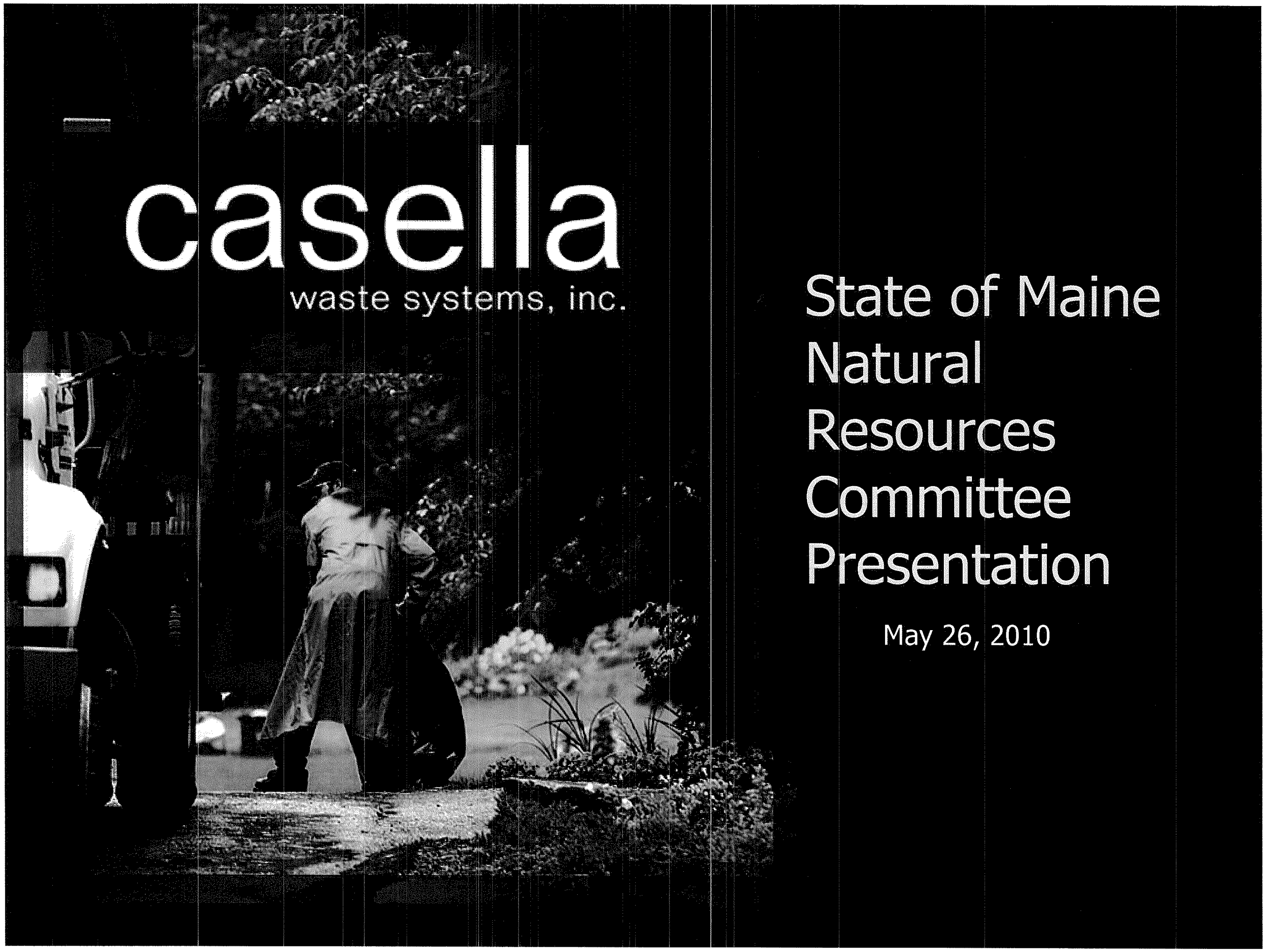
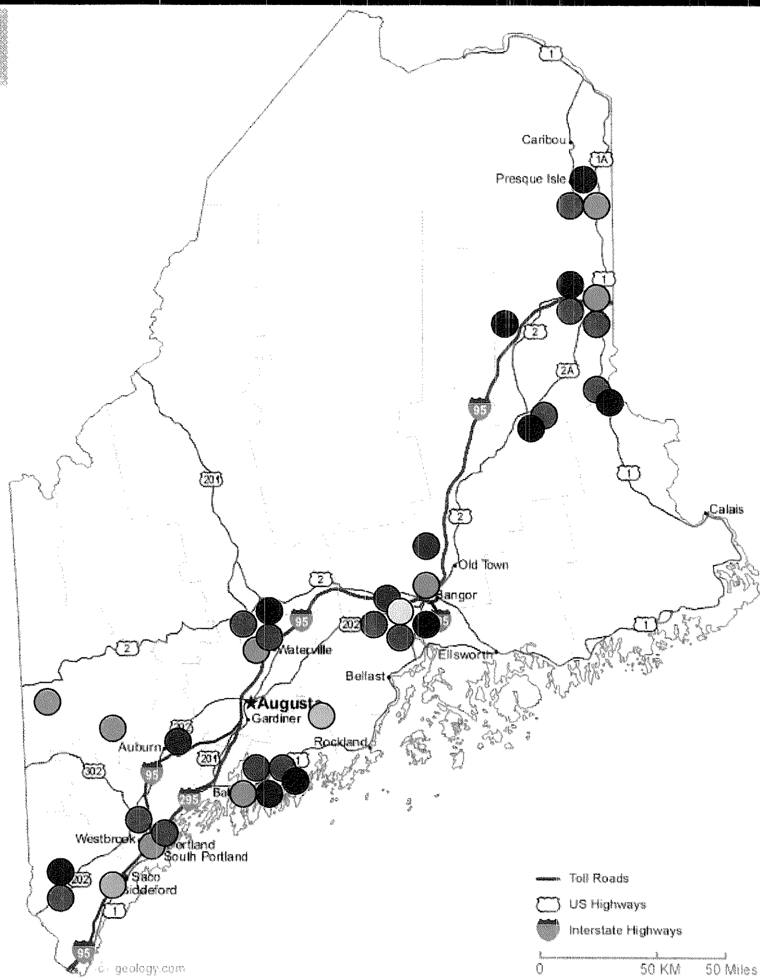
ATTACHMENTS


