

ecomaine

Memorandum

DATE: November 10, 2011

TO: Chairman and Members of the Board

FROM: Kevin H. Roche, General Manager

SUBJECT: Agenda for the Executive Committee Meeting

There is an ecomaine **Executive Committee Meeting** scheduled for **Thursday, November 17, 2011 at 4:00PM**, first floor of the Waste-to-Energy Facility. The agenda for this meeting is as follows:

1. Approval of the September 15, 2011 Executive Committee Meeting minutes (*Attachment A*)
2. Finance Committee Report –Jim Gailey, Chairman
3. Recycling Committee Report – Troy Moon, Chairman
4. Manager's Report
 - Statement of Revenue and Expenses (*Attachment B*)
 - Statistical Reports (*Attachments C1 & C2*)
 - Cash Flow Statement (*Attachment D*)
 - Electrical Revenues (*Attachment E*)
 - Operations: WTE, Landfill and Recycling
 - Environmental Update
 - Update on Employee Handbook and Performance Evaluation Process
 - Legislative Update
 - Update on metals mining at the Landfill
5. Review of Landfill design changes
6. Future Meetings:
 - Recycling Committee: November 30th (*Wednesday*) @ 4:00PM.
 - Executive Committee: December 15th (*Thursday*) @ 4:00PM.
 - Board Meeting: January 19th (*Thursday*) @ 4:00PM.

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

Recycling Members

Andover
Cornish
Monmouth
Poland
Sanford

DATE: September 16, 2011
TO: Chair and Members of the Executive Committee
FROM: Kevin H. Roche, General Manager
SUBJECT: Minutes of 9/15/11 **ecomaine** Executive Committee Meeting

The Executive Committee of **ecomaine** met on Thursday, September 15, 2011, at the Waste-to-Energy facility. The meeting was called to order at 4:03PM.

There were six (6) items on the Agenda:

1. Approval of the May 19, 2011 Executive Committee Meeting minutes
2. Finance Committee Report – Jim Gailey, Chair
3. Audit Committee Report – Gary Foster, Chair
4. Recycling Committee Report – Mike Bobinsky in for Troy Moon, Chair
5. Manager's Report
6. Future Meetings

Item #1 – Approval of the May 19, 2011 Executive Committee Meeting Minutes

Mr. Van Gaasbeek moved that "The Executive Committee hereby approves the minutes of the May 19, 2011 Executive Committee meeting as presented". The motion was seconded by Mr. Foster and passed unanimously.

Item #2 – Finance Committee Report – Jim Gailey, Chair

Approval of FY '12 Assessments

Mr. Gailey reviewed the figures in Attachment B (**ecomaine** Proposed Assessments – FY '13). This document notes the 5-year rolling average and is a fluid tool.

He noted that **ecomaine** has \$100,000 in relief being given to towns.

Mr. Regier then made a motion that the Executive Committee recommends to the Board approval of the reduction of assessments for FY '13 as presented here in the Executive Committee Meeting of 9/15/11. The motion was seconded by Len Van Gaasbeek and passed unanimously.

Approval of changes to Cash Reserve Policies

Approval of changes to **ecomaine's** Cash Reserve Policies - Attachment C, was next reviewed. It was noted that these policies will be reviewed annually.

After further discussion, Mr. Regier made a motion that the Executive Committee recommends to the Board approval of the **ecomaine Cash Reserve Policies - amended to delete the verbiage of "first priority", "second priority", "third priority" and "fourth priority" in the policies**, as presented today at the Executive Committee Meeting of 9/15/11. The motion was seconded by Mr. Gailey and passed unanimously.

Item #3 – Audit Committee Report – Gary Foster, Chair

Mr. Foster reported that the Audit Committee last met on March 24, 2011. The accounting firm of Runyon Kersteen Ouellette (RKO) was present and were hired to do the Audit for **ecomaine** FY '11.

RKO will also be in attendance at the Audit Committee Meeting scheduled for 2:00PM on September 22, 2011, to review the draft audit for the **ecomaine** Board meeting scheduled for October 20, 2011.

The Committee will also be reviewing **ecomaine's** insurances.

