



- **Waste-To-Energy Facility Operator Procurement Update**
- **Waste-To-Energy Power Sales Update**
- **Solid Waste Tipping Fee Recommendation**
- **Lealman MSTU Solid Waste Collection Rate Recommendation**

Paul Sacco, Director
March 20, 2025

Waste-to-Energy (WTE) Facility Operator Procurement

1. Current contract extension with Covanta (Reworld)
2. Planned solicitation process and schedule for a WTE Facility operator



Contract extension with Reworld

- 1. Contract extension to continue WTE operations until new procurement process is complete.**
- 2. Term: 6-months with two 3-month options**
- 3. Final term expires December 31, 2025.**
- 4. Rate: \$38.00/ton with annual increase, but not to exceed \$40.00/ton.**

WTE Facility Operator Procurement Process

1. Two-phase solicitation

- Phase 1: Firms shortlisted based on qualifications only
- Phase 2: RFP for shortlisted firms: proposals, negotiations, and recommendation.

2. Schedule

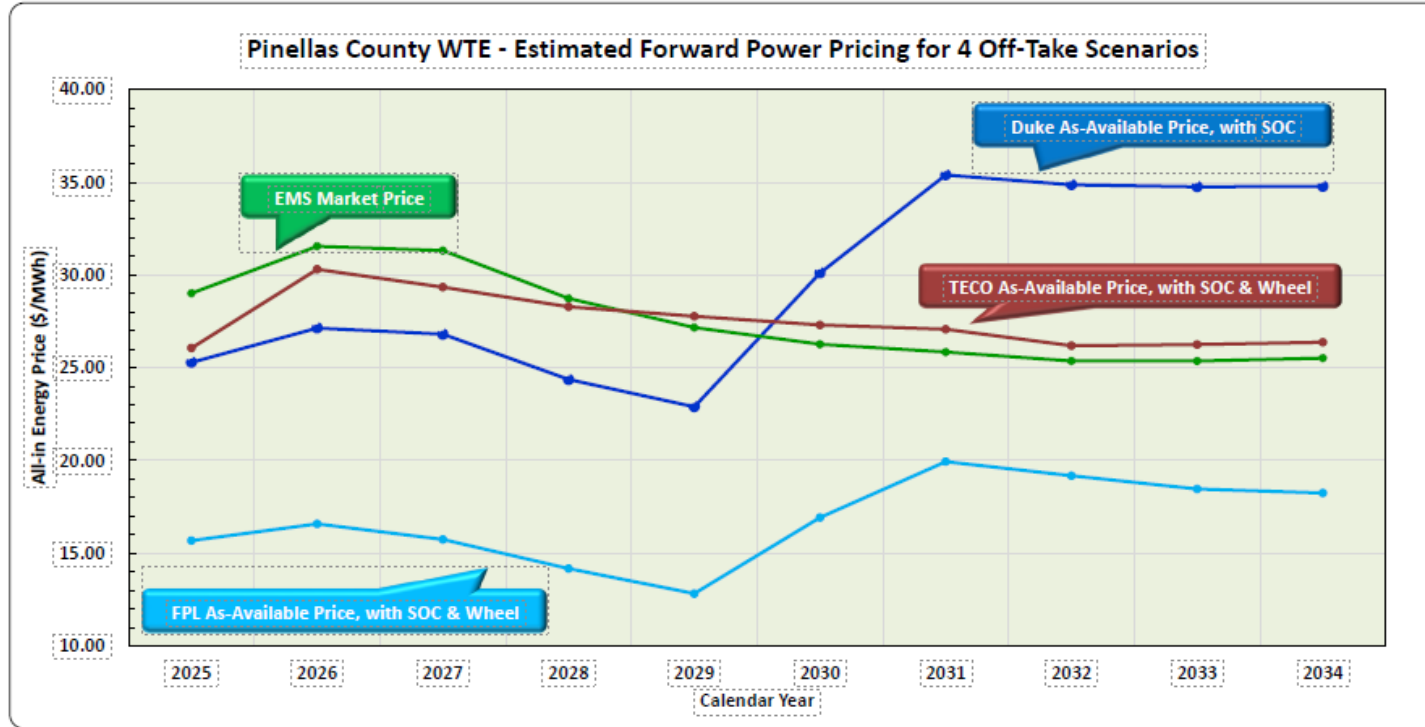
- Phase 1: Complete (2 firms shortlisted)
- Phase 2: March-July 2025
- New contract award: September 2025
- Mobilization: October 2025
- Transition: November-December 2025

WTE Facility Power Sales Update

1. Rainbow Energy under contract for power brokering service.
2. Apex Power Services under contract for power consulting.
3. Agreements in place with Duke Energy and other investor-owned utilities to accept WTE Facility generated power.



