ecomaine

Memorandum

DATE: February 13, 2014

TO: Chairman and Members of the Board

FROM: Kevin H. Roche, Chief Executive Officer

SUBJECT: **Agenda for the February 20, 2014, Executive Committee Meeting**

There is an **ecomaine** **Executive Committee Meeting** scheduled for **Thursday, February 20, 2014 at 4:00PM,** first floor of the Waste-to-Energy Facility. The agenda for this meeting is as follows:

1. Approval of the December 19, 2013 Executive Committee Meeting minutes *(Attachment A)*

2. Audit Committee Report – Gary Foster, Chair

3. Finance Committee Report – Troy Moon, Chair
   - Approval of the Finance Committee Recommendation *(Attachments B-1 & B-2)*

4. Recycling Committee Report – Susan McGinty, Chair

5. Manager's Report
   - Financial Summary *(Attachment C)*
   - Statement of Revenue and Expenses *(Attachment D)*
   - Cash Flows *(Attachment E)*
   - Statistical Data *(Attachments F-1, F-2, & F-3)*
   - Operations & Electrical Generation *(Attachment G)*
   - Legislative Update (LD1483)

6. Other

7. Future Meetings:
   - Finance Committee Meeting: February 20th (Thursday) @ **3:00PM**.
   - Executive Committee Meeting: February 20th (Thursday) @ 4:00PM.
   - Recycling Committee Meeting: February 27th (Thursday) @ 4:00PM.
   - eco-Excellence Awards: March 4th (Tuesday) from **10:00AM to 1:00PM.**
   - Full Board Meeting: March 20th (Thursday) @ 4:00PM.
   - Finance Committee/Budget Workshop Meeting: March 27th (Thursday) @ 4:00PM.
   - *Note: No Recycling Committee Meeting in March, 2014.*
   - Audit Committee Meeting: April 17th (Thursday) @ **3:00PM**.
   - Full Board Meeting: April 17th (Thursday) @ 4:00PM.
   - Recycling Committee Meeting: April 24th (Thursday) @ 4:00PM.
   - Finance Committee Meeting: May 13th (Tuesday) @ 4:00PM.
   - Executive Committee Meeting: May 20th (Tuesday) @ 4:00PM.
   - Recycling Committee Meeting: May 22nd (Thursday) @ 4:00PM.
   - Annual Meeting: June 19th (Thursday) @ **11:30AM.**

The Executive Committee may wish to go into Executive Session for any of the above items under Section 405 of Title 1 of the Maine Revised Statutes (per the following legislative website: http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html.)

ATTACHMENT A

ecomaine

Owner Communities
Bridgton
Cape Elizabeth
Casco
Cumberland
Falmouth
Freeport
Gorham
Gray
Harrison
Hollis
Limington
Lyman
North Yarmouth
Ogunquit
Portland
Pownal
Scarborough
South Portland
Waterboro
Windham
Yarmouth

Associate Members
Baldwin
Hiram
Naples
Parsonsfield
Porter
Saco
Standish

Contract Members
Andover
Cornish
Eliot
Greenland, NH
Harpswell
Jay
Kittery
Livermore Falls
Manchester
Monmouth
Newington, NH
North Haven
Old Orchard Beach
Poland
Readfield
Sanford
Stockton Springs
Swan's Island
Wayne

DATE: December 20, 2013

TO: Chair and Members of the Executive Committee

FROM: Kevin H. Roche, Chief Executive Officer

SUBJECT: Minutes of the December 19, 2013 **ecomaine** Executive Committee Meeting

The **ecomaine** Executive Committee met on Thursday, December 19, 2013, at the Waste-to-Energy facility. The meeting was called to order at 4:05PM.

There were ten items on the Agenda:

1. Approval of the November 14, 2013 Board Meeting Minutes
2. Audit Committee Report
3. Finance Committee Report
4. Recycling Committee Report
5. Solid Waste Policy Issues
6. Organics Recycling Feasibility Study – Final Report
7. Review of Annual Report Materials
8. Manager's Report
9. Other Items
10. Future Meetings

Item #1 – Approval of the November 14, 2013 Board Meeting Minutes

Mr. Cole moved that the Executive Committee hereby approves the minutes of the November 14, 2013, Executive Committee meeting as presented**.** The motion was seconded by Mr. Gailey and passed unanimously.

Item #2 - Audit Committee Report – Gary Foster, Chair

Mr. Foster, Chair, gave the Audit Committee Report.

The Audit Committee last met on October 10, 2013 with a report out to the full Board on the same day and to the Executive Committee at their November 14, 2013 Meeting.

In the October 10th meeting, Runyon Kersteen Ouellette (RKO), our external auditors, presented their audit findings for FY13 and the favorable report was accepted by both the Audit Committee and the full Board.

Item #3 – Finance Committee Report – Troy Moon, Chair

Mr. Moon reported that the Finance Committee last met on November 14, 2013 with the following items discussed and reported out to the Executive Committee later that day.

Cash Disbursements through early November were reviewed with no issues noted.

A review of the financial statements for October year to date was completed.

Staff reported out on their research for investing alternatives for **ecomaine's** cash balances, including discussions with TD Bank, Bangor Savings, and IMCG. The Finance Committee had requested that:

- Staff move all funds into the general account at TD Bank (rather than having separate reserve accounts), increasing interest income by about $8,000 annually. Detail on each reserve will be maintained on the **ecomaine** books.
- Staff (working with outside advisors as necessary) will revise the **ecomaine** Cash Reserve Policy to incorporate investment guidelines and bring the revised policy back to the Finance Committee for review.

The next Finance Committee Meeting will be January 14th (a Tuesday) at 4:00PM at the WTE Facility, agenda items to include: Cash Disbursement Review, Draft Investment Policy Review and **ecomaine** Financial Statements (December, 2013, YTD).