casella
waste systems, inc.
State of Maine
Natural
Resources
Committee
Presentation
May 26, 2010

Casella in Maine

casella
waste systems, inc.



Casella Facilities* in Maine 2009

*** Own or Operate**

8 HAULING COMPANIES

9 TRANSFER STATIONS

RECYCLING FACILITIES

2 LANDFILLS

UNIVERSAL & E-WASTE CONSOLIDATION FACILITIES

1 COMPOSTING FACILITY

1 WASTE-TO-ENERGY

1 LANDFILL GAS-TO-ENERGY

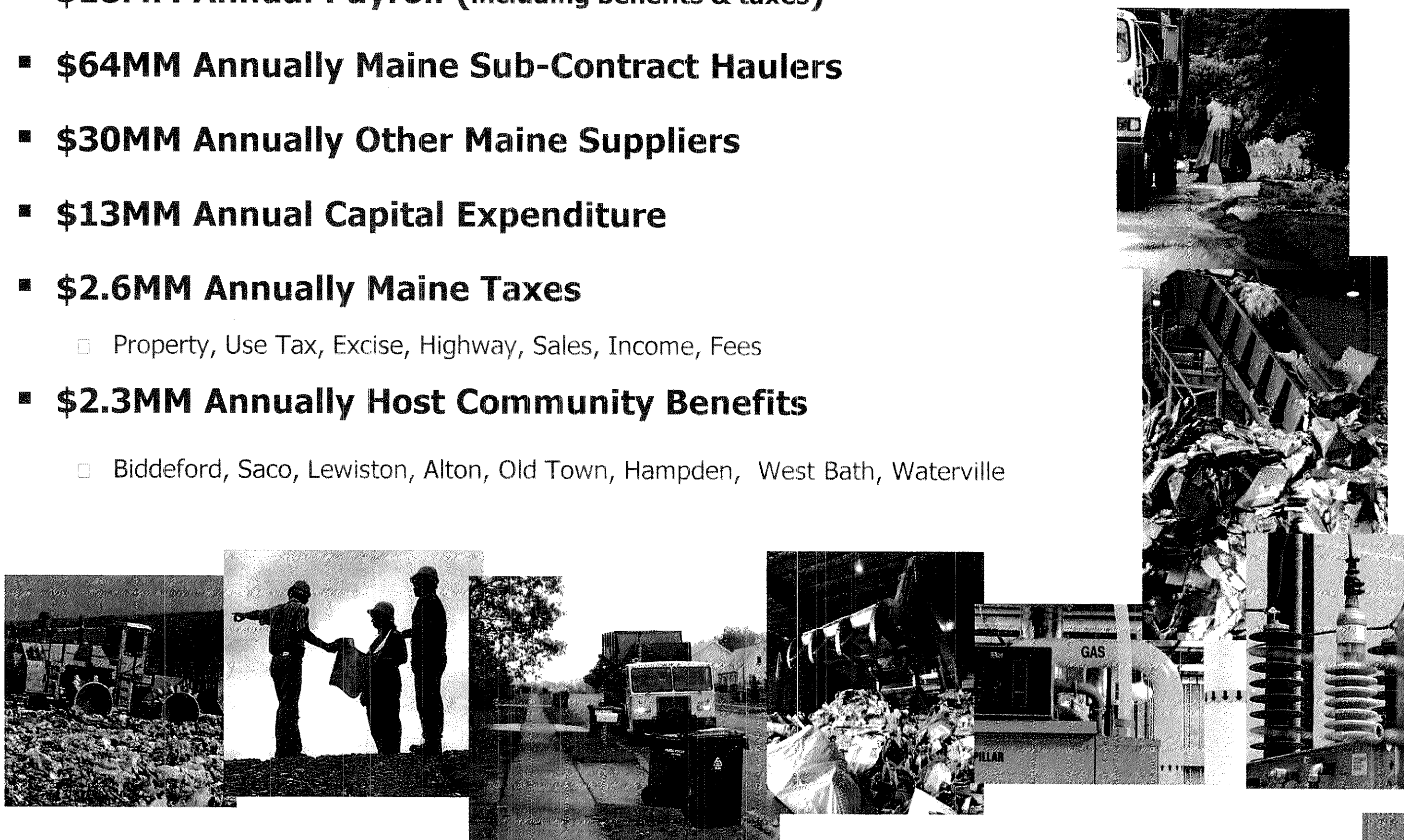
2 C&D PROCESSING FACILITIES

2

Casella's Contribution to Maine's Economy

casella
waste systems, inc.

- Casella employs over 400 people in Maine
- $18MM Annual Payroll (including benefits & taxes)
- $64MM Annually Maine Sub-Contract Haulers
- $30MM Annually Other Maine Suppliers
- $13MM Annual Capital Expenditure
- $2.6MM Annually Maine Taxes
  - Property, Use Tax, Excise, Highway, Sales, Income, Fees
- $2.3MM Annually Host Community Benefits
  - Biddeford, Saco, Lewiston, Alton, Old Town, Hampden, West Bath, Waterville



3

Recycling

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waste systems, inc.

- In 2009 Casella Handled 70,300 Tons of Recyclable Materials in the State of Maine
- Zero-Sort Recycling® collected in Eco-Maine communities is delivered directly to Eco-Maine
- Zero-Sort Recycling® in all other communities delivered to Charlestown, MA
- Market Recycled Fiber Primarily to 5 Mills

Recycling

casella
waste systems, inc.

- In 2009 Casella companies in Maine collected:
  - Over 101 tons of CPU's, laptops, TV's, monitors and mixed electronics for recycling
  - Over 35,000 fluorescent bulbs and lamps