Existing Markets and Rates



Power Sales Year-To-Date

1. Average monthly power generated for sale: 40,000 MWh
2. Forecasted average sale price for CY25: \$27-32/MWh
 - January 2025 actuals: 33,977 MWh at **\$84.95/MWh** = \$2.88M
 - February 2025 actuals: 39,725 MWh at **\$32.04/MWh** = \$1.27M



Solid Waste Financial Forecast and Rate Study Update



Presented By: Thierry Boveri



Solid Waste Financial Forecast and Rate Study Update



AGENDA

- 1. Scope and Methodology**
- 2. Key Changes Since Last Study**
- 3. Key Assumptions**
- 4. Findings and Recommendations**

Scope and Methodology

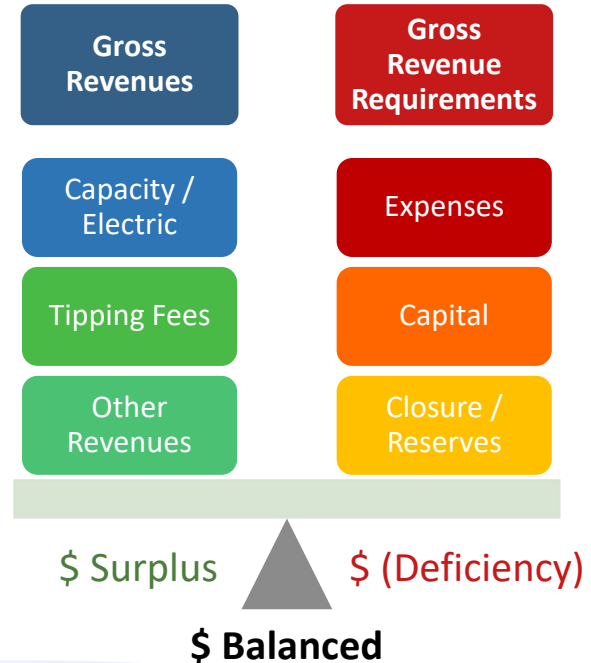
Scope

- Raftelis tasked to update 30-Year financial forecast model
- Present findings to Staff and Technical Management Committee (TMC) members

Methodology

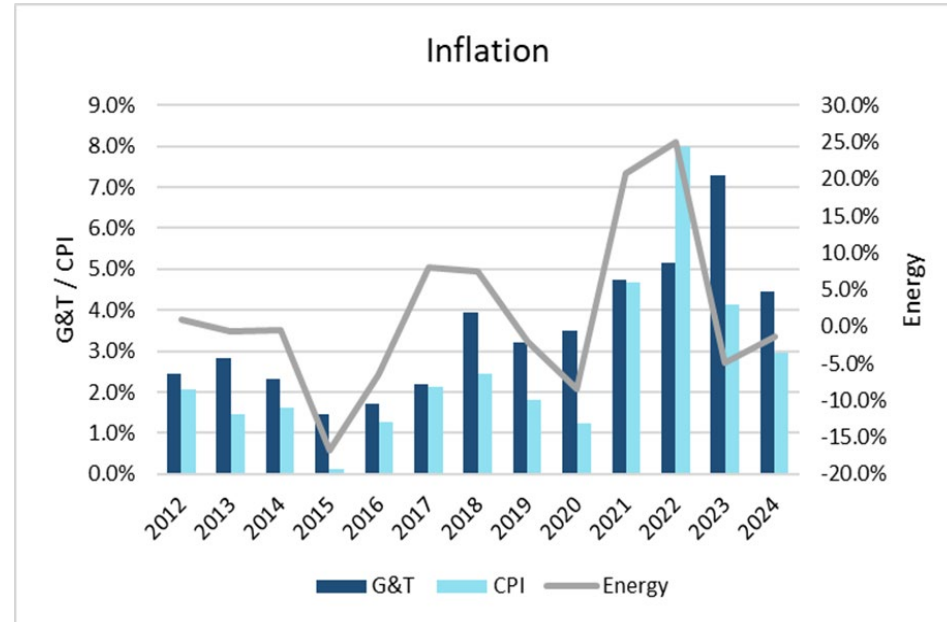
- Data driven process
- Examined contractual arrangements
- Establish financial targets / parameters
- Trends → assumptions → forecasts
- Revenue sufficiency and rate adjustments
- Rate phasing

