RAFTELIS

Hernando County

Solid Waste Financial Plan

June 9, 2026

Agenda

1. Study Overview and Background
2. Collection
3. Disposal
4. Waste to Energy
5. Results and Recommendations

1. Study Overview and Background

Revenue Sufficiency Methodology

Gross Revenues = **Gross Revenue Requirements**

Gross Revenues	Gross Revenue Requirements
Assessment Revenues	Expenses
Tipping Fees	Debt / Capital
Other (interest, recycling, etc.)	Transfers

Balance rate funded revenue sources against the cost of service.

Utilities Established as an Enterprise Fund

- Operates “like a business” with Services Funded by User Fees
- Costs are recovered in proportion to the services provided

Raftelis Tasked with Developing Financial Plan that:

- Supports County Mission and Utility Objectives
- Maintains Fiscal Sustainability and Pay Go Funding
- Ensures Compliance with Financial Policies and Bond Covenants

Data Driven Process

- Historical Billing Statistics
- Historical Financial Data
- Current Budget and Financial Plan
- Capital Improvement Plan
- Closure and LTC Documents

Studies Performed Annually

- Last / FY25 Study Presented to BoCC July 8th, 2025

Existing Operations

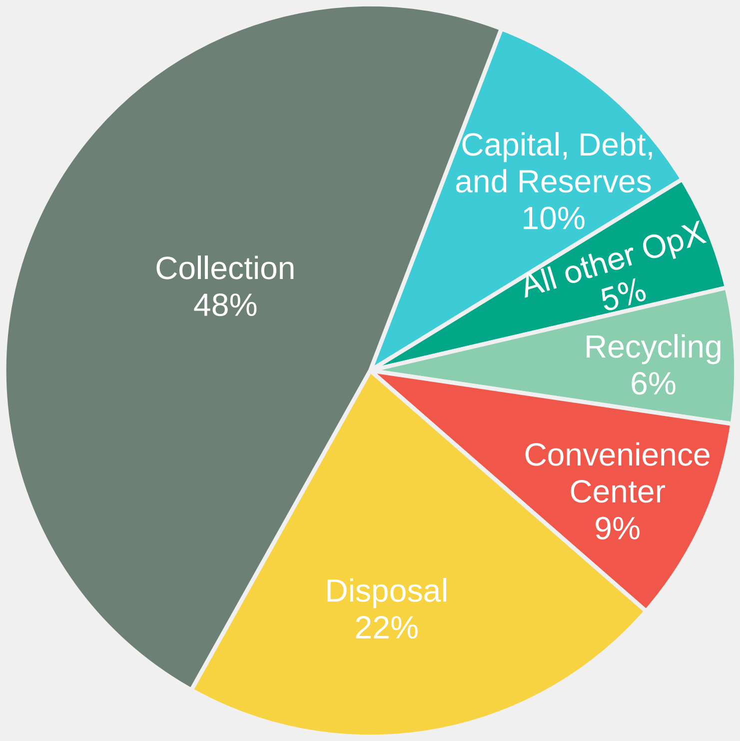
County operates multiple facilities to provide disposal services for waste streams including C&D, Class I, yard waste, tires, recyclables, household hazardous waste, bulk items, etc.

	2023	2024	2025
Residential disposal units			
- Includes single-family and multi-family units	**84,000**	**85,000**	**89,000**
Convenience center visits			
- County operates the East and West Convenience Centers for residential solid waste drop off.	**145,000**	**141,000**	**126,000**
Tons received			
- Over 50% of waste received is attributable to residential customers.	**198,000**	**187,000**	**234,000**

1. Study Overview and Background (Cont.)

- FY27 Plan Key Funding Requirements
  - Continued Inflation to Operating Cost
  - Landfill Cell Expansion
  - Storm Debris Reserve
  - Landfill Closure and LTC Reserve

Residential Assessment Cost Breakdown for FY 2027



2. Financial Plan – Collection

- Collection Costs:
  - County contracts for collection service
  - Rate is set through contract to recover cost
  - Coastal Contract Awarded in FY26
    - Lowest Cost to County
    - 7 Years Contract
      - 3 Year Renewal
    - No Rate Increase in FY27
  - FY26/FY27 Rate Fully Funds New Costal Contract
    - Grossed Up For : Tax Collector (2%), Property Appraiser (3%), and Early Pre-Payment Discount (4%)

Description	2026	2027
Annual Assessment	$217.32	$217.32
Annual Change		$0.00
Monthly Change		$0.00

3. Financial Plan – Disposal

- Disposal Costs:
  - Inflation in Disposal Costs
  - Increases in Equipment Leases
  - Funding Future Cell Construction
  - Annual Deposit to Storm Debris Fund
  - Annual Deposits to Landfill Closure and LTC

Description	2026	2027
Annual Assessment	$98.04	$102.70
Annual Change		$4.66
Monthly Change		$0.39
MSW	$62.47	$63.37
C&D	$78.47*	$85.00
Yard Waste	$56.27	$57.09

As per July 8th 2025 BOCC meeting directive was County is looking to reduce C&D tonnages.