  - Several thousand pounds of batteries, ballasts and other PCB and mercury containing devices

Composting

casella
waste systems, inc.

- **New England Organics**
  - **Hawk Ridge Compost Facility**
    - Annual Input = 55,000 tons of biosolids (88% In-State; 12% Out-of-State)
    - Annual Output = 80,000 cubic yards high quality, Class A compost & mulches under the Earthlife™ Brand name (50% sold In-State; 50% sold Out-of-State)
  - **Direct Land Application and Other Activities:**
    - Over 160,000 tpy of Class B biosolids, short paper fiber, wood ash, food waste and other Maine generated materials reused for land application, animal bedding and topsoil manufacturing programs

C&D Processing

casella waste systems, inc.

- KTI Bio-Fuels, Inc.
  - 2009 Inbound Material – 115,900 Tons
    - 27,300 Tons In-State
    - 88,600 Tons Out-of-State
  - 2009 Outbound Material
    - 22,000 Tons of Wood Chips (Boralex & Sappi)
    - 1,800 Tons of Metal
    - 41,500 Tons of Fines ADC (Alternative Daily Cover)
    - 2,400 Tons ABC (Aggregate, Brick, Concrete)
    - 51,100 Tons Disposed (Non-Recyclable Material)
    - 55% Recycling Percentage

7

Transfer Stations

casella
waste systems, inc.

- Material Handled 2009
  - 95,900 Tons of Material Handled
  - 81,200 Tons of Waste Handled
- Universal & E-Waste Managed & Recycled
  - >7,000 CRT's (Monitors & Televisions)
  - >80,000 Linear Feet of Mercury Tubes
  - >1,800 Computers/Laptops
- 100 Tons of Tires
- 500 Tons of White Goods and Scrap Metal
- Disposal Locations
  - Tri-Community, PERC, Eco-Maine, MERC, JRL

Waste-to-Energy

casella waste systems, inc.