Item #4– Recycling Committee Report – Troy Moon (Chairman)

Mr. Bobinsky, in for Mr. Moon, gave the Recycling Committee Report.

At the last Recycling Committee meeting, on August 17, 2011, a motion was approved to study, over the next year, the recycling revenue sharing for owner communities and then consider a recommendation.

Mr. Bobinsky noted that **ecomaine** now has television ads running on WSCH-TV (local Channel 6) regarding recycling. The advertisements began in September and will be running at 14 spots each week, for two consecutive weeks, each month over the next 12 months.

ecomaine's Annual Open House will be held on Saturday, September 24, 2011 from 8:30AM to 11:30AM at the Recycling Center. Local radio station, 93.1 "The Coast" will be broadcasting live and there will be booths from various local businesses, such as Ruth's Reusable Resources. All are welcome to attend.

On Tuesday, September 20th, there will be a press conference at the Recycling Center regarding "Catalog Choice", a junk mail/catalog opt out service. Mr. Bobinsky and Ron Dyer (of the Maine DEP) will be in attendance. The Catalog Choice service will also be available at the Open House for all attendees.

The next Recycling Committee meeting will be held on September 28, 2011 @ 4:00PM, with recycling revenue sharing as an agenda item.

Item #5 – Manager's Report

Update on Conference Room Upgrades

Mark Dolloff, Operations Supervisor, updated the Committee regarding the first

floor WTE facility renovations, which are expected to be completed by the October 20, 2011 Board Meeting. The budget for this project was \$273,000 and is at present just under \$300,000. The exact seating capacity for this larger space has yet to be determined by the fire marshal.

Mr. Roche then reviewed the Tonnage Reports, Statement of Revenue and Expenses for both FY '11 Year End, July FY '12 and August FY '12, as well as the Cash Flow Statement and Operations statistics for the Waste-to-Energy, Landfill and Recycling Facilities.

There is an additional column now on the WTE Facility Electricity Generation Report, "ISONE Avg. Rate".

It was noted that the electrical revenues for August, 2011 are \$286,000 less than August, 2010.

Environmental Update

Mercury Thermostat Collection Program

Handout #6 (Environmental Update) shows the latest statistics on the Supplemental Environmental Project (SEP), which is part of the approved Consent Agreement with the Maine DEP. The SEP project chosen is a thermostat recycling program, which will run for either 18 months or until \$19,000 of funds have been utilized. Thus far, **ecomaine** has collected a total of 287 thermostats and paid \$2,650 in bounties (of which half of those dollars will come back to **ecomaine**).

The 14001 recertification will be happening the week of September 19, 2011 and the registrar will be here in October, 2011.

It was noted that the 18001 OSAS program is safety oriented rather than the 14001, which regards environmental performance.

The Maine DEP was here last week regarding Title 5 – Air compliance, of which **ecomaine** is in compliance.

CK Environmental Company was awarded the Stack Test proposal at \$49,000.

TRC company recently tested **ecomaine** for the Relative Accuracy Test Audit (RATA) and we passed on all analyzers.

Update on Employee Handbook

The Employee Handbook for bargaining unit employees is scheduled to be available for final review the week of September 19, 2011.

Legislative Update

ecomaine has met with the new administration officials twice, once a week and a half ago at **ecomaine** and also at the office of Ken Fletcher (Director of the Maine Office of Energy Independence [OEIS] and Security in Augusta). Mr. Roche reported that there is no support for changing or expanding renewables, but that the OEIS and the State Planning Office are considering landfill surcharge/fees and long term agreements for the WTE's.

Update of Ash Handling Feasibility Study

Handout #7 (Metal recovery feasibility study for the WTE Facility). The study to

assess the technical and financial feasibility of improvements in the ash load out and metal recovery operation (to increase recycled metal recovery and reduce operating cost), was performed by the engineering firm Camp, Dresser and McKee (CDM). Staff is currently working on this and should have a recommendation available to the Board in the coming months.

Update of Landfill Gas Utilization Project

Handout #8 (Landfill Gas Utilization Feasibility Study Update) report concludes that **ecomaine** continue with the current leachate recirculation program and gas extraction system improvements and that the cost estimates be further refined. **ecomaine** is attempting to increase gas production by the injection of leachate using a series of injection probes and will report back with the results.

