





FY 2021 Budget Presentation

ecomaine provides comprehensive long-term solid waste solutions in a safe, environmentally responsible, economically sound manner, and is a leader in raising public awareness of sustainable waste management strategies.

The logo for ecomaine features the word "ecomaine" in a sans-serif font. The "eco" portion is in black, and the "maine" portion is in green. The letter "o" in "eco" is replaced by a circular arrow icon, symbolizing recycling or a circular economy. The logo is set against a background of a bright, hazy sky and a field of green grass with yellow and white wildflowers in the foreground.

FY21 Budget Presentation

Comparing the FY20 Budget to the FY20 Forecast

-  Revenues down \$300K or 1.5% (favorable MSW Tipping Fees of \$300K, decrease in Electric Revenue of \$300K and decrease in Recycling Revenue of \$600K).
-  Operating Expenses are expected to be down \$800K or 4.5%. Major reasons are 24.5% favorable spending in Recycling and 7.6% in Landfill.
-  Non-Operating Income/Expenses unfavorable \$500K due to Investment Income not expected in FY20.
-  Total Net Income (EBITDA) of \$2.2 MM, which is even with the FY20 budget.

FY21 Budget Presentation

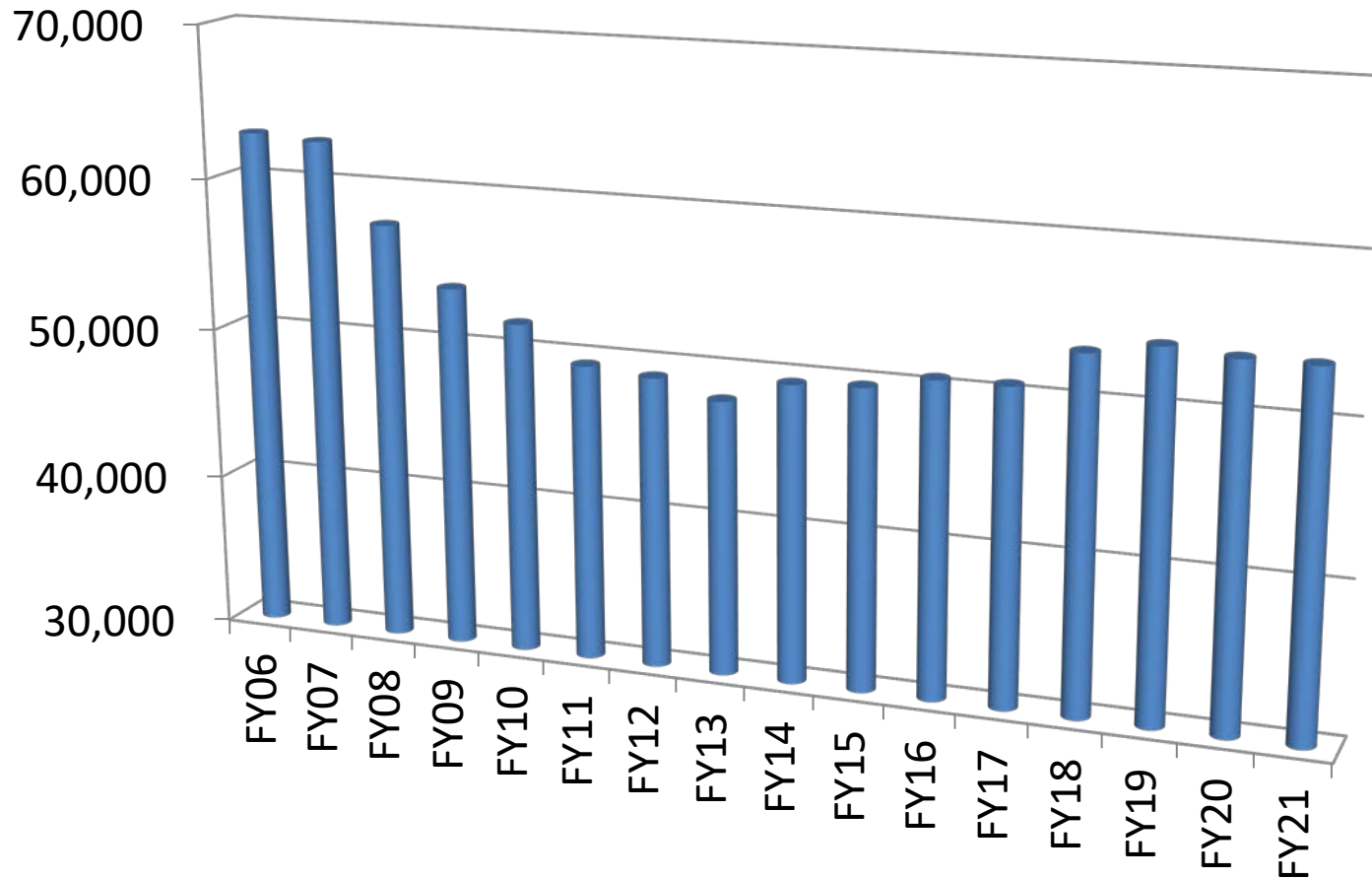
Comparing the FY20 Budget to the FY21 Budget

- ↓ Revenues are down **\$600K** or 3% (commercial tonnage up 5.7% along with a 5.6% increase in the tipping fee, electrical revenue down **16.8%** and recycling revenue down **70%** due to tonnage and market value).
- ↑ Operating Expenses up **\$300K** or 1.7% due mainly to the bypass expense (\$500K budgeted in FY21).
- ↓ Total Net Income (EBITDA) down **\$900K** due to **\$600K** decrease in revenue and **\$300K** increase in expense.

Historical Trends and Projections

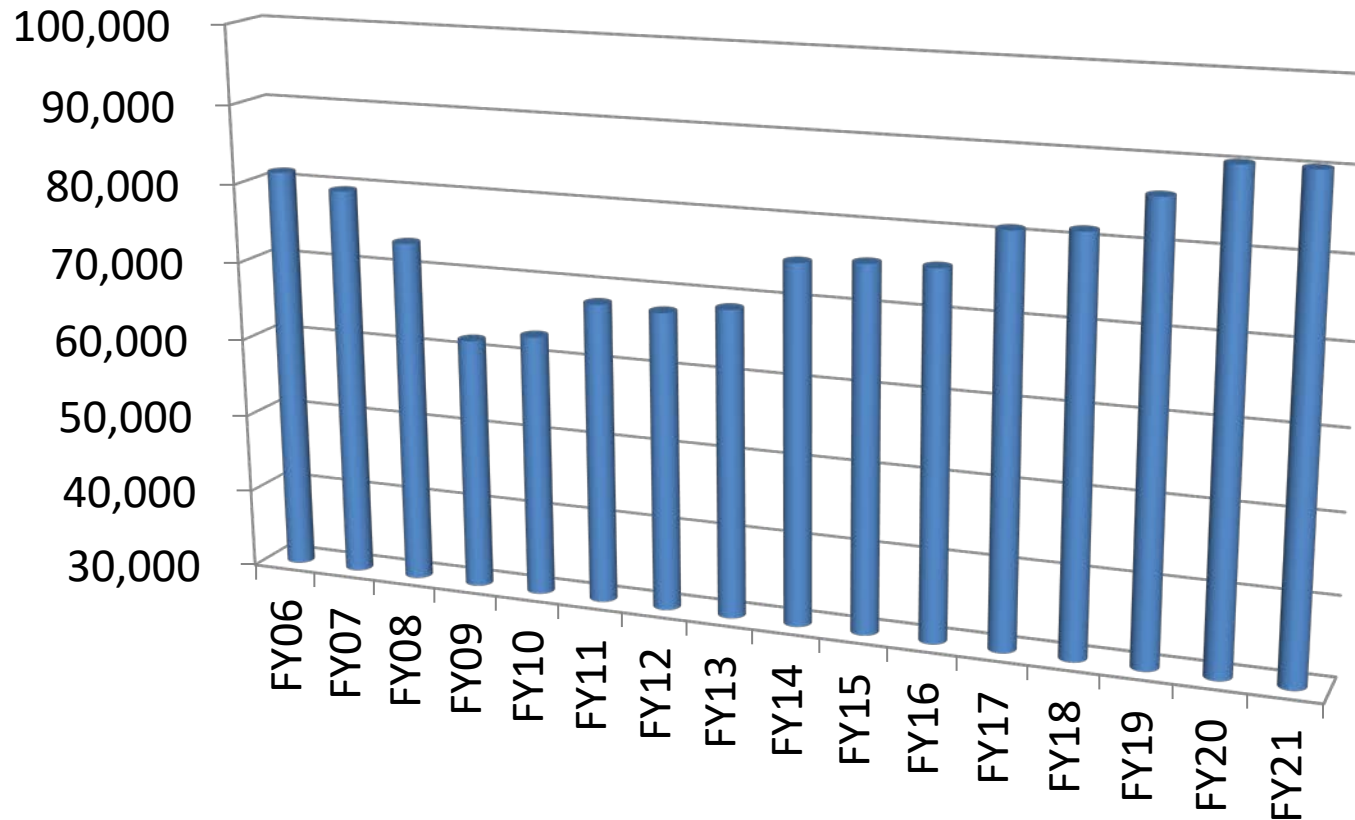
MSW from Owner Communities

Tons are down 15% over last 15 years but up 12% from a low of 48,021 tons in FY 13



