

Annual Report Fiscal Year 2012-13



ecomaine

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Our Mission

Mission Statement

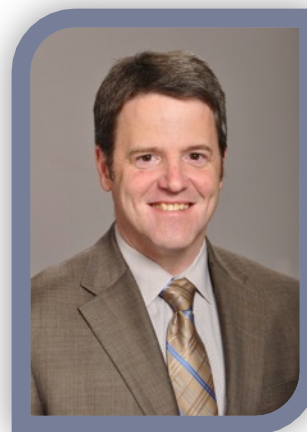


provides comprehensive long-term solid waste solutions in a safe, environmentally responsible, economically sound manner, and is a leader in raising public awareness of sustainable waste management strategies.

A Commitment to Community

A commitment to community has been an enduring component of the **ecomaine** mission.

The communities we serve are diverse; a solid waste solution that works in an urban environment may not necessarily meet the needs of a rural population. The question of how best to deal with our municipal solid waste, in a manner that is both cost-efficient and environmentally sound, represents an ongoing challenge that confronts us all.



At **ecomaine**, we understand that Municipal Solid Waste presents far more than a simple policy decision; it is a resource that, properly managed, can provide both short-term and long-term benefits for our communities, our region and our state.

As a result, in every area of operations, we strive continuously to realize these benefits on behalf of our member and contract communities, with an emphasis on fiscal responsibility, environmental stewardship and sustainability that builds on the direction provided by the Waste Hierarchy: Reduce, Reuse, Recycle, Organics Recovery, Waste-To-Energy and, finally, Landfill.

Our integrated approach to Municipal Solid Waste management rests on this hierarchy, and by virtually any metric, ecomaine achieved a remarkable record of success in Fiscal Year 2012-13. Indeed, during the past year, **ecomaine**:

- eliminated outstanding long-term debt,
- produced a record amount of electricity, enough to power nearly 15,000 Maine homes,
- recycled nearly 35,000 tons of material,
- improved and expanded education and outreach efforts,
- lowered tipping fees for our owner communities by 20 %, and
- lowered assessments for the third year in a row, resulting in a 48% reduction.

As a community, we have demonstrated that a commitment to sustainability works. We look forward to accomplishing even more in Fiscal Year 2013-14.