Review of other Waste-to-Energy Contracts in Maine

Handout #9 (Maine Waste-to-Energy Facilities, September 15, 2011) was reviewed. This comparison was requested by the Board and notes the differences between four WTE facilities: **ecomaine**, MMWAC in Auburn, MERC in Biddeford and PERC in Orrington, Maine. This handout will also be included in the October 20, 2011 Board Meeting Agenda Packet.

Item #6 – Future Meetings

- Audit Committee: September 22nd (Thursday) @ **2:00PM**.
- **ecomaine** Annual Open House & Festival: September 24th (SATURDAY) from **8:30AM-11:30AM**.
- Recycling Committee: September 28th (Wednesday) @ 4:00PM.
- Full Board Meeting: October 20th (Thursday) @ 4:00PM.
- Recycling Committee: October 26th (Wednesday) @ 4:00PM.
- Finance Committee: November 17th (Thursday) @ 3:00PM.
- Executive Committee: November 17th (Thursday) @ 4:00PM.
- Recycling Committee: November 30th (Wednesday) @ 4:00PM.
- Executive Committee: December 15th (Thursday) @ 4:00PM.

Mr. Miller made a motion to adjourn the meeting. The motion was seconded by Mr. Van Gaasbeek and all were in favor. The meeting adjourned at 5:57PM.

PRESENT:

M. Bobinsky
G. Foster
J. Gailey
J. Miller
T. Plante
R. Regier
M. Shaw
R. Brobst
M. Frank
L. Van Gaasbeek
P. Smith

ABSENT:

N. Miner
B. Rodden
M. McGovern
T. Moon

Staff: A. Birt, M. Dolloff, S. Dunn, A. Hewes, T. Raymond, K. Roche, L. Trufant and K. Trytek.

ecomaine

Statement of Revenue and Expenses - October 2011

\$000's

	Month			YTD			Last Year - YTD	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
Operating revenues								
Municipal assessments	370	370	\$ -	1,481	1,481	\$ -	1,560	\$ (79)
Owners tipping fees	356	353	\$ 3	1,549	1,414	136	1,539	10
Associate tipping fees	86	77	\$ 9	398	308	91	354	44
Commercial tipping fees	511	478	\$ 34	2,066	1,911	154	2,054	12
Spot market tipping fees	170	170	\$ 1	815	680	135	839	(24)
Electrical generating revenues	351	348	\$ 3	1,474	1,404	70	2,375	(902)
Sales of recycled goods	327	250	\$ 77	1,612	1,000	612	1,052	560
Recycling tipping fees	4	1	\$ 3	14	4	9	6	7
Gorham property assessments	8	8	\$ -	33	33	-	37	(3)
Other operating income	7	8	\$ (1)	28	32	(4)	28	0
Total operating revenues	2,192	2,064	128	9,469	8,267	1,203	9,844	(375)

Operating expenses								
Administrative expenses	209	204	(5)	801	839	38	824	23
Waste-to-energy operating expenses	515	662	147	2,341	2,623	281	2,359	18
Recycling operating expenses	105	147	42	534	587	53	530	(3)
Landfill/ashfill operating expenses	107	123	16	485	545	61	446	(38)
Contingency	-	16	16	-	65	65	1	1
Landfill closure and postclosure care costs	23	-	(23)	93	-	(93)	-	(93)
Post-retirement benefit	3	-	(3)	40	-	(40)	-	(40)
Depreciation & amortization	342	342	(0)	1,367	1,367	(0)	1,300	(67)
Total operating expenses	1,303	1,493	190	5,660	6,026	366	5,461	(199)
Net operating income	889	571	318	3,809	2,240	1,569	4,383	(573)

Non-operating income (expense)								
Interest income	5	1	5	15	2	12	14	1
Interest expense	(9)	(11)	2	(37)	(45)	8	(185)	148
Other Expense	-	-	-	-	-	-	-	-
Net non-operating	(4)	(11)	7	(23)	(43)	20	(172)	149
Total revenue less expenses	\$ 885	\$ 560	\$ 325	\$ 3,787	\$ 2,197	\$ 1,589	\$ 4,211	\$ (424)