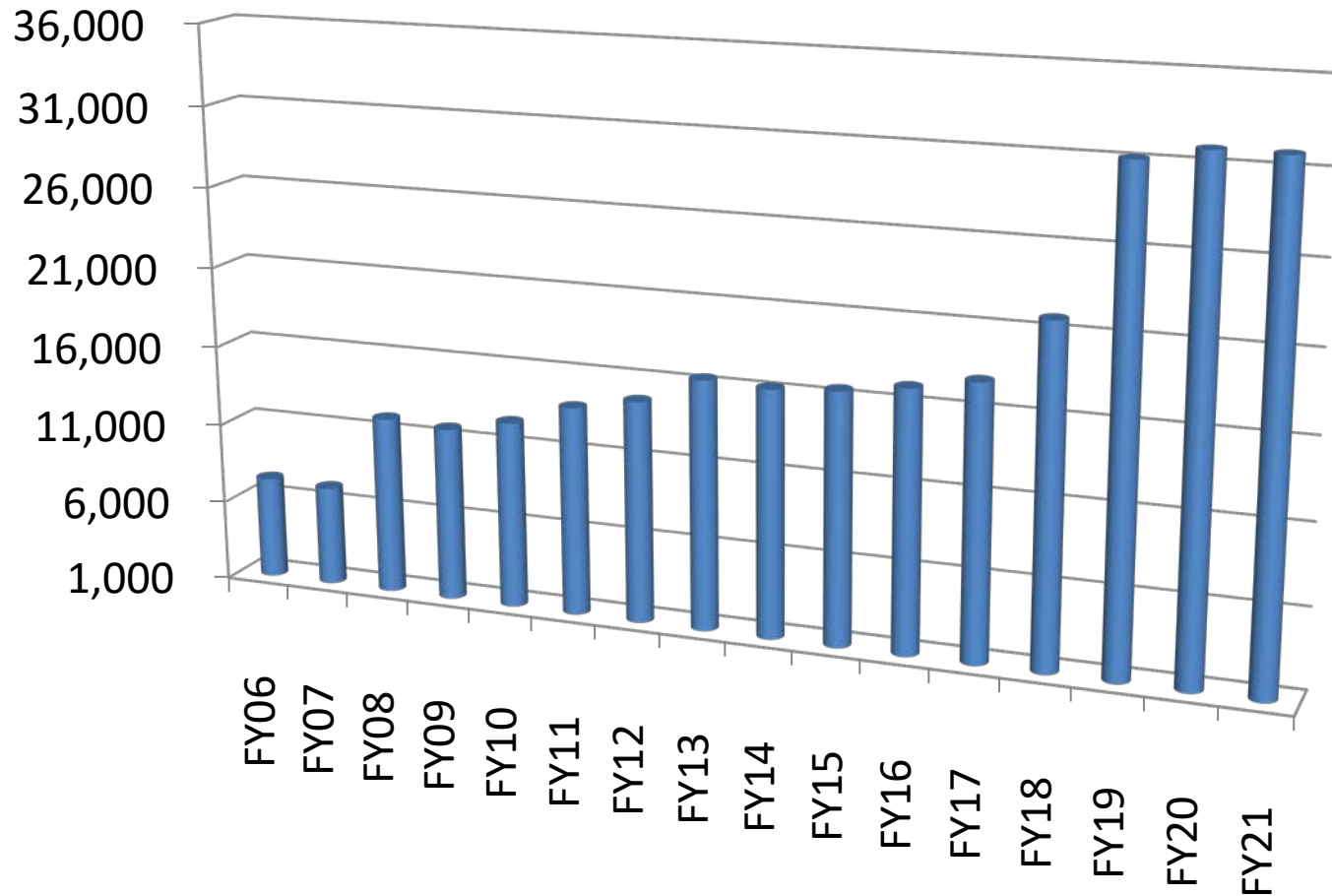
Commercial MSW Tons

Up 11% from 2006 and up 46% from the 2009 low



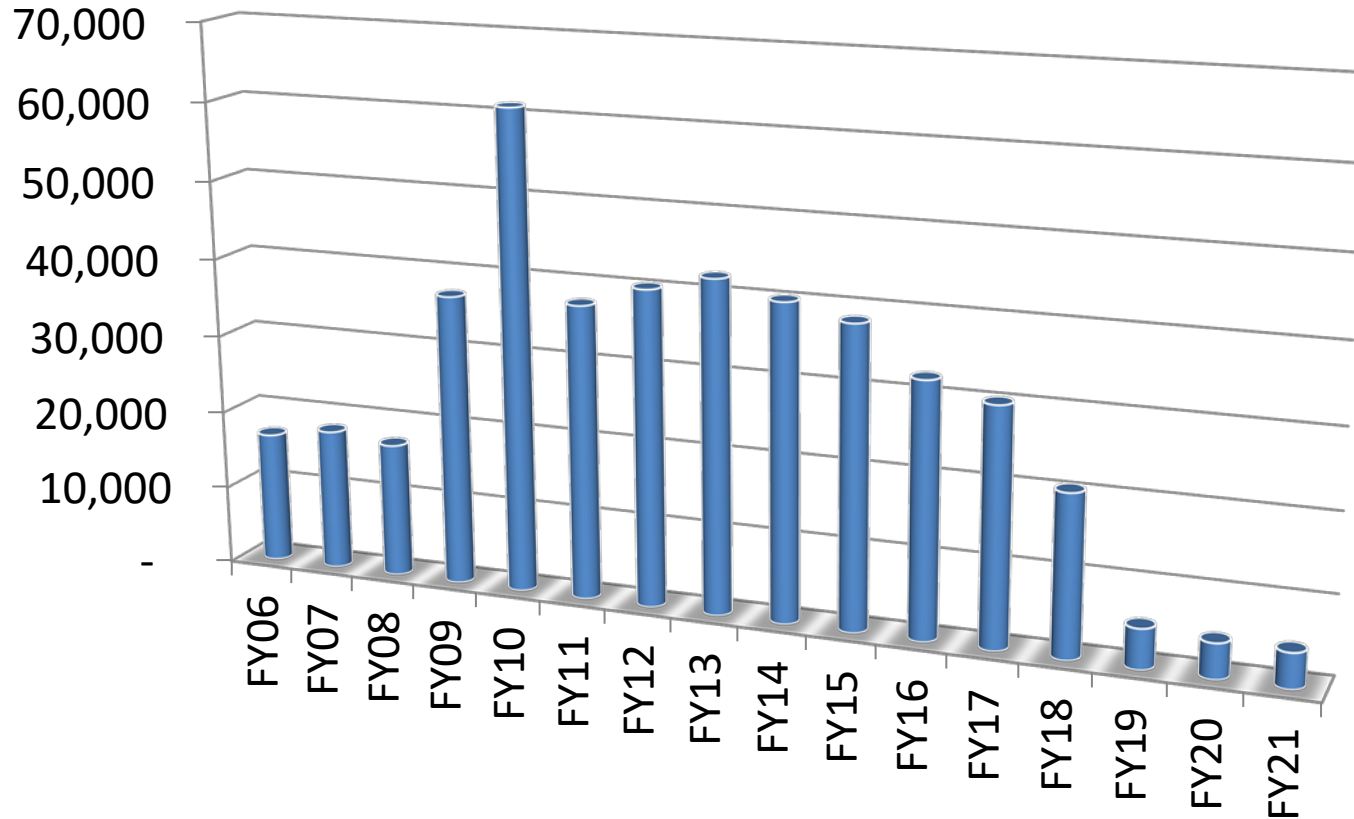
Associate & Contract Member MSW Tons

Up 334% since 2006, up 56% from FY 18



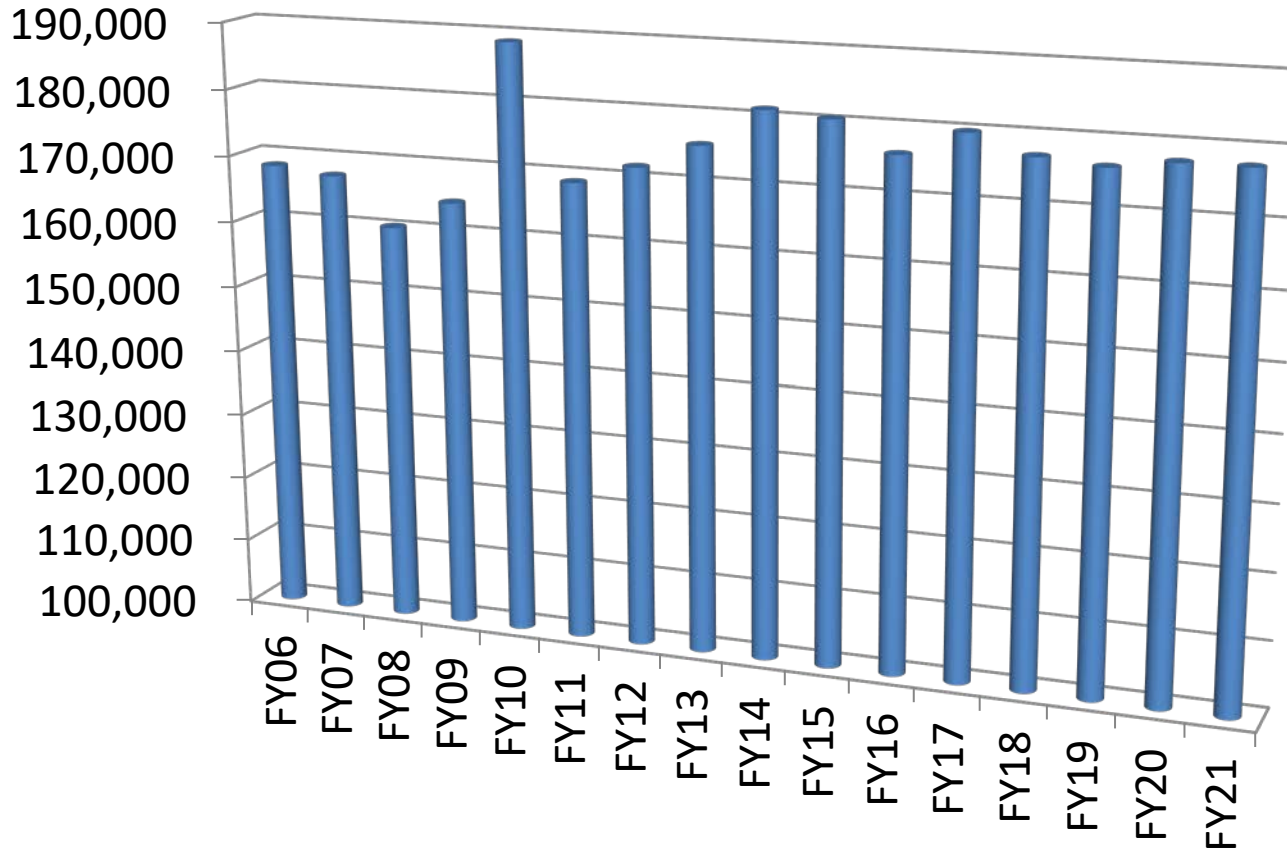
Spot Market MSW Tons

