SOLID WASTE FINANCIAL FORECAST AND RATE STUDY UPDATE

PRESENTATION TO BOARD OF COUNTY COMMISSIONERS

APRIL 21, 2022

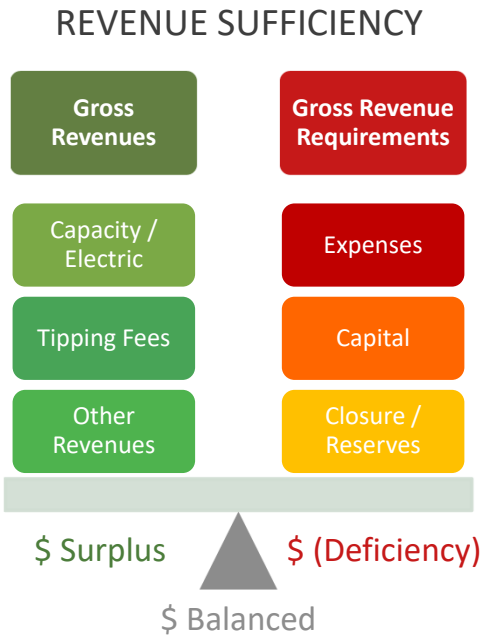


Presentation by:

RAFTELIS

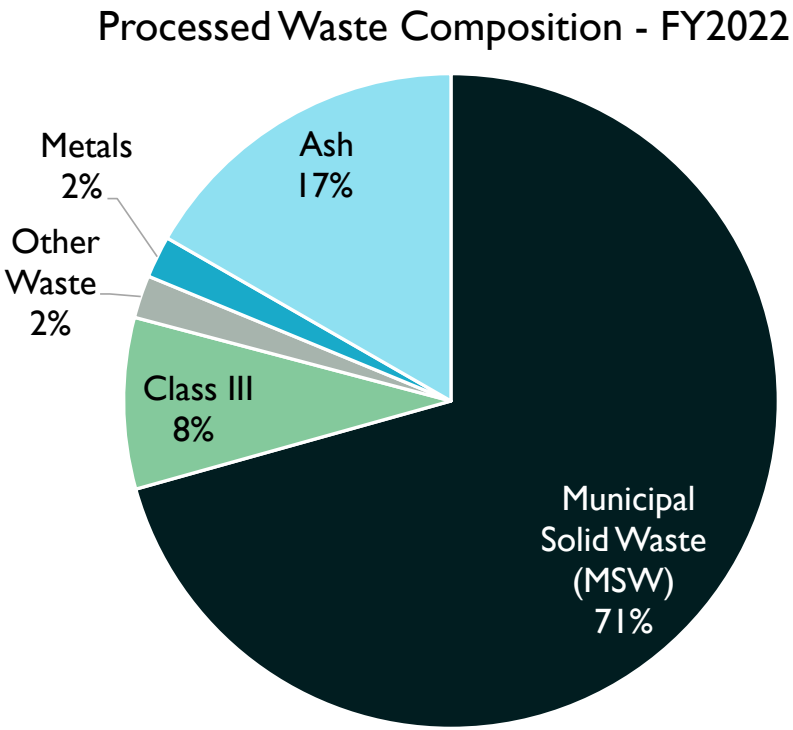
SCOPE AND METHODOLOGY

- 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

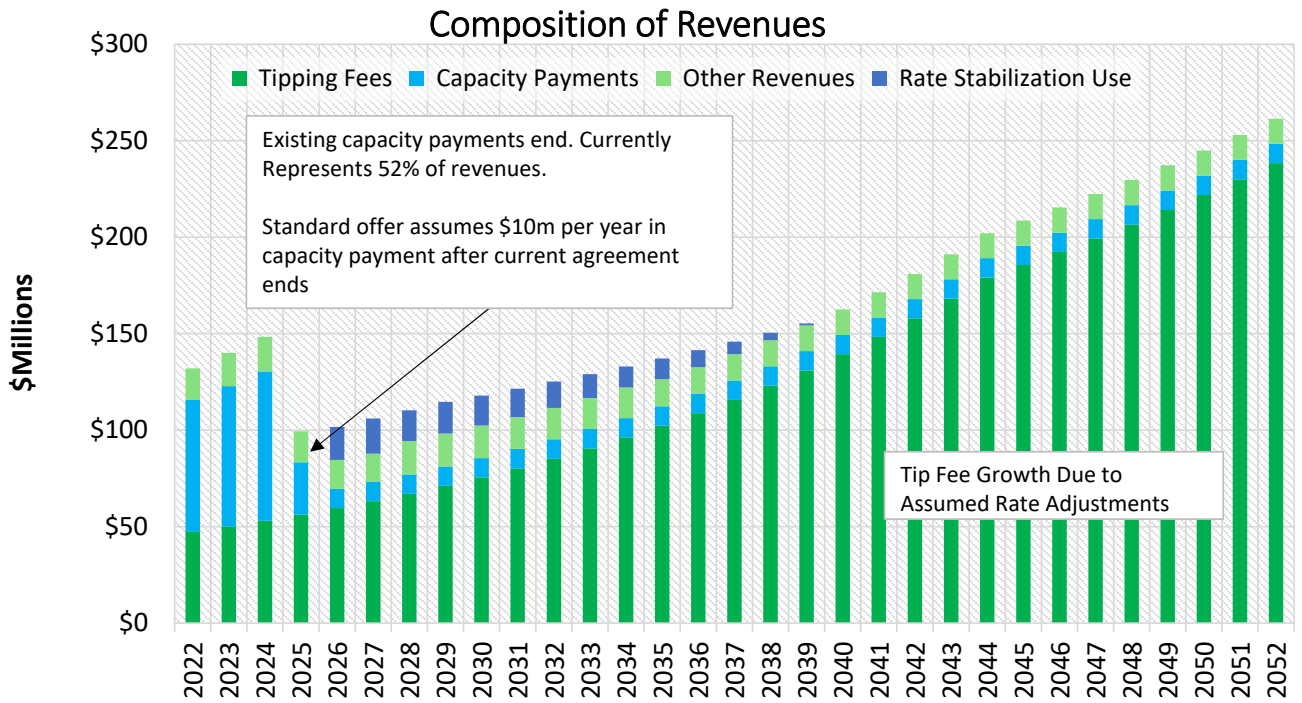
- County processes approximately 1.3 million tons a year
