ecomaine - Long Term Cash Flow Projections -- 9/13 vs 9/12

		$000's
Sept 2012 Ending Cash Balance - 6/30/18		24,958
FY 13 changes in cash - Actual vs 9/12 Projection		
Cash from Operations -- Rev $1.0MM favorable (power plant above projections on output by 11,000 MWH's, power rates fav by $3.10/MWH, increased spot market volume by 8,300 tons offset in part by lower owner tons), oper costs $.4MM favorable, Working Capital $.2MM unfavorable	1,243	
Capital Spending -- money not spent on Precipitator, WTE Building (chillers, elevator, 3rd floor renovations, Precipitator Rebuild ($.5MM), Recycle Lunch Room, offset in part by Landfill Loader Replacement.	940	
Other	1	2,184
FY 14 thru FY 18 changes in cash		
Cash from Operations -- Rev $6.2MM unfav (lower assessments one year, lower owner/commercial tipping fees, lower recycle volume, offset in part by increased power sales and fav power rates), Unfav operating costs reflecting Cap Policy	(7,125)	
Financing Activities -- Financing only the Bag House - Organics Rec / Nox thru internal cash flow	(4,398)	
Capital Spending -- Move FY 18 landfill expansion out to future year ($2.5MM), defer FY 18 Turbine overhaul out to future year ($3.3million), Increased bag house cost offset by lower organics cost, remove projects not required if bag house is done, replacement crane required	5,906	
Other	-	(5,616)
Sept 2013 Ending Cash Balance - 6/30/18		21,526
Cash generated from Ops	2,774	
Financing Activities - Debt service	(975)	
Investing Activities - Landfill expansion plus normal capital	(4,091)	(2,291)
Sept 2013 Ending Cash Balance - 6/30/19		$ 19,234

ecomaine - Long Term Cash Flow Projections -- 9/13										
$000's	Act			Bud	Projections					
	FY 11	FY 12	FY 13	FY 14	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Operating Revenues	$ 27,736	$ 25,355	$ 23,772	$ 21,141	$ 21,148	$ 20,504	$ 20,306	$ 20,109	$ 20,133	$ 20,157
Operating Expenses	19,761	18,645	18,804	20,885	20,608	21,005	21,360	22,287	22,475	22,767
Revenues Less Expenses	7,975	6,710	4,969	255	540	(500)	(1,054)	(2,178)	(2,342)	(2,610)
Net Cash Provided By Operations	$ 13,339	$ 11,232	$ 8,373	$ 4,889	$ 4,828	$ 4,120	$ 3,962	$ 3,247	$ 2,854	$ 2,774
Net Cash Used in Financing Activities	(13,209)	(6,743)	(4,560)	-	-	2,575	4,955	4,566	(975)	(975)
Net Cash Used in Investing Activities	(1,135)	(2,528)	(4,681)	(3,201)	(2,613)	(11,295)	(8,980)	(7,885)	(895)	(4,091)
Cash Balances										
Beginning Cash Balance	22,973	21,968	23,929	22,808	23,061	25,276	20,677	20,614	20,541	21,526
Net Change in Cash	(1,005)	1,961	(869)	1,688	2,215	(4,600)	(63)	(73)	985	(2,291)
Ending Cash Balance	21,968	23,929	23,061	24,496	25,276	20,677	20,614	20,541	21,526	19,234
Reserves & Other Cash										
Operating Cash Reserve	10,129	7,500	7,500	7,500	8,160	8,192	8,172	8,431	8,639	8,691
Short Term Capital Reserve	1,673	3,251	3,253	3,252	3,252	3,252	3,252	3,252	3,252	3,252
Long Term Capital Reserve	-	4,001	4,004	4,002	4,002	4,002	4,002	4,002	4,002	4,002
Landfill Closure Reserve (left over)	-	850	1,701	3,050	3,050	3,900	4,750	5,600	6,450	7,300
Shortfall on Landfill Closure Reserve				-	-	-	(394)	(2,129)	(2,203)	(5,396)
Bond Payment Reserve	6,875	2,947	-	-	-	-	-	-	-	-
Bond Payment DSR	3,292	1,800	-	-	-	277	831	1,385	1,385	1,385
Excess	-	3,580	6,602	6,234	6,813	1,054	-	-	-	-
Ending Cash Balance	$ 21,969	$ 23,929	$ 23,060	$ 24,038	$ 25,277	$ 20,677	$ 20,613	$ 20,541	$ 21,525	$ 19,234

Note - excludes impact on operating costs for Bag House and Organics Recovery

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Cash Reserve Policies

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 one reserve could be used to cover other areas.

A. Favorable Cash Flow

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

B. Operating Cash Balance

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 during this period and until assessments could be adjusted, if needed, to provide sufficient cash flow to maintain operations. The goal would be to build and maintain a balance of six months of cash operating expenses.

C. Short Term Capital Reserve

Objective: To reserve funds for routine capital projects in the event of unanticipated circumstances. We will establish a reserve equal to approximately 12 months of short term capital spending.

D. Long-Term Capital Reserve

Objective: To reserve funds for new capital projects which have not been provided 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. As a result, we will establish a reserve equal to the greater of $3 million or the next years Long Term Capital Spending.

E. Landfill Closure and Post Closure Care Cost Reserve

Objective: To fund from internal cash flow 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.