Item #4 – Recycling Committee Report – Susan McGinty, Chair

The Recycling Committee last met on December 9, 2013.

The Committee spent a considerable amount of time reviewing the positives and the negatives of the School Grant Program. The Committee will monitor the results of the program and, if the results are successful, the Committee majority recommends increasing the funding of this program to $20,000 next year.

The discussion over a proposal for a Committee name change was moved to the January 23, 2014, Recycling Committee Meeting at which time the agenda will also include discussion of the eco-excellence Awards and the Silver Bullet Painting Contest.

Item #5 – Solid Waste Policy Issues

Mr. Roche reviewed **ecomaine's** response to the Maine Department of Environmental Protection's "Application for Amendment of Department Order #S-20700-WD-N-A Juniper Ridge Landfill" (which was previously supplied to the Board via Attachment B of the Agenda).

We have not yet received a response from the Department of Environmental Protection.

Legislative Document LD1483 was reviewed. January 9, 2014, will be the day that this bill goes to the Environment and Natural Resources Committee.

Chair McGovern asked staff to work with the Finance Committee to look at future Assessment(s) and report back in January.

Item #6 - Organics Recycling Feasibility Study (Final Report) – Andrew Carpenter, Soil Scientist, Northern Tilth

Mr. Carpenter gave a presentation followed by a question and answer session.

A Sub-Committee on this topic will be formed to review the study in more detail and report back to the Executive Committee.

Item #7 – Review of Annual Report Materials

Mr. Roche reviewed with the Committee the Annual Report Materials. He will send out a link to the Annual Report requesting the Board's comments.

Item #8 – Manager's Report

Mr. Roche reviewed the Financial Summary Page previously provided to the Committee.

Item #9 – Other

No other items were noted.

Item #10 – Future Meetings

- Finance Committee Meeting: February 20th (Thursday) @ **3:00PM**.
- Executive Committee Meeting: February 20th (Thursday) @ 4:00PM.
- Recycling Committee Meeting: February 27th (Thursday) @ 4:00PM.
- eco-Excellence Awards: March 4th (Tuesday) from 10:00AM to 1:00PM.
- Full Board Meeting: March 20th (Thursday) @ 4:00PM.
- Finance Committee/Budget Workshop Meeting: March 27th (Thursday) @ 4:00PM.
- *Note: No Recycling Committee Meeting in March, 2014*.
- Audit Committee Meeting: April 17th (Thursday) @ 3:00PM.
- Full Board Meeting: April 17th (Thursday) @ 4:00PM.
- Recycling Committee Meeting: April 24th (Thursday) @ 4:00PM.
- Executive Committee Meeting: May 8th (Thursday) @ 4:00PM.
- Finance Committee Meeting: May 13th (Tuesday) @ 4:00PM.
- Recycling Committee Meeting: May 22nd (Thursday) @ 4:00PM.
- Annual Meeting: June 19th (Thursday) @ 11:30AM.

There being no other items, Mr. Foster made a motion to adjourn the meeting. The motion was seconded by Mr. Suslovic and all were in favor. The meeting adjourned at 5:57PM.

PRESENT:
D. Abbott
M. Bobinsky
L. Boudreau
A. Bradstreet
D. Cole
D. Doughty
G. Foster
M. Frank
J. Gailey
C. King
S. McGinty
M. McGovern
T. Moon
D. Morton
A. Plante
M. Rees
R. Regier
M. Shaw
E. Street
E. Suslovic

ABSENT:
R. Brobst

Guests:
- Andrew Carpenter (of Northern Tilth)
- Gary Lamb (**ecomaine** Board Alternate from Town of Waterboro)
- Burleigh Loveitt (former **ecomaine** Board Member of Gorham)
- Dale Rines of Gorham, Maine.

Staff: A. Birt, F. Gallagher, A. Hewes, K. Roche, L. Trufant and K. Trytek.

Finance Committee Recommendation DRAFT

At the last Board Meeting on January 9, 2014, the Board reviewed the proposal on eliminating assessments. The Board then voted to eliminate the Assessments effective July 1, 2014 and directed the Finance Committee to review the other elements in Staff's proposal and report back within three months. The Finance Committee met on January 14th & 28th (and will meet again on February 20, 2014). The following recommendations came out of these meetings.

- The Finance Committee supports the elimination of the assessments beginning July 1, 2014.

- Tipping fees for Owner Communities are set at $70.50 per ton. Going forward, adjustments to the tipping fee should be considered on an annual basis and be based on current market conditions, inflation, and the financial condition of **ecomaine.**

- Adoption of an Investment Policy that improves returns on investment (see Draft Cash Reserve & Investment Policy).

- Adoption of an incentive for Owner Communities that permit, license or contract with haulers as a way to ensure that waste from Owner Communities is delivered to **ecomaine.** Communities that comply with this requirement (by 1/1/15) will be charged the regular tipping fee (for Owner Communities). Communities that do not comply with this requirement will be charged an extra $2.50 per ton.

- Adoption of the recycling revenue sharing program for Owner Communities that establishes a market rate approach for recycling. Recycling revenues would be shared with Owner Communities during strong markets and a recycling tipping fee would be charged to Owner Communities during periods of weak markets.

- The Finance Committee supports moving forward with an appraisal on the Gorham property. In the event that an offer on the property is made and **ecomaine** determines that it's a fair and reasonable offer that is advantageous to **ecomaine,** the Board should consider it.

- The Finance Committee supports staff's recommendation on the elimination of several future capital projects (fabric filter baghouse, organics recycling facility, etc.) that help to improve the five year cash flow projections.

