



## Memorandum

**DATE:** March 13, 2014  
**TO:** Chairman and Members of the Board  
**FROM:** Kevin H. Roche, CEO  
**SUBJECT:** **Agenda for the Board of Directors Meeting**

There is an **ecomaine Board Meeting** scheduled for **Thursday, March 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 January 9, 2014 Board Meeting minutes (*Attachment A*)
2. Audit Committee Report – Gary Foster, Chair
3. Finance Committee Report – Troy Moon, Chair
4. Recycling Committee Report – Susan McGinty, Chair
5. Organics Recycling Feasibility Study Sub-Committee Report – Rod Regier, Chair
6. Approval of the additional items on the Assessment Elimination Proposal
  - Cash Reserve & Investment Policy (*Attachment B*)
  - Other Items (from the Proposal to Eliminate Assessments) (*Attachment C*)
  - Gorham Property Appraisal
7. Budget Proposal (FY 15) (*to be sent under separate cover*)
8. Manager's Report
  - Financial Summary (*Attachment D*)
  - Statement of Revenue and Expenses (*Attachment E*)
  - Cash Flows (*Attachment F*)
  - Statistical Data (*Attachments G-1, G-2 & G-3*)
  - Operations & Electrical Generation (*Attachment H*)
  - Legislative Update LD1483
  - Environmental Update
9. Other Items
10. Future Meetings:
  - Finance Committee/Budget Workshop Meeting: March 27<sup>th</sup> (Thursday) @ 4:00PM.
  - *Note: No Recycling Committee Meeting in March, 2014.*
  - Audit Committee Meeting: April 17<sup>th</sup> (Thursday) @ **3:00PM**.
  - Full Board Meeting: April 17<sup>th</sup> (Thursday) @ 4:00PM.
  - Recycling Committee Meeting: April 24<sup>th</sup> (Thursday) @ 4:00PM.
  - Finance Committee Meeting: May 13<sup>th</sup> (Tuesday) @ 4:00PM.
  - Executive Committee Meeting: May 20<sup>th</sup> (Tuesday) @ 4:00PM.
  - Recycling Committee Meeting: May 22<sup>nd</sup> (Thursday) @ 4:00PM.
  - Annual Meeting: June 19<sup>th</sup> (Thursday) @ **11:30AM**.

The Board of Directors 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](http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html).)

**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  
Harpwell  
Jay  
Kittery  
Livermore Falls  
Manchester  
Monmouth  
Newington, NH  
North Haven  
Old Orchard Beach  
Poland  
Readfield  
Sanford  
Stockton Springs  
Swan's Island  
Wayne

DATE: January 10, 2014  
TO: Chair and Members of the Board  
FROM: Kevin H. Roche, Chief Executive Officer  
SUBJECT: Minutes of January 9, 2014 **ecomaine** Board Meeting

The **ecomaine** Board of Directors met on Thursday, January 9, 2014, at the Waste-to-Energy facility. The meeting was called to order at 4:03PM by Vice Chair, Jim Gailey, in Chair Mike McGovern's stead.

There were ten items on the Agenda:

1. Approval of the October 10, 2013 Board Meeting Minutes
2. Audit Committee Report
3. Finance Committee Report
4. Recycling Committee Report
5. Organics Recycling Sub-Committee
6. Proposal on Assessment Relief
7. Review Proposal on Bridgton withdrawal
8. Manager's Report
9. Other Items
10. Future Meetings

**Item #1 – Approval of the October 10, 2013 Board Meeting Minutes**

Mr. Moon moved that the Board hereby approves the minutes of the October 10, 2013, Board Meeting as presented. The motion was seconded by Ms. Boudreau and passed unanimously.

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

Mr. Foster, Chair, noted that 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 on November 14<sup>th</sup> and December 19<sup>th</sup>, 2013, respectively.

At the October 10<sup>th</sup> meeting, Runyon, Kersteen Ouelette (RKO), our external auditors, presented their audit findings for FY13 and the favorable report was accepted by both the Audit Committee and the full **ecomaine** Board.