F. Interest Earned

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

G. Periodic Review

Cash Reserve Policies and projections should be reviewed annually. Amendments to the policy shall be approved by the Board.

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ecomaine Assessments - FY 15														
	Annual Tonnage - Exc Bulky					FY 09 to FY 13 Avg		Assessment					FY 15 Vs FY	FY 15 Vs FY
Community	08/09	09/10	10/11	11/12	12/13	Tons	%	FY 11	FY 12	FY 13	FY 14	FY 15	14	11
Bridgton	2,330	2,220	2,250	2,243	2,079	2,224	4.45%	$ 205,264	$ 195,760	$ 152,579	$ 131,438	$ 108,788	$ (22,650)	$ (96,476)
Cape Elizabeth	2,875	2,624	2,542	2,515	2,432	2,598	5.20%	265,435	248,891	188,759	153,426	127,035	(26,391)	(138,400)
Casco	916	909	904	904	884	903	1.81%	75,965	74,085	59,290	52,802	44,183	(8,620)	(31,783)
Cumberland	1,712	1,708	1,605	1,511	1,467	1,601	3.21%	167,794	149,244	112,413	94,996	78,278	(16,718)	(89,516)
Falmouth	2,186	2,141	1,961	1,957	1,925	2,034	4.07%	204,171	190,875	144,951	119,847	99,477	(20,370)	(104,694)
Freeport	1,949	1,832	1,644	1,592	1,575	1,718	3.44%	163,972	157,494	120,868	101,997	84,042	(17,955)	(79,930)
Gorham	2,188	2,148	2,144	2,154	2,233	2,173	4.35%	176,394	173,943	139,479	125,497	106,293	(19,204)	(70,101)
Gray	2,657	2,610	2,558	2,568	2,505	2,580	5.17%	206,496	205,356	164,494	151,066	126,161	(24,905)	(80,335)
Harrison	1,036	950	905	898	873	932	1.87%	91,982	87,334	66,277	55,072	45,600	(9,472)	(46,382)
Hollis	957	945	944	961	978	957	1.92%	116,273	100,517	70,215	55,336	46,803	(8,532)	(69,470)
Limington	1,966	1,650	1,541	1,539	1,465	1,632	3.27%	151,241	145,602	112,896	97,318	79,817	(17,501)	(71,424)
Lyman	1,187	1,133	1,093	1,107	1,080	1,120	2.24%	97,299	86,942	72,637	65,692	54,771	(10,922)	(42,529)
North Yarmouth	779	578	566	580	564	614	1.23%	98,265	84,566	57,969	36,381	30,003	(6,378)	(68,262)
Ogunquit	669	640	576	567	499	590	1.18%	53,778	51,625	40,751	35,642	28,867	(6,775)	(24,911)
Portland	10,415	10,115	9,735	9,446	9,378	9,818	19.66%	887,676	851,728	662,543	577,186	480,138	(97,047)	(407,538)
Pownal	337	203	168	178	178	213	0.43%	28,289	25,404	18,039	12,871	10,402	(2,469)	(17,886)
Scarborough	5,398	5,396	5,313	5,357	5,306	5,354	10.72%	508,747	475,250	359,452	311,965	261,834	(50,131)	(246,913)
South Portland	6,950	6,662	6,226	6,244	5,873	6,391	12.80%	582,174	565,700	441,218	379,090	312,549	(66,542)	(269,625)
Waterboro	2,539	2,456	1,804	1,794	1,752	2,069	4.14%	181,408	174,203	150,603	124,894	101,186	(23,708)	(80,221)
Windham	2,209	2,232	2,116	2,103	2,058	2,143	4.29%	181,474	178,682	141,250	125,868	104,827	(21,041)	(76,646)
Yarmouth	2,468	2,350	2,190	2,192	2,154	2,271	4.55%	234,556	218,905	165,426	133,724	111,052	(22,671)	(123,504)
Total	53,722	51,502	48,786	48,410	47,258	49,936	100.00%	$4,678,654	$4,442,109	$3,442,109	$2,942,109	$2,442,109	($500,000)	($2,236,545)
Total Reduction since 2011														($5,446,180)

Ecomaine Medical Program Coverage Summary

Moving all employees to a high deductible plan will result in the changes outlined below:

Single / Family Data		
	POS C Plan – Current	PPO 2500 Plan – Hi Deduct
Deductibles	$0/$0	$2,500/$5,000
Co-Ins	10%	20%
Max Out of Pocket	$1,000/$2,000	$3,500/$7,000
Fund Total	$0/$0	$3,125/$6,250