- The two tiered tipping fee for fully participating and non-fully participating members was not supported by the Finance Committee.

CASH RESERVE & INVESTMENT POLICY

RESERVES

As part of strengthening **ecomaine's** financial position, we will establish and fund the reserves outlined below with the knowledge that general economic conditions and other **ecomaine** needs may impact on the timing of the funding of these reserves. There may also be conditions that arise requiring the **ecomaine** board to authorize the use of a reserve in a manner not originally intended for unanticipated financial issues. Therefore, with Board approval, funds from a reserve (with the exception of the Required Landfill Closure / Post Closure Reserve) could be used to cover other areas.

FAVORABLE CASH FLOW

Objective: To provide financial relief to owner communities when the financial position of **ecomaine** permits it.

OPERATING CASH ~~BALANCE~~RESERVE

Objective: To provide routine operating cash and financial security for extraordinary events that could cause a significant decrease in operating revenues or increase in operating expenses. These would be used to fund operations until any necessary adjustments can be made to provide sufficient cash flow to maintain operations.

Goal: We will build and maintain a balance of six months of cash operating expenses.

SHORT TERM CAPITAL RESERVE

Objective: To reserve funds for routine capital projects in the event of unanticipated circumstances.

Goal: We will establish a reserve equal to approximately 12 months of short term capital spending.

LONG TERM CAPITAL RESERVE

Objective: To reserve funds for new capital projects which have not been provided for in the annual capital plan. New capital projects are large projects in which the necessity and timing is not known at the present time. These could be projects to upgrade the current facilities or add additional capacity or functionality. It is our intent to fund these projects with internal cash flow to the extent possible but economic conditions and necessity may dictate that we issue some long term debt.

Goal: We will establish a reserve equal to the greater of $3 million or the next year's long term capital spending.

DISCRETIONARY LANDFILL CLOSURE / POST CLOSURE RESERVE

Objective: To fund from internal cash flow a discretionary amount periodically for the landfill closure and post closure care costs during the remaining useful life of the landfill. Regulation, technology and other factors will impact the cost and life but as of June 30, 2010, this liability is

estimated to be $22.2 million in today's dollars and it is expected that the landfill will need to be closed and capped in 2038.

Goal: We will establish a reserve that will fully fund this liability by the time the landfill is closed.

REQUIRED LANDFILL CLOSURE / POST CLOS~~E~~URE RESERVE

Objective: To provide funding for a Landfill Closure / Post Closure Reserve account as required by section 8 of the Interlocal Solid Waste Agreement dated December 1, 2005.

Goal: We will immediately establish a reserve for $300,000 to meet the terms of this agreement.

INCOME EARNED

Income earned on reserve accounts shall accrue to the respective reserve account.

RECORD KEEPING

These funded reserves may be maintained in separate accounts at financial institutions or may simply be reported separately in the **ecomaine** financial statements whatever is most efficient for **ecomaine**.

PERIODIC REVIEW

Five year cash flow projections will be reviewed annually with the **ecomaine** board.

INVESTMENTS

SCOPE

This policy shall apply to the investment management of all ecomaine cash accounts including demand deposits and any reserve funds that are established under this policy. At all times, investments will be managed in accordance with Title 30-A, Sections 5706 through 5719 of the Maine Revised Statutes (see attached) and any revisions to these Statutes will become part of this policy immediately upon being enacted. Board responsibilities as identified in this policy may be delegated to the appropriate committee or staff member.

OBJECTIVES

The principal investment objectives for **ecomaine** are:

- **Safety** – to avoid unreasonable risk while preserving both the capital and the purchasing power of that capital. It is understood that no investment is totally free of risk, and occasional measured losses are inevitable in a diversified portfolio. Risk may include the quality of the investment, the qualifications of the institutions and advisors we deal with, the diversification of the portfolio, the movement of interest rates, inflation and the general state of the economy.
- **Liquidity** – to maintain sufficient liquidity to meet all operating requirements as may reasonably~~e~~ be anticipated by structuring the portfolio with investments that mature as the need for cash occurs.

- **Returns** – to generate a long-term rate of return in the portfolios that is commensurate with the appropriate blended benchmark returns that coincide with the asset allocation for each portfolio ~~generate a market rate of return on the accounts~~ over an economic cycle, taking into account risk and liquidity needs.

Each of these factors will be weighted depending on the objective and goal for each reserve account.

PRUDENCE & RESPONSIBILITIES

The standard of prudence to be used for managing our investments shall be Title 30-A, Section 5718 of the Maine Revised Statutes which, in general, states that investments shall be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment, considering safety, income and maintenance of liquidity.

Authorized **ecomaine** employees acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion.

ETHICS AND CONFLICTS OF INTEREST

ecomaine personnel involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. These individuals shall disclose to **ecomaine** any material financial interests they have in financial institutions that conduct business with **ecomaine** and they shall subordinate their personal investment transactions to those of **ecomaine**.

DELEGATION OF AUTHORITY & INTERNAL CONTROLS

Under the Maine Revised Statutes and the **ecomaine** bylaws, responsibility for the investment of **ecomaine** funds covered by this Policy resides with **ecomaine.** Staff will assist the Board in developing policies and procedures and will implement these policies and procedures after approval by the **ecomaine** board. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

Staff will develop written procedures designed to prevent losses of **ecomaine** funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by **ecomaine** employees. Proper documentation for all investment transactions shall be prepared and maintained for an appropriate amount of time.

Staff may engage the support services of outside professionals in regard to its investment program, so long as it can be demonstrated that these services are advantageous or that they provide necessary financial protection of **ecomaine's** financial resources.

