



Memorandum

DATE: April 9th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Board of Directors Meeting

There is an **ecomaine Board Meeting** scheduled for **Thursday, April 16th @ 4:00 PM** at **ecomaine**. The agenda for this meeting is as follows:

1. Approval of the Minutes (**Attachment A**)
2. Presentation: Prescription Drugs

Kevin Joyce - Cumberland County Sheriff
Dan Twomey - Section Chief, Bureau of Air Quality, Lab & Quality Assurance
3. Audit Committee Report – Gary Foster – Chairman
4. Finance Committee Report – Matthew Frank – Chairman
 - Approval of the FY 16 Budget
Link: <http://www.ecomaine.org/wp-content/uploads/2015/03/2016-Proposed-Operating-Budget.pdf>
5. Recycling Committee Report – Erik Street – Chairman
6. Manager's Report:
 - Financial Summary (**Attachment B1**)
 - Statement of Revenue and Expenses (**Attachment B2**)
 - Statement of Cash Balance (**Attachment B3**)
 - Statistical Data (**Attachment B4**)
 - Operations & Electrical Generation (**Attachment B5**)
 - Legislative Update
 - Environmental Update

Future Meetings:

- Recycling Committee Meeting: April 30, 2015 (Thursday) @ 4:00 PM
- Finance Committee Meeting: May 21st, 2015 (Thursday) @ 3:00 PM
- Executive Committee Meeting: May 21st, 2015 (Thursday) @ 4:00 PM
- Full Board/Annual Meeting: June 18th, 2015 (Thursday) @ 11:30 AM

Memorandum

DATE: April 9th, 2015
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Board of Directors Minutes – March 19th, 2015

There was an ecomaine Board of Directors Meeting held on the date noted above @ ecomaine. The meeting was called to order by Jim Gailey, Chairman.

Item #1: - Minutes:

Richard Brobst motioned to accept the minutes as written. The motion was seconded by Troy Moon and unanimously approved by the members of the Board of Directors.

Item #2: - Audit Committee Report:

Gary Foster reported that the Audit Committee met on October 16th, 2014 and reported to the Full Board on that date. The next Audit Committee Meeting is scheduled for April 16th, 2015 at 3PM

Item #3: - Finance Committee Report:

Mike Shaw, Vice Chair reported that the Finance Committee met on January 15th, 2015. The next meeting of the Finance Committee will be a Budget Workshop scheduled for April 2ND, 2015 at 4PM. All Board Members are encouraged to attend; this will be an opportunity for members to ask any questions they may have.

Item #4: - Recycling Committee Report:

Erik Street reported that the Recycling Committee met on February 16th. The first disbursement of ecomaine Education Grant funding has been paid out, which represents 80 % of total awards. The remaining 20% will be disbursed in two payments contingent on the submittal of the required documentation. Erik also reported on the eco-Excellent Awards, and the committee's review of reports on outreach, financial summaries, tonnage and marketing.

The next Recycling committee is scheduled for April 30th, 2015 at 4PM.

Item # 5: - Budget Presentation:

Kevin Roche presented the proposed budget for FY 16. He provided a budget overview to include trends in marketing, projections and highlights on capital improvements. In addition, he briefed on the 2013 Strategic Review and the Regional Hauler Permitting & Compliance Program as a piece of the proposed budget. A lengthy discussion followed.

Items # 6: Other:

Jim Gailey & Kevin Roche gave testimony before the Energy, Utilities and Technology Committee today in Augusta on LD 273 (The bill that improves the value of WTE REC (Renewable Energy Credit). Kevin gave background on the bill and others that are currently under review.

Troy Moon motioned to adjourn the meeting and the motion was seconded by Gary Foster. All in favor. The meeting was adjourned.

Present:

Maxine Beecher, Linda Boudreau, Michael Bobinsky, Alan Bradstreet, Richard Brobst, Dennis Doughty, Gary Foster, Jim Gailey, Caleb Hemphill, Suzanne Knight, Maureen McDevitt, Mike McGovern, Troy Moon, Dave Morton, Nathan Poore, Rod Regier, Bill Shane, Mike Shaw, Erik Street, Ed Suslovic, Len Van Gaasbek

Staff:

Arthur Birt, Denise Mungen, Kevin Roche

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).)