- **Medical Program** – will create two MERP (Medical Expense Reimbursement Plan) accounts for each enrolled employee as outlined below:
  - ✓ **MERP I** – Will be used to fund amounts that will go towards Deductibles only and will be funded by **ecomaine** at $2,500/$5,000 levels – basically covering the deductible that did not exist under the POS C program.
  - ✓ **MERP II** – Will be used to reimburse for Code Section 213 (d) items and will be funded by **ecomaine** at the $625/$1,250 levels, which, along with the reduced premiums, should cover higher Co-Pays and coverage changes (Dental/Vision). **Note** -- MERP II accounts (unlike the FSA) are for enrolled employees & dependents only. **Note** -- Section 213 items include deductibles and employees will need to be careful when seeking reimbursement to look towards the MERP I account first for Deductible reimbursement.
  - ✓ **FSA's** – Flex Spending Accounts at **ecomaine** are employee funded and can be used to cover Section 213 items for the employee and any dependents (as defined under the code) whether or not they are enrolled in the ecomaine medical program.
  - ✓ **Rollover** - All unused funds (MERP's and FSA's) will revert to **ecomaine** after the end of the reimbursement period.
  - ✓ **Implementation Date** – 1/1/14
  - ✓ **Education Sessions** – education for this significant change is very important. It is more complex and there will be more paper work involved. Thus we have scheduled 4 sessions with MMEHT (the Trust) and Group Dynamics (TPA for MERP's & FSA's) as speakers. Attendance will be mandatory for one session (paid) and we will offer the opportunity to attend more than one session (come back for questions). Signup will be required and we will limit the number of people to 25 at each session. Each session will last from 90 minutes to 2 hours. Employees will be asked to bring data with them that will allow them to complete the enrollment forms (including dependent data) with the goal to have enrollment papers completed at the end of the session.
  - ✓ **Attached** – updated slides from the overview presented at earlier Finance Committee meetings. Premiums and savings data are based on rates in effect for CY 2013 as CY 2014 data is not yet available.
- **Dental Program** – The trust has removed the participation level requirement so we plan to do an open enrollment for this when we do the 2500 plan with employee paying 100%.

ecomaine Medical Options Overview - Active Participation in Wellness Program

Material Plan Differences - In Network Coverage

	POS C Plan - A Co Pay Program	***PPO 2500 Plan - A Deductible / Co Ins Program***
Cost Sharing	*85%/15%*	*85%/15%*
Cost Sharing - With Active in Wellness		*87.5%/12.5%*
Annual Premiums - Family	*$2,770/$15,697*	*$1,469/$10,283*
Annual Premiums - Single	*$1,235/$6,998*	*$655/$4,585*
Co-Pays	*More - Lower*	*Fewer - Higher*
Co Ins % - Employee	*10%*	*20%*
Deductible - single	*None*	*$2,500*
Deductible - family	*None*	*$5,000*
Max Out of Pocket Co Ins / Ded - single	*$1,000*	*$3,500*
Max Out of Pocket Co Ins / Ded - family	*$2,000*	*$7,000*
Employee Funded FSA	*Limit - $2,500*	*Limit - $2,500*
Employer Funded MERP Account 1	*N/A*	*$2,500 / $5,000*
Employer Funded MERP Account II	*N/A*	*$625 / $1,250*
Provider of Distinction Benefits	*Preferred Primary Care Physicians*	*Preferred Hospitals & Primary Care Physicians*
Vision Care	*Eye exam only*	*Eye exam only under 5 years of age - preventative care*
Oral Surgery	*Limited Benefits*	*Not Covered*

ecomaine Medical Options Overview

Option Summary

	Cost / (Savings) Employer	Employee	Combined
Offer the POS C Plan Only @ 90% / 10%	$ 883,930	$ 98,214	$ 982,144
Offer the POS C Plan Only With Cost Shifting @ 85% / 15%	$ (49,107)	$ 49,107	$ (0)
Offer the PPO 2500 Plan Only			
Fund MERP I ($2,500/$5,000)/ MERP II ($625 /$1,250), Utilization - 50%/100% Cost Sharing - 85%/15% POS C, 87.5%/12.5% PPO 2500	$ (66,074)	$ (104,509)	$ (170,583)
Fund MERP I ($2,500/$5,000)/ MERP II ($625 /$1,250), Utilization - 15%/100% Cost Sharing - 85%/15% POS C, 87.5%/12.5% PPO 2500	$ (164,949)	$ (104,509)	$ (269,458)
Wellness Program Costs Other than Medical Premiums	$ (38,000)	$ 18,000	$ (20,000)

ecomaine Points to Wellness Overview – Overview

- **Employee committee** - established to develop a Wellness Program for **ecomaine** employees with union / non union representatives.

- **Committee Mission Statement** - To improve the health and well being of **ecomaine** employee's lives through health education and activities that will support positive lifestyle change resulting in improved productivity and providing healthcare cost savings for **ecomaine** and its employees.

- **Interviewed four organizations** – including USI, Scott Lawson, MMEHT and CMCC

- **Recommending CMCC** – over 20 years in business, work with 40 companies, model built on a team approach for a comprehensive approach to Health, Wellness and Safety.

- **Year One goals / Objectives** –
  - ✓ Health Risk Assessment - HRA
  - ✓ Health Goals & Coaching
  - ✓ Lunch & Learns, Individual Competition
  - ✓ Employer Group Meetings
  - ✓ Communication

- **Year two and future** -
  - ✓ Move into pre-employment physicals, job placement assessments, non emergency work place injuries, working with employees that are symptomatic with no injury, job coaching & reinforce safe work practices, etc
  - ✓ What did we learn from year one – build plans based on that

- **Expected Cost** – Year one
  - ✓ CMCC - $20,000
  - ✓ Incentives – assumes 85% participation
    - o Paid for Active Participation (good faith effort) – points earned
    - o Medical Premiums Differential – (87.5% vs 85%) - $13,000
    - o Other – HRA, Goals, Lunch & Learns, - $18,000

- **Benefits** –
  - ✓ Lower workers comp premiums - EMF
  - ✓ Lower medical insurance premiums – upfront bump possible
  - ✓ Lower absenteeism – lower payroll costs
  - ✓ Improved employee morale

- **Implement** - 1/1/14 with 2500 Medical Program

Recycle Revenue Sharing

Purpose of Memo

The goal of Recycle Revenue Sharing is to increase recycling tonnage and to provide an incentive to use the **ecomaine** recycle facility. This memo will explain how revenue sharing is determined each month for the customers who participate.