Our Board of Directors

Michael McGovern
Chairperson
Cape Elizabeth



James Gailey
Vice Chairperson
South Portland



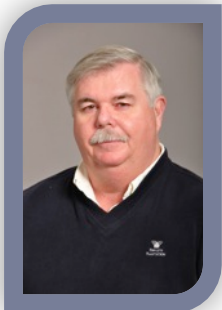
Troy Moon
Treasurer
Portland



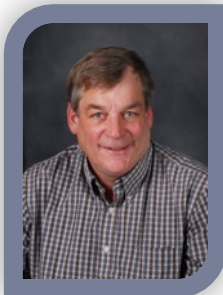
Gary Foster
Secretary
Gray



Dennis Abbott
Waterboro



Ron Ahlquist
Scarborough



**John Anton
Portland**



**Mike Bobinsky
Portland**



**Linda Boudreau
South Portland**



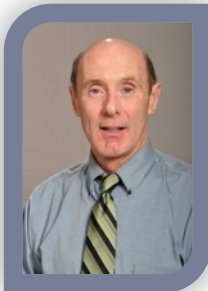
**Alan Bradstreet
Pownal**



**Richard Brobst
North Yarmouth**



**David Cole
Gorham**



**Dennis Doughty
Limington**



**Tom Fortier
Ogunquit**



**Mathew Frank
Harrison**



**Jerry Jalbert
South Portland**



**Bonnie Rodden
Falmouth**



**Susan McGinty
Cumberland**



**David Morton
Casco**



**Anthony Plante
Windham**



**Mark Rees
Portland**



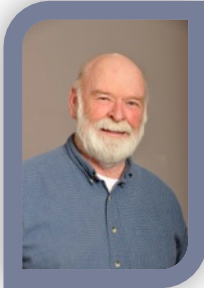
**Rod Regier
Freeport**



**Mike Shaw
Scarborough**



**Maurice St. Clair
Lyman**



Erik Street
Yarmouth



Ed Suslovic
Portland



Len Van Gaasbeek
Hollis



David Sherman
Cape Elizabeth



Welcome to the New Members of our Board of Directors

**Claudia King
Falmouth**



**Katherine St. Clair
Scarborough**



**Jamie Wagner
Cape Elizabeth**



A Commitment to Fiscal Responsibility

At **ecomaine**, a strong commitment to fiscal responsibility is essential in all of our operations and activities.

Continuing the trend that has been underway for several years, we had a solid Fiscal Year in 2012-13. Revenues less expenses for the fiscal year ending June 30, 2013 totaled just under \$5 million, \$1.7 million below FY 2011-2012 of \$6.7 million, but \$1.9 million ahead of the FY 2012-13 budget.

In accordance with that commitment, we retired our long-term debt ahead of schedule and invested \$4.8 million in capital improvements, which included an expansion of our landfill facilities and key upgrades at our Waste-To-Energy (WTE) Plant and Recycling Facility.

At the WTE facility, for example, we replaced lateral wear tubes in the boilers, which were approaching the end of their reliable lifespan, with overlaid tubes that will provide many years of service, greatly increasing our capacity to mission.

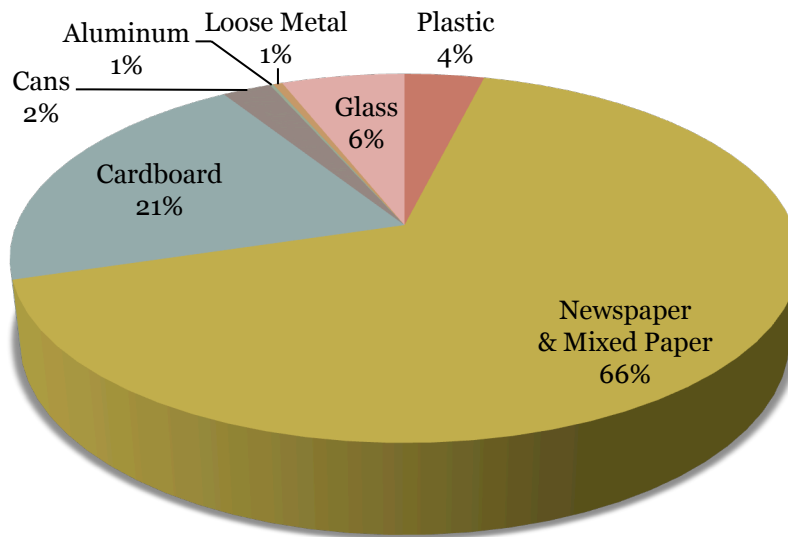
The WTE facility also realized its first full year of reduced energy consumption in connection with a project completed last year to increase electricity sales, which involved the installation of variable frequency drives to control the secondary combustion air fans. The increased energy efficiencies achieved as a result of this project allowed the WTE plant to use 5,000 fewer Mega Watt Hours (MWHs) during operations, power we were able, in turn, to sell in the marketplace, increasing our sales revenue by \$205,000. Overall, revenues generated by the sale of electricity in FY2012-13 increased by slightly more than 1 percent, from \$3.7 million to \$3.75 million, over the previous year.

At our Landfill Facility, we made a significant investment in future operational capacity, creating capacity for an additional five years of ash disposal. Construction of this expansion project began in June 2012 and was completed in October 2012. The total cost for construction, including change orders, construction inspection and testing was \$1,853,029, approximately \$200,000 under the project budget. Ash disposal began in the new expansion in early April 2013.

To reduce costs associated with the discharge of leachate from the Landfill Facility to the sewer system, we also installed approximately 4.5 acres of temporary geo-membrane rain cap to reduce leachate generation from that area.