  - Inbound waste = 1.0 million tons per year
    - Municipal solid waste (MSW), class III (yard waste, construction debris), tires, etc.
  - Processed by-products = 0.3 million tons per year
    - Ash, recovered metals, etc.



KEY ASSUMPTIONS - REVENUES

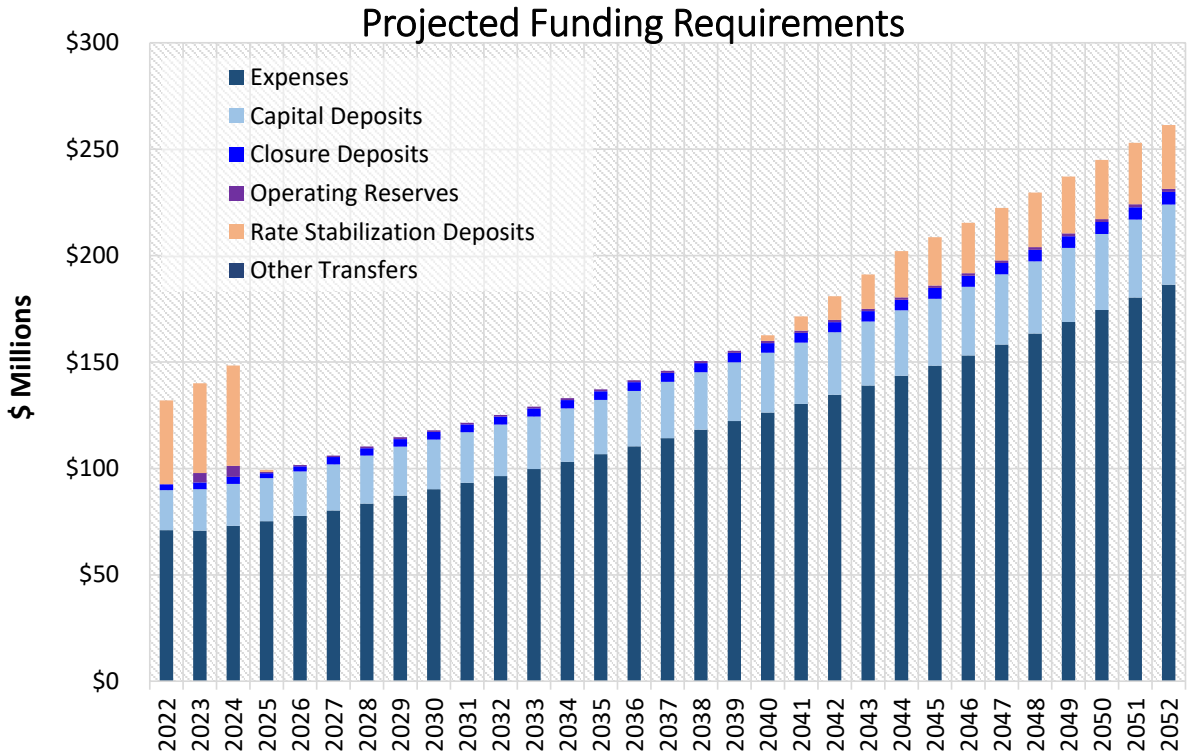
- Tipping fees
- Capacity payments
- Electricity sales
- Metal recovery
- Interest income