Overview of Recycle Revenue Sharing

In simple terms, we look at the revenue gained by our recycling program and compare this revenue to the cost of operating the recycle facility. We then share the "net benefit/cost" with select customers under one of several revenue sharing arrangements. The purpose of having more than one arrangement is to be able to satisfy the needs of the various customers and to remain competitive in the market place.

We have developed several Revenue Sharing Tables to reflect different market conditions (i.e. soft market to strong market), geographic locations, recycle material, and recycle facility operating costs. In the end, by using these tables, the stronger the recycle market is, the more we share with (or less we charge) customers and conversely the softer the market is less we share (or the more we charge) customers to deliver their recycle material.

Average Recycle Revenue Per ton

The Average Revenue per Ton is a key part of the revenue sharing matrixes and we define it as:

$$\frac{\text{Revenue for Recycle Facilities Outbound Tons plus Tipping Fees for Recycle}}{\text{Inbound tons of recycle material}}$$

The numerator in the equation includes all revenue from outbound recycle from the recycle facility plus any tipping fees we receive from customers for recycle materials left here for the month just ended. Thus it excludes any revenue from Post Burn Metal (from WTE activities) and Mined Metal (from Landfill activities).

The denominator in the equation is the total inbound tons received by the recycle facilities for the month just ended.

This data is found on the Fiscal Year Recycling Revenue & Tons Report (See Aug Report - Attachment 1).

Solving the equation provides us with the average market value for the month of one inbound ton of material with average recycle content. If we have a significant change in end product inventory for the recycle facility during the month (e.g. market conditions caused us to not ship) while the "inbound flow" was "normal" or if we have a month with a lot of "no charge" inbound (e.g. July) the average may be distorted a bit but over time this will all wash.

Cost of Operating the Recycle Plant

As noted in the above, the cost of operating the recycle plant is also a key part of the revenue sharing arrangement and we have based the development of these Recycle Revenue Sharing Tables on the full cost to operate the recycle plant developed several years ago. These tables have been modified over time as we move to meet market conditions such as distances from the generator to the **ecomaine** facility and material types. We also need to consider the competition – we need to remain competitive.

What's included in the cost to operate the recycle plant?

The costs that are tied directly to the Recycle facility such as payroll & benefits, maintenance material, amounts paid for recycle materials, energy, etc are found in the operating budget approved by the board each year. Some of these costs are "program costs" that would continue on even without the recycle facilities and thus we have excluded them.

However, there are also additional costs not in the recycle budgets that should be considered. We could measure some of these costs and allocate them each month to the recycling facility as part of our financial statements but Management has determined that the value added in doing so is not worth the cost. These items include:

- The impact of residue (rejected material included in the recycle loads that is taken to the WTE facility) which reduces the amount of MSW we can bring in to feed the boilers resulting in lost MSW tipping fees.
- Administration time and expense (the GM, the Finance/HR group, etc).
- Costs incurred in the WTE facilities such as certain maintenance costs, vehicle fuel, and electricity consumed in the recycle facility (not available for sale), etc. We have worked with Operations to develop estimates for these costs and included them.
- Capital Recovery – a proportionate share of the cost of the baler / recycle facilities investment.

Attachment 2 reflects the revenue and full cost to operate the recycle facilities based on FY 14 budget data including the above costs. With market conditions as budgeted for FY 14 we will take in about 35,000 tons of inbound recycle, generating about $2.4 million in revenue and incur a full cash cost to operate the facilities of about $2.1 million. .

The Various Sharing Arrangements

We currently have 8 revenue sharing arrangements that have been developed over time to meet the needs of our customers and these are outlined below:

- **At Will** – This covers individuals or organizations that bring in material "at will".
  - There are no contracts involved here
  - "At Will" pricing is dependent on market conditions and rates are reviewed each month with the GM and Recycle Facilities Manager. Attachment 3 provides this data for July.
- **Matrix A** – (Attachment 4) this was the first table developed and has been retired from use with new contracts but it still applies to 3 customers. The breakeven range under this table is

$70 – $75 per ton meaning that if the average revenue per ton is above $75 we share and if it is under $70 we charge in various increments.

- **Matrix B** (Attachment 4) – Same basic concept as Matrix A for contract customers but the breakeven range is higher ($80 - $85 per ton) and is generally used for new contracts. If the average revenue per ton is over this we share (done in larger increments) and if it is under this range we charge.
    - **LH or NH** - (Attachment 4) - A variation of Table B where if the customer is more than 80 miles from ecomaine we adjust the scale by $5 per ton favorable to the customer to help in the transport of the material. This table is also used if the customer is located in NH and less than 80 miles away to reflect the fact that NH has no bottle bill and the recycle material has more cans, and higher value plastics in the mix.
    - **LH & NH** - (Attachment 4) - Another variation of Table B where if the customer is located in NH and more than 80 miles away we adjust the scale by $10 per ton to reflect distance and the better quality material from NH.
    - **LH & NH 0/30** – (Attachment 4) - Another variation of Table B implemented as we moved to attract places like Hampton NH that wanted some benefit to participation but to limit their cost in the soft market. If the Market averages under $70 they pay nothing and if it averages over $120 they are capped at revenue sharing at $30 per ton.
- **0/15** – (Attachment 4) - Under this arrangement if the average revenue is more than $80 per ton we pay nothing and receive nothing for contract customers and if it is under $80 per ton we charge $15 per ton.
- **Neutral** – certain contract customers do not want any market risk and are content with having a place to dispose of recycle material. They are never paid nor charged.

