

SOLID WASTE FINANCIAL FORECAST AND RATE STUDY UPDATE

PRESENTATION TO BOARD OF COUNTY COMMISSIONERS

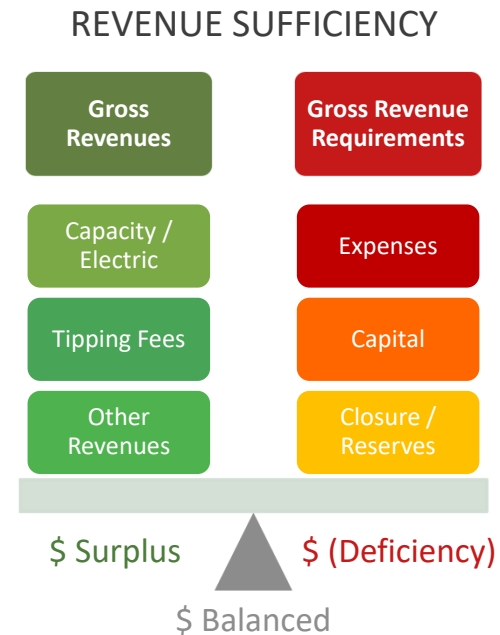
APRIL 21, 2022



Presentation by:
 RAFTELIS

SCOPE AND METHODOLOGY

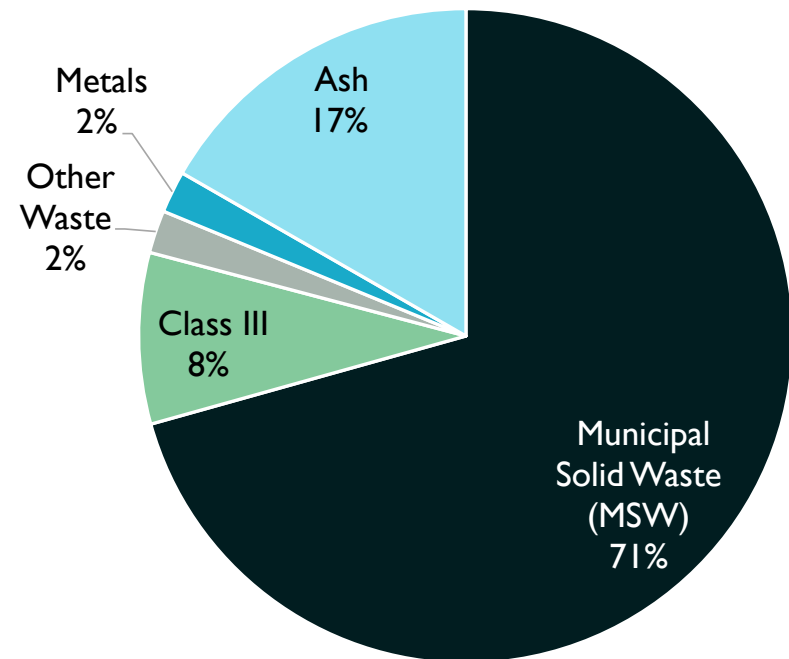
- Scope
 - Raftelis tasked to update 30-Year financial forecast model
 - Present findings to Staff, Technical Management Committee (TMC) members, and the Board of County Commissioners (BCC)
- Methodology
 - Data driven process
 - Examined contractual arrangements
 - Establish financial targets / parameters
 - Trends → assumptions → forecasts
 - Revenue sufficiency and rate adjustments
 - Rate phasing