Other Revenues



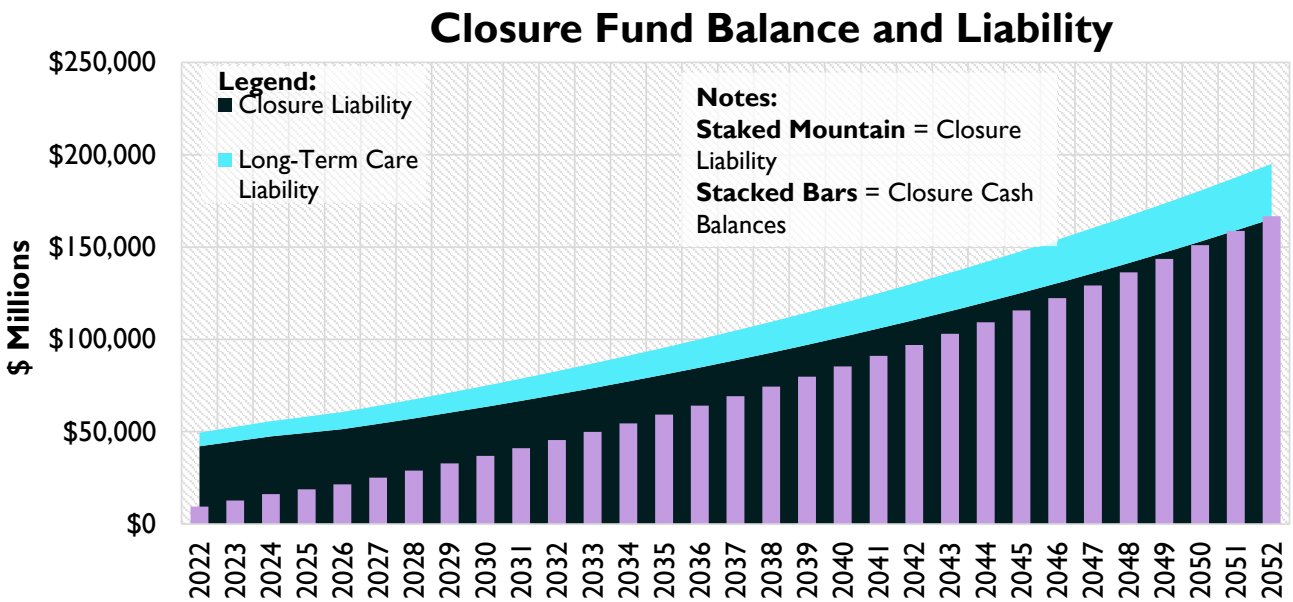
KEY ASSUMPTIONS – PROJECTED REVENUE REQUIREMENTS

- 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



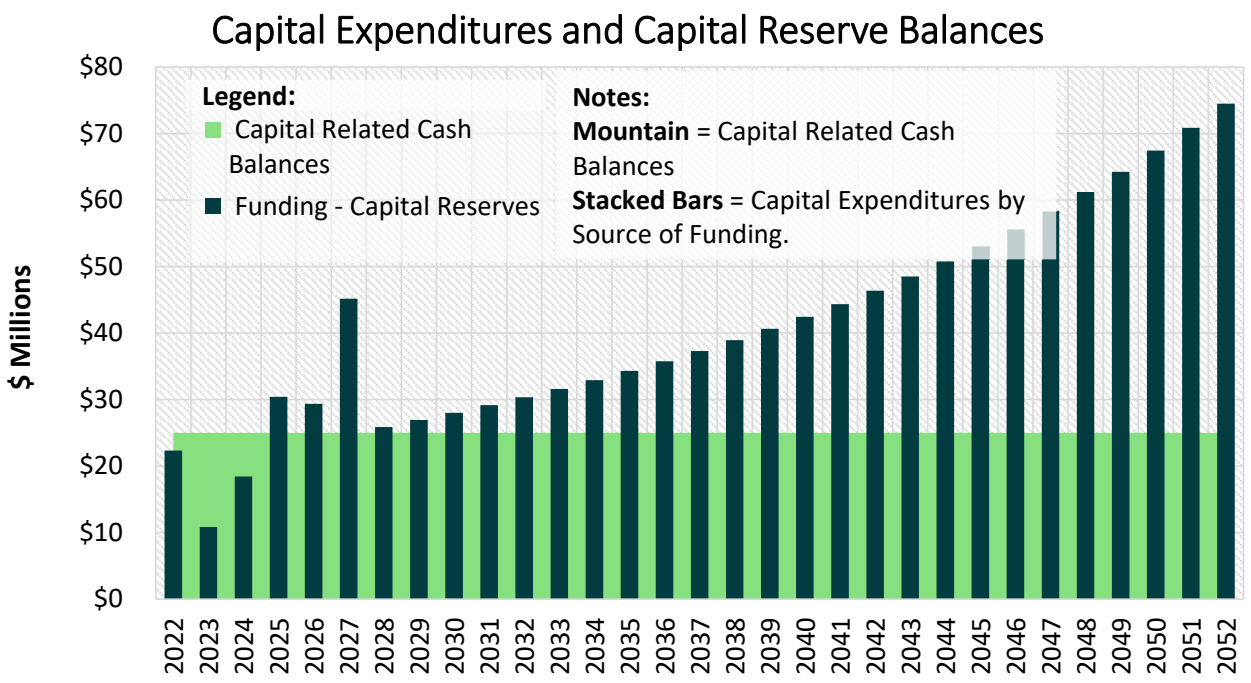
KEY ASSUMPTIONS - CLOSURE AND POST-CLOSURE