REVENUE SUFFICIENCY



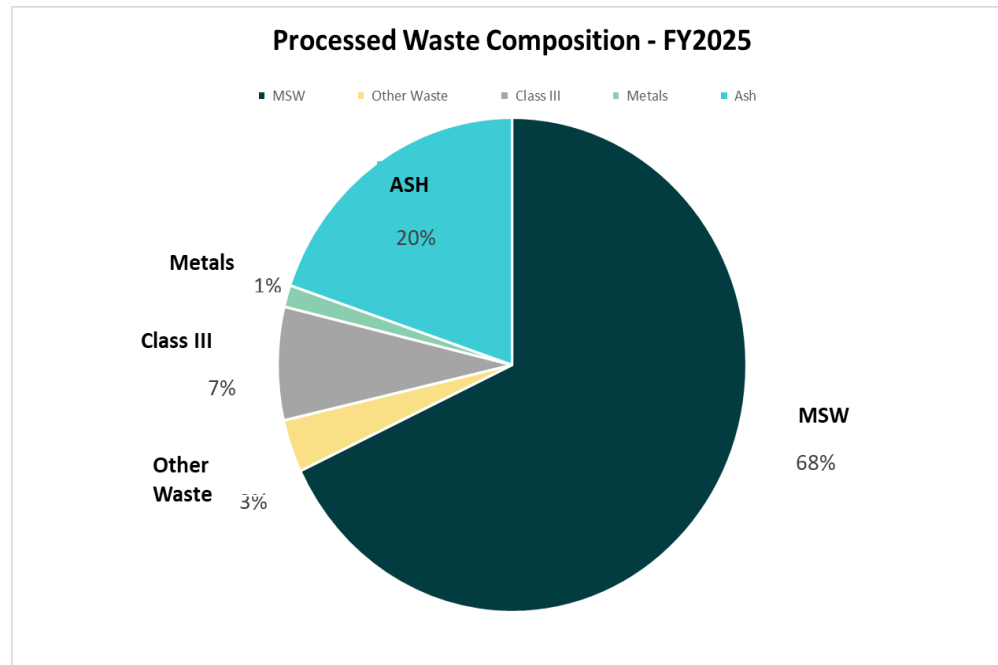
Key Changes Since Prior Study

- **Inflation Continues to Pressure Contract Costs**
- **Reworld Contract Extended for RFP Solicitation**
 - Historically accounted for ~\$30% of Total Costs or \$21M annually
 - Extension resulted in \$12/ton increase applied to all tonnage or \$35m/yr +67%)
 - Staff expects better contract terms as a result of RFP process.
 - Forecast assuming ~\$7/ton increase or \$31M/yr (+47%)
- **Capital Plan Costs Increase from ~\$420M to ~\$500M through FY36**



Key Assumptions - Tonnage Composition and Growth

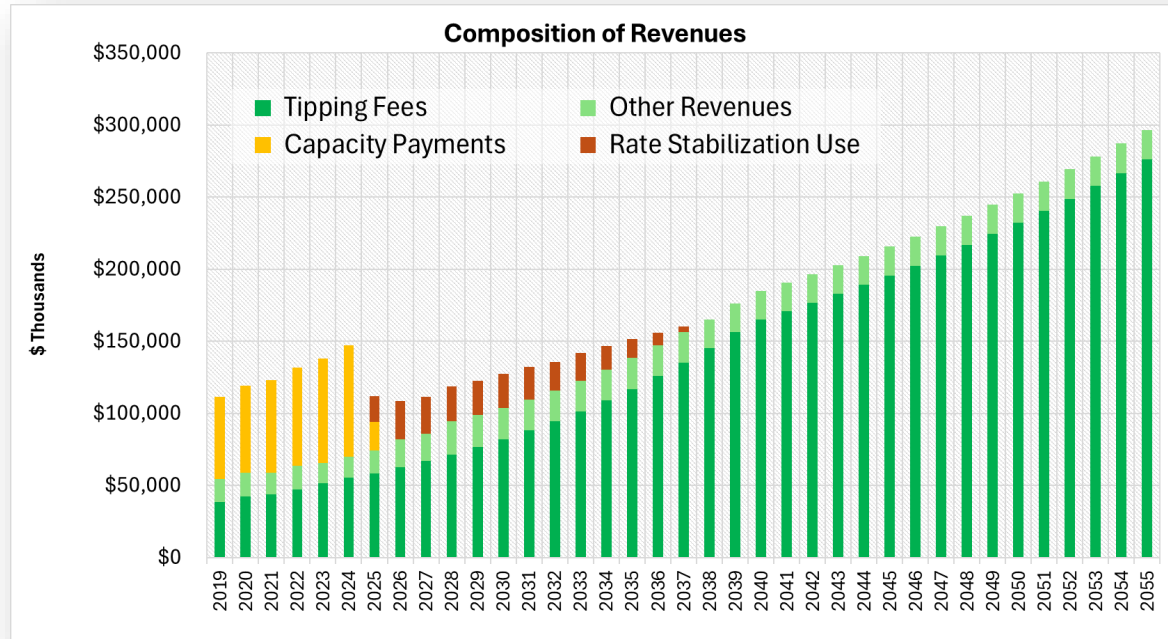
- **County processes 1.5 millions tons/year**
 - **Inbound waste + 1.1M tons/year**
 - **Municipal Solid Waste (MSW), Class III (yard waste, construction debris), and tires**
 - **Processed by-products = 0.3M tons/year**
 - **Ash, recovered metals, etc.**