The next meeting of the Audit Committee will be on April 17, 2014 at 3:00PM to review the Audit proposal for FY 14.

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

Mr. Moon, Chair, noted that the Finance Committee last met on November 14, 2013 with a report out to the Executive Committee that same day as well as on December 19, 2013.

Cash Disbursements were reviewed with no issues noted.

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 asked that, short term, staff move all funds into the General Account at TD Bank increasing interest income by about \$8,000 annually. The detail will be maintained on **ecomaine** books by the staff for each of the reserves.

Staff will also (working with outside advisors as necessary) 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 held on Tuesday, January 14, 2014 at 4:00PM.

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

Ms. McGinty, Chair, noted that the Recycling Committee last met on December 9, 2013. At that meeting, they discussed the School Grant Program, reviewed financial and tonnage reports and decided to move the discussion regarding a proposal for a Committee name change to the January 23, 2014, Recycling Committee Meeting.

The eco-Excellence Awards announcement went out on December 27, 2013. The deadline for nominations is January 24, 2014 with the Awards ceremony itself scheduled for March 4, 2014.

**Item #5 – Organics Recycling Sub-Committee – Chair, Rod Regier**

Mr. Regier, Chair, noted that the Sub-Committee will meet on Thursday, January 23, 2014 @ 3:00PM.

**Item #6 – Proposal on Assessment Relief**

Mr. Roche reviewed the January 3, 2014 letter he sent to the Board outlining the Proposal on Assessment Relief. At 4:35PM, Mr. Gailey requested Board Member, Gary Foster, to introduce to the Board Randy Cookson, Director, Recycling & Solid Waste for the Town of Gray, Maine, who was in attendance. Mr. Cookson spoke briefly regarding this proposal.

A discussion ensued following these presentations and the following points were made:

- **ecomaine** should advertise their bulky rate of \$49.00 per ton.
- **ecomaine** staff should visit the Towns of Freeport, Casco, and others and see what tons are available.

After further discussion, Mr. Shaw made a motion that the Board eliminate the assessments for Fiscal Year 2015. Mr. Rees seconded the motion, with the amendment that the Finance Committee address the other bullet points in the proposal in three months time and the motion was approved.

**Item #7 – Review Proposal on Bridgton withdrawal**

Mr. Roche reviewed the draft proposal he sent to the Board on January 3, 2014 regarding the Town of Bridgton's intention to withdraw from **ecomaine**. Mr. Roche will let the Towns of Bridgton and Ogunquit know (via letter) of today's vote regarding the assessments.

Mr. Plante, Chair of the Nominating Committee, gave the results of the December 19, 2013, Nominating Committee Meeting. They selected:

- Jim Gailey as Chairman
- Troy Moon as Vice Chairman
- Matthew Frank as Treasurer & Chair of the Finance Committee
- Gary Foster as Board Secretary and Chair of the Audit Committee

The nominations will be formally voted on at the Annual Meeting on June 19, 2014. Mr. Plante also noted that at the Nominating Committee Meeting, the Committee suggested that the Chair consider appointing Mike Shaw as Vice Chair of the Finance Committee, due to his interest and his commitment to the Board.

### **Item #8 – Manager’s Report**

Mr. Roche gave a brief overview of the financials. He also noted that he and Mr. Moon had traveled to Augusta earlier in the day where Mr. Roche spoke for over 40 minutes regarding LD1483 (An Act to Promote and Enhance State Policy to Preserve and Support Existing Methods of Disposal of Municipal Solid Waste).

### **Item #9 – Other Items**

There were no other items for discussion.