- 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)



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



FINDINGS

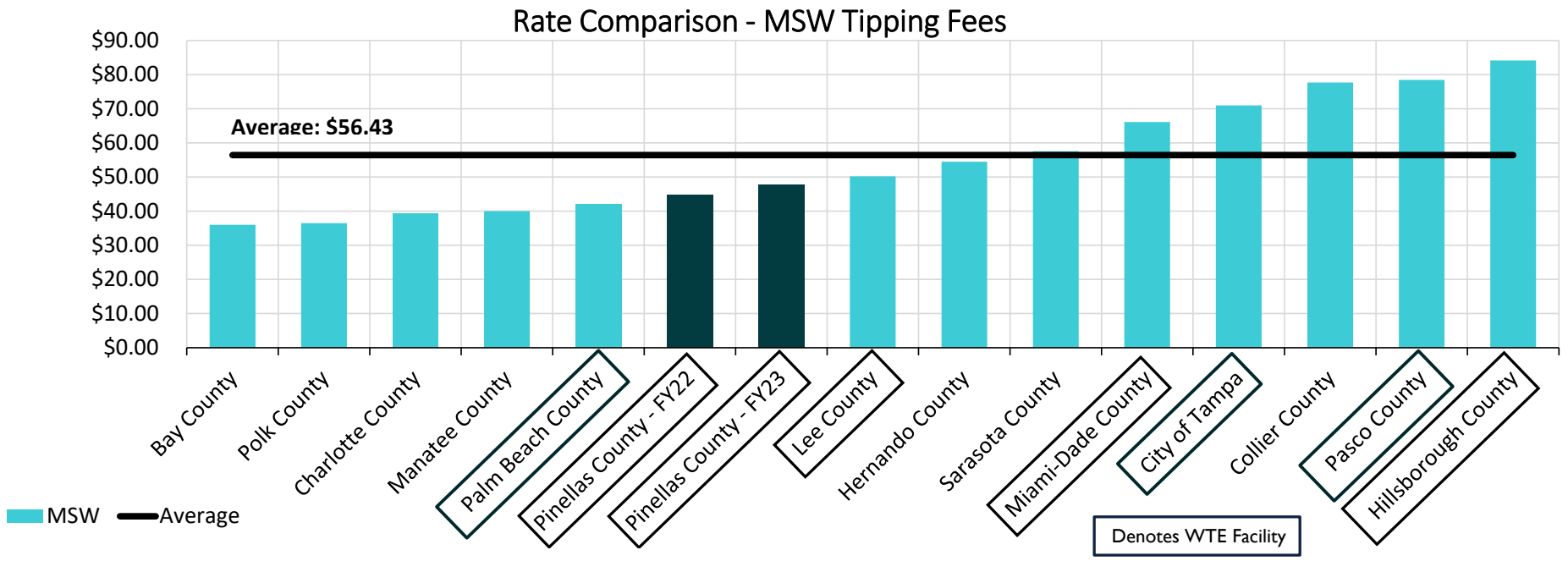
- Findings and Recommendations:
  - Plan increased from prior projections
    - Master plan projects increased capital plan
    - Higher than average inflation increased operating expenses and contractual fees
    - Increases partially offset by PPA standard offer

Tip Fee Recommendations

	2022	2023	2024	2025
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