As an example assume the customer is operating under Matrix B:

- If we are in a strong market and the average Revenue per Ton is $108.50 we would pay that customer $15 per ton for each ton of recycle brought in during the month.
- If the Market was weak and the average Revenue per Ton is $66.50 we would charge that customer $15 per ton for each ton of recycle brought in during the month.

Attachment 5 provides a summary of what customers use what table, the life of their contract and volumes for each.

Attachment 6 provides a summary of the history for the last two years by month showing the Average Revenue per ton and the amount received or paid each month under the various tables.

Fiscal Year Recycling Tons & Revenues 2013-2014

Attachment I

Month	Element	Plastic				Other						Rec Facilities Total	WTE / Landfill Metal		Total ecomaine	Residue & Revenue Sharing Calc		
		#3-7 & Mixed Ridged	Colored HDPE	No 2 Nat HDPE	No 1 PET	ONP	OCC	Cans	Alum	Loose Metal	Glass		Post Burn	Mined (net of ash)		Tons Residue	Inbound Recycle Inc Tipping Fees	% Residue
July	Tons	62	22	21	22	2,223	878	86	-	5	331	3,649	331	1,575	5,555	339	4,322	7.84%
	Rev/Ton	$ -	$ 380.00	$ 785.00	$ 185.00	$ 56.06	$ 112.54	$ 170.00	$ -	$ 138.50	$ -	$ 73.24	$ 86.62	$ 8.00	$ 55.54	$ 44.00	$ 61.83	
	Market Proj	$ -	$ 280	$ 745	$ 185	$ 50	$ 121	$ 170	$ -	$ 175	$ -		$ 87	$ 8				
Aug	Tons	83	22	22	63	2,220	1,124	62	20	12	353	3,981	453	500	4,934	339	4,096	8.27%
	Rev/Ton	$ 4.82	$ 340.00	$ 770.00	$ 185.00	$ 49.08	$ 121.09	$ 165.00	$ 460.00	$ 187.75	$ -	$ 76.19	$ 86.67	$ 8.00	$ 70.24	$ 44.00	$ 74.34	
	Market Proj																	
Sept	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Oct	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Nov	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Dec	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Jan	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Feb	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
Mar	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
April	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
May	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
June	Tons											-			-			
	Rev/Ton	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -		
	Market Proj																	
YTD	Tons	145	44	43	85	4,443	2,001	149	20	17	684	7,630	784	2,075	10,489	677	8,418	8.05%
	Rev	400	15,664	33,137	15,658	233,605	234,857	24,938	9,356	2,900	-	570,515	67,956	16,597	655,069	29,800	1,222	
	% Total Rev	0%	2%	5%	2%	36%	36%	4%	1%	0%		87%	10%	3%	100%			
	Rev /Ton	$ 2.76	$ 359.84	$ 777.30	$ 185.00	$ 52.57	$ 117.34	$ 167.90	$ 460.00	$ 173.66	$ -	$ 74.78	$ 86.65	$ 8.00	$ 62.46		$ 67.92	

ATTACHMENT II

Element	Recycle Facilities - $000's FY 11	FY 12	FY 13	FY 14	$/OB Ton - FY 14		Inc 50 T/Day k)
Rev - Sale of all Outbound Materials	$ 3,920	$ 3,694	$ 2,808	$ 2,780			
Rev - Tipping Fees - Inbound Material	27	42	68	48			
Rev - Postburn/Mining	234	160	449	457			
Rev - Recycle Facilities	3,713	3,576	2,427	2,371			
Avg Rev/Inbound Ton	$ 104.34	$ 102.40	$ 69.05	$ 68.63			
Avg Rev/Outbound Ton	$ 114.84	$ 113.06	76.92	$ 76.01	$ 76.01		
Recycle Facilities - Operating Budget Costs							
Payroll & Benefits	682	709	721	837	26.84	a)	2.08
Temporary Help	409	429	453	445	14.26	a)	9.17
Recycle Materials	181	139	55	50	1.60	a),c)	1.45
Baling Wire	129	95	24	65	2.08	a)	1.88
Maintenance Parts, External Labor	243	306	337	331	10.62	a),b)	9.59
Fuel, Gas & Electric	27	22	17	17	0.54	a)	0.49
Other	8	(14)	(27)	43	1.39	a),b)	
Subtotal	1,679	1,687	1,580	1,789	57.34		24.66
Other Costs							
Residue Value				91	2.91	d)	2.63
Administration				188	6.03	a),e)	
Fuel				21	0.67	g)	0.60
Lost WTE Electricity Sales				18	0.56	h)	0.51
Full Cash Cost				2,106	67.51		28.40
Depreciation				406	13.01	i)	
Full Cost Including Depreciation				$ 2,512	$ 80.51		28.40
Tons Inbound Recycle	35,586	34,928	35,141	34,552		j)	
Tons Outbound Inc Glass Exc Postburn/Mined	32,332	31,632	31,546	31,197			