Financial Summary March, 2015 (FY15)

Revenues YTD- Compared to Budget and Last Year						
	Compared to Budget			Compared to Prior Year		
	Revenue YTD-\$000	Units	Revenue \$/Units	Revenue YTD - \$000	Units	Revenue \$/Units
Owner	↓ \$42	↓ 1%	↓ 1%	↓ \$4	↑ 1%	↓ 1%
Associate	↑ \$9	↓ 1%	↑ 2%	↑ \$28	↑ 2%	↑ 2%
Contract	↑ \$13	↑ 2%	↑ 4%	↑ \$8	↑ 0%	↑ 4%
Commercial	↓ \$204	↓ 5%	↓ 0%	↓ \$112	↓ 2%	↓ 1%
Spot	↑ \$240	↑ 15%	↑ 4%	↑ \$46	↓ 3%	↑ 6%
Recycling	↑ \$153	↑ 2%	↑ 9%	↓ \$380	↑ 14%	↓ 0%
Assessments/Rebates	↓ \$1,000			↓ \$3,207		
Electrical	↑ \$353	↑ 6%	↑ 3%	↑ \$456	↑ 1%	↑ 11%
Overall	↓ \$476			↓ \$3,284		

Cash Expenses YTD			
Cost Center	Status-\$000	% of Annual Budget	Notable Items Effecting Expenses YTD
WTE	↓ \$541	63%	Fav Gas/Elec (\$128k), Major Repairs (\$93k), Chemicals (\$88k), Payroll (\$88k), Benefits (\$83k), Temp Labor (\$59k), & Bldg & Gds Maint (\$21k), offset in part by unfav Vehicle maint. (\$24k), Vendor Assist. (\$15k), & Outside Serv. (\$19).
Recycling	↓ \$15	74%	Fav Major Repairs(\$28k), Bldg & Gds Maint(\$42k), & Painting(\$20k) offset in part with unfav Purchase Recyclables(\$30k), Temporary Labor (\$13k), Spare Parts (\$13), & Bailing Wire(\$23)
Landfill	↓ \$67	71%	Fav Consulting (\$93k), Water/Sewer (\$49k), Outside Serv.(\$22k), Geotechnical Monitoring (\$20k), Mobile Equip. fuel (\$12k), & Vehicle Maint. (\$11k), offset in part by unfav. Major Repairs (\$60), Hauling (\$22k), Temp Labor (\$29k), Payroll (\$16k) & Gas/Electric (\$12k).
Administration	↑ \$18	76%	Unfav Consulting (\$20k), Legal (\$17k), Public Relations (\$11k), & Travel (\$6) offset in part by Fav Ins. (\$25k) & Computer maint. (\$12k).
Total Departmental Costs	↓ \$605	67%	

Revenue Less Expenses	YTD vs. Budget YTD		YTD vs. Prior YTD	
	Rev. - Exp.		Rev. - Exp.	%
↑	\$0.5		↓	86%

Cash Flow		
	Current Position	Notes
Cash on 7/1/2014	\$29.3 MM	
Cash Generated	\$3.9 MM	149% of 12 Month Budget
Cash Going Out	\$1.0 MM	\$1.0MM (Capital)
Current Cash Position	\$32.3 MM	Inc by \$2.938MM

Average WTE Operations				
Month	Pwr Sold % Capacity	Ave. Boiler Availability %	Sales-KWHrs	Notes
February	60%	90%	4,912	Poor fuel quality - snow
March	84%	96%	7,519	

Recycling Markets					
Materials	Jan. 2015	Feb. 2015	March 2015	March 2014	vs March 2014
Cardboard	\$ 97	\$ 89	\$ 86	\$ 121	↓ -28%
Newspaper	49	44	45	51	↓ -12%
Cans	184	102	115	198	↓ -42%
#2 Natural Plastic	-	-	510	815	↓ -37%
#2 Colored Plastic	-	400	-	650	-
Post Burn Metal	90	21	25	87	↓ -71%

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Statement of Revenue & Expenses March, 2015 (FY15)

