

Solid Waste Rate Study: Findings for Commission Meeting

August 14, 2023

Conducted for



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About MSW Consultants

- Independent Consultants Specializing in the **Municipal Waste Management Sector**
- Wide Knowledge of **National Waste Management Best Practices**
- Industry-Leading **Solid Waste Operational Evaluation & Performance Modeling**
- Specialization in **Solid Waste Utility Cost-of-Service & Rate Analysis**
- Project Manager with **Broad Exposure to Municipal Programs**




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Methodology Summary

- Initial data request and kick-off meeting
- Review of ordinances, contracts, and interlocal agreements
- Compile internal admin and management costs
- Forecast growth of customer base and select inflation assumptions
- Compare full cost rate to current rates to baseline revenue sufficiency
- Collaborate with City staff to design rate paths and recommendations
- Submittal of draft report and exhibits for City feedback and finalization of report



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Seminole County Communities

Municipality	Households	Service Provider	Contract Expiration
Seminole County	68,994	Advanced Disposal & Waste Pro	12/31/27
Sanford	14,939	Waste Pro	05/31/26
Winter Springs	12,466	Waste Pro	02/28/27
Oviedo	12,462	Waste Pro	09/30/23
Winter Park	9,300	Waste Pro	10/01/23
Casselberry	7,976	Waste Pro	12/31/27
Altamonte Springs	6,792	City	N/A
Lake Mary	5,543	Waste Pro	02/28/22
Longwood	5,251	Waste Pro	09/30/25
Maitland	3,869	Waste Pro	09/30/23

Source: Survey provided by City of Lake Mary to City of Winter Springs

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Benchmarking Comparisons



Municipality	Solid Waste Rate per HH	Collection Cost per HH	Garbage Frequency	Recycling Frequency	Yard Waste Frequency
Oviedo	\$25.00	\$17.35	1x/wk	1x/wk	1x/wk
Seminole County	\$25.00	\$14.24	2x/wk	1x/wk	Varies
Casselberry	\$24.15	\$17.10	2x/wk	1x/wk	1x/wk
Longwood	\$24.05	\$21.46	2x/wk	1x/wk	1x/wk
Maitland	\$23.75	\$14.22	2x/wk	1x/wk	1x/wk
Altamonte Springs	\$22.75	N/A	2x/wk	1x/wk	1x/wk
Lake Mary	\$20.90	\$16.45	1x/wk	1x/wk	1x/wk
Sanford	\$20.76	\$16.91	2x/wk	1x/wk	1x/wk
Winter Park	\$18.71	\$14.48	2x/wk	1x/wk	1x/wk
Winter Springs	\$18.10	\$16.13	2x/wk	1x/wk	1x/wk

Source: Survey provided by City of Lake Mary to City of Winter Springs

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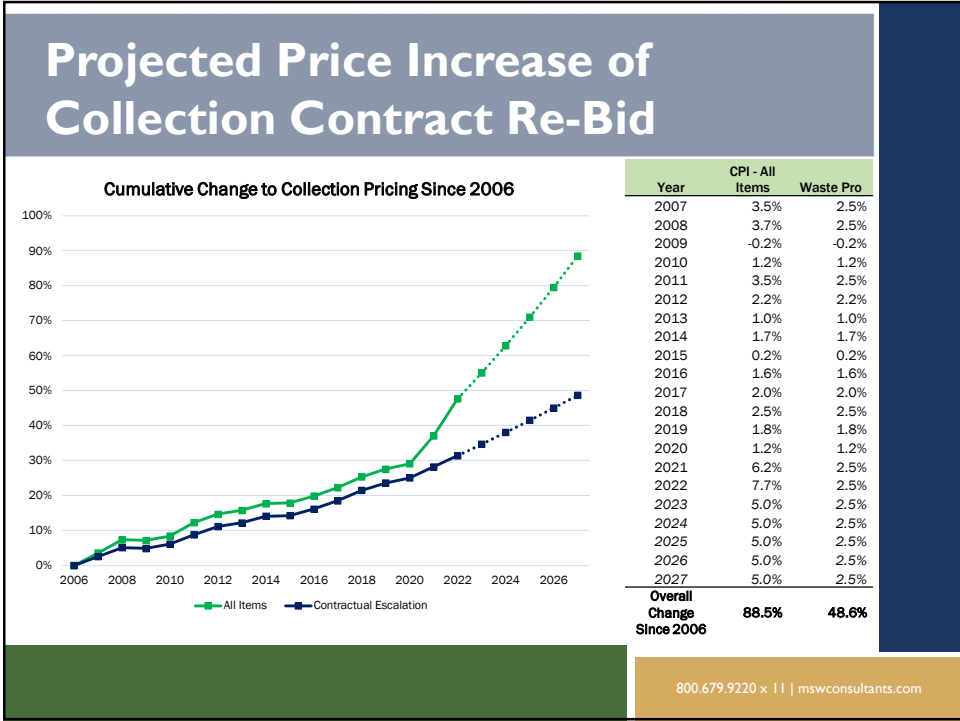
Key Data for Financial Model