### **Item #10 – Future Meetings**

- Finance Committee/Budget Workshop Meeting: March 27<sup>th</sup> (Thursday) @ 4:00PM.
- *Note: No Recycling Committee Meeting in March, 2014.*
- Audit Committee Meeting: April 17<sup>th</sup> (Thursday) @ 3:00PM.
- Full Board Meeting: April 17<sup>th</sup> (Thursday) @ 4:00PM.
- Recycling Committee Meeting: April 24<sup>th</sup> (Thursday) @ 4:00PM.
- Executive Committee Meeting: May 8<sup>th</sup> (Thursday) @ 4:00PM.
- Finance Committee Meeting: May 13<sup>th</sup> (Tuesday) @ 4:00PM.
- Recycling Committee Meeting: May 22<sup>nd</sup> (Thursday) @ 4:00PM.
- Annual Meeting: June 19<sup>th</sup> (Thursday) @ 11:30AM.

Mr. Moon made a motion to adjourn the meeting. The motion was seconded by Mr. Cole and all were in favor. The meeting adjourned at 6:00PM.

#### **PRESENT:**

D. Abbott  
M. Beecher  
M. Bobinsky  
L. Boudreau  
D. Cole  
D. Doughty  
M. Frank  
G. Foster  
J. Gailey  
C. King  
T. Moon  
D. Morton  
A. Plante  
M. Rees  
R. Regier  
W. Shane  
M. Shaw  
M. St. Clair  
E. Street  
E. Suslovic  
L. Van Gaasbeek

#### **ABSENT:**

A. Bradstreet  
D. Brobst  
T. Fortier  
M. McGovern  
K. St. Clair  
J. Wagner

**Guests:** Randy Cookson, Director, Recycling & Solid Waste for the Town of Gray, Maine.

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

## **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 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 CLOSURE 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 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 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**

Management will, at least every five years, issue an RFP seeking investment services for **ecomaine** 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. The Board will approve this 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 **ecomaine** may review the financial condition and registration annually for the selected firm.

### **AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY**

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 the 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 reserves. 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. 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.

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.**

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 Closure / Post Closure Reserve. 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 reserves.

The Short Term Reserve is to hold not more than 0% in equities, the Long Term Capital Reserve is to hold not more than 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 reserves, unless fully backed by the federal government or its agencies and instrumentalities.

The balance of 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.**

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).

**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). 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.

## 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 14<sup>th</sup> & 28<sup>th</sup> (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 **ecomaine** Recycling Revenue & Cost 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.

## Financial Summary February 2014 (FY2014)

Revenue Less Expenses	YTD vs. Budget YTD			YTD vs. FY13 YTD		
	Rev. - Exp.	%		Rev. - Exp.	%	
	↑ \$2.2	↑ 195%		↓ \$0.8	↓ 19%	

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	↑ \$106	↑ 4%	↑ 1%	↓ \$490	↑ 2%	↓ 19%
Associates	↓ \$146	↓ 30%	↑ 15%	↑ \$25	↑ 3%	↑ 1%
Contract	↑ \$192	0%		↑ \$3	0%	↑ 10%
Commercial	↑ \$253	↑ 8%	↓ 0%	↓ \$347	↑ 11%	↓ 18%
Spot	↓ \$171	↑ 3%	↓ 15%	↓ \$395	↓ 14%	↓ 10%
Recycling	↑ \$602	↑ 32%	↓ 0%	↑ \$612	↑ 27%	↑ 5%
Assessments				↓ \$333		
Electrical	↑ \$662	↑ 2%	↑ 23%	↑ \$794	↓ 2%	↑ 35%
Overall	↑ \$1,498			↓ \$137		

Cash Expenses YTD			
Cost Center	Status-\$000	% of Annual Budget	Notable Items Effecting Expenses YTD
WTE	↓ \$391	55%	Fav. on gas (\$177k) - fav. operations, Fav on Repair jobs (\$211k) offset in part by unfav payroll (\$92k) - Partly due to cash out & timing . Unfav. Chemicals (\$15K); Numerous other variances due to shutdown prep.
Recycling	↑ \$49	69%	Unfav. Replacement Spare Parts (\$30k) & Temp Labor (\$114k) -- both volume related offset in part by Fav. Payroll & Benefits (\$45k - vacancy)
Landfill	↓ \$111	60%	Fav Water/Sewer (\$58k), Permits (\$13k) & Cleaning (\$33k) - timing; Unfav Major repairs & Misc. (\$42K)-Overspent
Administration	↓ \$41	65%	Fav on various misc. items - timing
Total Departmental Costs	↓ \$494	62%	