Statistical Data FY 2012 - Oct

	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				
Owner	4,094	4,016	78	17,774	16,066	1,708	17,633	141	10.6%	0.8%
Assoc & Contract	1,221	1,013	209	5,460	4,050	1,410	4,903	557	34.8%	11.4%
Commercial	5,982	5,430	552	24,305	21,721	2,584	24,491	(186)	11.9%	-0.8%
Spot	3,221	3,291	(70)	14,019	13,163	856	14,366	(346)	6.5%	-2.4%
Recycling - Inbound	2,811	3,118	(307)	12,179	12,471	(293)	12,590	(412)	-2.3%	-3.3%
Totals	17,329	16,868	461	73,737	67,471	6,265	73,983	(246)	9.3%	-0.3%

Revenue \$ /Ton

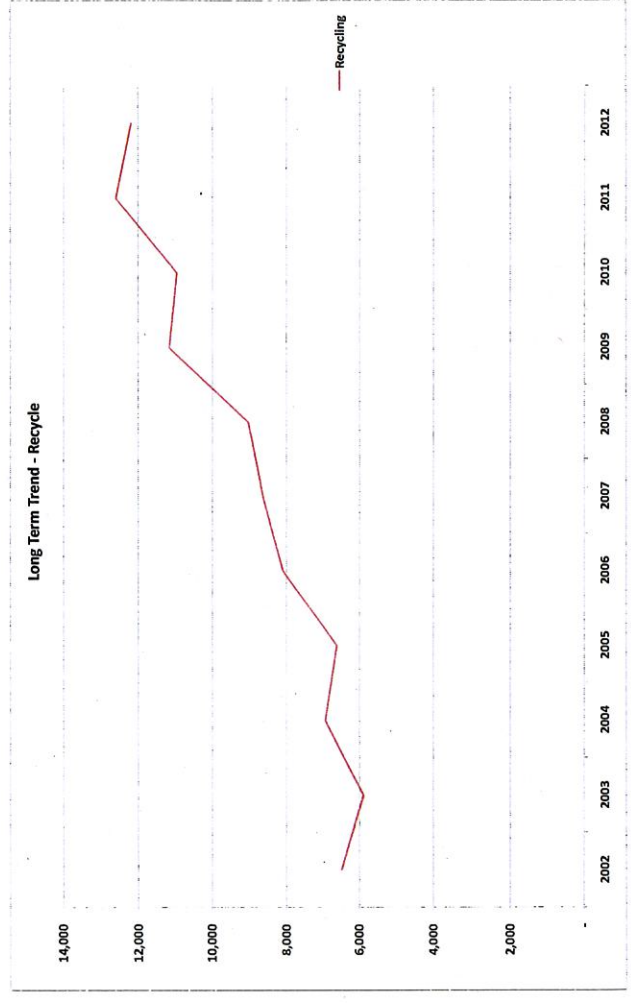
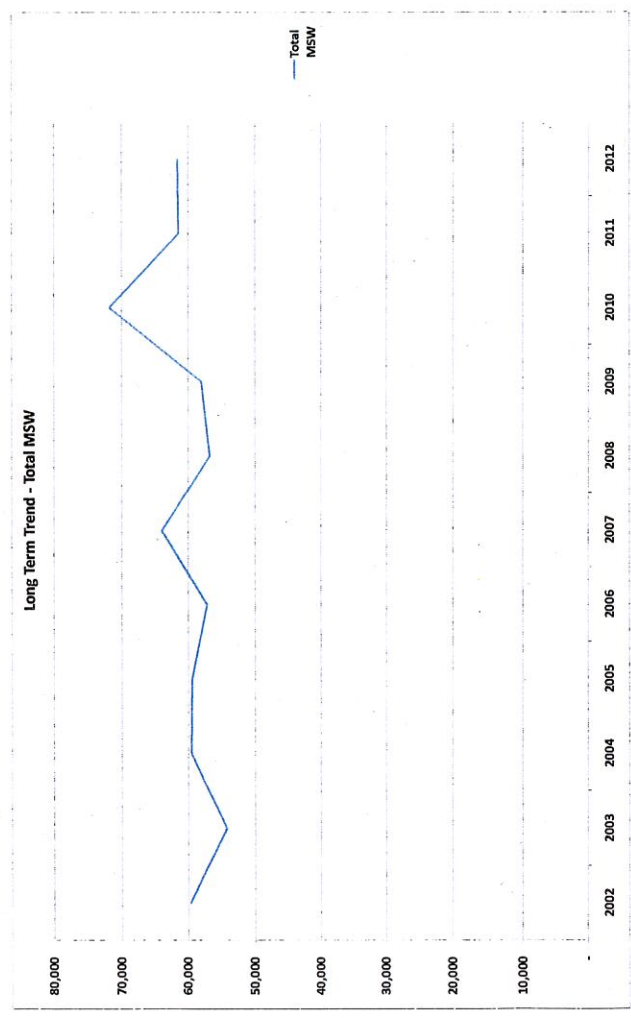
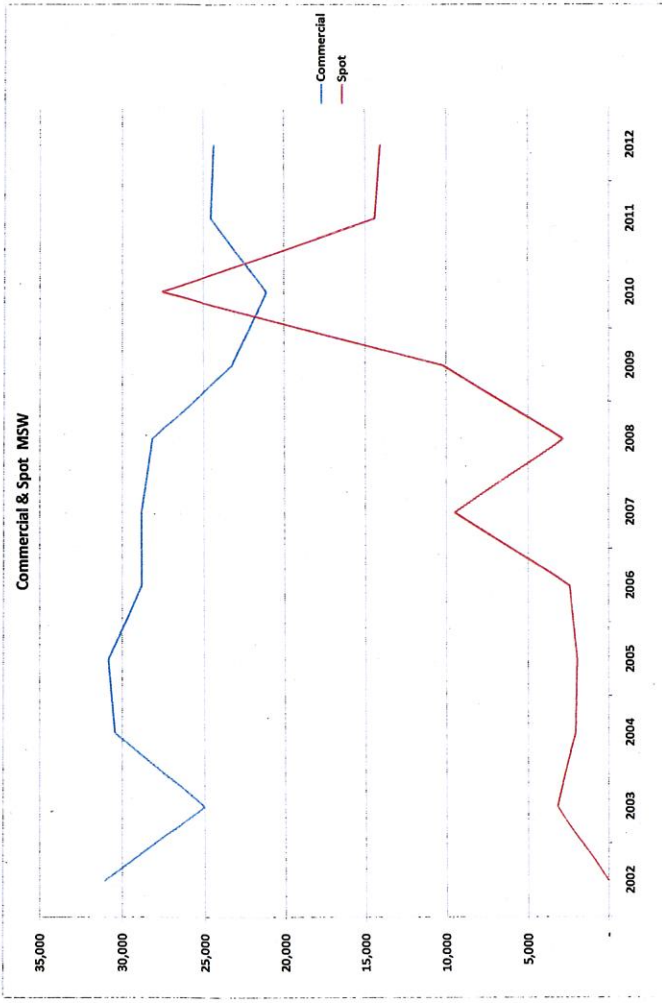
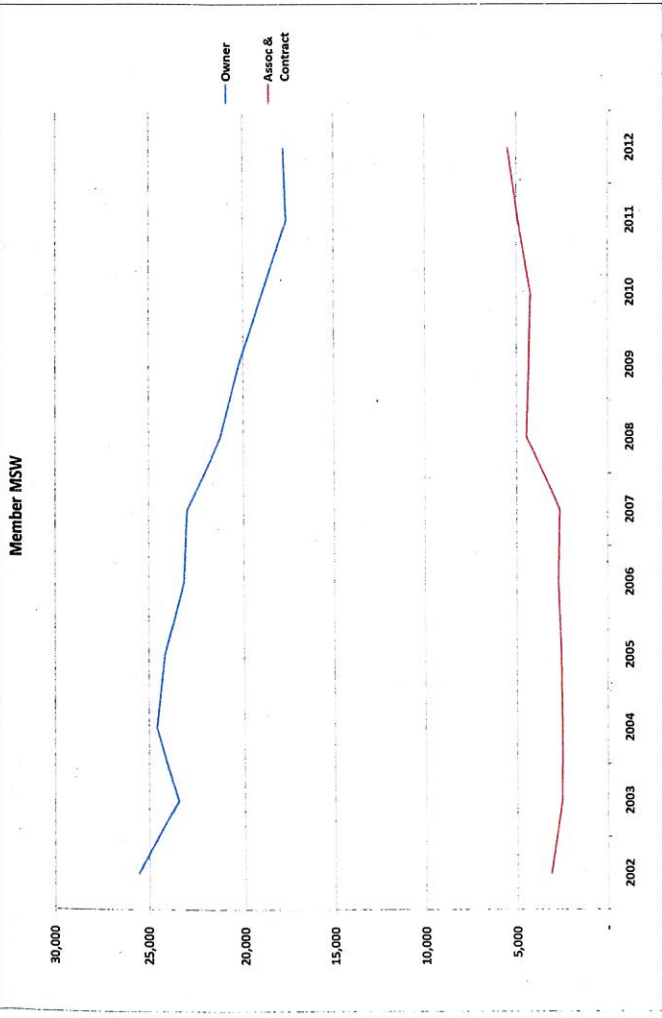
Owner	\$ 86.97	\$ 88.00	\$ (1.03)	\$ 87.17	\$ 88.00	\$ (0.83)	\$ 87.30	\$ (0.13)	-0.9%	-0.1%
Assoc & Contract	70.44	75.94	(5.50)	72.92	75.94	(3.02)	72.17	0.75	-4.0%	1.0%
Commercial	85.49	88.00	(2.51)	84.99	88.00	(3.01)	83.86	1.13	-3.4%	1.3%
Spot	52.92	51.64	1.29	58.14	51.64	6.51	58.40	(0.26)	12.6%	-0.5%
Recycling	117.83	80.54	37.29	133.45	80.54	52.91	84.04	49.41	65.7%	58.8%