4. Waste-to-Energy (WTE) Feasibility

- Benefits of WTE
  - MSW volume reduction by up to ~90%
    - Beneficial for Counties with landfill capacity constraints
    - County has 75-year landfill life remaining
  - Revenue offsets to operating expenses from
    - Energy Sales 20%-40%($4.5M - $9M)
    - Metal recoveries 2%-3%($450K - $675K)
- Challenges of WTE
  - Diverting tons from landfill reduces economies of scale / County must still operate landfill which results in higher unit cost
  - WTE is more expensive than landfilling
    - WTE Costs (~$180-$190/ton) and Current County Landfill Costs ($18/ton)
    - Net operating costs ~$40-$50/ton
    - Annual debt payment per ton to cover construction ~$140/ton
  - Economies of scale / financial viability >300,000 tons annually
  - County would require viable partners and land in the vicinity

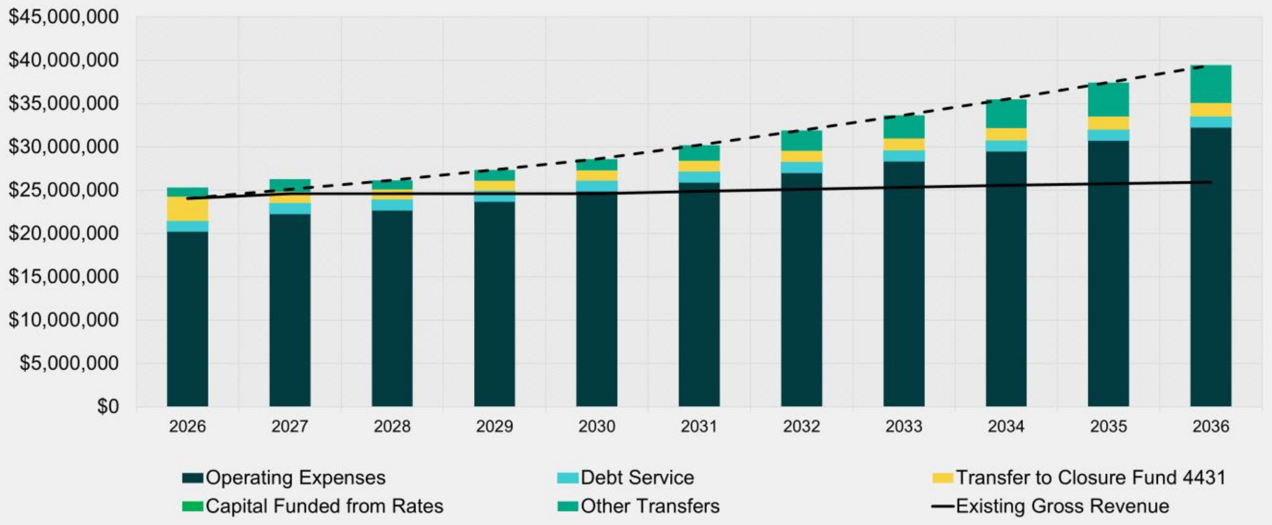
Note: WTE estimates based on Hillsborough, Lee County, and Palm Beach County operational statistics

5. Results and Recommendations

- Consider Adopting Proposed Rates For the Fiscal Year 2027 to fund:
  - Increased Operating Costs
  - New Cell Construction & Other Capital Needs
  - Fully Fund Closure Liability Over Remaining Useful Life of Landfill
  - Storm Reserve Deposits

- County projected to meet minimum cash reserve targets (90 days)
  - Reduction in Cash Reserves
    - To fund operations
    - To pay for future capital projects

Projected Revenue Requirements and Revenue Sufficiency



Ending Cash Balances - Operating Fund

5. Results and Recommendations

- Recommend Adjusting FY27 Residential Disposal Assessment and Tipping Fees
- Reassess Rate Needs Annually to Ensure Financial Sustainability and Financial Policy Compliance

Description	2026	2027
Collection Assessment	$217.37	$217.37
Annual Change		$0.00
Monthly Change		$0.00
Disposal Assessment	$98.04	$102.70
Annual Change		$4.66
Monthly Change		$0.39
MSW	$62.47	$63.37
C&D	$78.47	$85.00
Yard Waste	$56.27	$57.09
Convenience Center Trip		
Up to 5 Bags	$5.00	$5.00
6+ Bags	$15.00	$15.00
Hazardous Waste	$0.00	$0.00
Recycling	$0.00	$0.00