Recent decreases are due to movement to contract tons



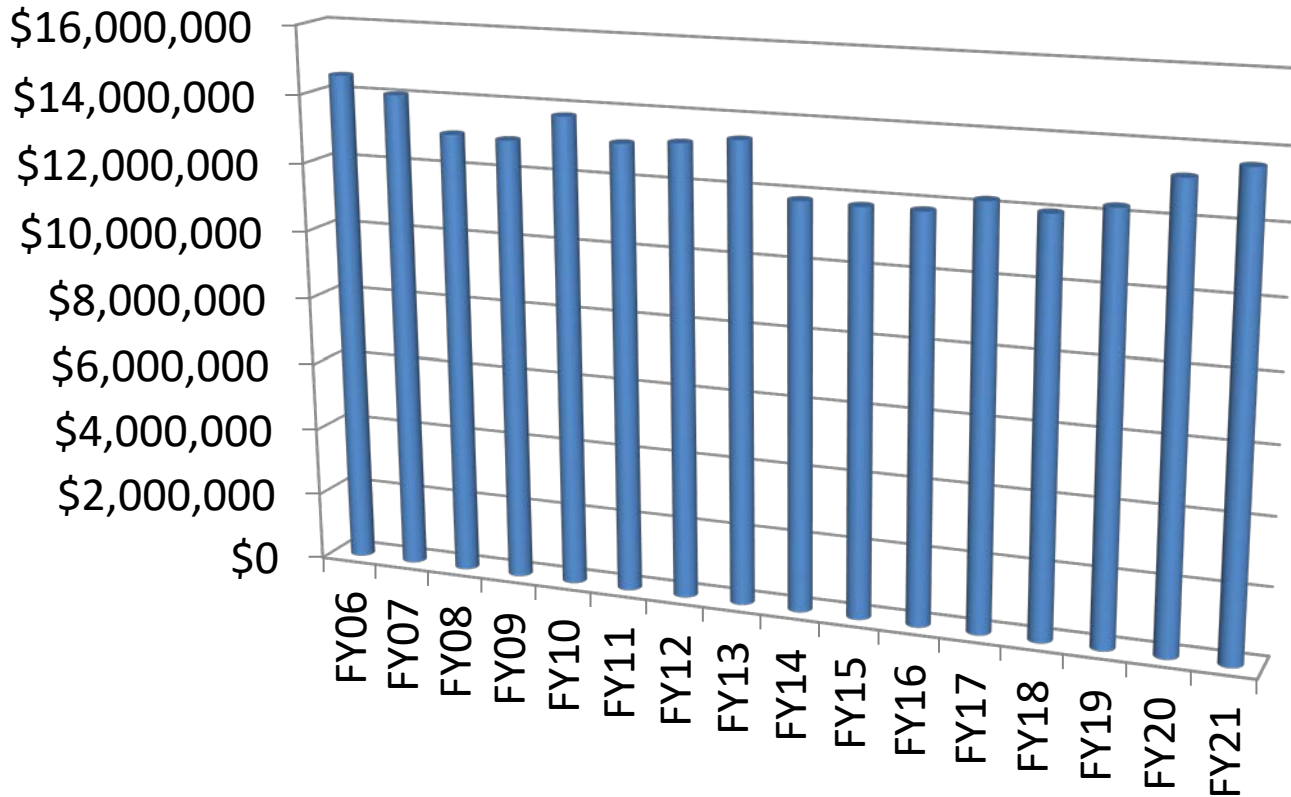
Overall Solid Waste Tons

Tonnage up 6% Since FY 06



MSW Tipping Fees

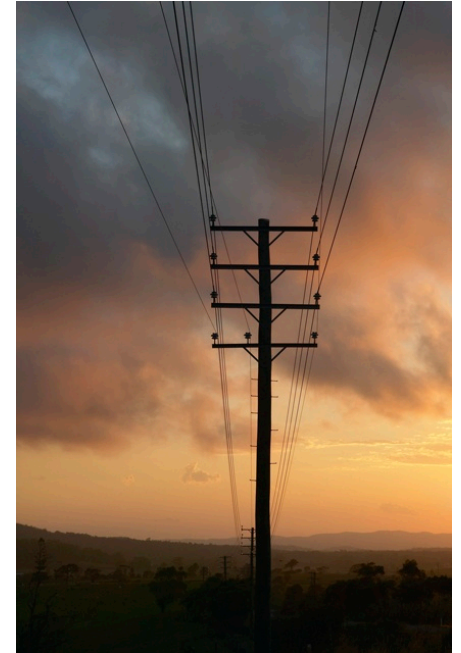
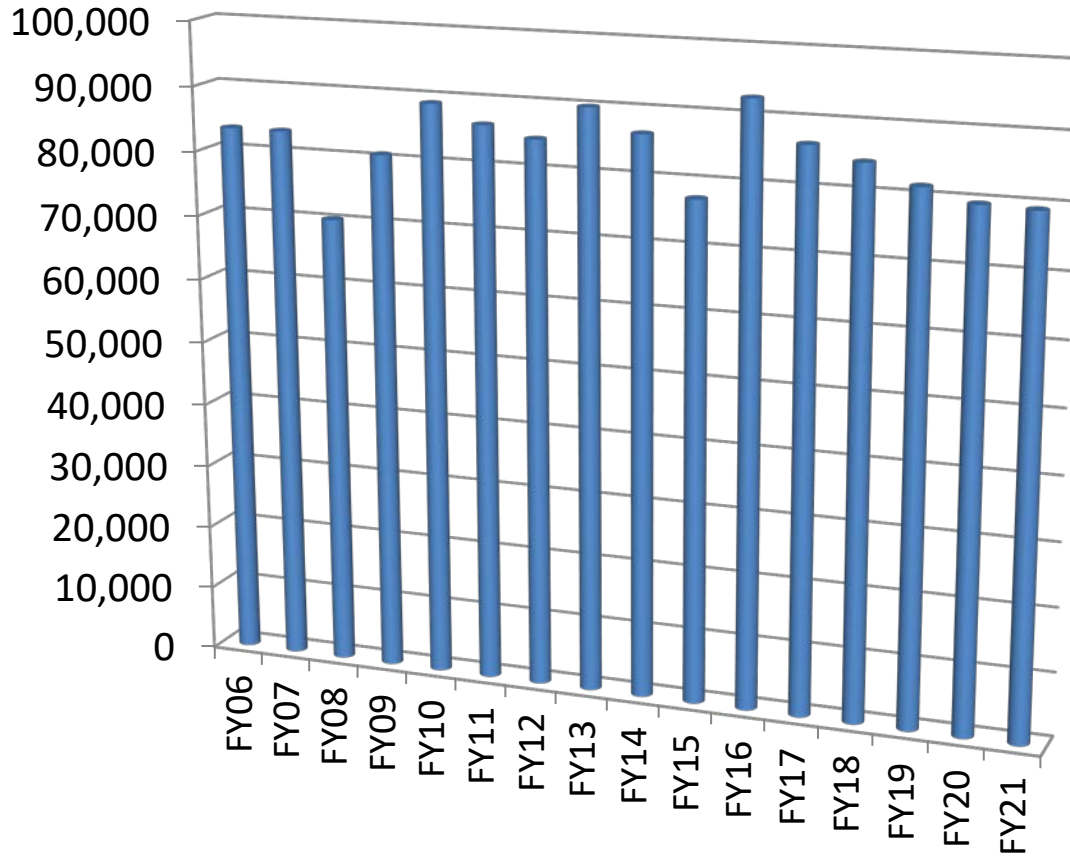
Down 6% from FY 06, 15% increase from FY 14