KEY ASSUMPTIONS - TONNAGE COMPOSITION AND GROWTH

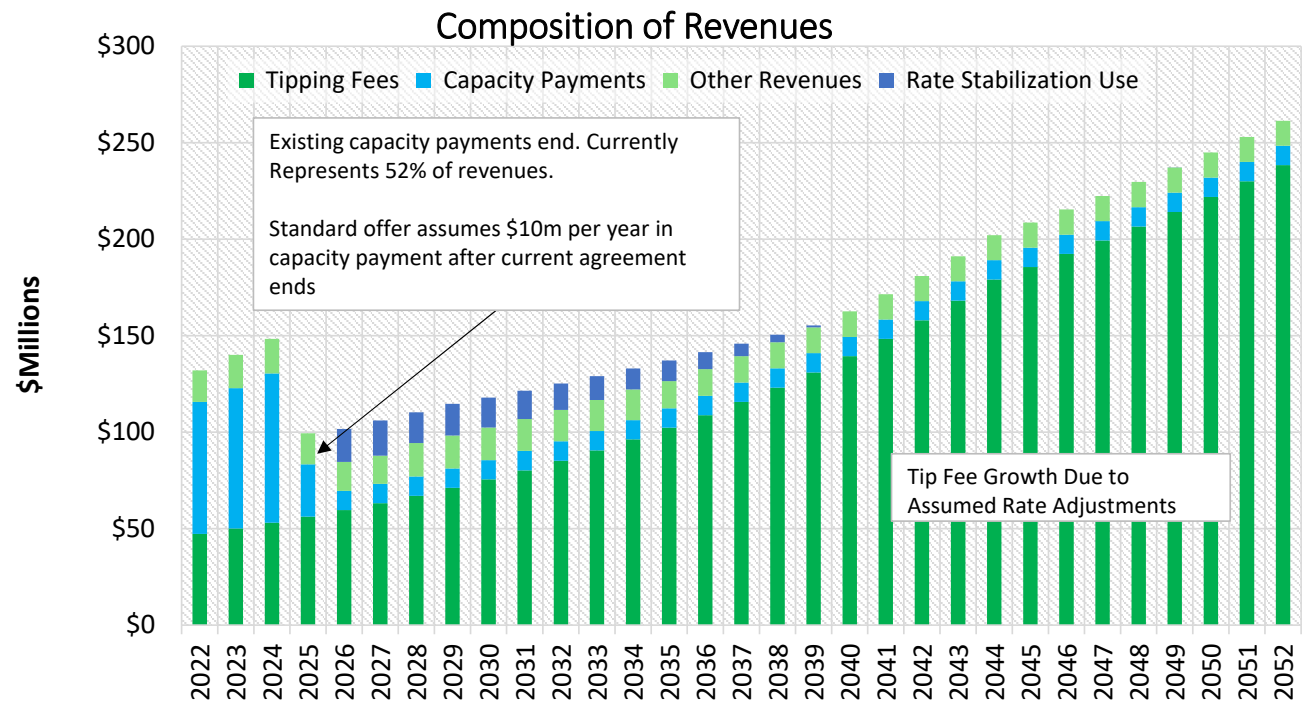
- County processes approximately 1.3 million tons a year
 - Inbound waste = 1.0 million tons per year
 - Municipal solid waste (MSW), class III (yard waste, construction debris), tires, etc.
 - Processed by-products = 0.3 million tons per year
 - Ash, recovered metals, etc.