Key Assumptions - Revenues



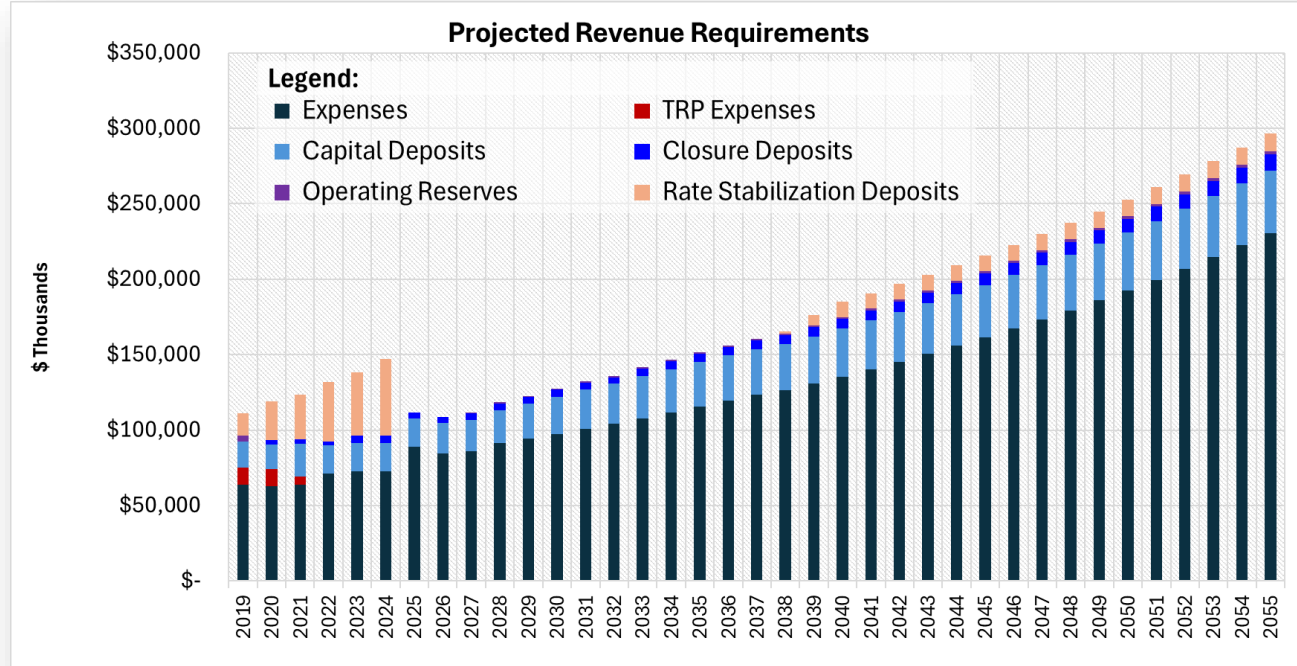
- **Tipping Fees**
 - **Increases Consistent with Prior Years Forecasts**
- **Capacity Payments**
- **Electricity Sales**
- **Metals Recovery**
- **Interest Income**