Electricity Sold

Power Generation expected to be down .3% from FY20

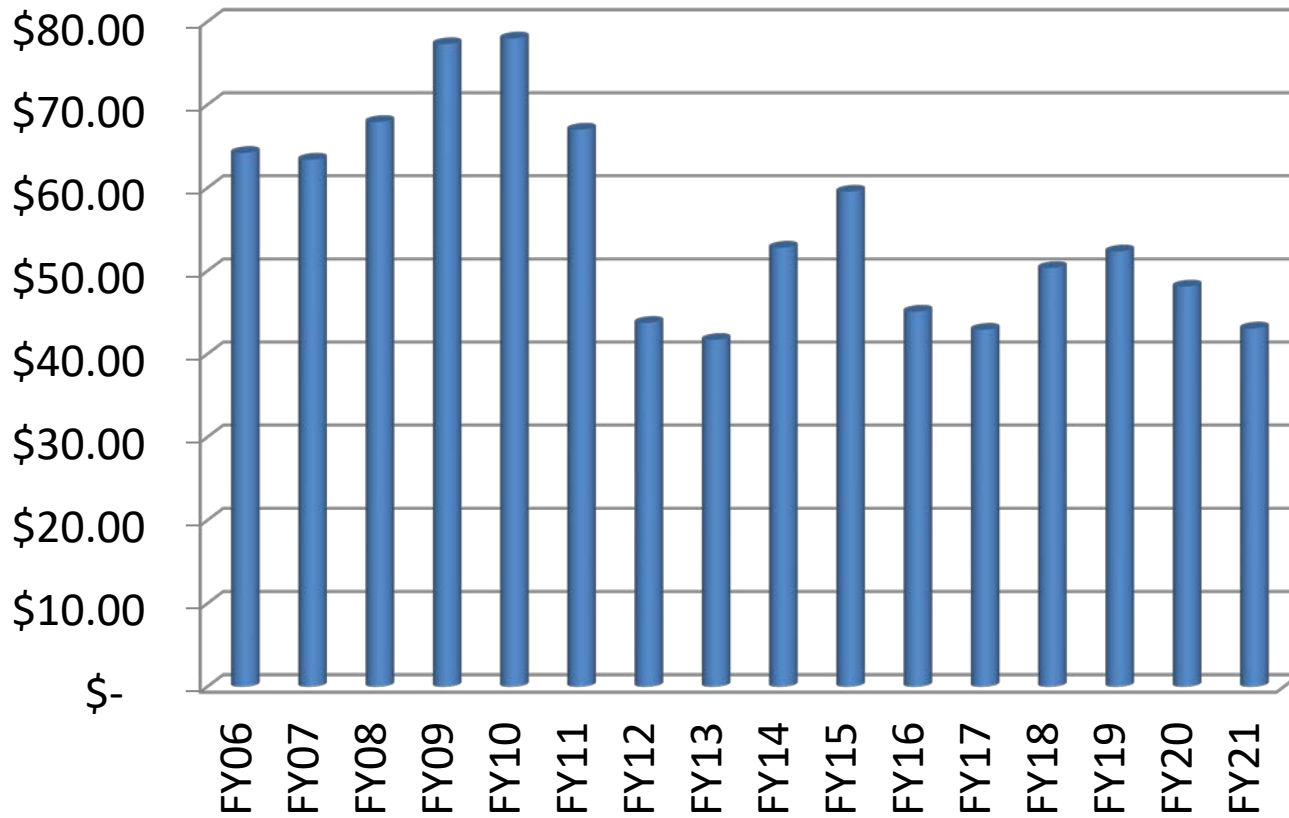
Megawatt Hours Sold



Electricity Value per MWh

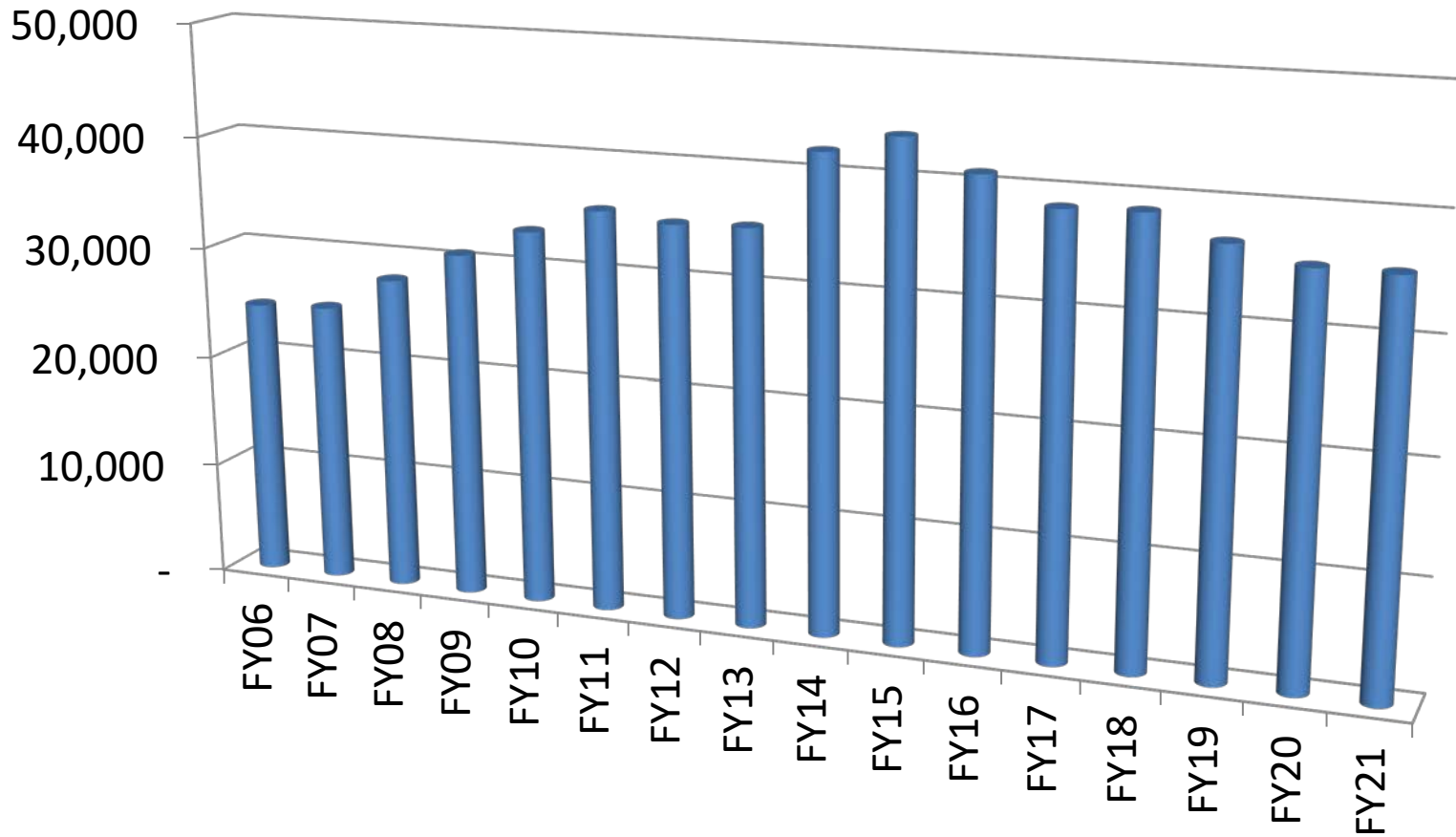
Up 3% from FY 13 low, down 45% from FY 10 peak

