IN THE MATTER OF

PORTLAND-BANGOR WASTE OIL	)	**NATURAL RESOURCES**
ELLSWORTH, MAINE	)	**DAMAGES COMPENSATION**
	)	**AGREEMENT**

This Natural Resources Damages Compensation ("NRDC") Agreement is entered into by the City of Ellsworth and the following agencies of the State of Maine ("State"): the Department of Environmental Protection; the Department of Agriculture, Conservation & Forestry; the Department of Inland Fisheries & Wildlife; the Department of Marine Resources; and the Department of the Attorney General.

WHEREAS, Dickie Dare Incorporated d/b/a Portland-Bangor Waste Oil Company (PBWO), operated a waste oil collection and recycling facility in Ellsworth, Maine; and

WHEREAS, as a result of the PBWO operations, groundwater at the property and certain surrounding properties became contaminated; and

WHEREAS, the Waste Motor Oil Disposal Site Remediation Program ("Program") as established under 10 M.R.S.A. §§ 1020-A provides for the payment of damages for injury to natural resources resulting from the operation of waste motor oil disposal sites, including the PBWO site in Ellsworth; and

WHEREAS, the Program provides for the transfer of $500,000 from the Waste Motor Oil Revenue Fund to the Department of Environmental Protection for damages to groundwater at the PBWO Ellsworth site; and

WHEREAS, Governor Paul R. LePage has designated the Commissioner of Environmental Protection, the Commissioner of Marine Resources, the Commissioner of Agriculture, Conservation & Forestry and the Commissioner of Inland Fisheries & Wildlife as trustees on all matters regarding preservation and enhancement of the natural resources of the State of Maine; and

WHEREAS, the trustees have developed a Natural Resources Damage Compensation Plan ("Plan") in consultation with interested parties and the general public; and

WHEREAS, the City of Ellsworth as the local governing body is presumed to be in the best position to effectively administer the plan;

NOW, THEREFORE, the City of Ellsworth and the State Natural Resources Trustees agree as follows:

AGREEMENT

I. **DEP obligations:** The Department of Environmental Protection ("DEP") will grant the City of Ellsworth $500,000 in increments of $100,000 upon receipt of sufficient funds from the

Waste Motor Oil Disposal Site Remediation Program for the purpose of carrying out projects in accordance with the *Natural Resources Damage Compensation Plan for the Portland-Bangor Waste Oil Site in Ellsworth, Maine* (October 2013). If requested, the DEP will coordinate with the Drinking Water Program in the Department of Health & Human Services to provide technical assistance to the City regarding cost-effective approaches to protection of drinking water resources.

The DEP will review annual reports from Ellsworth to determine if subgrants disbursed by Ellsworth meet the purpose of the damage award. The DEP may terminate the grant program with due notice to the City of Ellsworth if it determines that Ellsworth is not administering the program in accordance with the purpose and intent of this agreement or for lack of sufficient funds.

II. City of Ellsworth obligations: The City of Ellsworth will establish a fund to hold disbursements from the DEP and shall use the fund to support projects that protect or improve water quality. Priority shall be given to local projects that prevent contamination of drinking water resources.

The City will disburse the money through sub-grants and has established a sub-grant process to solicit, evaluate and approve proposals in a fair and transparent manner (*see* Attachment A of the Natural Resources Damage Compensation Plan referenced in paragraph I above). The City also will review approved projects as they are carried out to ensure that sub-granted funds are used as proposed by the applicant. Acceptable proposals may include, but are not limited to, projects such as upgrading home heating oil tanks, upgrading other petroleum storage facilities, upgrading septic systems, technical assistance or equipment upgrades to hazardous waste generators or conservation of land to protect significant water resources.

By January 15th each year, the City will provide the DEP with a letter report for the previous calendar year that includes: a brief overview of program activities; a summary of disbursements from the fund by project; the status of each project; and an accounting of program administrative costs. A maximum of 10% of the grant allotments from DEP may be used by the City to pay its costs to administer the sub-grant program.

