Precision Machine Inc.
1604 Mueller St.
Algoma, WI 54201

2014 Green Tier Annual Report

Precision Machine Inc. applied for the Green Tier program in March, 2013 and was formally accepted into the program as a Tier 1 participant on April 15, 2013.

Precision Machine Inc. is located at 1604 Jefferson St. in Algoma, WI and currently employs approximately 50 people. Precision Machine Inc. is an industry leader in value added machining. Our sustainability goal is to not only provide products that are environmentally sound throughout their lifecycles but also continually strive to become a better steward in protecting our environment while conserving energy and natural resources.

ENVIRONMENTAL IMPACT & WASTE REDUCTION PROGRAM

ENVIRONMENTAL IMPACT

On April 23, 2013, Precision Machine Inc. had a Phase II Environmental Site assessment conducted by Mach IV. (Project Number 0548-03-13) Mac IV concluded that there was no evidence of environmental concern, but did give recommendations for best practices. Precision Machine Inc. has addressed each of the recommendations and now follows those recommendations.

WASTE / LANDFILL REDUCTION

As part of the company's strategic sustainability plan, our facility has focused on an effort to reduce the amount of waste sent to the local landfill. In working toward this goal, our facility has partnered with several local recycling companies.

Metal Scrap Recycling:

- 120,950 lbs. of High Grade Aluminum Turnings
- 272,674 lbs. of Machine Shop Turnings
- 24,647 lbs. of #2 HMS -3"
- 1,978 lbs. Mixed Aluminum Solids
- 58 lbs. Red Brass Solids
- 622 lbs. Mixed Brass Borings
- 1618 lbs. 18/8 Stainless Steel
- 148 lbs. Aluminum Cans
- 4,477 lbs. 18/8 Turnings
- 1,837 lbs. Sheet Iron
- 133 lbs. Aluminum Bronze Borings
- 135 lbs. Copper Turnings
- 4,886 lbs. of 2000 Series Aluminum
- 506 lbs. Yellow Brass Solids
- 2,084 lbs. 6000 Series Aluminum

Total Pounds Recycled: 328,773 (164 tons)

In 2013 we also started a program of accumulating our office paper waste, corrugated waste, and plastic bottle waste and send these items to a recycler. Doing this we have reduce our landfill waste by 37%.

INNOVATION

Pucker:

In 2013, Precision Machine Inc. has developed a design for an apparatus that can compact the waste curlings from our process into a "puck" that is 8 times as dense as the loose material. This will allow us to:

- Save costs on shipping to the recycler
- Provide a much more refined product for our recycler since the cutting fluids can be "squeezed" out and reclaimed.
- Reclaim and recycle the cutting fluids.

Smog Hog

All CNC mills and lathes have been equipped with a "Smog Hog" that captures the mist off of these machines. Our manufacturing process involves cutters spinning at high speeds. When these cutters come in contact with the material being processed an incredible amount of heat is generated. In an effort to reduce this heat, cutting oils and coolants are added to the process. The effects of adding the oils and coolants create a smoke and mist. The smoke and mist left unchecked rises in the air to the roof of the plant and creates a haze and "burnt" type of odor. The "Smog Hogs" capture this mist before it enters the shop, thus eliminating the smell and contamination of the air.

EMPLOYEE EDUCATION AND AWARENESS

Precision Machine Inc. has an Environmental Committee. The committee's goals are to:

- Reduce our Environmental Impact
- Pursue additional Energy Reduction ideas
- Find additional Recycling avenues
- Educate our employees on their environmental impact at work and at home

ENERGY REDUCTION:

Our energy conservation program has included such facility improvements as adding dimmer switches and motion sensors for lighting in offices, air hand dryers in bathrooms, facility electrical upgrades, purchasing new, more efficient equipment, making building/equipment improvements in heating and cooling, fixing compressor lines to eliminate air leaks, and scheduling more frequent equipment cleaning, while focusing on preventative maintenance.

- Our company grew in the past year and our production/sales increased by 41% from 2012 to 2013.
    - With our efforts for energy conservation, our electrical usage only increased by 30.8%.
        - 2012 – used 425,788 kWh. 2013 – used 556,770 kWh
    - Our water usage only increased by 14.5%.
        - 2012 – used 103,800 gal. 2013 – used 118,800 gal.
    - Natural Gas usage in 2013 increased by 103% due to temperature change and the addition of a building.
        - 2012 - 3777.2 therms 2013 – 7667.1 therms

2013 Projects

1. Started a Recycling Program of all office paper, corrugated, plastic bottles, and aluminum cans.
2. Started program of recycling additional streams of metals in June, 2013.
3. Changed to more efficient lighting.
4. Added Occupancy Room Light Sensors for office/lunch rooms.
5. Designed a Fan Cooling Device that has been installed at all work centers that collects and recycles excess coolant and collects debris while still in the work center. This eliminates excessive blowing off parts with air guns and coolant being blown onto the floor and being absorbed into the concrete.
6. Installed Smog Hogs at all work centers.
7. Developed a design to build a "Pucker" to compact scrap metal
8. Pallet Recycling:

2014 Planned Initiatives

1. Build one or more "Pucker" devices to compact scrap metal.
2. Conduct Infra-Red scan of all electrical panels.
3. Conduct an Air Leak detection study throughout the facility and correct all air leaks that are found.
4. Identify vendors to recycle additional streams of waste
5. Exchange old EXIT lights for LED EXIT lighting for the entire facility.

Attachments:

Electrical Usage/Billing (2012 & 2013)
Electrical Demand Usage (2012 & 2013)
Water Usage (2012 & 2013)
WPS (Heat) Natural Gas Bill History (2012 & 2013)
CPA Report #10002 Preventive Action (Smog Hog)
CPA Report #10003 Preventive Action (Tool Fan)
CPA Report #10004 Continual Improvement (Motion Sensors and Timers)
2013 Scrap Recycling

Appendix	**Phase II Environmental Site Assessment Report for Precision Machine, Inc.**
A	Site Figures
B	Data Tables
C	Field Notes, Pictures and Documents
D	Laboratory Reports