In the **ecomaine** Recycling Facility, the total tonnage of materials processed (inbound tons) during 2013-13 increased by slightly more than 200 tons from the previous year, from 34,923 tons to 35,124 tons. This increase in tons is expected to continue in the current fiscal year (FY 2013-14). A breakdown of the recyclables sold in the market is pictured on the following page.

FY 2012-13 Outbound Recycling Commodities Total: 31,546 Tons



It should also be noted that while the commodities market experienced some downward pressure on prices during FY2012-13, these conditions were mitigated somewhat by robust production from our WTE operations; in terms of quantity sold, we experienced one of our best years to date, selling approximately 90,000 Megawatt Hours (MWHs) of electricity on the New England power grid.

We also saw returns on the metals mining project at our ashfill. Since the mining operation began in November 2011 through October 2013, approximately 220,000 tons of ash has been excavated and processed, and we have recovered about 22,000 tons of saleable metals. This netted ecomaine a total of \$344,840.

On completion, we estimate the value of the project to ecomaine to be nearly \$1 million: \$529,000 from the sale of the metals recovered and \$431,000 realized through generated airspace gain. This represents a near doubling of the original estimated income; it is important to note that this increase occurred for two reasons: first, the initial projections were conservative, and second, we successfully renegotiated the terms of the deal with RMP-EM once additional information on the value of the project became available.

As a result, we reaffirmed our commitment to fiscal responsibility with a reduction of assessment fees for our owner communities. In FY 2010-11, Owner Member Assessments totaled \$4.7 million. Effective with FY 2015, they will total \$2.4 million – a **48% reduction in four years**.

In addition, as of July 1, 2013, **ecomaine** lowered its tipping fees for both Owner Member Communities and Commercial Accounts by 20%, from \$88 per ton to \$70.50 per ton, to provide additional financial relief.

A Commitment to Environmental Sustainability

As an organization, **ecomaine** remains committed to environmental sustainability. This commitment manifests itself across every division of our operations, and in our performance as a whole.

In FY 2012-13, our environmental department worked closely with leadership in the Recycling, WTE and the Ashfill/Landfill operations to achieve the first complete registration of all three **ecomaine** facilities to the International Health & Safety Management System known as OHSAS 18001.

OHSAS 18001, widely acknowledged as one of the world's most rigorous occupational health and safety management systems standards, exists to help organizations put in place documentably sound occupational health and safety performance practices.

Key metrics assessed in connection with OHSAS certification include:

- Existing management systems
- Planning and risk assessment
- Staff training and awareness
- Communication of safety management systems
- Response to emergency situations, and
- Monitoring and continual improvement

In addition, in FY 2012-13, **ecomaine** continued to maintain certification of our environmental management system at all three facilities to the ISO 14001 international standard, which sets out rigorous guidelines relating to overall environmental performance and aids in compliance with all applicable statutory and regulatory requirements. As a result, annual compliance reports with respect to air and water monitoring, as well as ash sampling, were submitted on time to all regulators. We also successfully renewed our industrial discharge permit with the City of Portland for the WTE operations and submitted an application, which we expect to be approved in FY 2013-14, for an air flare permit at the Landfill.

In FY2012-13, we also replaced and upgraded the continuous emission monitoring system in the **ecomaine** Waste-To-Energy (WTE) facility. These components improve our ability to monitor and control emissions. The new multi-component system provides greater accountability with respect to emissions control as a result of increased sensitivity in detection systems.

During FY 2012-13, **ecomaine** collected 2,764 mercury-containing thermostats under the auspices of a buy-back program conducted with the participation of the manufacturer and the Maine Department of Environmental Protection (DEP). Through this effort, we successfully diverted the equivalent of 25 pounds of elemental mercury from the solid waste stream. A final report on results of this program was submitted to the Maine Department of Environmental Protection in March 2013.