Energy

MWH's Sold	7,230	7,347	(117)	30,806	21,828	8,978	32,350	(1,545)	41.1%	-4.8%
\$/MWH	\$ 48.53	\$ 47.40	\$ 1.13	\$ 47.84	\$ 64.30	\$ (16.47)	\$ 73.43	\$ (25.59)	-25.6%	-34.9%
Availability - %	91.0%			96.6%			97.2%			

Year to Date Tons

	Fiscal Year To Date										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Owner	25,540	23,513	24,582	24,167	23,235	23,056	21,276	20,246	18,969	17,633	17,774
Assoc & Contract	3,175	2,538	2,516	2,560	2,742	2,647	4,470	4,359	4,264	4,903	5,460
Commercial	31,005	24,987	30,404	30,798	28,791	28,812	28,153	23,220	21,088	24,491	24,305
Spot	-	3,169	2,003	1,898	2,354	9,461	2,803	10,152	27,504	14,366	14,019
Total MSW	59,720	54,207	59,505	59,423	57,122	63,976	56,701	57,977	71,824	61,393	61,558
Recycling	6,462	5,860	6,919	6,597	8,069	8,622	9,010	11,157	10,946	12,590	12,179



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Statement of Cash Balances -October 2011
 \$000's

	Act FY 11 @ 6/30/11	Bud FY 2012 @ 6/30/12	Act FY 2012 @ 10/31/11
Cash flows from operating activities:			
Net operating income	\$ 9,092	\$ 5,413	\$ 3,809
Add back: depreciation	3,918	4,100	1,367
Add back: landfill closure costs	278	-	93
Add back: Post Retirement Benefit	101	-	40
Other working capital changes	56	-	(192)
Net cash provided by operating activities	<u>13,445</u>	<u>9,513</u>	<u>5,117</u>
Cash flows from capital and related financing activities:			
Bank loan	(750)	-	-
Payment of interest	(429)	(136)	(37)
Repayment of long-term debt	(10,450)	(6,630)	(6,630)
Repayment of capital leases	(1,580)	(70)	-
Net cash used in capital and related financing	<u>(13,209)</u>	<u>(6,836)</u>	<u>(6,667)</u>
Cash flows from investing activities:			
Receipts of interest	42	19	15
Capital expenditures	(1,286)	(3,276)	(289)
Net cash used in investing activities	<u>(1,244)</u>	<u>(3,257)</u>	<u>(275)</u>
Net increase (decrease) in cash	(1,008)	(580)	(1,825)
Cash, beginning of period	22,976	19,385	21,968
Cash, end of period	<u>21,968</u>	<u>18,805</u>	<u>20,143</u>
Detail			
Operating Cash Reserve	-	-	-
Long Term Capital Reserve	1,673	115	2,384
Landfill Closure reserve	-	-	-
Bond Payment Reserves	6,875	4,099	3,136
Debt Service Reserves	3,292	3,292	2,000
Other Cash	10,129	11,299	12,623
Total	<u>\$ 21,969</u>	<u>\$ 18,805</u>	<u>\$ 20,143</u>