Key Assumptions - Revenues

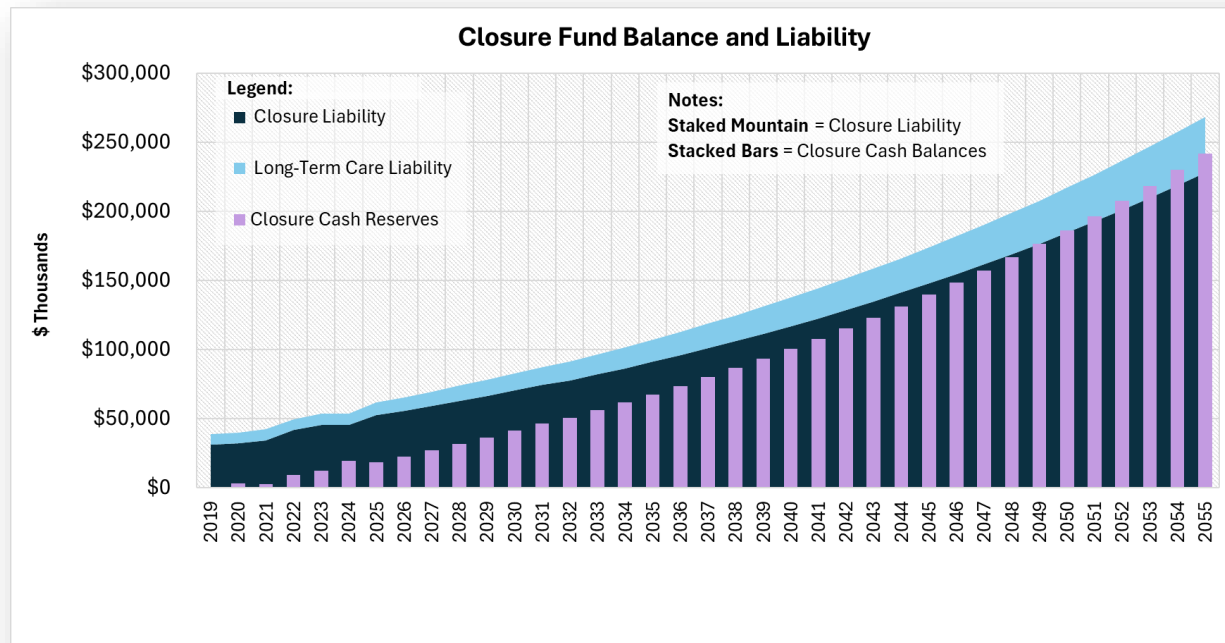


- Assumes Successful RFP Outcome
- Average Annual Expense Growth at ~3.5%



Key Assumptions - Tonnage Composition and Growth

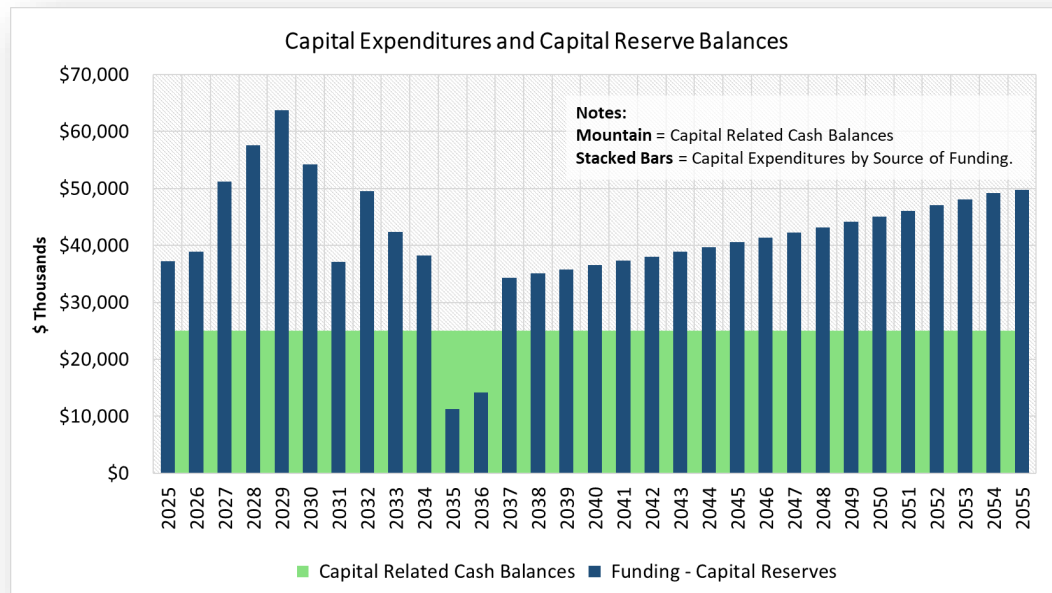
- Plan to fund liability over time
 - Financial test for financial assurance compliance
- Does not yet reflect landfill elevation increase
- Target: Fund closure liability only
- Slope closures included in CIP Program