- Maine Energy
  - 2009 Waste Processed = 288,000 Tons
    - 112,000 Tons In-State
    - 176,000 Tons Out-of-State
  - 2009 Waste to Landfill
    - 51,000 Tons Ash
    - 8,000 Tons of Metal (100% Exported Out-of-State)
    - 62,000 Tons of FEPR, non-processible MSW
    - 20,000 Tons MSW Bypassed to landfill (In-State)
  - Benefits
    - 21MW of Power Produced
    - Reduces Landfill Air-Space (61% reduction)
    - Maine Energy is a qualified renewable energy source in Maine

Landfill

casella
waste systems, inc.

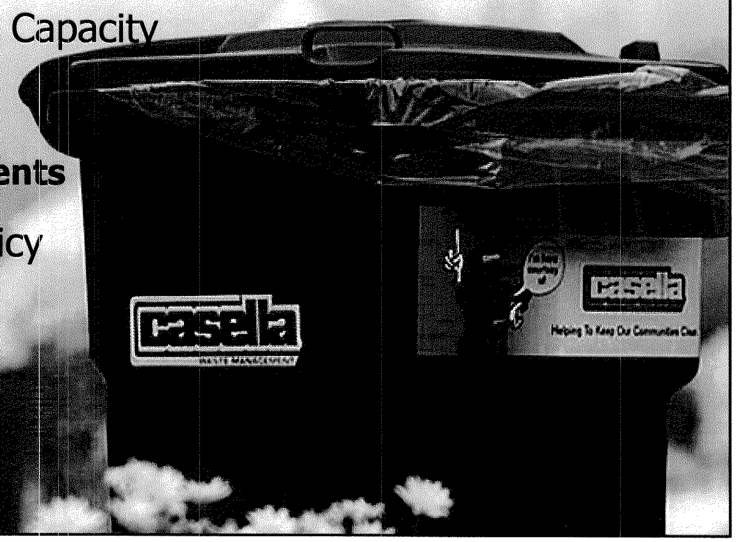
- **Pine Tree Landfill**
  - 2009 Disposal
    - 118,000 Tons In-State Waste
    - 295,000 Tons Out-of-State Waste
  - December 31, 2009 Ceased Accepting Waste
    - In-State Waste Now Directed to Juniper Ridge Landfill
    - 120,000 Tons of C&D in 2010 going to KTI Bio-fuels
    - 175,000 Tons of C&D in 2010 stays in Out-of-State markets
  - $8.3 MM in host community benefits since 2002
- **Juniper Ridge Landfill**
  - 2009 Disposal
    - 529,000 Tons In-State Waste
    - 360,000 Tons of post processing/recycling residue (68%)
  - $11.3 MM in community benefits and state special waste fees since 2004

10

Summary "Material Movement"

casella waste systems, inc.

- Within Casella, Material Movement is Dictated by Customer-Centric Behavior and Vertical Integration
- Customer Philosophy – Confidentiality, Mission Statement
- Market Price vs. Cost
  - **Waste Shed Market Pricing Dictates Price**
  - **Fuel Cost, Back Hauls, Operating Costs, Geographical Location**
- Transfer Stations – The Great Equalizer
- Opportunity – Availability of Outlets & Capacity
- Policy / Political Considerations –
  - **TCL, PERC, Eco-Maine Agreements**
  - Regionalization, Waste Ban Policy

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SOLID WASTE CAPACITY

Presented by:
State Planning Office
May 26,2010

Presentation Outline

1. Overview of the system
2. Capacity trends and projections
3. Policy questions

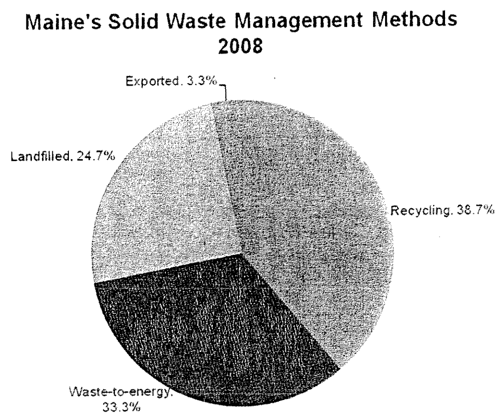
Solid Waste Governance:

- Solid Waste Management Hierarchy: *Reduce, Reuse, Recycle, Compost, Processing of Wastes, Landfill.*
- *State* is responsible for providing landfill capacity to dispose of municipal solid waste and its residues (38 MRSA §2156-A.), with commercial landfills being phased out.
- *Municipalities* are responsible for providing disposal of solid wastes generated by residents and commercial activities within their boundaries.