A Commitment to Education and Outreach

In keeping with the principles articulated in the Waste Hierarchy, we have developed extensive programs and resources to help our owner and contract communities recover as much material as possible from their municipal solid waste streams. These efforts support our commitment to fiscal responsibility: every ton we can help our Owner and Contract communities divert from their respective solid waste streams is a ton they don't have to pay for in tipping fees.

As a result, we have developed and implemented an effective set of communications and outreach tools to target key audience segments and increase awareness of ecomaine's core messaging around the Waste Hierarchy.

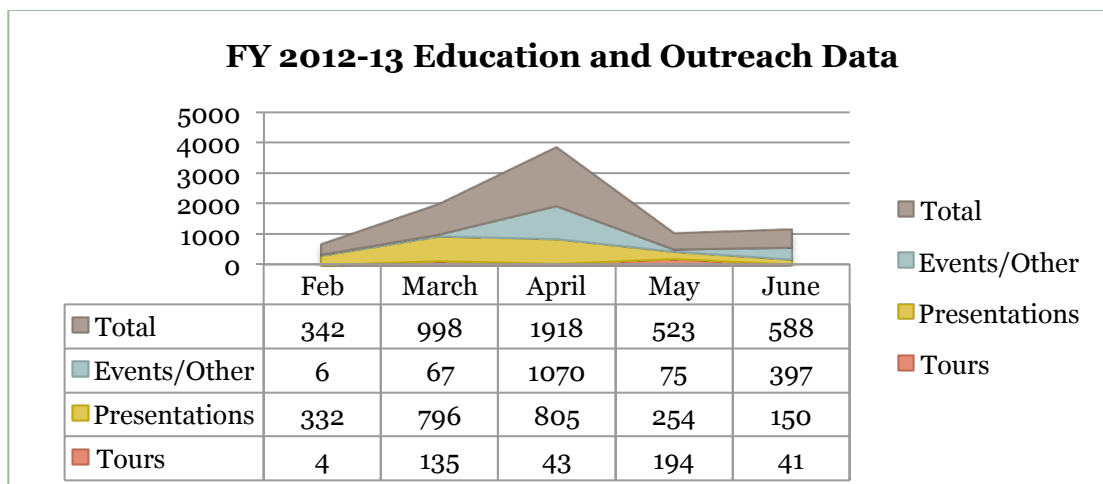
In FY 2012-13, more than 400 people toured ecomaine facilities. We feel these 400 people went on to become ambassadors for ecomaine, spreading positive messaging about our organization and our activities to their family, friends and neighbors. To accommodate those who could not attend a tour in person, we created a virtual tour of the Recycling Facility using the security camera feed. With it, we have been able give to populations unable to physically tour the facility a similar experience.

We also worked closely with the East End Community School in Portland to develop a school wide recycling program that uses a student Green Team to instruct students at cafeteria separation stations, conduct classroom waste audits, and educate the rest of the school's population on the new program.

In Sanford and Gorham, we developed and executed programs in support of those efforts. It included numerous community and classroom presentations.

To help boost recycling and reduce contamination rates in South Portland, we developed and executed a robust outreach and education effort in the Redbank Village neighborhood, targeting a community that experienced contamination and participation issues.

We are also currently redesigning our educational offerings, including the tour program, to better fit with current STEM and Common Core curriculum standards.



A Commitment to Community

In conclusion, while we did experience some adverse circumstances during Fiscal Year 2012-13 – downward pressure on the commodities market, for example – we were nonetheless able to achieve many significant positive objectives, such as retiring our long-term debt ahead of schedule and lowering our assessment and tipping fees.

We also positively positioned ourselves for strong performance in the coming years, not only through the retirement of debt, but also through the completion of long-term capital improvement projects at all our facilities, as well as the upgrading of critical environmental compliance monitoring equipment.

As a result, we look forward in the coming Fiscal Year to further strengthening our deep and abiding commitment to our communities, with an emphasis on fiscal responsibility and environmental sustainability that implements the guidance provided by the waste hierarchy.