a) Based on board aproved budget

b) Excludes Painting & Repairs of Silver Bullets as well as containers - mission driven expense -- total of $78k in 2014

c) Reduced by $100,000 in FY 14 to reflect poor recycle market

d) Quantity of material rejected in recycle process and disposed of at WTE facilities - results in lost tipping fees valued at $45/ton

e) Total Admin is $2,539,332 less $515,000 PILOT, $366,000 Bus Ins, $90,000 Public Relations, and $50,000 Compost Study is $1,518,332. About 1.15 FTE's out of 11 is tired to the recycle facilities. Assume 1.15/11 of net admin costs - (1.15/11)*$1,518,332 = $158,734 plus 8% (based on historical asset cost) of insurance $29,359 = $188,093

g) Fuel costs for equipment included in the WTE Operating budgets and allocated based on estimated useage

h) Estimated WTE Electricity used in the recycle facilities, thus not available for sale and valued at current market rates

i) Depreciation - from audited financial statements for FY 12 as an estimate of the capital investment in the recycle facilities

j) FY 14 Tons are based on the approved FY 14 Budget - averaging about 130 tons /day

k) Not easy to get hands around as will be impacted by many factors including age of equipment, weather - snow, rain -- market conditions, mix of the materials coming in, how long the increased volume goes on etc. Over the last month we have averaged about 180 TPD (due in part to temporary volume coming in caused by single sort facility in Mass being down) compared to a normal 130 tons per day in the FY 14 budget. We are estimating that staff OT and Temp help is up by 30% for this additional 38% (50 TPD) increase in volume. Assume same mix of paying for recycle materials, baling wire, Fuel Gas & Electric, residual, WTE Electricity, Maintenance Materials will increase -- equipment will wear faster - leave at same $/T. No Change to other costs.

OCC 75
ONP 0
COM -35
93 0
MP 0

3

PPI PULP&PAPER WEEK

PRICE WATCH: Recovered Paper - Domestic

August 5, 2013

US$ per short ton for open market purchases by mills, FOB seller's dock, for delivery this month. (Further specifications below.)

Incorporating Official Board Markets

	Northeast			Midwest (Chicago)[4]	Southeast[4]	Southwest[4]	LA-SF		Pacific NW[4]
	New England	New York	Buffalo				LA	SF	
MIXED PAPER									
Mixed (2) - OBM*	40-45 (-5)	45-50 (-5)	30-35 (+0)	35-40 (-5)	50-55 (-5)	50-55 (-10)	75-80 (-5)	65-70 (-5)	50-55 (-5)
BROWN GRADES									
Boxb cutt (4) - OBM*	70-75 (+0)	70-75 (+0)	60-65 (+0)	65-70 (+0)	70-75 (+0)	70-75 (+0)	90-100 (+0)	90-100 (+0)	70-75 (+0)
OCC (11) - OBM*	105-115 (+5)	105-115 (+5)	105-115 (+5)	95-100 (+5)	120-130 (+0)	105-115 (+0)	130-140 (+5)	120-130 (+5)	105-115 (+10)
DLK (13) - OBM*		135-145 (+5)	(Northeast)	115-125 (+0)	130-140 (+0)	125-135 (+0)	135-145 (+5)	135-145 (+5)	115-125 (+10)
GROUNDWOOD									
ONP (6) - OBM*[1]	25-30 (+0)	25-30 (+0)	25-30 (+0)	15-20 (+0)	25-30 (+0)	35-40 (+0)	80-85 (+0)	80-85 (+0)	65-70 (+0)
ONP (8) - OBM*	60-65 (+0)	60-65 (+0)	50-55 (-5)	50-55 (+0)	55-60 (-5)	60-65 (-5)	80-85 (-5)	80-85 (-5)	75-80 (-5)
	Northeast						LA-SF[3]		
OMG (10)		75-80 (+0)		75-80 (+0)	85-90 (+0)	85-90 (+0)	85-95 (-5)		90-95 (+0)
CGS (44)		75-80 (+0)		80-85 (+0)	90-95 (+0)	90-95 (+0)	85-95 (-5)		90-95 (+0)
WBN (24)		225-235 (+0)		220-230 (+0)	225-235 (+0)	220-230 (+0)	225-235 (-5)		210-220 (+0)
HIGH GRADES									
SOP (37)		145-155 (+10)		120-125 (+0)	130-140 (+0)	135-145 (+0)	150-160 (-5)		130-140 (+0)
CBS (43)		145-155 (+10)		120-125 (+0)	130-140 (+0)	140-150 (+0)	145-155 (-5)		135-145 (+0)
SBS heavy print (45)		160-170 (+10)		130-140 (+0)	145-155 (+0)		165-175 (+0)		
SWL (40)		235-245 (+15)		200-210 (+0)	205-215 (+0)	215-225 (+0)	225-235 (+0)		195-205 (+0)
MWL (41) [2]		235-245 (+15)		210-220 (+10)	215-225 (+10)	215-225 (+0)	225-235 (+0)		195-205 (+0)
SBS light print (45)		225-230 (+10)		195-205 (+0)	205-215 (+0)	210-220 (+0)	215-225 (+0)		
PULP SUBS									
SBS unprinted (47)		280-290 (+0)		270-280 (+0)	280-290 (+0)	270-280 (+0)	275-285 (-5)		
HWS (30)		290-300 (+0)		270-280 (+0)	295-305 (+0)	300-310 (+0)	295-305 (-5)		
HWEC (31)		320-330 (+0)		290-300 (+0)	310-320 (+0)	315-325 (+0)	320-330 (-5)		300-310 (+0)

*** OBM PRICES**
Prices for grades designated "OBM" are a continuation of the prices originally published in Official Board Markets ("OBM", "The Yellow Sheet") and are reported on the same basis as published historically in OBM. See www.risi.com/RCPmethodology for a complete description of what has and has not changed about OBM prices. (Price not marked * are consistent with prices published historically in P&PW.)