\$/MWh



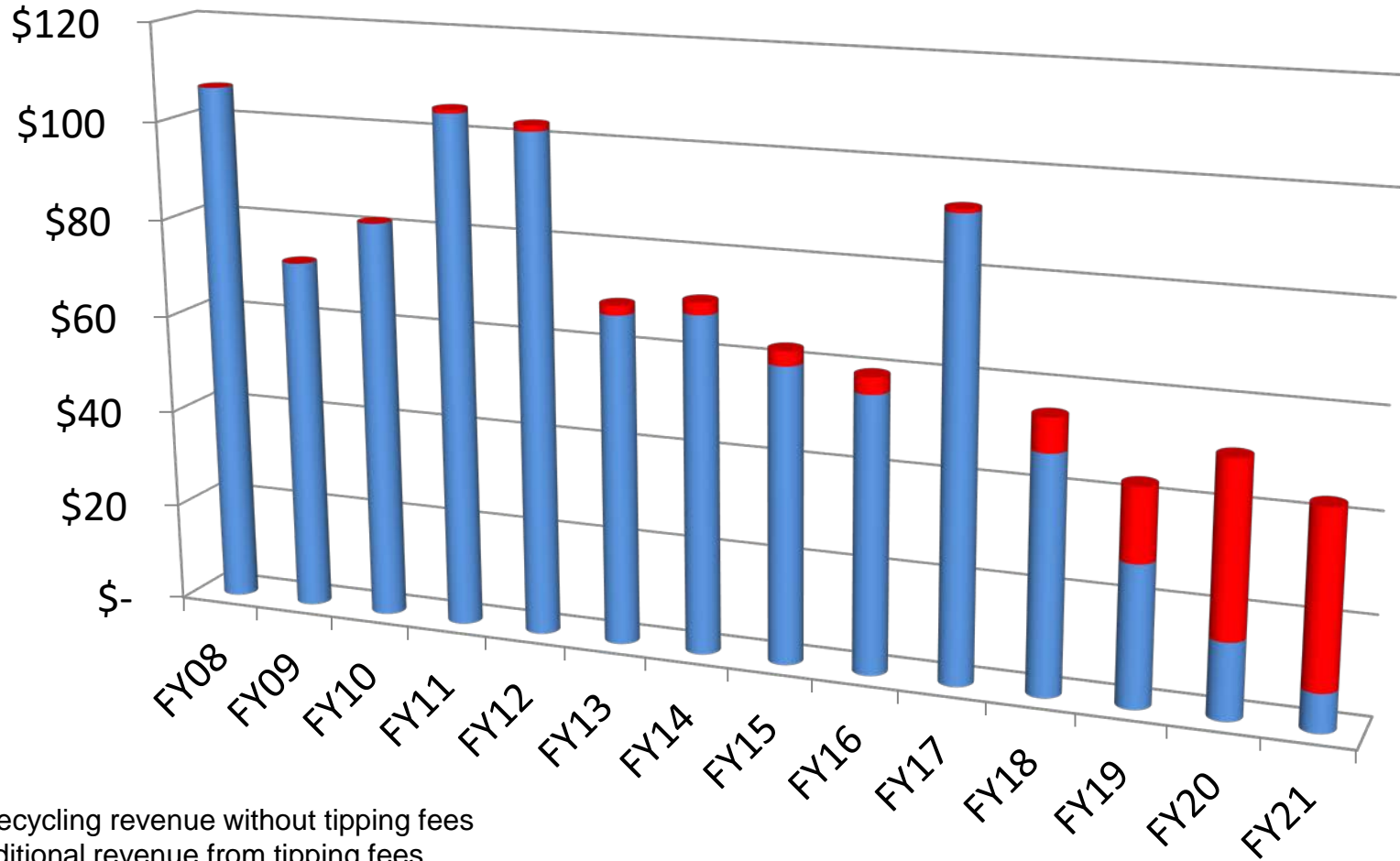
Inbound Recycling Tons

Down 19% from record year in FY 15



Recycling - \$/ Inbound Ton

FY 21 Projections are down 59% (from peak in FY11) due to sale of material

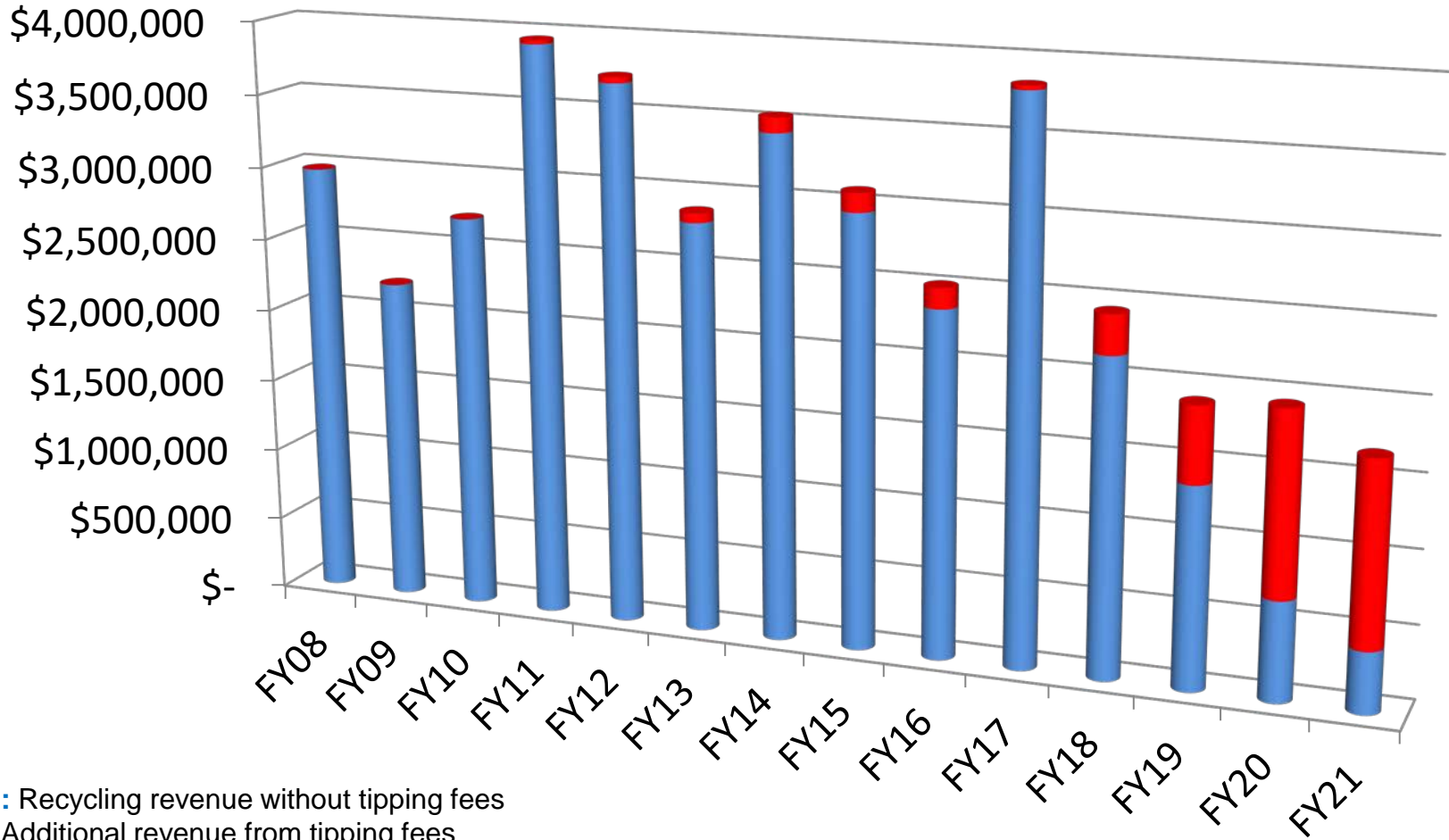


BLUE: Recycling revenue without tipping fees

RED: Additional revenue from tipping fees

The Recycle Market – Total Revenue

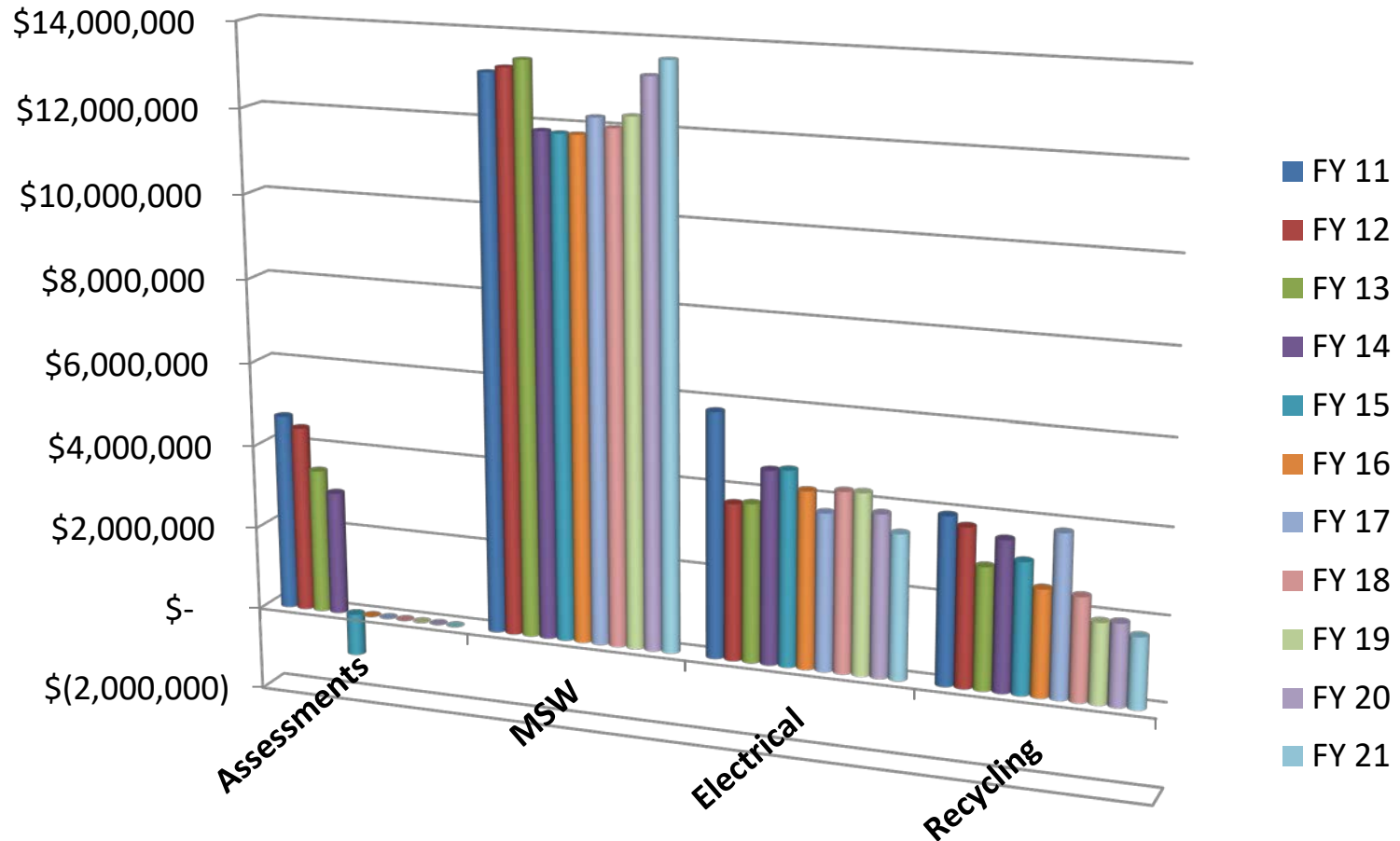
Source of revenue shifted from markets to tipping fees