Processed Waste Composition - FY2022



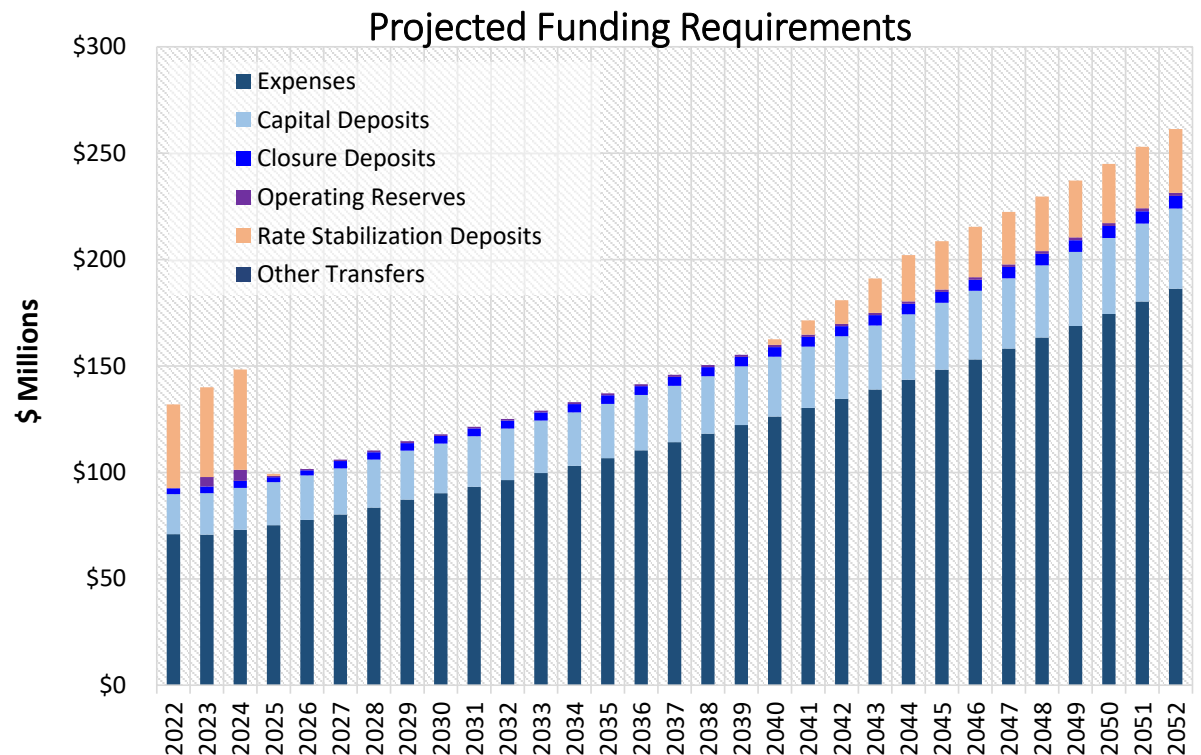
KEY ASSUMPTIONS - REVENUES

- Tipping fees
 - Capacity payments
 - Electricity sales
 - Metal recovery
 - Interest income
- } Other Revenues



KEY ASSUMPTIONS – PROJECTED REVENUE REQUIREMENTS

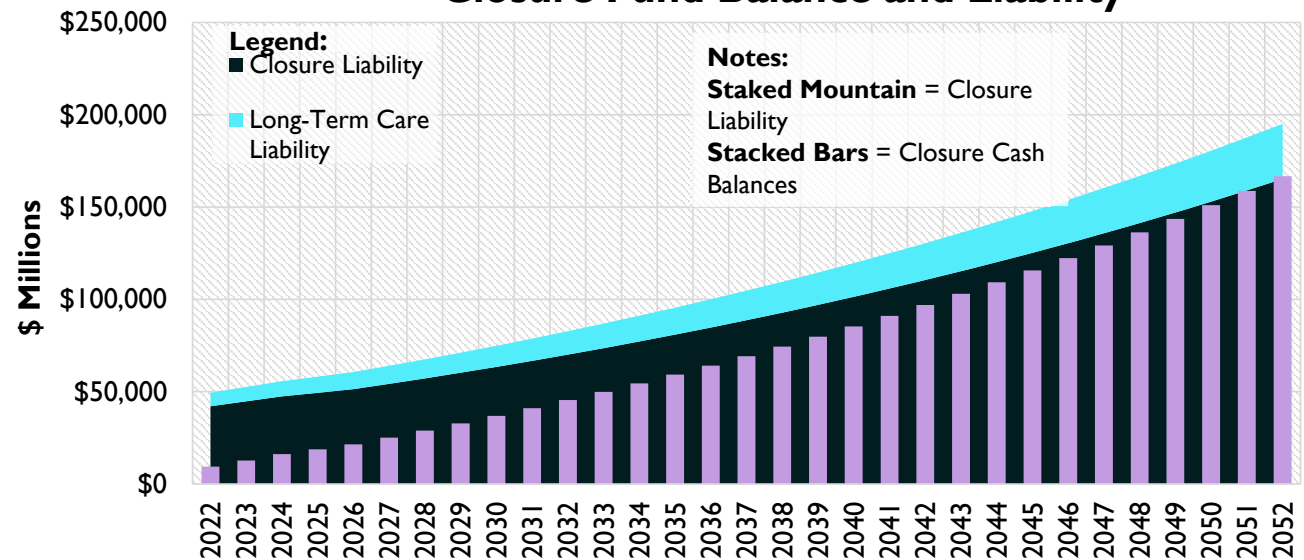
- Assumes continuation of existing operating contracts
- Increased levels of inflation, which includes contractual indices
- Includes incremental operating expenses associated with included master plan projects
 - Contractual services prior to design and construction of various projects
 - Operation of the bulky waste processing facility