SPECIFICATIONS
Prices represent open market board and paper mill purchases agreed to for delivery in the indicated month. Contractually indexed transactions are excluded. Specifications: baled; full-truckload quantities; exclusive of delivery charges, premium or distress lots, and of all subsequent charges for packing, handling, destination considerations, or other special charges. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular.

NOTES
1. Because of low mill buying volume, as of Jan 2013, the ONP(6) price is determined by a formula based on ONP (8) prices. See details at www.risi.com/RCPmethodology. ONP(6) prices will be discontinued Dec 31, 2013.
2. Preconsumer.
3. The price on the low end of the range is for the Bay Area and the price at the top end of the range is for the Los Angeles area.
4. As of Oct 2012, these region names were changed from a city to a region (e.g. "Chicago" to "Midwest"). This is a change in title, not in methodology. All references to the new names (e.g. "Midwest") as they apply to each price series above are consistent with the legacy names (e.g. "Chicago").

DISCLAIMER
While the information contained in this report has been obtained from sources believed to be reliable, RISI does not warrant or guarantee the accuracy and completeness of the information. All prices are best estimates of prices, and are composite prices as opposed to median or average prices.

Attachment IV

Revenue Share Matrix

Matrix A		Matrix B		LH or NH		LH & NH		LH & NH $0/$30		$0 / $15	
Avg Rev Per Ton	Revenue Share	Avg Rev Per Ton	Revenue Share	Avg Rev Per Ton	Revenue Share	Avg Rev Per Ton	Revenue Share	Avg Rev Per Ton	Revenue Share	Avg Rev Per Ton	Revenue Share
5-9.99	-70.00	5-9.99	-70.00	140+	40.00	140+	45.00	140+	30.00	140+	0.00
10-14.99	-65.00	10-14.99	-65.00	130-139.99	35.00	130-139.99	40.00	130-139.99	30.00	130-139.99	0.00
15-19.99	-60.00	15-19.99	-60.00	120-129.99	30.00	120-129.99	35.00	120-129.99	30.00	120-129.99	0.00
20-24.99	-55.00	20-24.99	-55.00	115-119.99	25.00	115-119.99	30.00	115-119.99	30.00	115-119.99	0.00
25-29.99	-50.00	25-29.99	-50.00	110-114.99	22.50	110-114.99	27.50	110-114.99	27.50	110-114.99	0.00
30-34.99	-45.00	30-34.99	-45.00	105-109.99	20.00	105-109.99	25.00	105-109.99	25.00	105-109.99	0.00
35-39.99	-40.00	35-39.99	-40.00	100-104.99	17.50	100-104.99	22.50	100-104.99	22.50	100-104.99	0.00
40-44.99	-35.00	40-44.99	-35.00	95-99.99	15.00	95-99.99	20.00	95-99.99	20.00	95-99.99	0.00
45-49.99	-30.00	45-49.99	-30.00	85-94.99	10.00	85-94.99	15.00	85-94.99	15.00	85-94.99	0.00
50-54.99	-20.00	50-54.99	-25.00	80-84.99	5.00	80-84.99	10.00	80-84.99	10.00	80-84.99	0.00
55-59.99	-15.00	55-59.99	-22.50	75-79.99	0.00	75-79.99	5.00	75-79.99	5.00	75-79.99	-15.00
60-64.99	-10.00	60-64.99	-17.50	70-74.99	-5.00	70-74.99	0.00	70-74.99	0.00	70-74.99	-15.00
65-69.99	-5.00	65-69.99	-15.00	65-69.99	-10.00	65-69.99	-5.00	65-69.99	0.00	65-69.99	-15.00
70-74.99	0.00	70-74.99	-10.00	60-64.99	-12.50	60-64.99	-7.50	60-64.99	0.00	60-64.99	-15.00
75-79.99	2.50	75-79.99	-5.00	55-59.99	-17.50	55-59.99	-12.50	55-59.99	0.00	55-59.99	-15.00
80-89.99	5.00	80-84.99	0.00	50-54.99	-20.00	50-54.99	-15.00	50-54.99	0.00	50-54.99	-15.00
90-94.99	7.50	85-94.99	5.00	45-49.99	-25.00	45-49.99	-20.00	45-49.99	0.00	45-49.99	-15.00
95-99.99	10.00	95-99.99	10.00	40-44.99	-30.00	40-44.99	-25.00	40-44.99	0.00	40-44.99	-15.00
100-104.99	12.50	100-104.99	12.50	35-39.99	-35.00	35-39.99	-30.00	35-39.99	0.00	35-39.99	-15.00
105-109.99	15.00	105-109.99	15.00	30-34.99	-40.00	30-34.99	-35.00	30-34.99	0.00	30-34.99	-15.00
110-114.99	17.50	110-114.99	17.50	25-29.99	-45.00	25-29.99	-40.00	25-29.99	0.00	25-29.99	-15.00
115-119.99	20.00	115-119.99	20.00	20-24.99	-50.00	20-24.99	-45.00	20-24.99	0.00	20-24.99	-15.00
120+	25.00	120-129.99	25.00								
		130-139.99	30.00								
		140+	35.00								