SELECTION OF ADVISORS

~~Periodically m~~Management may ~~will~~periodically issue ~~develop~~ an RFP seeking investment services for **ecomaine** ~~for a multiyear period~~ pursuant to 30-A M.R.S.A. § 5706(4). Services are

to consist of advice, the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in an advisory agreement. Other than Demand Deposit amounts (see below) all **ecomaine** investment activities as addressed in this Policy are to be provided by the selected firm.

All Advisors who desire to become qualified for **ecomaine** investment management must meet all requirements set forth in Section 5706(4) and supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA (Financial Industry Regulatory Authority) certification (not applicable to certificate of deposit counterparties)
- Proof of registration to buy and sell securities in the State of Maine
- Certification of having read understood and agreed to comply with **ecomaine's** Cash Reserve and Investment Policy.
- Evidence of adequate insurance coverage (FDIC, SIPC, or other appropriate collateral)

When selecting Advisors, consideration will be given to local or regional firms as long as they meet the standards set forth in this policy. The selection of Advisors will be on the basis of their expertise in institutional cash management and their ability to provide services for **ecomaine** along with their fee structure.

Once selected the firm shall be required to resubmit the above on an annual basis and ~~. **The Board**~~**ecomaine** may ~~shall~~ review the financial condition and registration annually for the selected firm.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY ~~OTHER THAN THE CAPITAL RESERVES AND THE LANDFILL CLOSE / POST CLOSE RESERVES~~

Monies to be invested under this investment philosophy (of lower risk and higher liquidity) include any cash in excess of the reserves as defined above, 100% of the Operating Reserve, 100% of the Required Landfill Closure / Post Closure Reserve, and any Fixed Income Investments associated with the remaining reserves (see below).

As noted above t~~T~~he investment philosophy for these funds favors lower risk and higher liquidity. The need for the funds will be "near term" and the asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the anticipated cash flow needs. Income received from these funds is to be re-invested in these ~~funds~~ reserves. ~~and~~ The investment of these funds will be in the types of securities and transactions listed below and all are to be guaranteed by the Federal Government or one of its agencies backed by the Federal Government.

1. Demand Accounts & Time Certificates of Deposit: To be provided by institutions insured by the Federal Deposit Insurance Corporation (FDIC), The National Credit Union Share Insurance Fund (NCUSIF), or the successors to these federal agencies. If the amount deposited exceeds the insurable levels the excess must be collateralized by securities authorized by the Federal Home Loan Bank (FHLB). Time Certificates of Deposit will have maturities not exceeding three years.

2. U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding three years from the date of trade settlement.

~~3.~~ Federal Instrumentality Securities: Debentures, discount notes and callable securities, with maturities not exceeding three years from the date of trade settlement, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Mortgage Corporation (FHLMC) and Student Loan Marketing Association (SLMA).

~~4. Commercial Paper: With maturities not exceeding three years from the date of purchase which is rated at least A-1 by Standard and Poor's, P-1 by Moody's or F1 by Fitch at the time of purchase by each service which rates the commercial paper. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer of at least A by Standard and Poor's, A2 by Moody's or A by Fitch.~~

3.

~~5.~~4. Money Market Mutual Funds: registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of $1.00; (3) limit assets of the fund to U.S. Treasury Obligations, Federal Instrumentality or Agency Securities or repurchase agreements collateralized by such securities; and (4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7. ~~; and 5) have a rating of AAA by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch.~~

It is the intent of the **ecomaine** board that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Board.

ecomaine investment performance will be reviewed periodically by management with the Board. Fixed income investments will be compared to the appropriate bond index (e.g. Barclays Aggregate, Barclays U.S. Treasury, etc) based upon bond maturity length. The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR INVESTMENTS FAVORING REDUCED LIQUIDITY, AND GREATER RETURNS. ~~CAPITAL (BOTH SHORT AND LONG TERM) & LANDFILL CLOSURE/POST CLOSURE RESERVES (BOTH DISCRETIONARY AND REQUIRED)~~

As detailed in this policy, **ecomaine** maintains reserves for Short Term Capital needs, Long Term Capital needs and for the funding of the Discretionary Landfill C~~c~~losure~~ing~~ / P~~p~~ost C~~c~~losure~~ing~~ Reserve~~of the landfill~~. ~~These~~ A portion of these "longer term funds", due to their nature, are invested under a longer-term investment perspective to include a conservative and balanced portfolio of equity and fixed income investments. There is less interest in liquidity and more interest in returns with safety as the primary focus. Income received from these funds is to be re-invested in these ~~funds~~reserves.

The Short Term Reserve is to hold not more than ~~3~~0% in equities, the Long Term Capital Reserve is to hold not more than ~~50~~33% in equities and the Discretionary Landfill Closure /

Post Closure Reserve will hold not more than 50% in equities. To the extent the Reserve Funds listed in this paragraph are managed by a financial institution or investment advisor pursuant to Section 5706(4), "Equities" shall include, but not be limited to, individual equities, equity mutual funds, bond mutual funds, or other investments that 1) may risk loss of principal, and 2) are subject to Maine law and the Prudent Investor Rule. No single fixed income security will comprise more than 10% of the total value of each of the ~~funds~~reserves, unless fully backed by the federal government or its agencies and instrumentalities.

~~with~~ T~~t~~he balance of ~~each~~ each of these reserves (non equity portion) will be in investments as described under **AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY.** ~~fixed income and /or cash. The Landfill Close/Post Close Reserves will hold not more than 80% equities with the balance in fixed income and /or cash. No single fixed income security will comprise more than 10% of the total value of each of the funds, unless fully backed by the federal government or its agencies and instrumentalities.~~

All reserve funds must be invested in accordance with 30-A M.R.S.A. §§ 5706-5719 or managed by a qualified financial institution or investment advisor pursuant to Section 5706(4).