Cash Flow			
	Current Position	Notes	
Cash on 7/1/2013	\$23.1 MM		
Cash Generated	\$6.4 MM	131% of 12 Mo. Budget	
Cash Going Out	\$1.0 MM	\$1.0 MM (Capital)	
Current Cash Position	\$28.4 MM	Increased by \$5.4 MM	

WTE Operations				
Month	Pwr Sold % Capacity	Ave. Boiler Availability %	Sales-KWHrs	Notes
January	90%	100%	8,103	
February	73%	99%	5,970	Fuel quality issues

Recycling Markets					
Materials	Dec. 2013	Jan. 2014	Feb. 2014	Feb. 2013	Feb. 2014 Vs Feb. 2013
Cardboard	\$108	\$117	\$121	\$106	↑ 14%
Newspaper	56	55	51	75	↓ -32%
Cans	228	245	205	161	↑ 27%
#2 Natural Plastic	720	741	0	590	↓ -100%
#2 Colored Plastic	0	560	0	500	↓ -100%
Post Burn Metal	86	84	86	87	↓ -1%

**ecomaine**  
**Statement of Revenue and Expenses February 2014 (FY2014)**

\$000's

	Month			Year To Date			Last Year - YTD	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
<b>Operating revenues</b>								
Municipal assessments	\$ 245	\$ 245	\$ 0	\$ 1,961	\$ 1,961	\$ 0	\$ 2,295	\$ (333)
Owners tipping fees	226	276	(50)	2,314	2,208	106	2,804	(490)
Associate tipping fees	57	94	(37)	605	752	(146)	580	25
Contract tipping fees	18	-	18	192	-	192	188	3
Commercial tipping fees	343	403	(60)	3,475	3,222	253	3,822	(347)
Spot market tipping fees	118	184	(66)	1,298	1,469	(171)	1,693	(395)
Electrical generating revenues	889	290	598	3,297	2,635	662	2,503	794
Sales of recycled goods	199	232	(32)	2,403	1,853	550	1,828	576
Recycling tipping fees	5	4	1	84	32	52	48	36
Gorham property assessments	14	13	1	110	106	4	117	(7)
Other operating income	8	8	0	59	63	(3)	58	2
<b>Total operating revenues</b>	<b>2,122</b>	<b>1,749</b>	<b>373</b>	<b>15,799</b>	<b>14,301</b>	<b>1,498</b>	<b>15,936</b>	<b>(137)</b>
<b>Operating expenses</b>								
Administrative expenses	190	206	16	1,658	1,699	41	1,572	(86)
Waste-to-energy operating expenses	644	664	20	5,388	5,779	391	5,284	(104)
Recycling operating expenses	137	160	22	1,365	1,316	(49)	1,016	(349)
Landfill/ashfill operating expenses	146	131	(15)	992	1,103	111	1,010	18
Contingency	-	21	21	-	167	167	-	-
Landfill closure and postclosure care c	21	23	2	172	186	14	185	13
Post-retirement benefit- Health Care	8	8	-	64	63	(0)	-	(64)
Depreciation & amortization	348	358	10	2,788	2,867	79	2,762	(26)
<b>Total operating expenses</b>	<b>1,495</b>	<b>1,570</b>	<b>75</b>	<b>12,426</b>	<b>13,179</b>	<b>753</b>	<b>11,828</b>	<b>(597)</b>
<b>Net operating income</b>	<b>627</b>	<b>179</b>	<b>448</b>	<b>3,373</b>	<b>1,123</b>	<b>2,251</b>	<b>4,108</b>	<b>(734)</b>
<b>Non-operating income (expense)</b>								
Interest income	5	3	2	19	23	(4)	50	(30)
Interest expense	1	-	1	0	-	0	(1)	1
Other Expense	1	0	(1)	3	3	0	47	(44)
<b>Net non-operating</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>23</b>	<b>27</b>	<b>(4)</b>	<b>96</b>	<b>(73)</b>
<b>Total Revenue Less Expenses</b>	<b>\$ 633</b>	<b>\$ 182</b>	<b>\$ 449</b>	<b>\$ 3,396</b>	<b>\$ 1,149</b>	<b>\$ 2,247</b>	<b>\$ 4,203</b>	<b>\$ (807)</b>