Attachment V

ecomaine Recycle Revenue Sharing Program			
Sharing Arrangement	**Contract with**	**Expires**	**FY 13 Volume**
At Will	No Contract	N/A	
Matrix A	Andover	12/08/14	46
Matrix A	Poland	04/30/16	387
Matrix A	Monmouth	Annual - Aug	319
Matrix B	Readfield	06/30/15	293
Matrix B	USM	01/07/14	162
Matrix B	Waste Management - SS only	01/31/14	778
Long Haul	Waste Management-Norridge	01/31/14	565
Long Haul	Greenland NH	12/31/15	410
NH Long Haul			
NH Long Haul $0-$30 ceiling	Hampton, NH	06/30/15	692
$0/$15	Jay	06/30/16	321
$0/$15	Livermore Falls	06/30/15	157
**0/15 (Silver Bullet)*	Manchester	03/08/15	119
$0/$15	Oceanside - SS Only	06/30/14	414
$0/$15	North Haven	05/31/14	56
$0/$15	Stockton Springs	07/11/15	67
$0/$15	Poland Springs Inn	xx/xx/17	13
Neutral	Cornish	07/17/16	45
Neutral	Sanford	03/31/16	1,556
Neutral	Old Orchard Beach	04/21/16	599
Neutral	Limerick	02/01/18	37
Neutral	DM & J	05/13/15	269
**Neutral (Silver Bullet)*	Newington NH	05/01/13	76

Attachment VI

Month	Outbound Rev	Tipping Fees	Total	Inbound Ton	Avg Rev Per Ton	At Will	Matrix A	Matrix B	Long Haul or NH	Long Haul & NH	Long Haul & NH $0/$30	$0 / $15
Jul-11	$ 430,166	$ 1,835	$ 432,001	2,947	$ 146.60	$ 25.00	$ 25.00	$ 35.00	$ 40.00		$ 30.00	
Aug-11	437,147	4,210	441,357	3,319	132.97	25.00	25.00	30.00	35.00		30.00	
Sep-11	417,143	2,892	420,035	3,102	135.43	25.00	25.00	30.00	35.00		30.00	
Oct-11	327,154	2,982	330,136	2,811	117.45	25.00	20.00	20.00	25.00			
Nov-11	261,010	2,842	263,852	2,970	88.85	5.00	5.00	5.00	10.00			
Dec-11	256,498	2,902	259,400	3,147	82.43		5.00		5.00			
Jan-12	313,175	3,887	317,062	2,845	111.45		17.50	17.50	22.50	27.50		
Feb-12	220,831	2,500	223,331	2,426	92.07		7.50	5.00	10.00	15.00		
Mar-12	238,301	2,377	240,678	2,608	92.27	5.00	7.50	5.00	10.00	15.00		
Apr-12	218,118	2,794	220,912	2,621	84.29	5.00	5.00		5.00	10.00		
May-12	290,571	4,047	294,618	3,083	95.56		10.00	10.00	15.00	20.00		
Jun-12	273,862	3,728	277,590	3,043	91.23		7.50	5.00	10.00	15.00		
Jul-12	256,924	3,862	260,786	3,067	85.04		5.00	5.00	10.00	15.00		
Aug-12	261,432	3,292	264,724	3,376	78.42		(2.50)	(5.00)		5.00		(15.00)
Sep-12	153,829	4,585	158,414	2,686	58.98	(15.00)	(15.00)	(22.50)	(17.50)	(12.50)		(15.00)
Oct-12	192,679	4,731	197,410	3,142	62.84	(15.00)	(10.00)	(17.50)	(12.50)	(7.50)		(15.00)
Nov-12	224,027	5,089	229,116	2,960	77.40	(10.00)	2.50	(5.00)		5.00		(15.00)
Dec-12	194,207	3,433	197,640	2,853	69.27	(5.00)	(5.00)	(15.00)	(10.00)	(5.00)		(15.00)
Jan-13	235,810	3,683	239,493	2,882	83.10	(5.00)	5.00		5.00	10.00		
Feb-13	173,308	2,000	175,308	2,101	83.43	-	5.00		5.00	10.00		
Mar-13	205,954	1,596	207,550	2,477	83.78	5.00	5.00		5.00	10.00		
Apr-13	200,628	-	200,628	3,020	66.44	5.00	(5.00)	(15.00)	(10.00)	(5.00)		(15.00)
May-13	238,100	899	238,999	3,415	69.99			(10.00)	(5.00)			(15.00)
Jun-13	221,169	-	221,169	3,145	70.33			(10.00)	(5.00)			(15.00)
Jul-13	267,210	-	267,210	4,322	61.83		(10.00)	(17.50)	(12.50)			(15.00)
Aug-13	303,305	1,222	304,527	4,096	74.34		(10.00)	(15.00)	(5.00)			(15.00)