

MEMORANDUM

Town of Hampden
RECEIVED

OCT 14 2015

Office of the
Town Manager

TO: Charter Municipalities and Interested Communities
FROM: MRC Board of Directors
RE: Draft Agreements for MSW Management Starting in 2018
DATE: 13 October 2015

Enclosed are three draft agreements for joining the MRC's system to manage MSW starting on April 1, 2018. MRC will be seeking your community's local legislative approval in early 2016. The agreements enclosed are PRELIMINARY DRAFT VERSIONS that are being circulated to help you become familiar with the arrangements being proposed by the MRC. Please review them carefully and send your comments to the MRC.

The MRC system would include the following components:

1. Local municipalities would continue to run their waste reduction and recycling programs and to exercise their current responsibilities for oversight of the collection of the MSW that requires disposal.
2. The MRC would oversee the operation of a new facility being developed in Hampden, Maine, by a private company, Fiberight, LLC. The Fiberight facility would (a) process mixed MSW through a wet pulping process to recover recyclable materials; and (b) treat organic materials in the MSW through hydrolysis and anaerobic digestion to produce bio-methane gas. The gas would either be injected into the local natural gas pipeline system, or converted to compressed natural gas (CNG) for use as vehicle fuel.
3. Residual materials would be directed for disposal to the Crossroads Landfill under a 10-year arrangement negotiated by the MRC. The Crossroads Landfill would also be available to accept MSW that the Fiberight facility cannot process due to delays in achieving commercial operation or limits on available capacity.

The three agreements include:

- A **Joinder Agreement** between the MRC and the municipalities or other entities that join the new arrangement, which will contain terms and conditions for waste delivery and acceptance, payment of tip fees (which will start at \$70 per ton) and rebates, and delegation of authority to the MRC. For entities that are Equity Charter Municipalities, the Joinder Agreements will also address the disposition of the assets being managed by the MRC after the PERC Agreements terminate on or before March 31, 2018. The Joinder Agreement is the agreement that the municipality would vote on and sign if it elects to make the commitment to send its MSW to the Fiberight facility starting in 2018.
- A **Master Waste Supply Agreement** between the MRC and Fiberight, which will govern system-wide waste delivery issues and obligations, define the calculations of tip fees and rebates, discuss contingency events, and address MRC responsibilities in interfacing with

Fiberight and protecting and insulating the towns from risks. The Master Waste Supply Agreement would be signed by the MRC, not by the individual municipalities, but is included to provide information on the full scope of the arrangements with Fiberight and on the full range of responsibilities and authority of the MRC under the agreements.

- **A Site Lease** between the MRC and Fiberight, which will govern permitted uses of the site, site and facility development responsibilities, facility impacts and responses, and contingency events. The Site Lease would also be signed by the MRC rather than by the individual municipalities, which signing would occur in May 2016 after (a) sufficient municipalities have executed Joinder Agreements for the project to be deemed feasible; and (b) the MRC is ready to exercise the option to purchase the property where the facility would be developed.

We have enclosed the following to facilitate your initial review of these draft agreements:

- Brief summaries that highlight key provisions of each agreement.
- Map showing the location of the proposed Fiberight facility in Hampden.
- Two page handout including an overview of the timeline to complete project development and construction.
- Discussion of the process for selecting the Fiberight technology.
- Contact information for members of the MRC Board of Directors.

Full participation in the new arrangement will require a vote of the legislative body of the municipality, which, depending on the municipality, might be accomplished by an action of the city or town council or by a town meeting vote. The MRC anticipates that final versions of all of the documents will be made available by late December 2015, with action on the documents requested through the end of May 2016. The MRC will be available to answer your questions and help you with the review and action process through general public presentations and through responses to individual inquiries. In particular, the MRC Board will be voting on the final documents at its annual meeting, which is scheduled to be held on Wednesday, December 16, 2015, at the Cross Center in Bangor. All municipal officials that will be involved with action on the proposed new arrangements are invited and encouraged to attend. The MRC Board will hold regional meetings on the project on dates and at locations to be announced.

If you would be interested in hosting or sponsoring a regional meeting in your community, please contact the MRC as soon as possible so that arrangements can be made.

Comments received by October 23, 2015 will be considered by the full MRC Board at its public meeting on October 28, 2015. The final deadline for providing feedback on the proposal is November 13, 2015. Send your questions and comments to Greg Lounder, Executive Director, MRC 395 State Street, Ellsworth, Maine 04605 P: (207) 664-1700 E: glounder@mrcmaine.org.

Thank you for your response and for your interest and participation in the MRC.