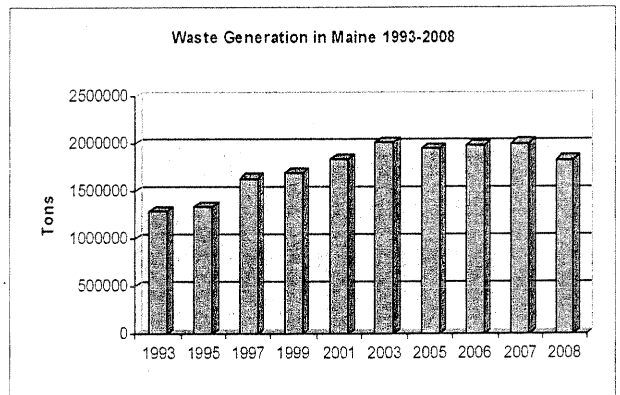
Sources of Data

1. Waste to Energy Facilities Reports (SPO)
2. Landfill License Reports (DEP)
3. Municipal Recycling and Disposal Reports (SPO)
4. Commercial Recycling Survey (SPO)

Solid Waste Management Methods



Waste Generation Trends



Landfills

Municipally owned landfills:

- Tri-Community (Fort Fairfield)
- Presque Isle
- Greenville
- Hatch Hill (Augusta)
- Bath
- Brunswick
- Lewiston (ash only)
- ecomaine (ash only)

Landfills

State Owned Landfills:

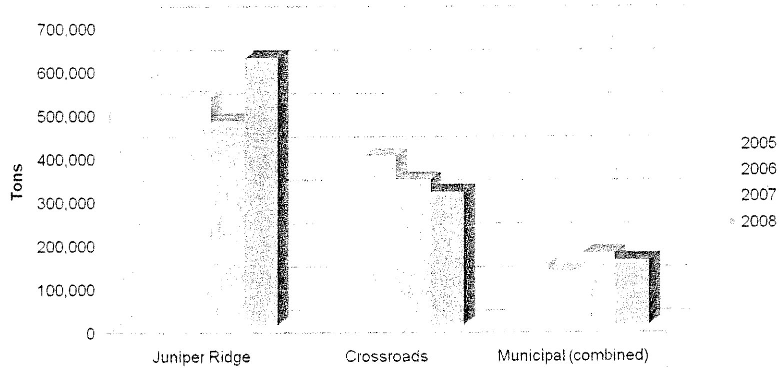
- Juniper Ridge
- Carpenter Ridge (not in operation)

Landfills

Privately owned commercial landfills:

- Crossroads Landfill (located in Norridgewock, owned and operated by Waste Management, Inc.)

Landfill Disposal



Waste to Energy Facilities

1. *ecomaine* – Portland – publicly owned
2. Maine Energy Recovery Company (MERC)– Biddeford – privately owned
3. Mid Maine Waste Action Corporation (MMWAC)– Auburn – publicly owned
4. Penobscot Energy Recovery Company (PERC)– Orrington – private/public ownership

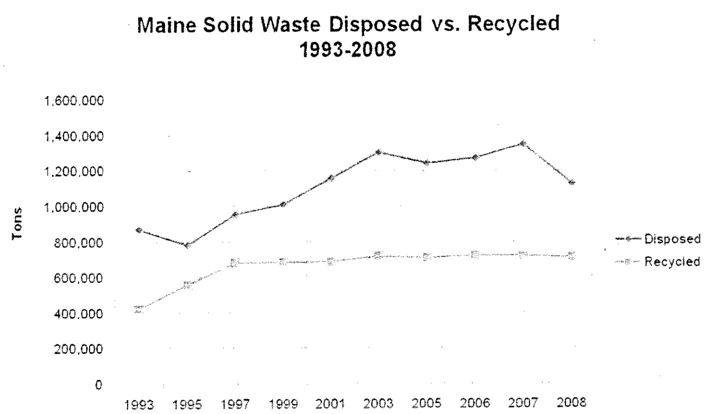
Waste-to-Energy Facilities

Waste-To-Energy Facility	**Tons received in 2008**	Energy Generation Capacity
ecomaine	162,680	14 MW
Maine Energy	287,943	21 MW
Mid Maine WAC	87,872	3.6 MW
Penobscot Energy	312,365	25 MW
Totals	850,860	63.6 MW

Types of Waste Exported

- MSW
- CDD
- Medical—pathological and chemical
- Low level nuclear and radioactive
- Hazardous
- Recyclables (glass, plastic, paper, metal)

Disposal & Recycling Efforts



Barriers to Increased Recycling

- Consumer perception of difficulty, inconvenience
- Lack of investment in recycling programs and infrastructure
- Not all municipal recycling programs accept full range of recyclables

Barriers to Recycling (cont.)