**ecomaine**  
**Statement of Cash Balances February 2014 (FY2014)**

	\$000's			
	Act FY 13 @ 6/30/13	Bud FY 2014 @ 6/30/14	Act FY 14 @ 2/28/14	
Cash flows from operating activities:				
Net operating income	\$ 4,811	\$ 215	\$ 3,373	
Add back: depreciation	4,015	4,300	2,788	
Add back: landfill closure costs	258	278	172	
Add back: Post Retirement Benefit	-	95	64	
Other working capital changes	(711)	-	(0)	
Net cash provided by operating activities	<u>8,373</u>	<u>4,888</u>	<u>6,397</u>	
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	<u>(4,560)</u>	<u>-</u>	<u>0</u>	
Cash flows from investing activities:				
Receipts of interest	71	35	19	
Capital expenditures	(4,752)	(3,236)	(1,061)	
Net cash used in investing activities	<u>(4,681)</u>	<u>(3,201)</u>	<u>(1,042)</u>	
Net increase (decrease) in cash	(868)	1,687	5,355	
Cash, beginning of period	23,929	22,350	23,061	
Cash, end of period	<u>23,061</u>	<u>24,037</u>	<u>28,416</u>	
Detail				Reserves
Operating Cash Reserve	7,500	7,500	8,160	as per
Short Term Capital Reserve	3,253	3,252	3,255	Target
Long Term Capital Reserve	4,004	4,002	4,006	\$ 8,160
Landfill Closure reserve	1,701	3,050	3,052	\$ 8,160
Balance Operating Cash	6,603	6,234	9,943	\$ 3,255
Total	<u>\$ 23,061</u>	<u>\$ 24,038</u>	<u>\$ 28,416</u>	\$ 3,255
				\$ 4,006
				\$ 3,052
				\$ -
				\$ -
				\$ 37,627

