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VIA EMAIL/PDF ONLY - Melanie.Loyzim@maine.gov Laura.Paye@maine.gov

Melanie Loyzim, Commissioner Maine Department of Environmental Protection 17 State House Station Augusta, ME 04333

Laura Paye Hydropower Coordinator Maine Department of Environmental Protection 17 State House Station Augusta, ME 04333

RE: DEP Application # L-31353-36-B-N – Bucksport Mill, LLC Consolidated Petition for Release from Dam Ownership relating to Silver Lake, Alamoosook Lake, and Toddy Pond dams, 38 M.R.S. §§ 901, et seq.

Dear Commissioner Loyzim and Ms. Paye:

On behalf of the Towns of Orland, Surry, Penobscot, and Blue Hill (the "Towns"), we are taking this opportunity to file with the Department the report of the Towns' consultant, GEI Consultants, Inc., relating to the condition and reasonably anticipated upkeep of the Alamoosook dam and the Toddy Pond dam. As the parties are aware, the Towns retained GEI to provide an independent inspection and assessment of these two dams, which inspection included the site visit on June 27, 2025 when all parties, Department officials, and even State representatives were present.

The GEI report provides short- and long-term recommendations and includes a summary of estimated costs of maintenance for both dams. *See* GEI report pp. 10-12 & 19-23. There are various significant deferred maintenance items (i.e., maintenance that should have been performed during petitioner's ownership, which has been deferred) at both dams. GEI report pp. 10 & 19 (conclusions). The costs of these deferred maintenance items are therefore being passed on by the petitioner to any new owner, along with obviously the ongoing-nondeferred maintenance and upkeep, with the prospect of long term construction requirements.

Nonetheless, even in light of the GEI report, the Towns are still willing to facilitate respective Town votes for the formation of the two municipal watershed districts enacted by the Legislature this past summer. Chapter Law versions of those two enactments, signed into law on June 18, 2025, are attached. Town votes establishing the watershed districts would consequently enable Petitioner to transfer to the respective watershed district "title to the dam and land under the dam, title to equipment and other personal property normally located at the dam site, flowage rights and access rights." 38 M.R.S. § 906(2).

As these transfers would be part of the Title 38 procedure initiated by this petition, the watershed districts would take title subject to the Bucksport Generation easement. However, there can be no question that i) where the easement includes a right of first refusal by the easement holder (Bucksport Generation) and ii) shared use of the easement rights is governed by a Facility Sharing Agreement that includes the easement holder's right of approval of any subsequent transfers (along with transferee becoming a successor party to that Facility Sharing Agreement, absent modifications to it or a new agreement), clear title to the assets requires the easement holder's written consent (and written waiver of right of first refusal).

Our office has been in the process of preparing the deeds for transfer, and other associated closing documents. The Towns stand ready, willing, and able to continue the municipal process towards town votes to establish the Alamoosook and Toddy Pond watershed districts and finalizing these transfers.

Very truly yours,

/s/ Russell B. Pierce, Jr.

Russell B. Pierce, Jr.

RBP/

cc: Katherine Joyce, by email kjoyce@bernsteinshur.com

Joanna Brown Tourangeau, by email jtourangeau@dwmlaw.com

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Town of Orland; Town of Surry; Town of Penobscot; and Town of Blue Hill [client email]

¹ To be clear, the watershed districts would not take title to the pipeline and pumphouse (located at some distance from the Alamoosook dam site), which are properties not within the section 906(2) definition. At the site inspection on June 27, 2025, during "question and answers" at the Silver Lake site, petitioner was clear that if an entity did not want to take the pipeline or pumphouse properties, it would not have to do so to effectuate a transfer of the dams under Title 38. The watershed districts would take the parking lot and road parcel at Alamoosook, allowing access to the downstream side of the dam further down that road and walking trail, and would accept a reserved easement on that parcel for petitioner's continued access to the pumphouse. The footprint of the pumphouse would not be part of the transfer.