BLUE: Recycling revenue without tipping fees
RED: Additional revenue from tipping fees

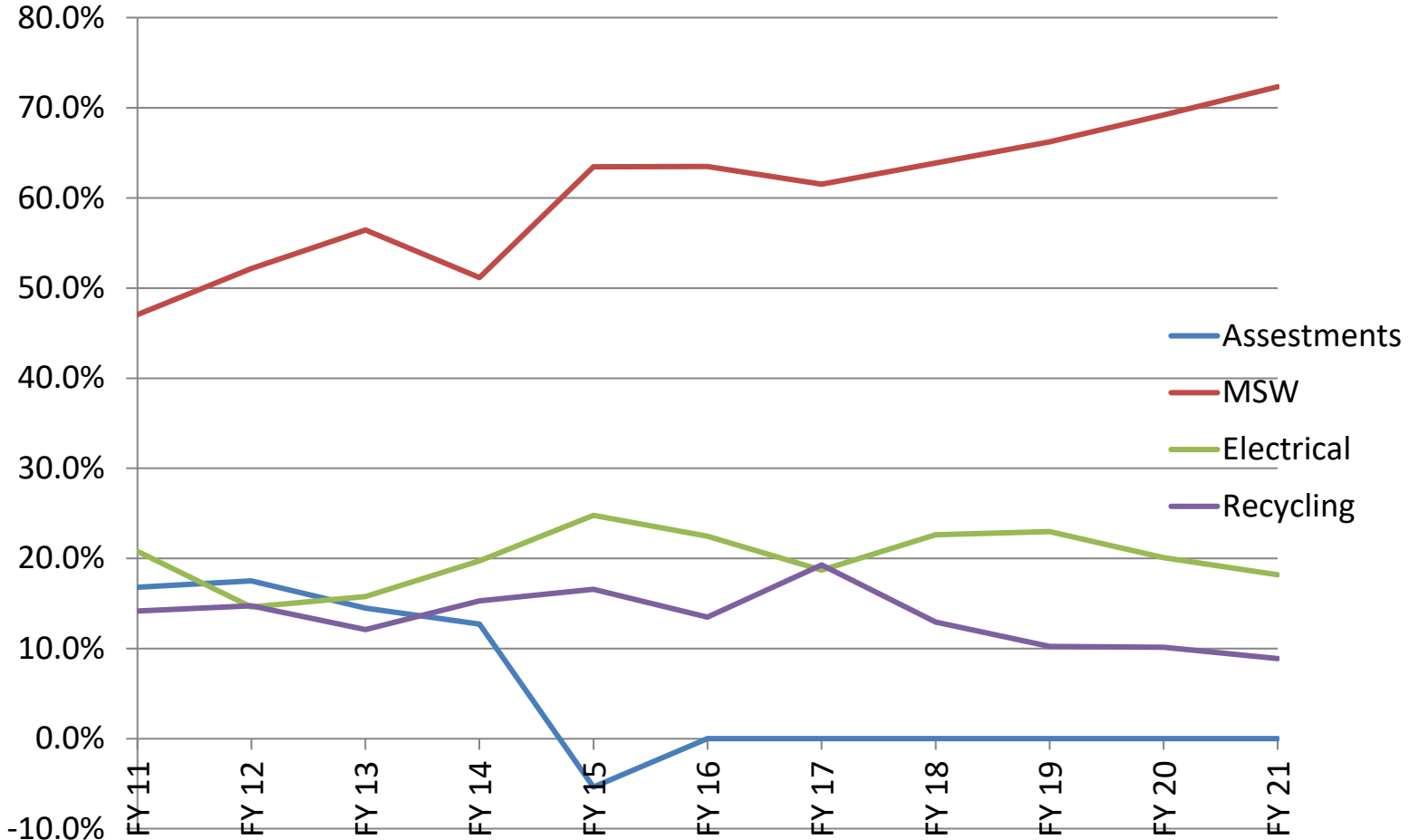
Sources of Revenue

In FY 21, 72% MSW, 18% Electrical, & 9% from Recyclables



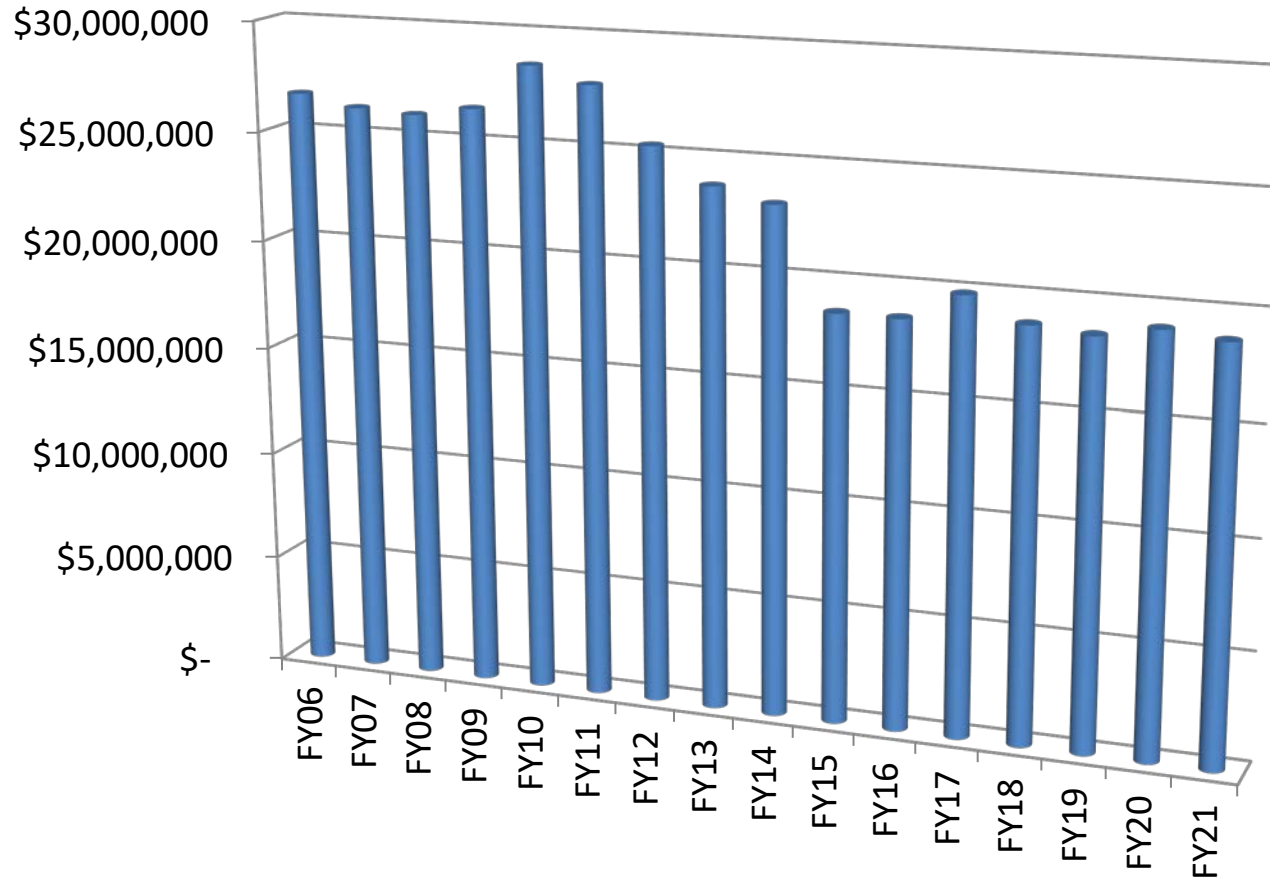
Sources of Revenue

In FY 21, 72% MSW, 18% Electrical, & 9% from Recyclables



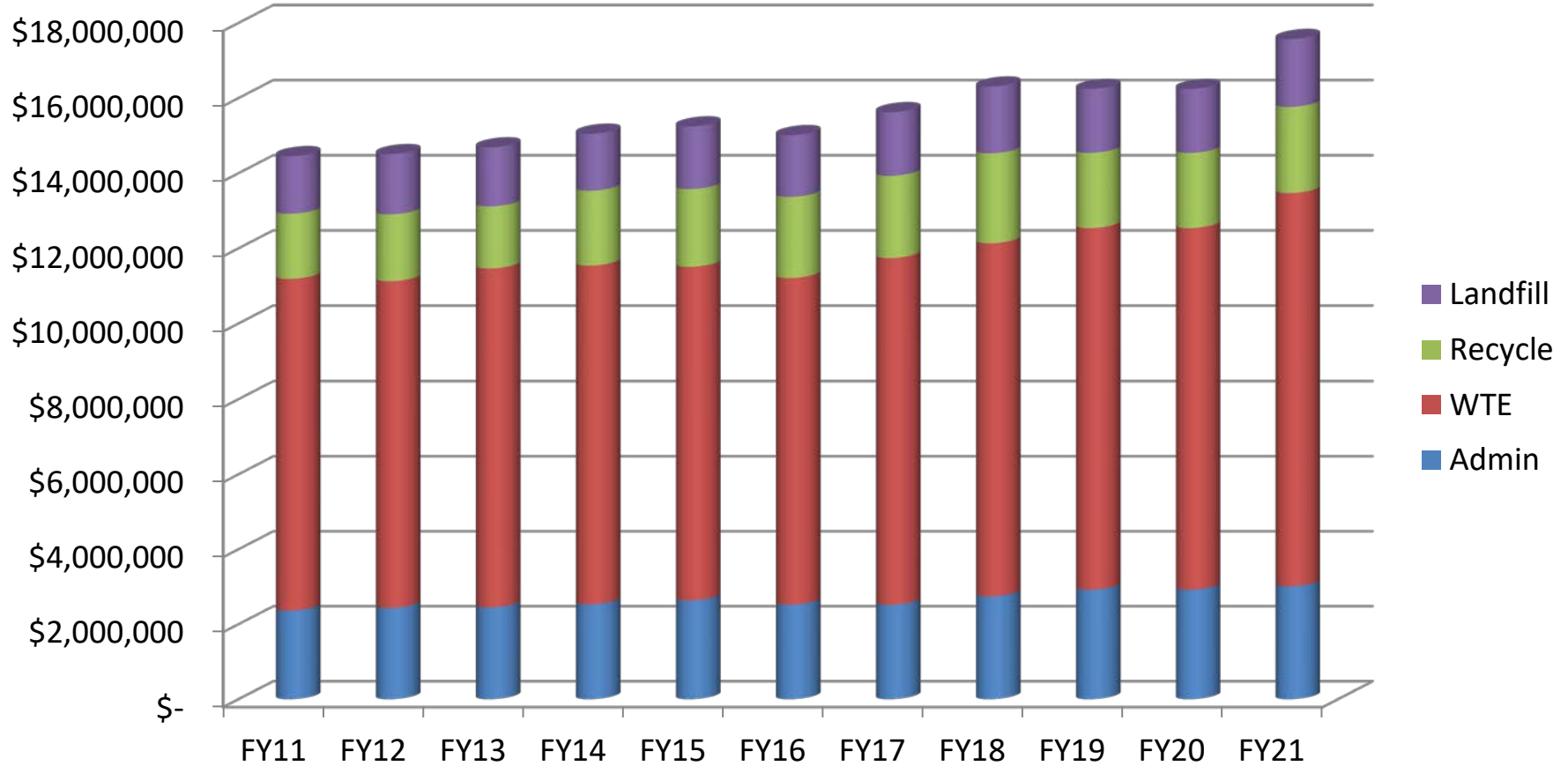
Total ecomaine Revenues

While some revenue sources have been volatile (electric and recycling revenue), total revenue remains stable since FY15



Operating Costs

Up an average of 2.2% annually since FY 11. FY21 has an 8% increase (over FY20) mostly due to the bypass expense. Budget FY21 to Budget FY 20 is 1.7% increase.



(Data excludes Contingency & Major Repairs)

Comparisons

- ❖ Comparing the FY 20 Budget to the FY 20 Forecast
- ❖ Comparing the FY 20 Budget to the FY 21 Budget
- ❖ Comparing the FY 20 Forecast to the FY 21 Budget

Comparing the FY20 Budget to the FY20 Forecast

FY20 Forecasted EBITDA expected to be close to FY Budget

	FY 20 Budget	Variances	FY 20 Forecast
Revenue	\$19,387,000	\$297,000	\$19,090,000
Revenue Variances -			
Tipping Fee Revenue – volume up 2% and average tip fee rate up 6%		560,000	
Electrical Revenue – MWh down 6%, rate down 3%		(278,000)	