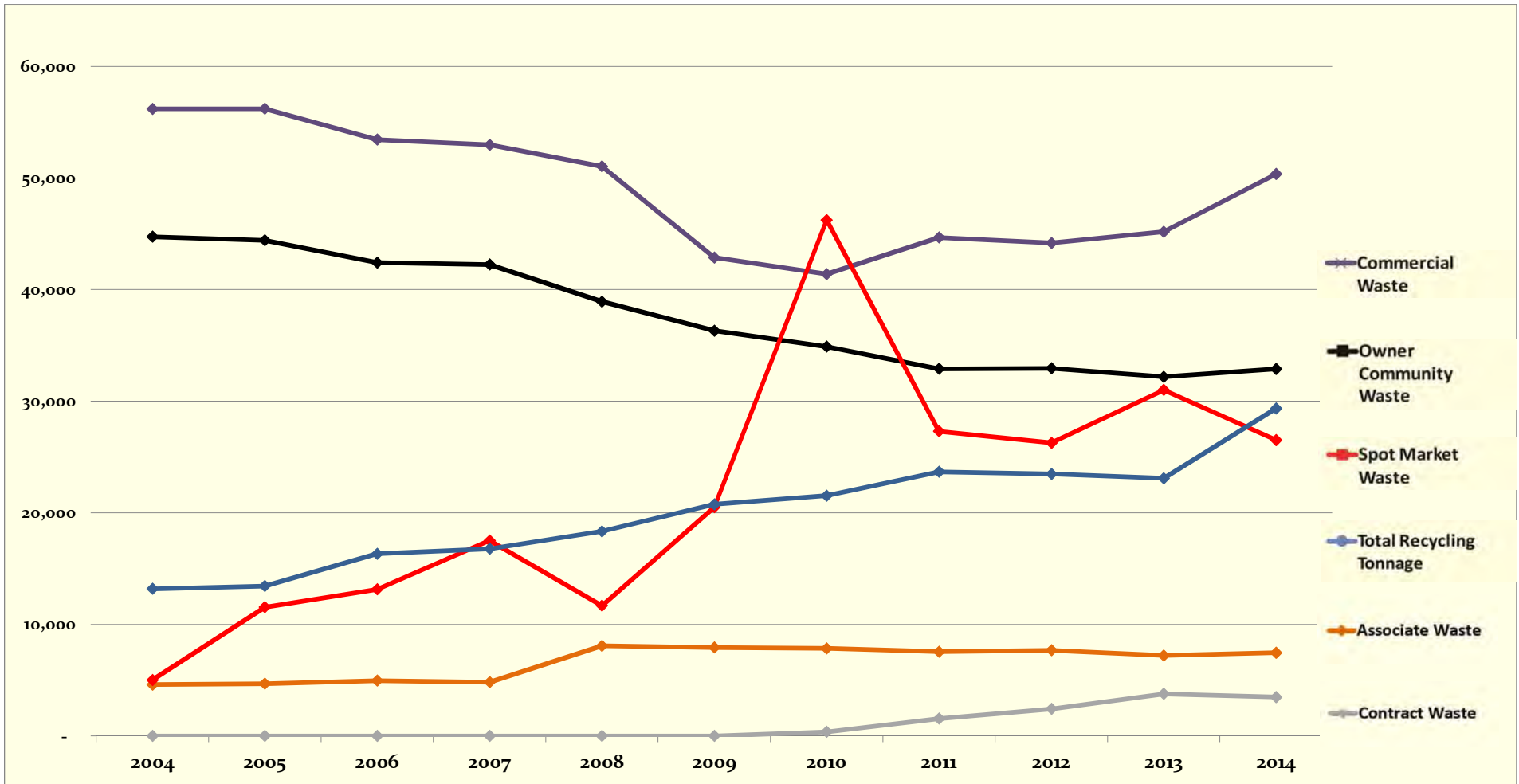
**ecomaine**  
**Statistical Data February 2014 (FY2014)**