~~INVESTMENT PERFORMANCE & REPORTING~~

ecomaine investment performance will be reviewed periodically by management with the Board. Equity investments are to be measured against the asset class bench mark (e.g. S&P 500 Index, Russell Midcap Index, MSCI Emerging Markets Index, etc). ~~and the fixed income investments will be compared to the appropriate bond index based upon bond maturity length.~~ The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

POLICY REVISIONS

This policy shall be reviewed periodically by the Board and may be amended as conditions warrant.

ATTACHMENT C

Financial Summary January 2014 (FY2014)

Revenue Less Expenses	YTD vs. Budget YTD			YTD vs. FY13 YTD		
	Rev. - Exp.	%		Rev. - Exp.	%	
	↑ $1.8	↑ 186%		↓ $1.1	↓ 29%	

Tons and Revenues YTD- Compared to Budget and Last Year

	Compared to Budget						Compared to FY13					
		Revenue YTD-$000		Units		Revenue $/Units		Revenue YTD - $000		Units		Revenue $/Units
Owner	↑	$156	↑	7%	↑	1%	↓	$445	↑	2%	↓	19%
Assc. & Contract	↑	$64	↑	6%	↑	3%	↑	$21	↓	1%	↑	4%
Commercial	↑	$312	↑	12%	↓	0%	↓	$312	↑	11%	↓	18%
Spot	↓	$105	↑	6%	↓	14%	↓	$362	↓	14%	↓	11%
Recycling	↑	$633	↑	37%	↑	1%	↑	$613	↑	29%	↑	6%
Assessments							↓	$292				
Electrical	↑	$64	↑	3%	↓	0%	↑	$187	↓	2%	↑	11%
Overall	↑	$1,125					↓	$600				

Cash Expenses YTD

Cost Center		Status-$000	% of Annual Budget	Notable Items Effecting Expenses YTD
WTE	↓	$371	48%	Fav. on gas ($201k) - favorable operations, and Fav on Repair jobs ($280k) offset in part by unfav payroll ($121k)- Partly due to cashout and timing .
Recycling	↑	$71	62%	Unfav. Replacement Spare Parts ($37k) & Temp Labor ($112k) -- both volume related offset in part by Fav. Payroll & Benefits ($34k – Vacancy),
Landfill	↓	$126	51%	Fav Water/Sewer ($53k), Permits ($16K) & Cleaning ($35k) – timing
Administration	↓	$25	58%	Fav on various misc items - timing
Total Departmental Costs	↓	$451	55%	

Cash Flow

	Current Position	Notes	
Cash on 7/1/2013	$23.1 MM		
Cash Generated	$5.7 MM	116% of 12 Mo. Budget	
Cash Going Out	$1.0 MM	$1.0 MM (Capital)	
Current Cash Position	$27.8 MM	Increased by	$4.7 MM

WTE Operations

Month	Pwr Sold % Capacity	Ave. Boiler Availablity %	Sales-KWHrs	Notes
December	73%	85%	6,594	Unexpected Outage
January	90%	100%	8,103	

Recycling Markets

Materials	*Nov. 2013*	*Dec. 2013*	*Jan. 2014*	*Jan. 2013*		*Jan. 2014 Vs Jan. 2013*
Cardboard	$126	$108	$117	$104	↑	13%
Newspaper	65	56	55	71	↓	-23%
Cans	192	228	245	170	↑	44%
#2 Natural Plastic	0	720	741	540	↑	37%
#2 Colored Plastic	530	0	560	340	↑	65%
Post Burn Metal	87	86	84	87	↓	-4%

ATTACHMENT D

ecomaine
Statement of Revenue and Expenses January 2014 (FY2014)

$000's

	Month			Year To Date			Last Year - YTD	
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Variance**
Operating revenues								
Municipal assessments	$ 245	$ 245	$ 0	$ 1,716	$ 1,716	$ 0	$ 2,008	$ (292)
Owners tipping fees	280	276	4	2,088	1,932	156	2,533	(445)
Contract & Assoc tipping fees	93	94	(1)	722	658	64	701	21
Commercial tipping fees	396	403	(6)	3,132	2,819	312	3,444	(312)
Spot market tipping fees	134	184	(50)	1,180	1,285	(105)	1,543	(362)
Electrical generating revenues	356	330	26	2,409	2,345	64	2,222	187
Sales of recycled goods	327	232	95	2,204	1,622	582	1,624	580
Recycling tipping fees	12	4	8	79	28	51	46	33
Gorham property assessments	14	13	1	96	93	4	107	(11)
Other operating income	7	8	(0)	51	55	(3)	51	1
Total operating revenues	1,863	1,788	75	13,678	12,553	1,125	14,278	(600)
Operating expenses								
Administrative expenses	230	223	(6)	1,468	1,493	25	1,383	(86)
Waste-to-energy operating expenses	830	709	(121)	4,744	5,115	371	4,656	(88)
Recycling operating expenses	179	172	(7)	1,227	1,156	(71)	895	(332)
Landfill/ashfill operating expenses	147	147	1	846	972	126	898	52
Contingency	-	21	21	-	146	146	-	-
Landfill closure and postclosure care c	21	23	2	150	162	12	162	11
Post-retirement benefit- Health Care	8	8	-	56	55	(0)	-	(56)
Depreciation & amortization	349	358	9	2,439	2,508	69	2,424	(16)
Total operating expenses	1,764	1,663	(102)	10,931	11,608	678	10,417	(514)
Net operating income	99	125	(26)	2,747	944	1,803	3,860	(1,114)
Non-operating income (expense)								
Interest income	(1)	3	(4)	15	20	(6)	43	(29)
Interest expense	(0)	-	(0)	(0)	-	(0)	(1)	1
Other Expense	0	0	(1)	3	3	(0)	4	(2)
Net non-operating	(1)	3	(5)	17	23	(6)	47	(30)
				-				
Total Revenue Less Expenses	$ 98	$ 129	$ (31)	$ 2,764	$ 968	$ 1,796	$ 3,907	$ (1,144)