KEY ASSUMPTIONS - CLOSURE AND POST-CLOSURE

- Plan to Fund Liability Over Time
 - Financial Test for financial assurance compliance
- Target: Fund closure Liability only
- Recent increase to closure estimates
- Slope closures included in Capital Improvement Plan (CIP)

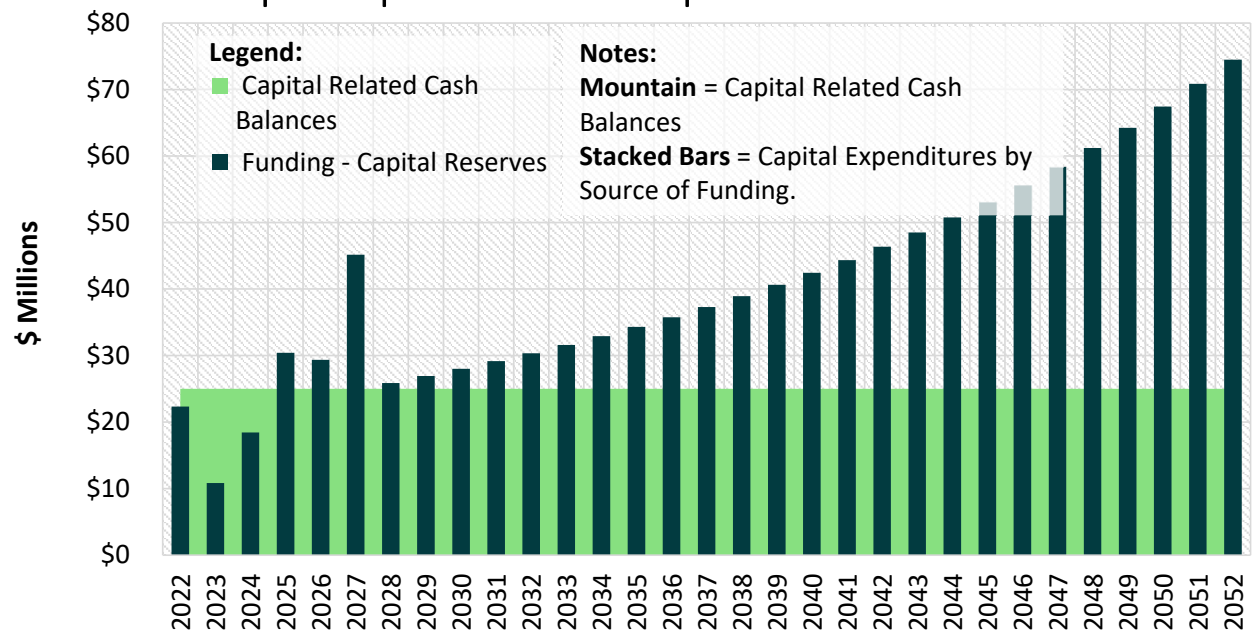
Closure Fund Balance and Liability



KEY ASSUMPTIONS - CAPITAL

- Proposed CIP FY22-27 = \$156.6m
- Top five projects \$102.2m:
 - Bulky Waste Processing Facility= \$48.0m
 - Enhanced Metals Recovery = \$20.0m
 - Slurry Wall = \$12.7m
 - Scale Replacement = \$10.9m
 - Solar Floating Array= \$10.6m
- Portions of master plan reflected
- Assumed depreciation as proxy for capital needs after 2027
 - \$22 million annually escalated for inflation