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Value
Oct-09	95%	3,827,493	4,072,705	7,900,198	\$0.0740	\$0.0562	\$561,672	
Nov-09	94%	3,569,156	4,120,551	7,689,707	\$0.0770	\$0.0592	\$568,778	
Dec-09	98%	3,811,497	4,354,948	8,166,445	\$0.0836	\$0.0656	\$653,855	
Jan-10	98%	3,310,034	4,482,631	7,792,665	\$0.0971	\$0.0773	\$717,439	
Feb-10	95%	3,038,210	3,650,447	6,688,657	\$0.0982	\$0.0772	\$629,756	
Mar-10	96%	3,668,101	3,741,131	7,409,232	\$0.0831	\$0.0667	\$612,036	
Apr-10	61%	1,897,314	2,169,219	4,066,533	\$0.0723	\$0.0544	\$312,336	
May-10	93%	3,407,537	4,431,390	7,838,927	\$0.0702	\$0.0534	\$533,701	
Jun-10	93%	3,787,872	3,946,891	7,734,763	\$0.0762	\$0.0552	\$552,430	
Jul-10	96%	3,451,635	4,510,803	7,962,438	\$0.0850	\$0.0614	\$616,555	
Aug-10	99%	3,880,733	4,478,367	8,359,100	\$0.0843	\$0.0618	\$650,513	
Sep-10	95%	3,536,806	4,092,807	7,629,613	\$0.0730	\$0.0556	\$531,986	
Oct-10	99%	3,684,282	4,715,036	8,399,318	\$0.0740	\$0.0562	\$583,762	
Nov-10	94%	3,482,344	3,838,460	7,320,804	\$0.0770	\$0.0592	\$541,771	
Dec-10	97%	3,502,186	3,887,300	7,389,486	\$0.0836	\$0.0656	\$593,229	
Jan-11	96%	3,333,950	4,024,645	7,358,595	\$0.0971	\$0.0773	\$680,335	
Feb-11	99%	3,043,296	3,512,245	6,555,541	\$0.0433	\$0.0433	\$326,532	\$412,082
Mar-11	98%	3,444,203	3,492,190	6,936,393	\$0.0433	\$0.0433	\$343,359	\$362,553
Apr-11	66%	1,762,990	2,177,127	3,940,170	\$0.0433	\$0.0433	\$212,063	\$205,959
May-11	87%	3,096,218	3,803,942	6,900,160	\$0.0433	\$0.0433	\$341,900	\$322,749
Jun-11	98%	3,649,570	3,994,354	7,643,924	\$0.0433	\$0.0433	\$374,492	\$363,654
Jul-11	99%	3,553,158	4,635,406	8,188,564	\$0.0433	\$0.0433	\$387,005	\$463,977
Aug-11	96%	3,793,874	3,860,020	7,653,894	\$0.0433	\$0.0433	\$365,783	\$359,176
Sep-11	100%	3,716,566	4,016,809	7,733,375	\$0.0433	\$0.0433	\$371,100	\$338,995
Oct-11	91%	3,150,283	4,079,819	7,230,102	\$0.0433	\$0.0433	\$349,050	\$325,179
Nov-11				\$0.0433	\$0.0433			
Totals for Contract period							\$3,071,283	\$3,154,322