ATTACHMENT E

ecomaine
Statement of Cash Balances January 2014 (FY2014)

$000's	Act FY 13 @ 6/30/13	Bud FY 2014 @ 6/30/14	Act FY 14 @ 1/31/14
Cash flows from operating activities:			
Net operating income	$ 4,811	$ 215	$ 2,747
Add back: depreciation	4,015	4,300	2,439
Add back: landfill closure costs	258	278	150
Add back: Post Retirement Benefit	-	95	56
Other working capital changes	(711)	-	286
Net cash provided by operating activities	8,373	4,888	5,678
Cash flows from capital and related financing activities:			
Bank loan	-	-	-
Payment of interest	(0)	-	(0)
Repayment of long-term debt	(4,560)	-	-
Repayment of capital leases	-	-	-
Net cash used in capital and related financing	(4,560)	-	(0)
Cash flows from investing activities:			
Receipts of interest	71	35	15
Capital expenditures	(4,752)	(3,236)	(966)
Net cash used in investing activities	(4,681)	(3,201)	(951)
Net increase (decrease) in cash	(868)	1,687	4,727
Cash, beginning of period	23,929	22,350	23,061
Cash, end of period	23,061	24,037	27,787

Detail				Reserves as per	Target
Operating Cash Reserve	7,500	7,500	8,160	$ 8,160	$ 8,160
Short Term Capital Reserve	3,253	3,252	3,255	3,255	3,250
Long Term Capital Reserve	4,004	4,002	4,006	4,006	4,000
Landfill Closure reserve	1,701	3,050	3,052	3,052	22,217
Balance Operating Cash	6,603	6,234	9,314	-	-
Total	$ 23,061	$ 24,038	$ 27,787	$ 18,473	$ 37,627

ATTACHMENT F-1

ecomaine
Statistical Data January 2014 (FY2014)

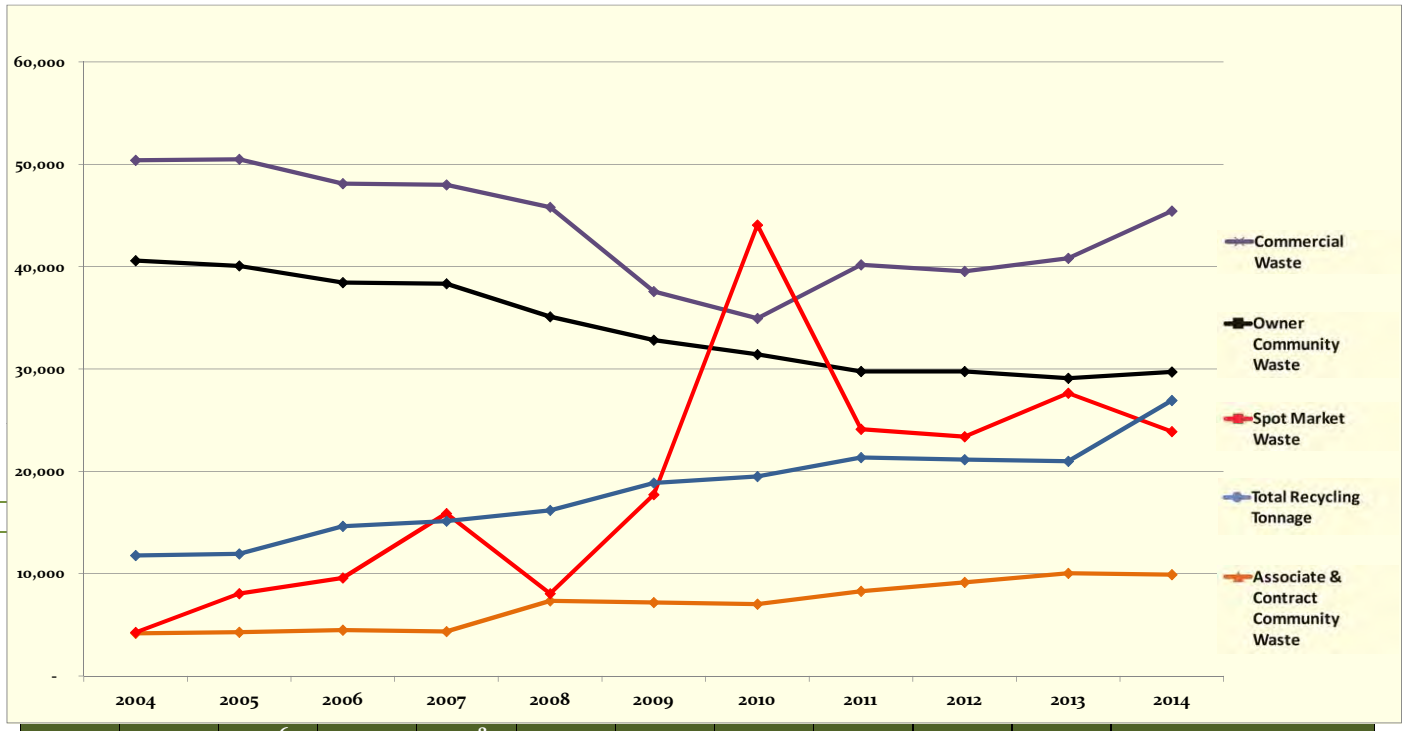
	Month Actual Vs Budget				Year to Date Actual Vs Budget				Year to Date Vs Last Year		
			Var - Fav / (Unfav)				Var - Fav / (Unfav)		Prior Year	Var - Fav / (Unfav)	
	Actual	Budget	Units	%	Actual	Budget	Units	%	Actual	Units	%
MSW - Tons											
Owner	3,986	3,970	16	0.4%	29,709	27,791	1,918	6.9%	29,093	616	2.1%
Assoc & Contract	1,265	1,333	(68)	-5.1%	9,913	9,330	583	6.2%	10,037	(124)	-1.2%
Commercial	5,757	5,816	(59)	-1.0%	45,433	40,714	4,719	11.6%	40,815	4,618	11.3%
Spot	2,883	3,205	(322)	-10.1%	23,881	22,437	1,444	6.4%	27,643	(3,762)	-13.6%
Total MSW	13,891	14,325	(434)	-3.0%	108,936	100,273	8,663	8.6%	107,588	1,348	1.3%
Recycle - Tons											
Inbound	3,613	2,879	733	25.5%	26,929	20,155	6,773	33.6%	20,983	5,946	28.3%
Outbound (inc Glass & all Metals)	5,311	3,816	1,495	39.2%	36,729	26,715	10,014	37.5%	28,532	8,197	28.7%
MSW - Revenue $ /Ton											
Owner	$ 70.16	$ 69.50	$ 0.65	0.9%	$ 70.28	$ 69.50	$ 0.78	1.1%	$ 87.07	$ (16.79)	-19.3%
Assoc & Contract	73.15	70.51	2.65	3.8%	72.81	70.51	2.31	3.3%	69.81	3.01	4.3%
Commercial	68.87	69.25	(0.38)	-0.5%	68.93	69.25	(0.32)	-0.5%	84.38	(15.45)	-18.3%
Spot	46.31	57.29	(10.98)	-19.2%	49.43	57.29	(7.86)	-13.7%	55.81	(6.38)	-11.4%
Total MSW	64.95	66.76	(1.81)	-2.7%	65.38	66.76	(1.38)	-2.1%	76.41	(11.03)	-14.4%
Recycle - Revenue $/Outbound Ton (Inc Glass & Metals)											
$/Ton Outbound	$ 63.70	$ 61.75	1.95	3.2%	$ 62.16	$ 61.75	0.40	0.7%	$ 58.51	3.64	6.2%
Energy											
MWH's Sold	8,103	7,440	663	8.9%	54,658	52,966	1,692	3.2%	55,741	(1,083)	-1.9%
$/MWH	$ 43.96	$ 44.33	$ (0.37)	-0.8%	$ 44.07	$ 44.27	$ (0.20)	-0.5%	$ 39.86	$ 4.21	10.6%
Steam Plant Capacity Factor %	91.7%				90.1%				92.4%		
Average Boiler Availability %	100.0%				97.0%				98.2%		
Steam Plant Capacity Utilization %	91.7%				92.9%				94.0%		
Power Capacity Factor %	88.9%				86.6%				87.5%		
Power Sold - % of Capacity to Sell	90.0%	81.8%			87.5%	84.8%			89.3%		