	\$000's						FY15 to FY14 Variance
	Actual - Prior Years YTD			Current Year To Date			
	2012	2013	2014	Actual	Budget	Variance	
Operating revenues							
Municipal assessments & rebates	\$ 3,332	\$ 2,582	\$ 2,207	\$ (1,000)	\$ -	\$ (1,000)	\$ (3,207)
Owners tipping fees	3,189	3,108	2,552	2,548	2,589	(42)	(4)
Assoc tipping fees	672	650	670	698	690	9	28
Contract tipping fees	130	208	211	219	206	13	8
Commercial tipping fees	4,237	4,248	3,856	3,744	3,948	(204)	(112)
Spot market tipping fees	1,607	1,839	1,432	1,478	1,238	240	46
Electrical generating revenues	3,030	2,790	3,692	4,148	3,795	353	456
Sales of recycled goods	2,912	2,076	2,625	2,256	2,128	129	(369)
Recycling tipping fees	32	51	88	77	52	24	(11)
Gorham property assessments	98	131	124	-	-	-	(124)
Other operating income	64	91	67	72	70	2	5
Total operating revenues	19,301	17,772	17,524	14,239	14,716	(476)	(3,284)
Operating expenses							
Administrative expenses	1,808	1,758	1,859	1,977	1,959	(18)	(119)
Waste-to-energy operating expenses	5,837	6,340	6,727	6,130	6,671	541	596
Recycling operating expenses	1,174	1,144	1,569	1,551	1,566	15	18
Landfill/ashfill operating expenses	1,174	1,138	1,110	1,234	1,301	67	(124)
Contingency	-	-	-	-	150	150	-
Landfill closure & postclosure care costs	209	208	193	180	193	14	14
Post-retirement benefit- Health Care			72	38	71	33	33
Depreciation & amortization	3,075	3,087	3,133	2,767	2,925	158	367
Total operating expenses	13,277	13,676	14,662	13,877	14,837	960	786
Net operating income	6,025	4,096	2,861	363	(121)	484	(2,499)
Non-operating income (expense)							
Interest income	45	54	25	42	30	12	17
Investment income	-	-	-	(10)	-	(10)	(10)
Interest expense	(84)	(1)	0	1	-	1	0
Misc. Income / (Expenses)	3	47	38	(1)	(4)	3	(39)
Net non-operating	(36)	101	64	32	26	6	(31)
Total Revenue Less Expenses	\$5,988	\$4,197	\$2,925	\$395	-\$95	\$490	(2,530)

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Statement of Cash Balances March, 2015 (FY15)
\$000's

	12 Month Actuals @ 6/30			Bud FY 2015	Act FY 15 @
	2012	2013	2014	@ 6/30/15	3/31/15
Cash & Reserves - beginning of period	\$ 21,968	\$ 23,928	\$ 23,060	27,609	\$ 29,317
Cash flows from operating activities:					
Net operating income	6,761	4,811	3,071	(1,621)	363
Add back: depreciation	3,808	4,015	4,195	3,900	2,767
Add back: landfill closure costs	277	258	240	258	180
Add back: Post Retirement Benefit	-	-	95	95	38
Other working capital changes	385	(711)	669		566
Net cash provided by operating activities	11,231	8,373	8,270	2,632	3,913
Cash flows from capital and related financing activities:					
Bank loan	-	-	-	-	-
Payment of interest	(113)	-	1	-	1
Repayment of long-term debt	(6,630)	(4,560)	-	-	-
Repayment of capital leases	-	-	-	-	-
Net cash used in capital and related financing	(6,743)	(4,560)	1	-	1
Cash flows from investing activities:					
Receipts of interest	59	71	43	0	42
Capital expenditures	(2,587)	(4,752)	(2,058)	(4,461)	(1,018)
Net cash used in investing activities	(2,528)	(4,681)	(2,015)	(4,461)	(976)
Net increase (decrease) in cash	1,960	(868)	6,256	(1,829)	2,938
Cash & Reserves - end of period	23,928	23,060	29,317	25,780	32,254

Cash Reserve Detail

Detail					Reserves as		
					per policy	Target	
Operating Cash Reserve	7,500	7,500	8,160	8,160	\$ 8,160	\$ 8,160	
Short Term Capital Reserve	3,251	3,253	3,255	3,253	3,261	3,261	3,250
Long Term Capital Reserve	4,001	4,004	4,006	4,004	4,013	4,013	4,000
Landfill Closure Reserve	850	1,701	3,052	3,900	3,907	3,907	22,217
Discretionary Landfill Closure Reserve					300	300	300
Recycling Revenue & Cost Sharing					500	500	500
Bond Payment Reserves	6,875	2,947	-				
Debt Service Reserves							
Balance Operating Cash	1,451	3,655	10,844	6,463	12,113	-	-
Total	\$ 23,928	\$ 23,060	\$ 29,317	\$ 25,780	\$ 32,254	\$ 20,141	\$ 38,427

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Statistical Data March, 2015 (FY15)