Capital Expenditures and Capital Reserve Balances



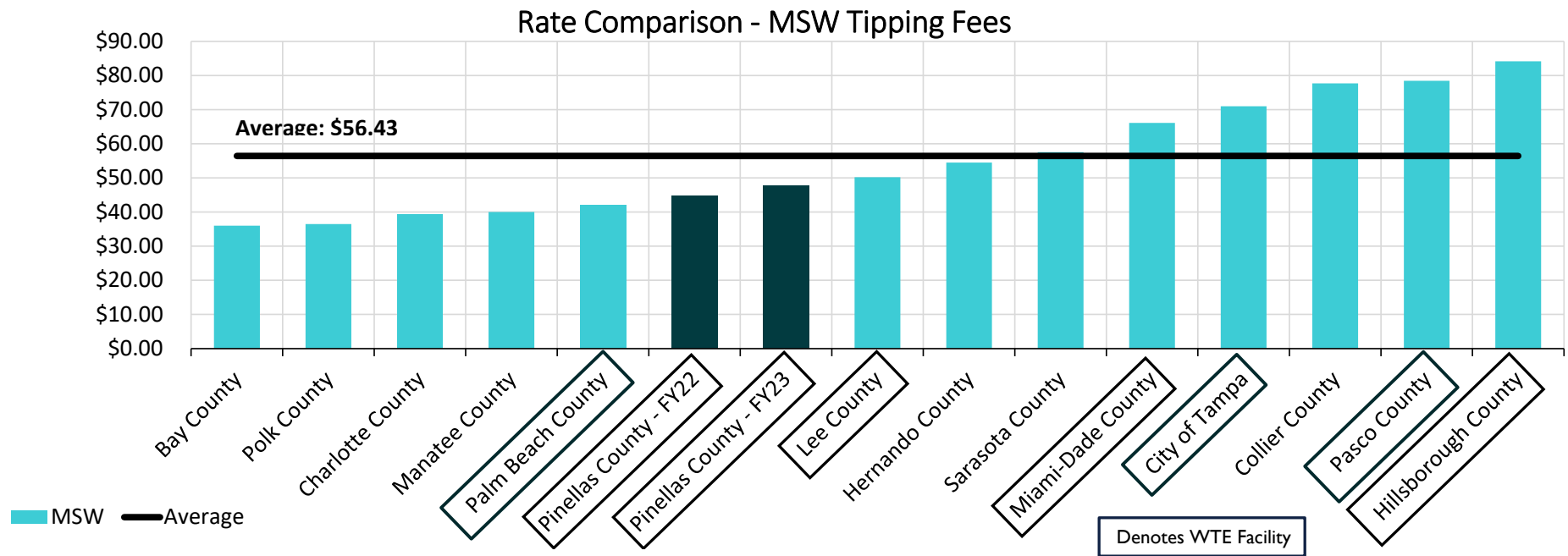
FINDINGS

- Findings and Recommendations:
 - Plan increased from prior projections
 - Master plan projects increased capital plan
 - Higher than average inflation increased operating expenses and contractual fees
 - Increases partially offset by PPA standard offer

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tip Fee (\$)	\$44.70	\$47.75	\$51.00	\$54.50
Rate Adj. (%)		6.8%	6.8%	6.8%
Change (\$)		\$3.05	\$3.25	\$3.50

Note: The impact of the disposal cost increase to a single-family resident generating 1 ton of waste per year may be \$3.05 annually or \$0.25 a month.

MSW TIPPING FEE COMPARISON



THANK YOU!
DISCUSSIONS AND QUESTIONS