Recycle Revenue – maket rates down 62%		(579,000)	
Expenses	(17,183,000)	315,000	(16,868,000)
Expense Variances –			
Operating Expenses – labor & benefits down \$484K, recycling temp labor down \$240k		805,000	
Non-Operating Income/Expense - budgeted investment income not forecasted		(490,000)	
Net Income (EBITDA)	\$2,204,000		\$2,222,000

Comparing the FY20 Budget to the FY21 Budget

The FY21 EBITDA of \$1.3 million is \$900 thousand unfavorable to the FY20 Projected EBITDA

	FY 20 Budget	Variances	FY 21 Budget
Revenue	\$19,387,000	(\$576,000)	\$18,811,000
Revenue Variances -			
MSW Revenue – volume up 2% and average tip fee rate up 6%		954,000	
Electrical Revenue – market rates down 13% and MWh units down 6%		(691,000)	
Recycle Revenue – tonnage down 4 %, OCC down 52% and residential paper down 65%		(839,000)	
Expenses	(17,183,000)	(279,000)	(17,462,000)
Expense Variances –			
Operating Expenses – up 2% - primarily due to by-pass expense included in FY21 Budget		(294,000)	
Non-Operating Income/Expense - due to landfill lease income		15,000	
Net Income (EBITDA)	\$2,204,000		\$1,349,000

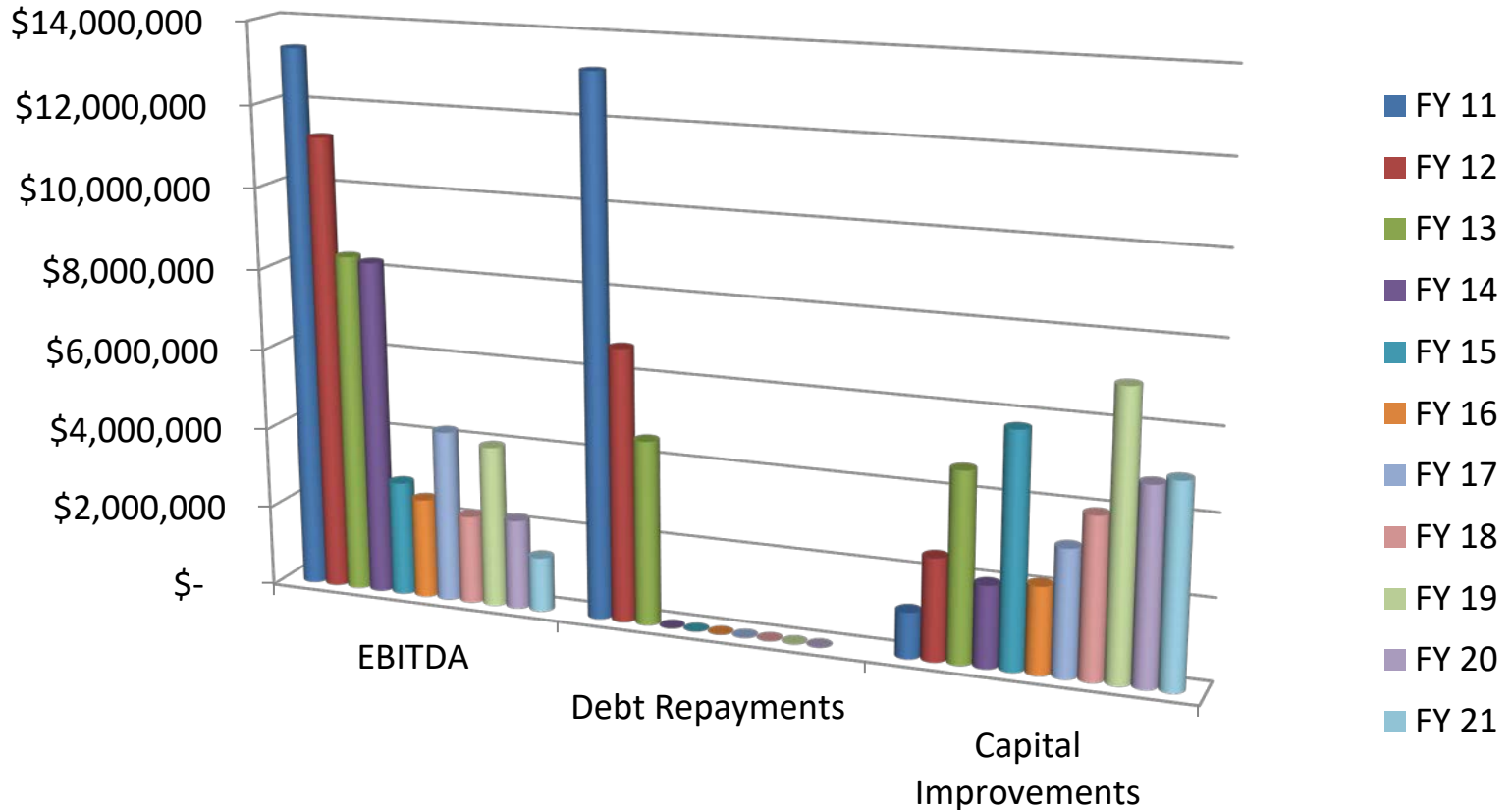
Comparing the FY20 Forecast to the FY21 Budget

The FY21 Net Income of \$1.3 million is \$900 thousand unfavorable to the FY20 Projected EDITDA