- CDD, food and yard waste not often recycled at the local level due to budget constraints, lack of investment, lack of critical mass
- No enforcement provisions for commercial recycling

Capacity: Key Findings

- Solid waste volume decreased with economic downturn – decrease of 8.7% in 2008 from 2007 rate.
- Mainers continue to recycle more.
- Waste to Energy facilities decrease the volume of waste requiring landfilling by about 85-90%.
- Waste to energy plants import waste to meet operational needs and requirements for power contracts.

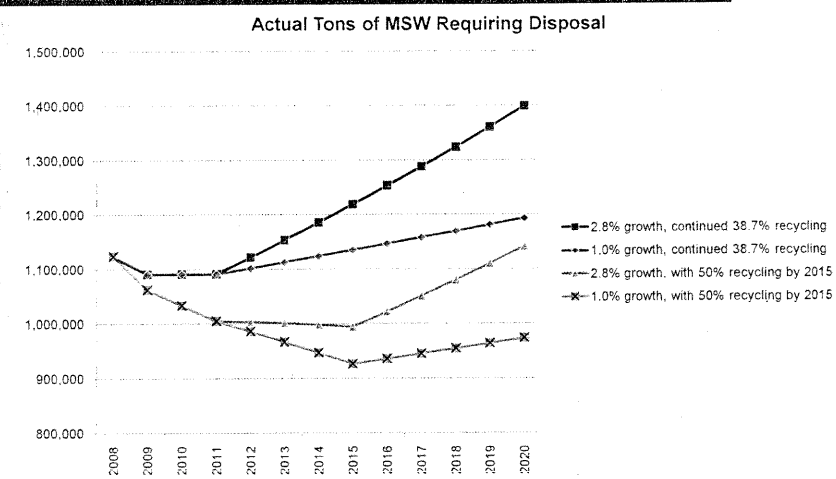
Capacity: Key findings

- Increased recycling will reduce landfill capacity needs but may increase imports to WTE plants.
- Recycling is more cost effective than building new landfill capacity. Preliminary estimates: $5-6 M to build recycling to 50%, $30 M to build equivalent landfill capacity.
- Maine has sufficient overall disposal capacity, assuming status quo activity, until 2018.

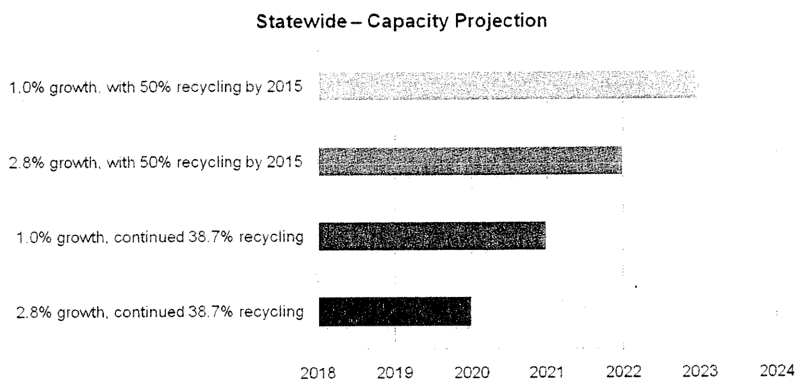
Capacity: Key findings

- The process to permit additional landfill capacity needs to commence within the next 1-2 years.
- Overall Maine's solid waste industry is diverse and competitive; a mix of public and private investments and services.
- Landfill disposal prices have remained stable from 2005-2008.

