Chapman asked that the new position of Recycling Coordinator be required to be an active participant on this Committee. It was voiced by the membership that this would be an important part of the job for this future employee. Laite was supportive of the staggered terms. Bates and French agreed that it is typical for core members to be appointed by the Board to bring legitimacy to the Committee. Discussion on the participation of the

MCSWC Manager and how he will designate funds to the group was held. Guerra explained that Beth Kwiatkowski would offer in-house support but not be a member of the Committee. Chairman Ford entertained a motion. ***French motioned to accepted all members as listed to be recognized as the Mid-Coast Waste Watch Committee endorsed by the MCSWC Board of Directors and that three core members serve a one year term until 2018 and three core members serve a term until 2019 and further that the Board accept the Mission Statement and Goals as presented. Keryn Laite seconded.*** Josh Gerritsen will provide Chairman Ford with clarification of the terms assigned to the core membership. ***Motion passed 7-0-0.***

8. UPDATE on COMPREHENSIVE FACILITY EVALUATION at the STRATEGIC PLANNING COMMITTEE MEETING:

Guerra provided a brief overview of two meetings held in January and March. One primarily discussed opinions on what needs to happen and the second focused on what the facility is like today and included discussions on operational labor and staffing issues. A meeting will be held in April to discuss the economic impacts of the efficiencies or inefficiencies of the facility. The goal of these meetings is to decide if a redesign of the facility is needed. Guerra invited all Board members to attend these meetings. Ford encouraged the Committee and Guerra to work systematically on the information so that it will produce a comprehensive plan that can be implemented as we fit into the “bigger picture” of the waste industry in Maine. French felt that the Board Membership needs to weigh in on what they want to see happen at MCSWC. Discussions on traffic flow, possible zoning issues, historical studies and commercial and residential use of the facility are part of the ongoing conversation. Guerra expects to meet within the next two weeks.

9. FINANCIALS:

Guerra asked that the Board accept the changes presented to the approved the revised Fiscal Year Ending 2018 budget as a result of adding the carry forwards in the amount of \$55,000 that were listed but not included in the original budget calculation. ***Bill Chapman moved to accept the amended financial position affective Fiscal Year Ending 2018 as presented. French seconded. Discussion followed on Guerra providing a written notification of the change to the assessment figure to the Town Managers. Ford called the motion to vote. No discussion. Motion passed 7-0-0.***

Guerra reviewed the current Expense and Revenue sheets and highlighted some fallout from when the FY 17 budget was approved in December 2015. Expenses are currently at 67% overall and Revenue is 65.5% which is not typical for the facility. Wages and Benefits are showing an overage because there were no figures incorporated into the line for when the Labor Agreement for the Union was signed. A discussion on the legal line was held and some excess costs were also associated with the union contract work. Further discussion on how to make up the deficit was held. French asked how Guerra will make up \$50-60,000 to get through June. Guerra plans to review the final unassigned balance for FY16 and possibly look to the facility improvement funds as needed. Further discussion will follow as figures are made available. The aging summary report was reviewed some accounts are overdue, but the overall report is low for this time of year.

10. AUDIT REVIEW:

Audit information was unavailable and will be placed on the agenda for the next meeting.

11. APPROVE MINUTES OF October 26, 2016 MEETING:

Tom Ford entertained a motion to approve the minutes of the January 24, 2017 meeting.

John French made motion to approve the minutes of the January 24th meeting as presented. Brown seconded. No Discussion. Motion passed 7-0-0

12. ADJOURN:

Chairman Tom Ford entertained a motion to adjourn and enter into an initial informal workshop on a re-design plan for the Mid-Coast Solid Waste Facility. Bill Chapman motioned to adjourn the meeting. Laite seconded. Motion passed 7-0-0.

Meeting was adjourned at 8:45 p.m.

Respectfully Submitted

Beth Kwiatkowski, Recording Secretary

SCHEDULED MEETINGS:

The Board scheduled the following meetings:

April 26, 2017	Washington Street Conference Room – CTO	7:00 pm
May 24, 2017	Washington Street Conference Room – CTO	7:00 pm

Committee Meetings

TBA