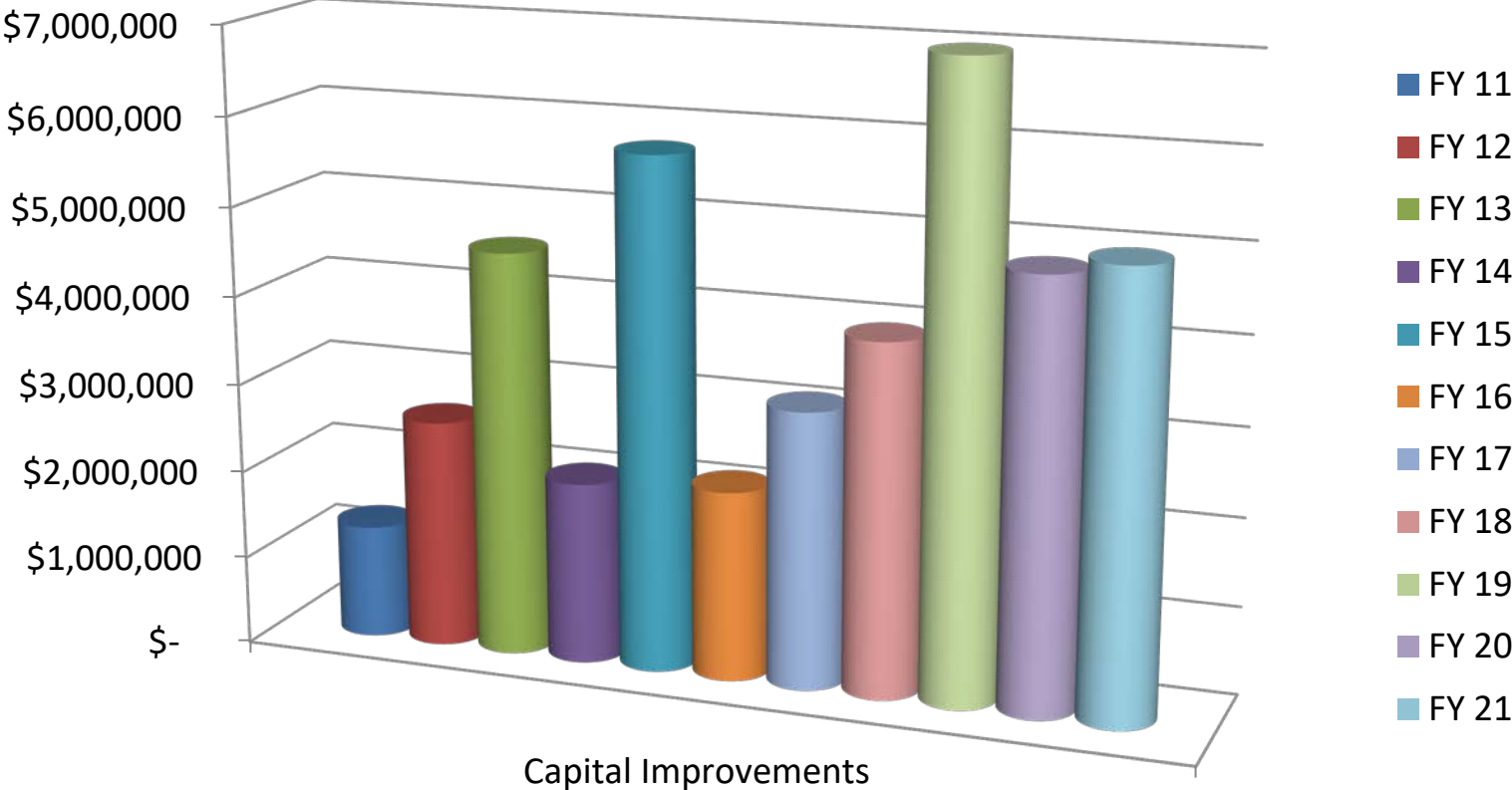
	FY 20 Forecast	Variances	FY 21 Budget
Revenue	\$19,090,000	(\$279,000)	\$18,811,000
Revenue Variances -			
MSW Revenue – average tipping fee up 3%		395,000	
Electrical Revenue – MWh’s sold level and rate down 11%		(412,000)	
Recycle Revenue – residential paper rate down 69%		(262,000)	
Expenses	(16,868,000)	(594,000)	(17,462,000)
Expense Variances –			
Operating Expenses – unfavorable due to by-pass expense budget and unfavorable payroll & benefit expenses		(1,099,000)	
Non-Operating Income/Expense – moderate investment income projected in FY21		505,000	
Net Income (EBITDA)	\$2,222,000		\$1,349,000

Summary of Key Financial Indicators

Net Income (EBITDA) generated from operations is down 66% (\$2.6 million from FY 19), Long Term Debt remains at zero. Major cash investments averaged \$4.8 million over the past 5 years.



Capital Improvements



Capital Projects – FY 21

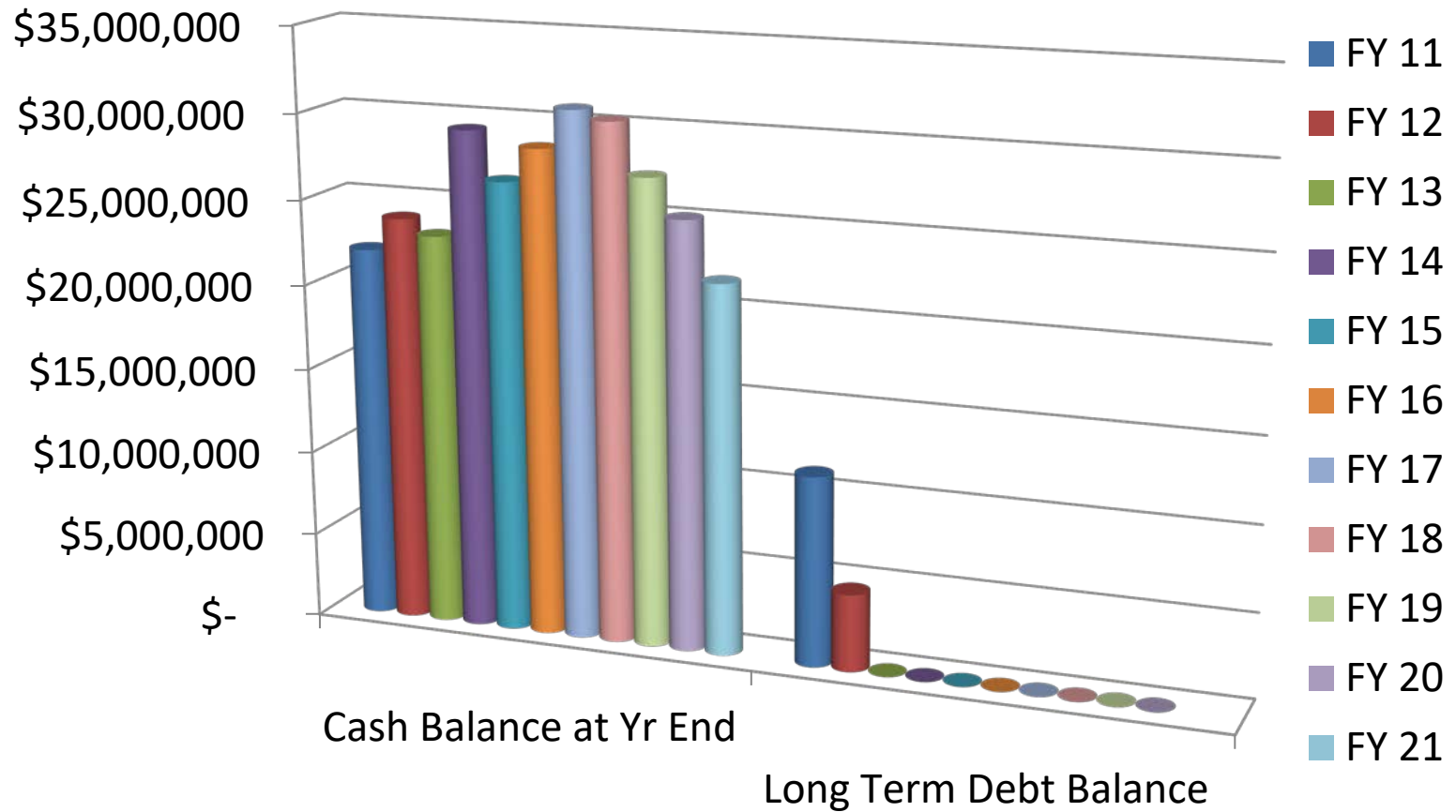
Total \$5 million of investment

Superheaters A & B	\$1,150,000
Refractory Replacement	625,000
Wash Bay	425,000
Electric Trucks	409,000
Sidewalks	400,000
Turbine Cleaning	400,000
Wheeled Loader	320,000
480V Switchgear	250,000
Cyclone Separator Rebuild	200,000
Cooling Tower	150,000
2 Fork Truck Replacements	130,000
Loader Replacement	125,000
Roll Off Containers	80,000
Miscellaneous	322,000



Statement of Cash Balances

Cash balances are down 30% (\$9.2 million) from the peak year of FY 17



Conclusions

- ❑ FY 20 Net Income (EBITDA) is expected to be close to FY 20 Budget.
- ❑ FY 21 Net Income (EBITDA) is budget \$1.3MM down from FY 20 due to a decrease (\$600K) in revenue and increase (\$300K) in expense.
 - Decrease revenue -
 - Increase MSW revenue due to 5.8% rate increase and 1.7% in tonnage (\$900K)
 - Decrease recycling revenue due to markets (\$800K)
 - Decrease electrical revenue due to decrease in MWh sold and rates (\$700K)
 - Maintain investment income
 - Increase Expense -
 - Increase MSW expense due to by-pass expense for 6,000 tons (\$500K)
 - Decrease recycling temp labor (\$200K)
- ❑ FY 21 Capital Expenditures will total \$5MM, part of which is related to electric vehicles, facility upgrades and public safety.
- ❑ FY 21 will show a total cash decline from \$25MM down to \$22MM.
- ❑ Revenue for recycling commodity sales and electrical rates continue to slip. To adjust for these trends, we need to maintain volume of MSW with slow but steady increases in rates, continue to grow recycling capacity, identify new members and further our commitment to outreach and education, consistent with our mission statement.

Our Mission

ecomaine provides comprehensive long-term solid waste solutions in a safe, environmentally responsible, economically sound manner, and is a leader in raising public awareness of sustainable waste management strategies.