Key Assumptions - Capital



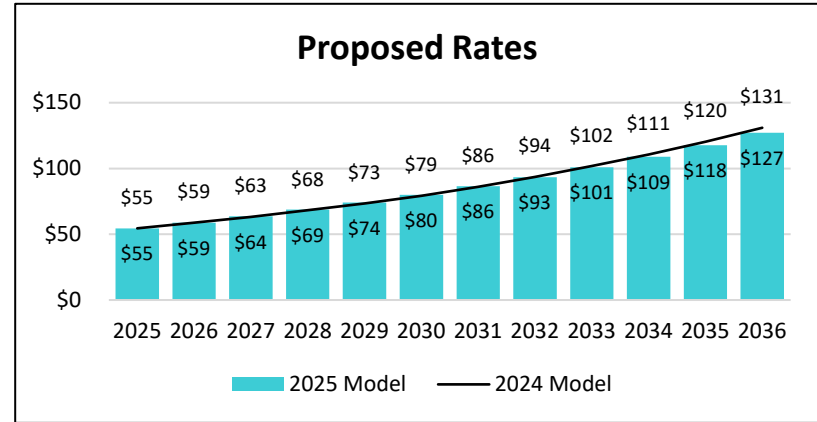
- **Proposed CIP FY25-36 = \$498.8M**
- **Top six projects \$416M or 83% of total**
 - WTE R&R, several projects: \$269M
 - Bulky waste processing: \$63M
 - Landfill Improvements: \$35M
 - Solar and net metering: \$29M
 - Enhanced metals recovery: \$20M
 - Landfill side slope closure: \$8M
- **Assumed depreciation as proxy for capital needs after 2037**
 - \$29.4M annually escalated for inflation



Findings



- **Key changes since last study**
 - Lower Expenses
 - Longer and higher \$ outlook on CIP
- **Adopt 3-year rate plan**
 - \$4-5/ton increase per year
 - Slight increase to prior year's forecast over next three years, but lower overall next ten years.
- **The impact of increase to a single-family resident generating 1-ton/year averages \$4.72 annually or \$0.39/month.**

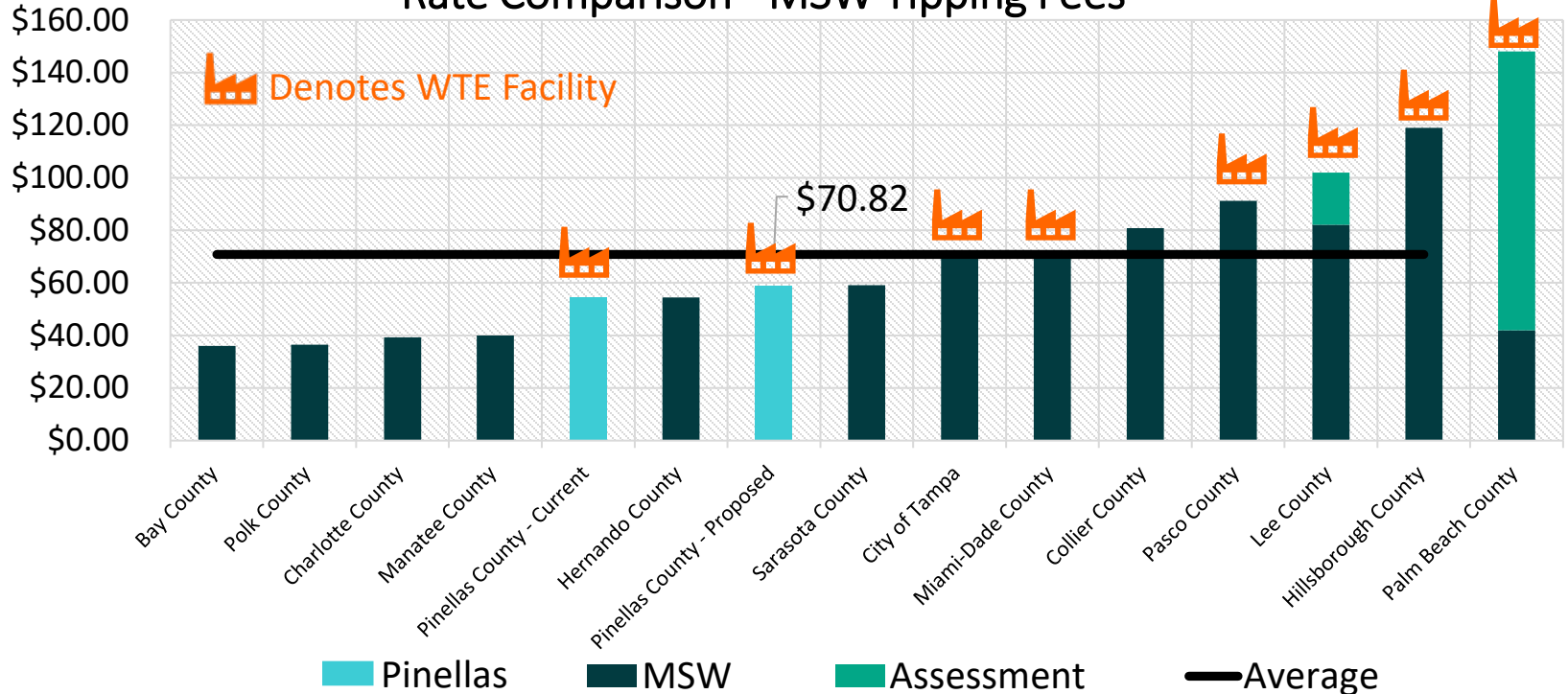


Tip Fee Recommendations

	<u>Adopted</u>		<u>Identified</u>	
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Tip Fee (\$)	\$54.50	\$58.86	\$63.57	\$68.65
Change (\$)		\$4.36	\$4.71	\$5.08