	Month Actual Vs Budget				Year to Date Actual Vs Budget				Year to Date Vs Last Year			
	Actual	Budget	Var - Fav / (Unfav)		Actual	Budget	Var - Fav / (Unfav)		Prior Year Actual	Var - Fav / (Unfav)		
			Units	%			Units	%		Units	%	
<b>MSW - Tons</b>												
Owner	3,175	3,970	(795)	-20.0%	32,883	31,761	1,122	3.5%	32,177	706	2.2%	
Associate	701	1,333	(632)	-47.4%	7,459	10,663	(3,204)	-30.1%	7,210	249	3.5%	
Contract	332	-	332		3,487	-	3,487		3,773	(286)		
Commercial	4,918	5,816	(898)	-15.4%	50,350	46,531	3,819	8.2%	45,184	5,166	11.4%	
Spot	2,642	3,205	(563)	-17.6%	26,514	25,643	871	3.4%	31,008	(4,494)	-14.5%	
<b>Total MSW</b>	<b>11,768</b>	<b>14,325</b>	<b>(2,557)</b>	<b>-17.8%</b>	<b>120,693</b>	<b>114,598</b>	<b>6,095</b>	<b>5.3%</b>	<b>119,352</b>	<b>1,341</b>	<b>1.1%</b>	
<b>Recycle - Tons</b>												
Inbound	2,422	2,879	(457)	-15.9%	29,351	23,035	6,316	27.4%	23,084	6,267	27.1%	
Outbound (inc Glass & all Metals)	3,594	3,816	(223)	-5.8%	40,323	30,531	9,791	32.1%	31,854	8,469	26.6%	
<b>MSW - Revenue \$ /Ton</b>												
Owner	\$ 71.06	\$ 69.50	\$ 1.56	2.2%	\$ 70.36	\$ 69.50	\$ 0.85	1.2%	\$ 87.13	\$ (16.77)	-19.2%	
Associate	81.11	70.51	10.60	15.0%	81.17	70.51	10.66	15.1%	80.51	0.65	0.8%	
Contract	55.61		55.61		54.97		54.97		49.89	5.09	10.2%	
Commercial	69.73	69.25	0.48	0.7%	69.01	69.25	(0.24)	-0.3%	84.58	(15.57)	-18.4%	
Spot	44.52	57.29	(12.77)	-22.3%	48.96	57.29	(8.33)	-14.5%	54.61	(5.65)	-10.3%	
<b>Total MSW</b>	<b>64.71</b>	<b>66.76</b>	<b>(2.05)</b>	<b>-3.1%</b>	<b>65.32</b>	<b>66.76</b>	<b>(1.44)</b>	<b>-2.2%</b>	<b>76.14</b>	<b>(10.82)</b>	<b>-14.2%</b>	
<b>Recycle - Revenue \$/Outbound Ton (Inc Glass &amp; Metals)</b>												
\$/Ton Outbound	\$ 56.91	\$ 61.75	(4.84)	-7.8%	\$ 61.69	\$ 61.75	(0.06)	-0.1%	\$ 58.88	2.81	4.8%	
<b>Energy</b>												
MWH's Sold	5,970	6,577	(607)	-9.2%	60,628	59,443	1,185	2.0%	62,001	(1,373)	-2.2%	
\$/MWH	\$ 148.83	\$ 44.16	\$ 104.67	237.0%	\$ 54.39	\$ 44.33	\$ 10.05	22.7%	\$ 40.38	\$ 14.01	34.7%	
Steam Plant Capacity Factor %	76.5%				88.5%				91.1%			
Average Boiler Availability %	98.6%				97.1%				98.0%			
Steam Plant Capacity Utilization %	77.6%				91.1%				92.9%			
Power Capacity Factor %	74.8%				85.3%				86.4%			
Power Sold - % of Capacity to Sell	73.4%	81.8%			85.9%	84.4%			87.9%			

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



February Year to Date Tonnage - FY14



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
44,734	44,412	42,412	42,248	38,922	36,310	34,884	32,896	32,950	32,177	32,883	<b>Owner Community Waste</b>
4,599	4,682	4,959	4,822	8,073	7,929	7,848	7,556	7,673	7,210	7,459	<b>Associate Waste</b>
-	-	-	-	-	-	365	1,556	2,418	3,773	3,487	<b>Contract Waste</b>
56,191	56,199	53,434	52,976	51,039	42,874	41,385	44,665	44,171	45,184	50,350	<b>Commercial Waste</b>
5,012	11,537	13,136	17,511	11,677	20,490	46,229	27,297	26,265	31,008	26,514	<b>Spot Market Waste</b>
110,535	116,830	113,941	117,557	109,711	107,603	130,711	113,970	113,477	119,352	120,693	<b>Total Waste</b>
13,183	13,433	16,329	16,769	18,333	20,752	21,533	23,667	23,475	23,084	29,351	<b>Recycling</b>