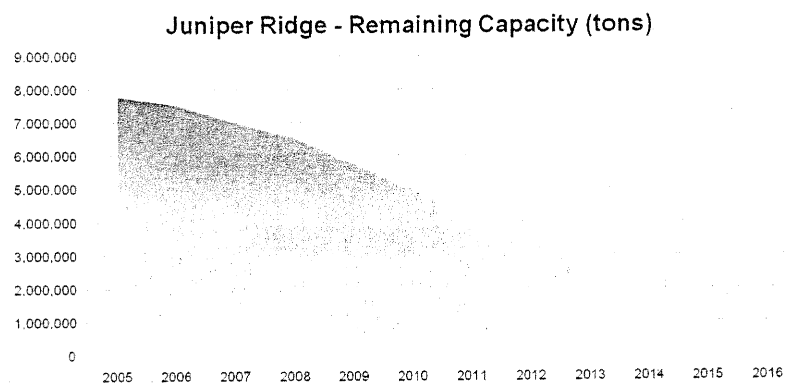
Capacity Projections



Landfill Disposal Capacity



Juniper Ridge Capacity



Assumes 1% annual growth and 38.7% recycling ratio

Capacity Projections: Status Quo Assumptions

- Recycling continues to increase slowly, sustaining the 38.7% recycling ratio
- MSW imports continue, gradually decreasing as more waste is generated in Maine
- Exports remain the same as 2008
- Ban on new commercial landfills continues
- No significant changes in WTE activities
- Existing landfills continue operations; expansion licenses granted in Ft. Fairfield and Presque Isle.

Capacity Projections: Many Variables

- Changes in recycling effort
- Expansions or closures of facilities
- Economic fluctuations impacting amount of MSW generated
- Competition, management, methods, and technology
- Fuel agreement associated with Juniper Ridge Landfill Operating Services Agreement
- Compaction and settling of wastes at landfills

Permitting Process
for New (Greenfield) Landfill Capacity

- 1 YR: Legislative consideration
- 1 YR: Public benefit determination and application
- 2.5 YRS: DEP permit review
- 1.5 YRS: Appeals and legal challenges
- <u>2 YRS: Construction</u>
- 8 YRS: Total time needed

Permitting Process for Landfill Expansion

- Pine Tree expansion actual: 4 years
- Height expansion at JRL, no public benefit determination, no appeals: 2.5 years
- Expansion at JRL estimated time, with public benefit determination and appeals: 5 years

Key Policy Questions

1. Does Maine want to change current policy to increase recycling by either increasing incentives and/or mandating that certain materials be recycled?

<u>*SPO Recommendations:*</u>

- *Extend disposal ban to include recycling corrugated cardboard. Recycling rate projected to increase to 44%.*
- *Encourage towns to compost yard waste, recycle CDD, join regional programs for recycling, etc.*

Key Policy Questions

2. Does Maine—either the state, municipalities or both--want to invest in public recycling infrastructure or landfill capacity? If so, should this be funded through borrowing, fees or some other mechanism?

Key Policy Questions

3. Does Maine want to continue its ban on new commercial landfill capacity to help control the importation of solid waste, or remove the ban to foster landfill capacity?

Does the state still intend to have just one landfill to serve the needs of the state?

Further Resources

- www.maine.gov/spo

- Solid Waste Generation and Capacity Report
- Assessment of State-owned Landfill: Management and Oversight
- Recycling in Maine Municipalities: What Makes it Tick?
- Waste or Resource: Rethinking Solid Waste Policy
- etc.

Juniper Ridge Landfill

- *A public-private partnership that provides many benefits to the state.*
- *Fulfills the 1989 policy, current statutes, and the 2003 Resolve to control solid waste disposal through a state owned landfill.*

History

- 1989: Legislation passed to ban commercial landfills and control out of state waste through state owned landfill (s).
- Communities responsible to provide disposal options for the solid waste generated within their borders

History

- 1994: After a lengthy search for a suitable site, Maine Waste Management Agency purchases Carpenter Ridge from Lincoln Pulp and Paper. Site has never operated.
- 2003: Georgia Pacific announces shut down of tissue facility at Old Town, 400 jobs to be eliminated.

History

- 2003: State asks GP for time to put together a response, and an agreement that includes state purchase of the landfill is proposed and accepted.
- A Legislative Resolve is passed authorizing state purchase of the West Old Town Landfill.
- SPO issues an RFP for operation of the landfill.

History

- Although three entities inquire, only Casella submits a bid. An Operating Service Agreement is negotiated and signed. Final purchase price is $26m.
- 2004: DEP approves transfer of landfill operating license from GP/JR to SPO.

History

- 2009: The operator of the landfill prepares an application for expansion, as required under the OSA.
- The legislature amends the law to require public benefit determination for state-owned disposal facilities.
- SPO and Casella submit an application for public benefit determination, DEP issues a draft denial, and the application is withdrawn.
- Pinetree Landfill in Hampden is closed, waste is diverted to JRL.

Restrictions on JRL

- Accepts Maine generated wastes, as defined in statute.
- Cannot accept MSW unless bypassed from a Maine Waste-to-Energy facility
- Cannot discriminate on price at the Gate
- Must provide CDD fuel to Old Town facility at below market price

Restrictions (cont.)....