Municipal MSW Tipping Fee Comparison

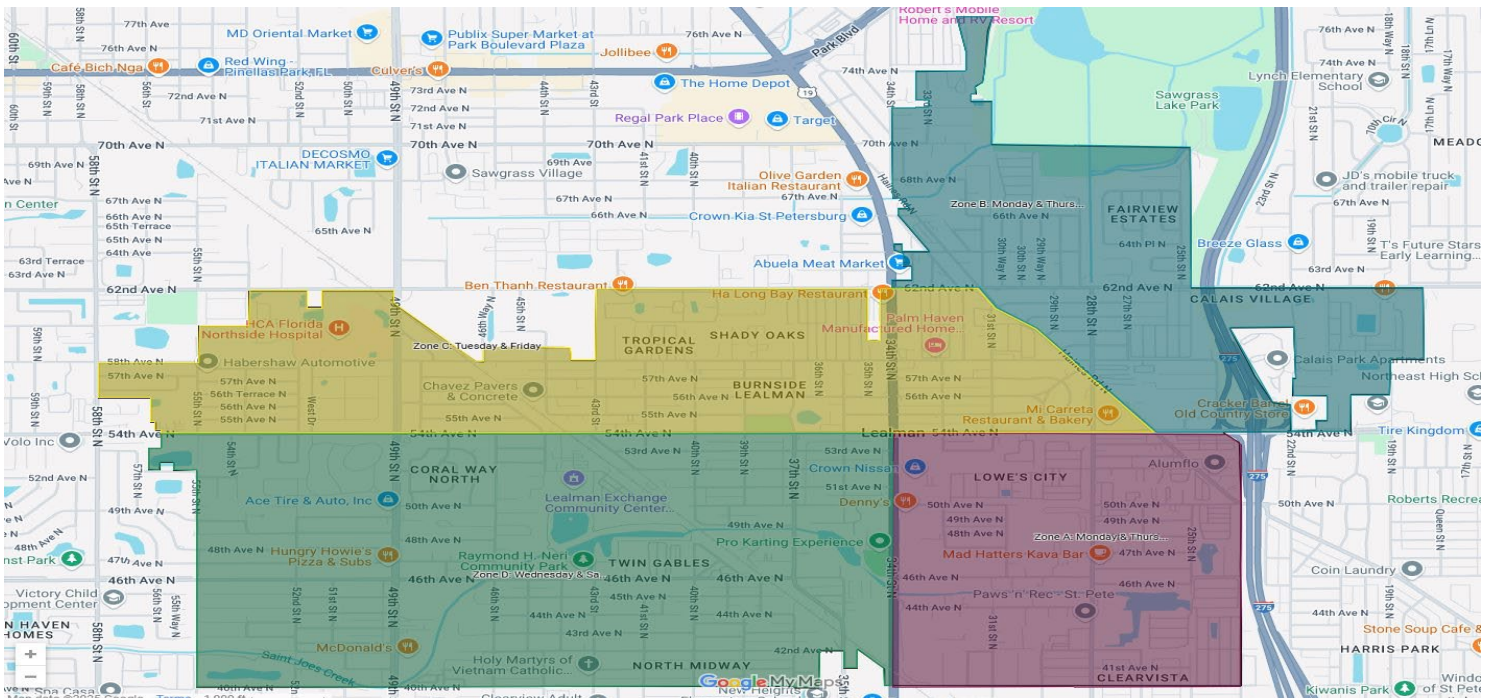
Rate Comparison - MSW Tipping Fees



Discussions and Questions



Lealman MSTU Solid Waste Collection Rate Recommendation



• Lealman MSTU Solid Waste Collection Rate Recommendation

Assessment and Participation Overview (FY23)

- MSTU rate \$192/yr from 2014 to 2023.
- Unit participation increased:
 - FY22: 7,300 units
 - FY23: 7,600 units
 - FY24: 8,000 units
- Disposal tip fees began increasing in 2019.

Immediate Financial Solutions and Planning (FY23)

- \$300K loan from Solid Waste Fund, with a six-year payback.
- The Board adopted annual assessment increases of \$24 per year for FY24 and FY25.
- Solid Waste committed to perform a rate study closer to the December 2026 contract expiration date.