III. Contact information:

A. Communications to the DEP under this Agreement shall be directed to:

John James
DEP-BRWM
17 SHS
Augusta ME 04333
(207) 287-7866 or john.james@maine.gov,

B. Communications to the City of Ellsworth under this Agreement shall be directed to:

Michele Gagnon, City Planner

City of Ellsworth
1 City Hall Plaza
Ellsworth ME 04605
(207) 669-6608 or mgagnon@ellsworthmaine.gov

IV. Modification and waiver: No modification or waiver of this Agreement as pertains to the rights and responsibilities of any party is valid except by written amendment duly executed by the effected parties and the State Trustees.

V. Interpretation: This Agreement is governed by and interpreted under the laws of the State of Maine.

VI. Counterpart signatures: This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

PORTLAND-BANGOR WASTE OIL ELLSWORTH, MAINE	)))	**NATURAL RESOURCES DAMAGES COMPENSATION AGREEMENT**

IN WITNESS WHEREOF, the parties hereto have executed this NRDC Agreement.

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, AS LEAD TRUSTEE FOR THE STATE OF MAINE NATURAL RESOURCE TRUSTEES

Date: 10/8/2013 By: _____
Patricia W. Aho, Commissioner
Department of Environmental Protection

OTHER TRUSTEES:

Date: 10/11/13 By: _____
Walter Whitcomb, Commissioner
Department of Agriculture, Conservation & Forestry

Date: _____ By: _____
Chandler E. Woodcock, Commissioner
Department of Inland Fisheries & Wildlife

Date: _____ By: _____
Patrick Keliher, Commissioner
Maine Department of Marine Resources

CITY OF ELLSWORTH:

Date: _____ By: _____
Michelle H. Beal, City Manager
City of Ellsworth

STATE OF MAINE

Date: 12/10/13 By: _____
Peter LaFond,
Assistant Attorney General, State of Maine

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Patricia W. Aho, Commissioner
Department of Environmental Protection

OTHER TRUSTEES:

Date: _____ By: _____
Walter Whitcomb, Commissioner
Department of Agriculture, Conservation & Forestry

Date: 11-19-13 By: _____
Chandler E. Woodcock, Commissioner
Department of Inland Fisheries & Wildlife

Date: _____ By: _____
Patrick Keliher, Commissioner
Maine Department of Marine Resources

CITY OF ELLSWORTH:

Date: _____ By: _____
Michelle H. Beal, City Manager
City of Ellsworth

STATE OF MAINE

Date: 12/10/13 By: _____
Peter LaFond,
Assistant Attorney General, State of Maine

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Department of Environmental Protection

OTHER TRUSTEES:

Date: _____ By: _____
Walter Whitcomb, Commissioner
Department of Agriculture, Conservation & Forestry

Date: _____ By: _____
Chandler E. Woodcock, Commissioner
Department of Inland Fisheries & Wildlife

Date: 10/20/2013 By: _____
Patrick Keliher, Commissioner
Maine Department of Marine Resources

CITY OF ELLSWORTH:

Date: _____ By: _____
Michelle H. Beal, City Manager
City of Ellsworth

STATE OF MAINE

Date: 12/10/13 By: _____
Peter LaFond,
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Department of Environmental Protection

OTHER TRUSTEES:

Date: _____ By: _____

Walter Whitcomb, Commissioner
Department of Agriculture, Conservation & Forestry

Date: _____ By: _____

Chandler E. Woodcock, Commissioner
Department of Inland Fisheries & Wildlife

Date: _____ By: _____

Patrick Keliher, Commissioner
Maine Department of Marine Resources

CITY OF ELLSWORTH:

Date: Nov 25, 2013 By: Michelle H. Beal

Michelle H. Beal, City Manager
City of Ellsworth

STATE OF MAINE

Date: 12/10/13 By: Peter LaFond

Peter LaFond,
Assistant Attorney General, State of Maine