	Actual - YTD			Year to Date 2015				Year to Date Vs. Last Yr	
	2012	2013	2014	Actual	Budget	Var - Fav / (Unfav)		Var-Fav / (Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	36,727	35,650	36,357	36,578	36,868	(290)	-0.8%	221	0.6%
Associate	8,549	8,071	8,255	8,441	8,495	(54)	-0.6%	186	2.3%
Contract	2,689	4,127	3,827	3,830	3,755	76	2.0%	3	0.1%
Commercial	50,532	50,156	55,682	54,497	57,252	(2,755)	-4.8%	(1,185)	-2.1%
Spot	29,792	33,851	29,293	28,481	24,750	3,731	15.1%	(812)	-2.8%
Total MSW	128,289	131,855	133,414	131,827	131,120	708	0.5%	(1,587)	-1.2%
Recycle - Tons									
Inbound - MRF only	26,177	25,562	31,900	32,269	27,750	4,519	16.3%	369	1.2%
Outbound- MRF only	23,858	23,087	28,445	28,446	23,942	4,505	18.8%	2	0.0%
Outbound- Post Burn	1,284	3,409	3,516	2,749	3,450	(701)	-20.3%	(767)	-21.8%
Outbound- Landfill Metal Mining	2,942	7,261	12,090	6,811	11,250	(4,439)	-39.5%	(5,279)	-43.7%
Outbound Total	28,084	33,757	44,051	38,006	38,642	(636)	-1.6%	(6,045)	-13.7%
MSW - Revenue \$ /Ton									
Owner	\$86.82	\$87.19	\$70.19	\$69.65	\$70.23	-\$0.59	-0.8%	(0.55)	-0.8%
Associate	78.55	80.53	81.16	82.74	81.18	1.56	1.9%	1.58	1.9%
Contract	48.20	50.33	55.06	57.16	54.78	2.38	4.3%	2.11	3.8%
Commercial	83.85	84.70	69.25	68.70	68.96	(0.26)	-0.4%	(0.55)	-0.8%
Spot	53.94	54.31	48.89	51.89	50.00	1.89	3.8%	3.00	6.1%
Total MSW	\$76.66	\$76.24	\$65.37	\$65.89	\$66.13	(0.23)	-0.3%	0.53	0.8%
Recycle - Revenue \$									
\$/Ton Outbound (Includes glass/metals)	\$104.82	\$63.00	\$61.59	\$61.39	\$56.42	\$4.97	8.8%	-\$0.20	-0.3%
\$/Ton Inbound- Rev/Cost Sharing	\$111.86	\$75.57	\$70.35	\$64.13	\$63.13	\$1.00	1.6%	-\$6.22	-8.8%
Energy									
MWH's Sold	64,689	68,368	66,295	66,871	62,917	3,954	6.3%	576	0.9%
\$/MWH	\$46.83	\$40.81	\$55.69	\$62.02	\$60.31	\$1.71	2.8%	\$6.34	11.4%
Steam Plant Capacity Factor %	84.4%	89.1%	86.0%	85.6%					
Average Boiler Availability %	96.7%	96.3%	94.9%	95.5%					
Steam Plant Capacity Utilization %	87.2%	92.5%	90.6%	89.6%					
Power Capacity Factor %	81.9%	84.8%	83.0%	84.4%					
Power Sold - % of Capacity to Sell	81.0%	85.9%	83.3%	84.0%	88.7%				

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

Revenue Share 'break even' is between \$80-85 -- when average revenue per ton falls below \$80, a payment is required by owners to ecomaine & when average revenue per ton exceeds \$85 a payment is paid by ecomaine to owners.

Historical Generation Summary

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Revenues
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	78%	2,549,640	3,117,380	5,667,020	\$0.07378	\$0.05891	\$398,316	\$683,562
Apr-14	68%	2,255,098	2,238,687	4,493,785	\$0.04715	\$0.03709	\$215,243	\$221,147
May-14	95%	3,599,430	4,379,936	7,979,366	\$0.04144	\$0.03169	\$315,675	\$314,745
Jun-14	97%	3,696,771	4,097,480	7,794,251	\$0.04810	\$0.03315	\$315,676	\$286,016
Jul-14	89%	3,228,189	3,870,504	7,098,693	\$0.05552	\$0.03602	\$351,883	\$283,463
Aug-14	98%	3,580,596	4,646,849	8,227,445	\$0.05361	\$0.03640	\$395,478	\$274,895
Sep-14	99%	3,839,083	4,302,183	8,141,266	\$0.04062	\$0.03083	\$318,512	\$301,209
Oct-14	97%	4,013,466	4,174,681	8,188,147	\$0.03990	\$0.03073	\$322,783	\$289,739
Nov-14	93%	3,476,452	4,576,054	8,052,506	\$0.06518	\$0.05113	\$494,859	\$409,821
Dec-14	96%	3,675,421	3,694,822	7,370,243	\$0.09718	\$0.07810	\$679,692	\$336,690
Jan-15	97%	3,171,835	4,204,366	7,376,201	\$0.12767	\$0.10085	\$861,453	\$527,024
Feb-15	90%	2,384,560	2,530,734	4,915,294	\$0.07280	\$0.05212	\$335,478	\$596,742
Mar-15	97%	3,555,331	3,963,802	7,519,133	\$0.05641	\$0.04084	\$393,023	\$491,820
Apr-15					\$0.03698	\$0.02795		
Total for contract period							\$728,500	\$1,088,562