• Lealman MSTU Solid Waste Collection Rate Recommendation

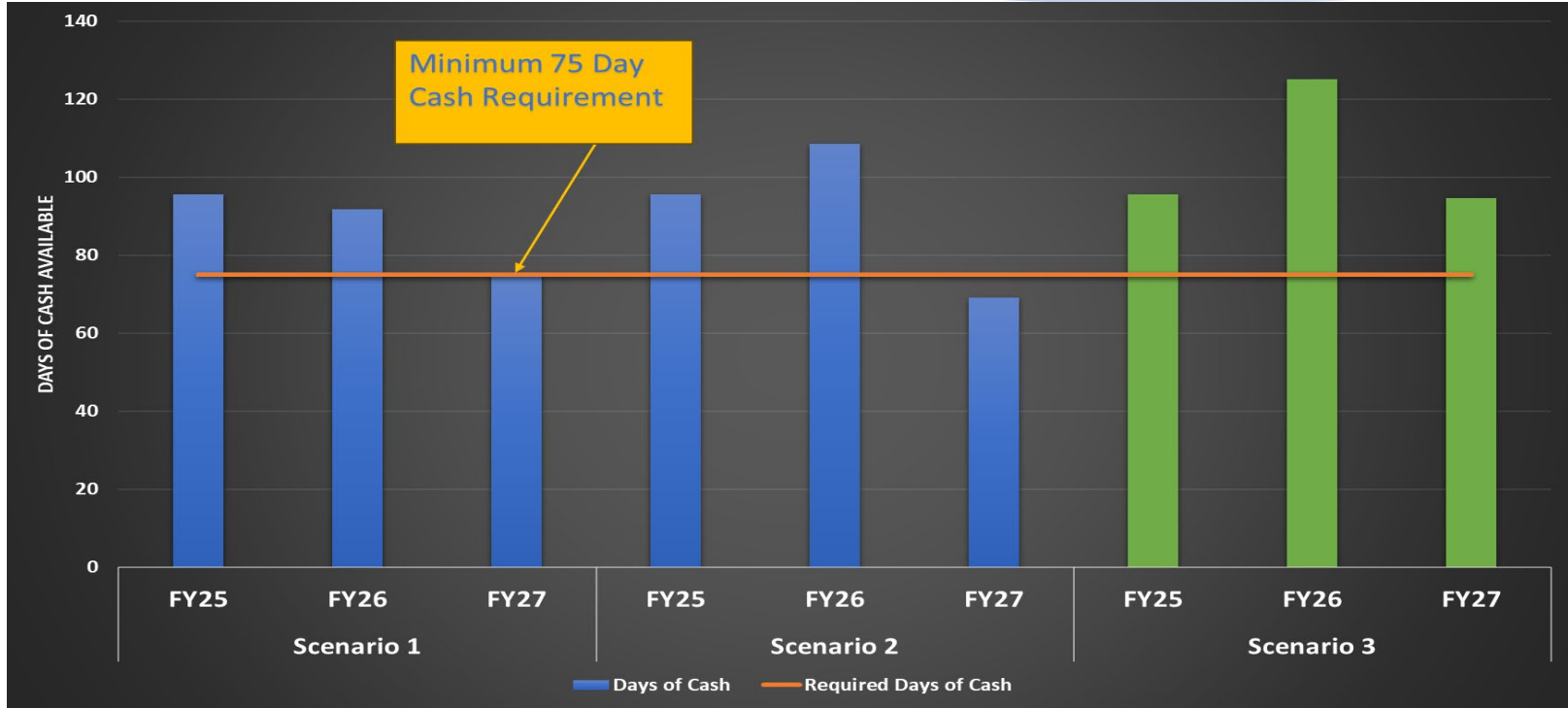
Fund Health Assessment (FY25)

- Existing Annual Assessment is \$240
- 10-year collection contract expires 12/31/26
- Collection rates forecasted to increase by \$54-102/year.
- Rate study performs assuming collection rate increase of \$78/year.
- 8% year-over-year increase for disposal tip fees recommended for FY26-FY28.

Proposed MSTU Rate Options

- Scenario 1:
 - FY26: increase of \$24 to \$264/year
 - FY27: increase of \$78 to \$342/year
- Scenario 2:
 - FY26: increase of \$36 to \$276/year
 - FY27: increase of \$48 to \$324/year
- Scenario 3: (Staff Recommendation)
 - FY26: increase of \$48 to \$288/year
 - FY27: increase of \$48 to \$336/year

Lealman MSTU Solid Waste Collection Rate Recommendation



Lealman MSTU Solid Waste Collection Rate Recommendation



Annual Assessment by Scenario & Fiscal Year