Steam Plant Capacity Factor % - Steam to the turbine from the two boilers as a % of the total unadjusted capacity (144,000 lbs/hour for time in period with no down time)
Average Boiler Availability % - Percent of hours that boilers are available to burn MSW during period - reflects time out of service for boilers due to equipment problems
Steam Plant Capacity Utilization % - Steam to the turbine from the two boilers as a % of the adjusted capacity (144,000 lbs/hour for time in period less time not on MSW)
Power Capacity Factor % - Actual power produced (MWH's) by the turbine as a % of the rated capacity (14.1 MW's) for all hours in the period
Power Sold - % of Capacity to Sell - Power sold (MWH's) on grid as a % of the power available to sell (generation net of internal load -- 12.1 MW's) for the given time period

ATTACHMENT F-2

ecomaine

January Year to Date Tonnage - FY14



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
40,581	40,076	38,438	38,336	35,100	32,826	31,420	29,761	29,754	29,093	29,709	Owner Community Waste
4,181	4,281	4,490	4,349	7,341	7,189	7,031	8,294	9,162	10,037	9,913	Associate & Contract Waste
50,393	50,494	48,113	47,987	45,812	37,571	34,939	40,179	39,545	40,815	45,433	Commercial Waste
4,274	8,052	9,593	15,885	8,053	17,727	44,069	24,117	23,389	27,643	23,881	Spot Market Waste
99,429	102,902	100,634	106,557	96,306	95,313	117,459	102,351	101,850	107,588	108,936	Total Waste
11,788	11,936	14,639	15,135	16,194	18,870	19,494	21,347	21,143	20,983	26,929	Recycling