**Summary Analysis of All Tons - Detail**
**July 1, 2013 to February 28, 2014**

Community	Waste			Bulky/Other			Recycle		
	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)
	-	-	-				-	-	-
BRIDGTON	1,444	1,466	22				413	388	(25)
CAPE ELIZABETH	1,644	1,651	7	78	260	183	763	776	13
CASCO	596	613	17				287	273	(14)
CUMBERLAND	966	927	(39)				550	582	32
FALMOUTH	1,376	1,405	29				947	946	(1)
FREEPORT	1,060	1,071	11				389	418	30
GORHAM	1,511	1,601	90				851	819	(33)
GRAY	1,655	1,749	93				-	-	-
HARRISON	600	621	22				126	132	7
HOLLIS	651	678	27	2	6	4	205	211	6
LIMINGTON	968	987	20				69	67	(2)
LYMAN	727	725	(2)				163	159	(5)
NORTH YARMOUTH	387	410	24				273	246	(26)
OGUNQUIT	409	372	(38)	32	72	40	182	66	(115)
PORTLAND	6,303	6,296	(7)				3695	3779	83
POWNAI	117	126	9				95	97	2
SCARBOROUGH	3,578	3,647	69				1641	1657	16
SOUTH PORTLAND	3,930	3,828	(102)				1518	1530	12
WATERBORO	1,182	1,285	103	46	78	32	288	284	(4)
WINDHAM	1,388	1,449	61	9	5	(4)	993	1033	41
YARMOUTH	1,447	1,420	(27)	72	135	63	660	692	32
<b>Owner Member Total</b>	<b>31,938</b>	<b>32,327</b>	<b>389</b>	<b>239</b>	<b>556</b>	<b>317</b>	<b>14,107</b>	<b>14,155</b>	<b>48</b>
BALDWIN	336	340	4				-	-	-
HIRAM	336	340	4				-	-	-
NAPLES	744	747	3				-	-	-
PARSONFIELD	495	474	(21)	16	10	(6)	50	52	2
PORTER	336	340	4				-	-	-
SACO	3,106	3,310	204				1,116	1,166	50
STANDISH	1,838	1,898	60	3		(3)	372	394	22
TRI-TOWN	-	-	-				98	107	9
<b>Associate Member Total</b>	<b>7,191</b>	<b>7,449</b>	<b>258</b>	<b>19</b>	<b>10</b>	<b>(9)</b>	<b>1,636</b>	<b>1,719</b>	<b>83</b>
ANDOVER	-	-	-				32	34	3
CORNISH	-	-	-				31	36	5
ELIOT	530	288	(242)	196	155	(41)	-	-	-
GREENLAND, NH	-	-	-				270	296	25
HAMPTON	-	-	-				-	1,863	1,863
HARPSWELL	588	-	(588)				-	-	-
JAY	-	-	-				221	222	1
KITTERY	1,569	1,344	(225)				-	-	-
LIMERICK	67	849	782				5	72	68
LIVERMORE FALLS	424	416	(8)				110	99	(11)
MANCHESTER	-	-	-				77	84	7
MONMOUTH	-	-	-				218	206	(12)
NEWINGTON	-	-	-				50	55	4
NORTH HAVEN	139	145	7				46	50	3
OLD ORCHARD	-	-	-				410	402	(7)
POLAND	-	-	-				263	257	(6)
READFIELD/WAYN	-	-	-				196	195	-
SANFORD	-	-	-	261	291	30	1,017	1,231	214
STOCKTON SPRINGS	-	-	-				39	67	28
Swans Island	-	-	-				-	11	11
<b>Contract Member Total</b>	<b>3,316</b>	<b>3,042</b>	<b>(275)</b>	<b>456</b>	<b>445</b>	<b>(11)</b>	<b>2,985</b>	<b>5,180</b>	<b>2,195</b>
<b>Commercial Total</b>	<b>39,992</b>	<b>43,420</b>	<b>3,428</b>	<b>5,193</b>	<b>6,931</b>	<b>1,738</b>	<b>4,357</b>	<b>8,297</b>	<b>3,940</b>



	Waste			Bulky/Other			Recycle		
Community	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)	FY13	FY14	over/ (under)
<b>Spot Market Total</b>	31,008	26,514	(4,493)				-	-	-
<b>Grand Totals</b>	113,445	112,752	(693)	5,907	7,942	2,035	23,084	29,351	6,266

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Value
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
Feb-14	99%	2,832,316	3,137,478	5,969,794	\$0.15919	\$0.13065	\$888,534	\$916,948
Mar-14					\$0.07378	\$0.05891		
Total for contract period							\$888,534	\$916,948