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 - Current charge to residents
 - Starting reserve balance
 - Household counts and annual household growth rates
 - General fund transfer allocations for customer service, franchise fee, and storm reserve obligations
- Seminole County current charges and CPI adjustments for disposal and processing costs
- Tonnage for garbage, recycling, and yard waste
- Environmental revenue share from Seminole County
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 - Waste Pro current charges and CPI adjustments for collection cost
 - Commercial, roll-off, and residential franchise fee revenues

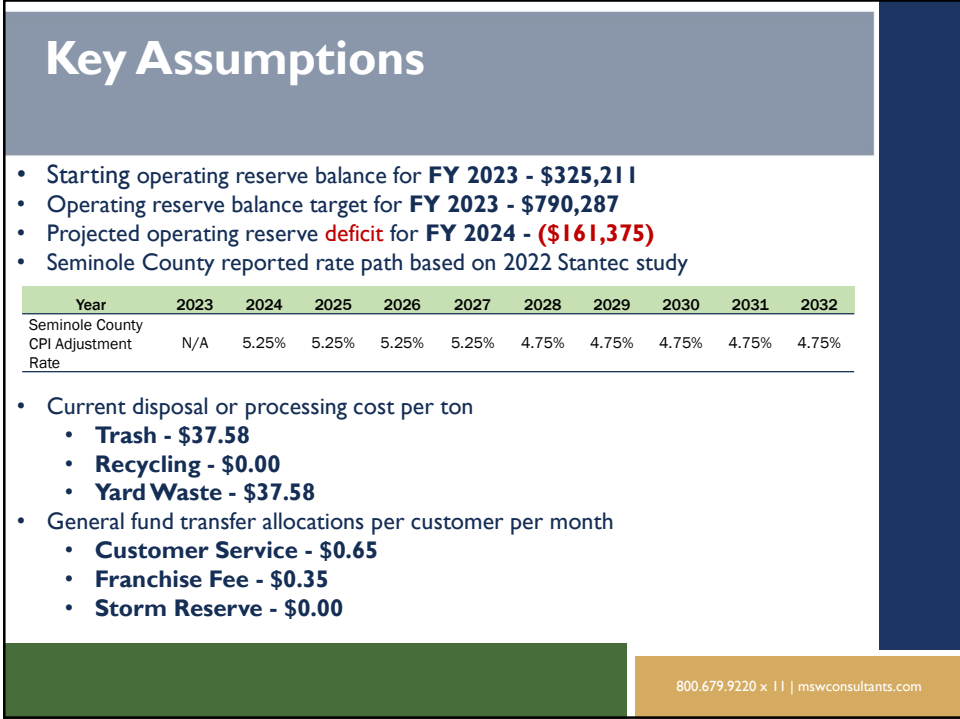


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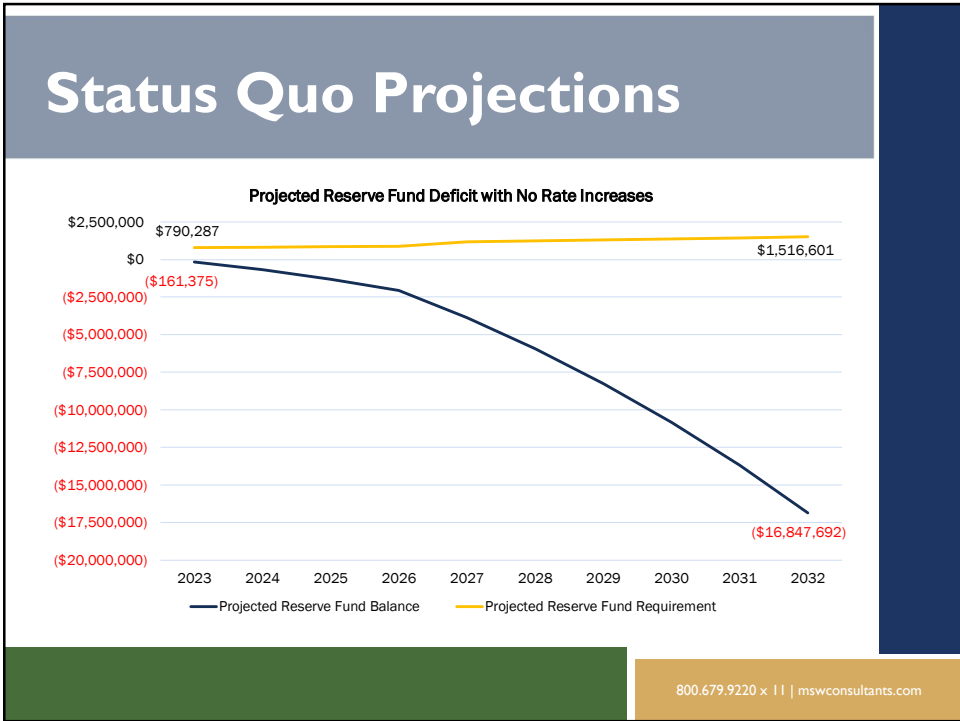
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- ## Rate Path Options
- Option 1 (One-Year Shock)
 - Option 2 (Two-Year Ramp Up)
 - Option 3 (Three-Year Ramp Up)
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Rate Path Options

Rate Path Options	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Option 1										
Rate Increase	N/A	56.0%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Monthly Rate per HH	\$18.10	\$28.24	\$29.08	\$29.96	\$30.85	\$31.78	\$32.42	\$33.06	\$33.73	\$34.40
Option 2										
Rate Increase	N/A	25.0%	25.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Monthly Rate per HH	\$18.10	\$22.63	\$28.28	\$29.41	\$30.59	\$31.81	\$33.09	\$34.41	\$35.78	\$37.22
Option 3										
Rate Increase	N/A	18.0%	18.0%	18.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Monthly Rate per HH	\$18.10	\$21.36	\$25.20	\$29.74	\$31.23	\$32.47	\$33.77	\$35.12	\$36.53	\$37.99

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Option I Rate Path Considerations