- Must abide by a cap on Tipping Fees
- Must adhere to below market tipping fees for Old Town Fuel & Fiber and Lincoln Pulp & Paper
- Must reserve capacity for Old Town Fuel & Fiber and Lincoln Pulp and Paper
- Must provide a performance guarantee in addition to closure/post-closure funding

BENEFITS

- Dedicated to Maine customers: accepts ash and CDD from municipalities, accepts "special wastes" from business and industry.
- Provides stable, predictable disposal pricing
- Provides Host Community Benefits to the City of Old Town and Town of Alton
- Avoids construction of a new landfill on a greenfield site, reduces need to expand existing landfills.

Benefits

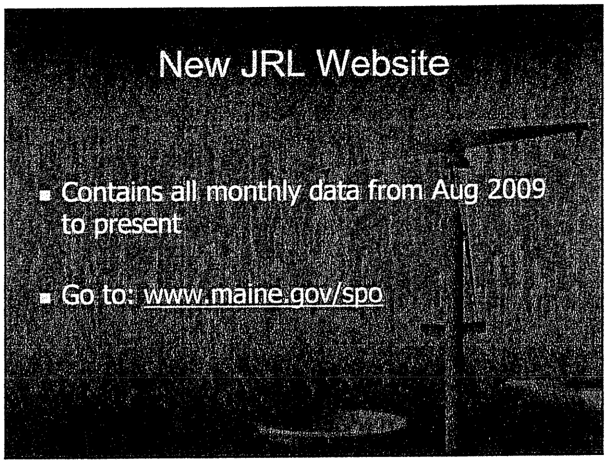
- No cost to state budget; operator covers expenses, including landfill purchase, maintenance, improvements and future expansion.
- Operator assumes environmental liability from day 1
- Operator pays for closure costs

State Planning Office

- Monitors operation including type, volume, weight, fill rate
- Is informed of variations in the waste stream
- Makes community relations a top priority: Participates in JRL Advisory Committee, town meetings, etc.

State Planning Office also..

- Conducts on-site inspections
- Conducts price checks
- Collects monthly data
- Provides monthly reports
- Reviews Casella's annual reports
- Responds to media, citizens, policy makers


New JRL Website
Contains all monthly data from Aug 2009 to present
Go to: www.maine.gov/spo

38 §2156-A. FACILITY DEVELOPMENT

38 §2156-A. FACILITY DEVELOPMENT

1. Planning for development. The office shall plan for the development of facilities sufficient to meet needs for municipal solid waste identified in the state plan and any revisions to the plan and to serve all geographic areas of the State. The office may plan for the development of facilities sufficient to meet needs for special waste identified in the state plan and any revisions to the plan and to serve all geographic areas of the State.

[1995, c. 588, §6 (NEW) .]

2. Recommendation for development. When the office finds that 6 years or less of licensed and available disposal capacity for municipal solid waste or special waste remains within the State, the office shall submit a report recommending the construction and operation of a state-owned solid waste disposal facility for the disposal of the type of waste for which capacity is needed to the joint standing committee of the Legislature having jurisdiction over natural resource matters. The report must recommend which state agency or department will own the facility and how it will be operated. The report must also include a review of disposal options outside of the State; a review of existing efforts to reduce, reuse, recycle, compost and incinerate the affected municipal solid waste and special waste streams and the impact of these efforts on capacity requirements; a thorough economic analysis of the facility's expected costs; and commitments from entities to utilize the facility and projected revenues. It is the intent of the Legislature that the facility be operated by a private contractor. A state-owned solid waste disposal facility may not be constructed or operated unless authorized by legislation pursuant to subsection 3.

[2007, c. 192, §6 (AMD) .]

3. Authorization for development. The joint standing committee of the Legislature having jurisdiction over natural resource matters may report out legislation authorizing construction and operation of a state-owned solid waste disposal facility in response to a report submitted pursuant to subsection 2.

[1995, c. 588, §6 (NEW) .]

4. Ownership, construction and operation. The office shall maintain ownership of a site acquired for construction of a state-owned solid waste disposal facility until the Legislature authorizes transfer of the site to another state department or agency, except that this subsection does not prohibit any lease or transfer of the site pursuant to an agreement entered into before the effective date of this subsection or pursuant to any amendment to such an agreement entered into before or after the effective date of this subsection.

[1995, c. 588, §6 (NEW) .]

5. Development by others. This section does not preclude a municipality or regional association from developing and operating solid waste disposal facilities on its own initiative.

[1995, c. 588, §6 (NEW) .]

SECTION HISTORY
1995, c. 588, §6 (NEW). 1999, c. 736, §1 (AMD). 2007, c. 192, §6 (AMD).