ecomaine

ATTACHMENT F-3

Summary Analysis of All Tons - Detail

July 1, 2013 to January 31, 2014

	Waste			Bulky/Other			Recycle		
Community	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)
	-	-	-				-	-	-
BRIDGTON	1,312	1,330	18				379	353	(26)
CAPE ELIZABETH	1,491	1,505	15	74	252	178	689	698	9
CASCO	540	553	13				267	262	(5)
CUMBERLAND	879	840	(39)				498	526	29
FALMOUTH	1,242	1,268	26				858	852	(6)
FREEPORT	955	961	6				350	375	25
GORHAM	1,361	1,434	73				765	736	(29)
GRAY	1,499	1,574	76				-	-	-
HARRISON	552	568	16				119	122	3
HOLLIS	584	609	25	2	6	4	186	187	1
LIMINGTON	872	885	13				63	60	(3)
LYMAN	649	655	7				149	144	(5)
NORTH YARMOUTH	349	367	18				245	223	(23)
OGUNQUIT	386	358	(28)	32	63	31	178	59	(119)
PORTLAND	5,705	5,690	(15)				3331	3394	62
POWNAL	104	112	8				86	88	2
SCARBOROUGH	3,232	3,287	55				1489	1491	2
SOUTH PORTLAND	3,550	3,450	(100)				1364	1380	16
WATERBORO	1,045	1,156	111	46	78	32	257	260	2
WINDHAM	1,245	1,299	54	9		(9)	898	938	39
YARMOUTH	1,312	1,283	(29)	64	124	60	599	602	3
Owner Member Total	28,865	29,185	320	228	523	295	12,771	12,748	(23)
BALDWIN	311	313	3				-	-	-
HIRAM	311	313	3				-	-	-
NAPLES	675	675	-				-	-	-
PARSONFIELD	454	429	(24)	16	10	(6)	46	47	1
PORTER	311	313	3				-	-	-
SACO	2,779	2,977	198				1,016	1,063	46
STANDISH	1,710	1,728	17	3		(3)	334	352	19
TRI-TOWN	-	-	-				85	101	16
Associate Member Total	6,550	6,748	198	19	10	(9)	1,481	1,563	82
ANDOVER	-	-	-				32	31	(1)
CORNISH	-	-	-				27	32	5
ELIOT	473	267	(206)	181	139	(43)	-	-	-
GREENLAND, NH	-	-	-				245	263	18
HAMPTON	-	-	-				-	1,732	1,732
HARPSWELL	588	-	(588)				-	-	-
JAY	-	-	-				196	199	3
KITTERY	1,409	1,217	(192)				-	-	-
LIMERICK	67	773	706				-	64	64
LIVERMORE FALLS	383	368	(15)				98	87	(11)
MANCHESTER	-	-	-				70	75	5
MONMOUTH	-	-	-				199	187	(12)
NEWINGTON	-	-	-				46	49	3
NORTH HAVEN	128	131	3				46	50	3
OLD ORCHARD	-	-	-				374	367	(7)
POLAND	-	-	-				240	233	(7)
READFIELD/WAYN	-	-	-				183	183	-
SANFORD	-	-	-	238	260	22	912	1,093	181
STOCKTON SPRINGS	-	-	-				35	67	32
Contract Member Total	3,049	2,756	(293)	419	399	(20)	2,702	4,713	2,010
Commercial Total	35,881	38,965	3,084	4,934	6,468	1,534	4,028	7,904	3,876
Spot Market Total	27,643	23,881	(3,761)				-	-	-

	Waste			Bulky/Other			Recycle		
Community	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)
Grand Totals	101,987	101,535	(452)	5,600	7,400	1,800	20,983	26,928	5,945

ATTACHMENT G

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Value
Jan-12	93%	2,959,673	3,329,413	6,289,086	$0.04334	$0.04334	$308,705	$288,959
Feb-12	94%	3,413,300	3,228,454	6,641,754	$0.04495	$0.03630	$306,063	$238,095
Mar-12	85%	3,092,263	3,168,997	6,261,260	$0.03511	$0.02790	$232,293	$210,526
Apr-12	58%	2,101,538	1,972,052	4,073,590	$0.03134	$0.02603	$151,738	$139,129
May-12	98%	3,911,338	4,286,760	8,198,098	$0.03149	$0.02541	$266,940	$258,097
Jun-12	99%	3,539,110	4,261,600	7,800,710	$0.03433	$0.02547	$259,129	$278,911
Jul-12	99%	3,737,231	4,375,583	8,112,814	$0.04081	$0.02813	$302,538	$354,548
Aug-12	97%	3,631,328	4,119,267	7,750,595	$0.04082	$0.02816	$293,300	$319,764
Sep-12	97%	3,571,052	4,087,035	7,658,087	$0.03415	$0.02579	$256,395	$288,068
Oct-12	97%	3,844,692	3,898,933	7,743,625	$0.03390	$0.02715	$265,260	$298,565
Nov-12	100%	3,981,419	4,634,865	8,616,284	$0.03588	$0.02829	$302,502	$321,764
Dec-12	99%	3,401,045	4,626,631	8,027,676	$0.04831	$0.04038	$379,450	$394,790
Jan-13	99%	3,729,745	4,101,737	7,831,482	$0.05690	$0.04449	$422,963	$695,155
Feb-13	93%	2,875,953	3,384,163	6,260,116	$0.04090	$0.04090	$282,168	$770,404
Mar-13	83%	2,966,451	3,400,989	6,367,440	$0.04090	$0.04090	$286,557	$357,468
Apr-13	71%	2,568,464	2,846,621	5,415,085	$0.04090	$0.04090	$247,606	$261,797
May-13	98%	4,078,078	4,305,388	8,383,466	$0.04090	$0.04090	$369,013	$353,677
Jun-13	97%	3,368,261	4,466,430	7,834,691	$0.04090	$0.04090	$346,568	$298,272
Jul-13	98%	3,678,351	4,123,686	7,802,037	$0.04090	$0.04090	$343,865	$401,738
Aug-13	99%	3,755,120	4,240,555	7,995,675	$0.04090	$0.04090	$351,785	$289,752
Sep-13	98%	3,547,199	4,230,732	7,777,931	$0.04090	$0.04090	$342,879	$294,828
Oct-13	99%	4,239,160	422,257	8,461,417	$0.04090	$0.04090	$370,834	$463,822
Nov-13	100%	3,685,571	4,238,697	7,924,268	$0.04090	$0.04090	$348,864	$374,176
Dec-13	85%	3,113,682	3,480,809	6,594,491	$0.04090	$0.04090	$294,476	$502,693
Jan-14	100%	3,921,236	4,181,523	8,102,759	$0.04090	$0.04090	$356,164	$1,311,732
					Total for contract period		$3,940,779	$5,680,358