- Option I (One-Year Shock):**
- **Pro:** Assures rapid recovery of reserve fund balance requirement by EOY 2024.
 - **Pro:** Only requires smaller 3% and 2% annual increases afterwards.
 - **Con:** Greatly over accrues reserve fund balance as a result of current and projected deficit.

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Option 2 Rate Path Considerations

Option 2 (Two-Year Ramp Up):

- **Pro:** Assures timely recovery of reserve fund balance requirement by EOY 2025
- **Pro:** Only requires 4% annual increases afterwards
- **Con:** Will over accrue reserve fund balance as a result of current and projected deficit.
- **Con:** Reserve fund balance will be negative in 2023 and 2024.

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Option 3 Rate Path Considerations

Option 3 (Three-Year Ramp Up):

- **Pro:** Spreads out initial rate increases over three years.
- **Pro:** Operating reserves track closely to policy (no over-accrual).
- **Neutral:** Moderate 5% and 4% rate increases starting in year four.
- **Con:** Reserve fund balance will be negative 2023 through 2025.
- **Con:** Reserve fund balance recovery not achieved until EOY 2026.

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Considerations During Re-Bid

- The City has options to manage the cost of solid waste services that were not evaluated in this study.
 - Reduce residential refuse collection frequency from 2x to 1x per week
 - Establish carted (automated) residential yard waste collection
 - Establish carted (single-stream) recycling collection (subject to development of Orange County Regional MRF)
 - Retain professional procurement advisor to integrate best practices and market assessment

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