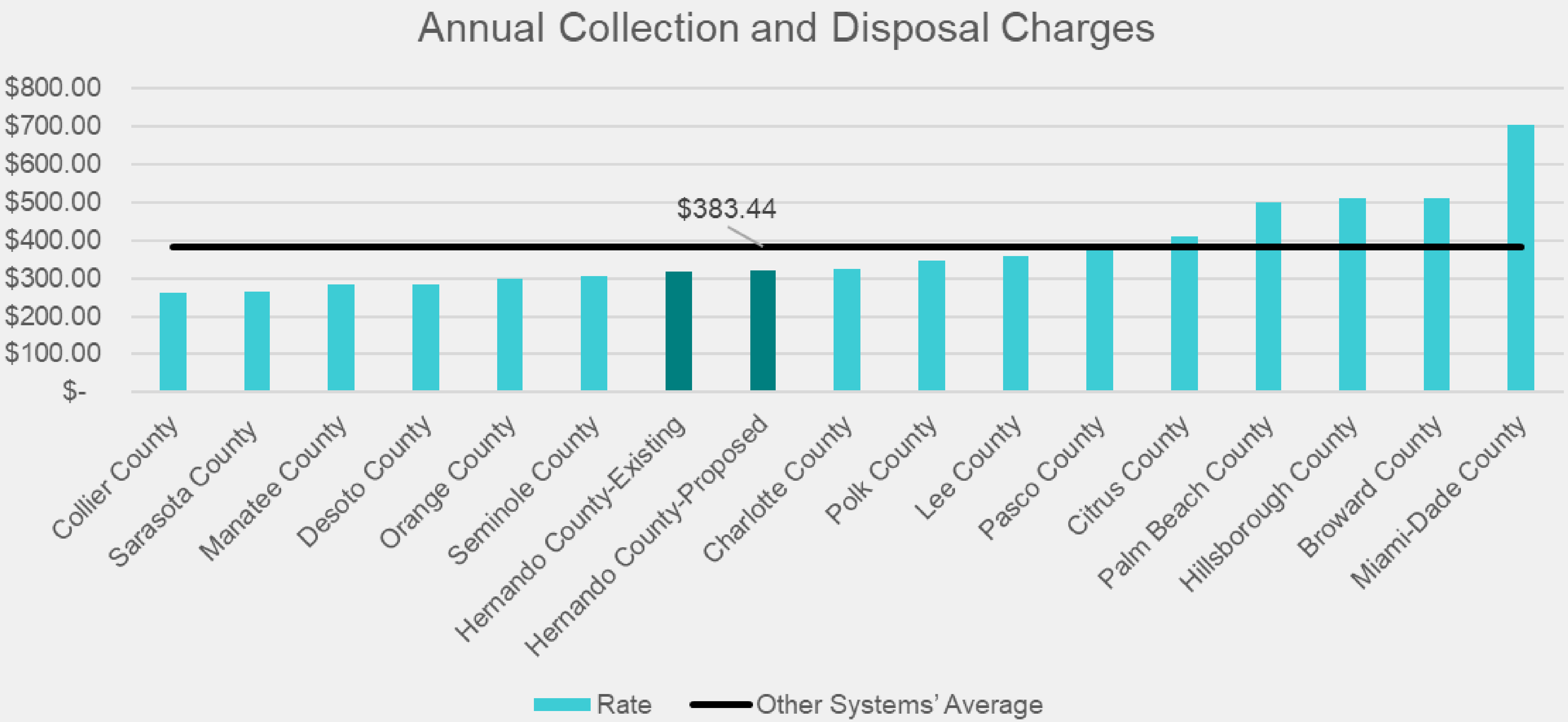
Comparison of Residential Collection, Disposal, and Non-residential Tipping Fees

Description	Annual Collection and Disposal Charges	Tipping Fees per Ton		
		MSW	C&D	Yard Waste
Hernando County				
Existing	$315.41	$62.47	$78.47	$56.27
Proposed	320.07	63.37	85.00	57.09
Other Solid Waste Systems:				
Broward County	$512.00	$100.00	$100.00	$75.00
Charlotte County	324.64	48.90	48.90	48.90
Citrus County	411.00	46.00	134.00	33.00
Collier County	261.91	90.35	96.55	57.50
Desoto County	284.80	42.00	42.00	42.00
Hillsborough County	510.77	141.00	104.00	65.00
Lee County	357.11	69.83	70.25	48.92
Manatee County	283.80	46.00	65.00	44.00
Miami-Dade County	702.00	115.80	115.80	115.80
Orange County	300.00	54.20	41.10	46.80
Palm Beach County	498.83	42.00	80.00	35.00
Pasco County	389.68	104.03	104.03	104.03
Polk County	346.05	46.00	46.00	36.50
Sarasota County	263.96	60.85	59.91	47.43
Seminole County	305.00	41.63	41.63	41.63
Sumter County*	N/A	280.00	144.00	74.28
Other Systems' Average	$383.44	$83.04	$80.82	$57.24

*Assumes 80 bags per year for MSW, 8.0 cubic yards per ton for yard waste (250 lbs. per cubic yard), and 4.13 cubic yards per ton for C&D (484 lbs. per cubic yard) per the U.S. EPA Volume-to-Weight Conversion Factors, April 2016.

Q&A

Comparison of Residential Collection, Disposal, and Non-residential Tipping Fees



*Sumpter County was excluded from this graph as they do not currently have an assessment in place.

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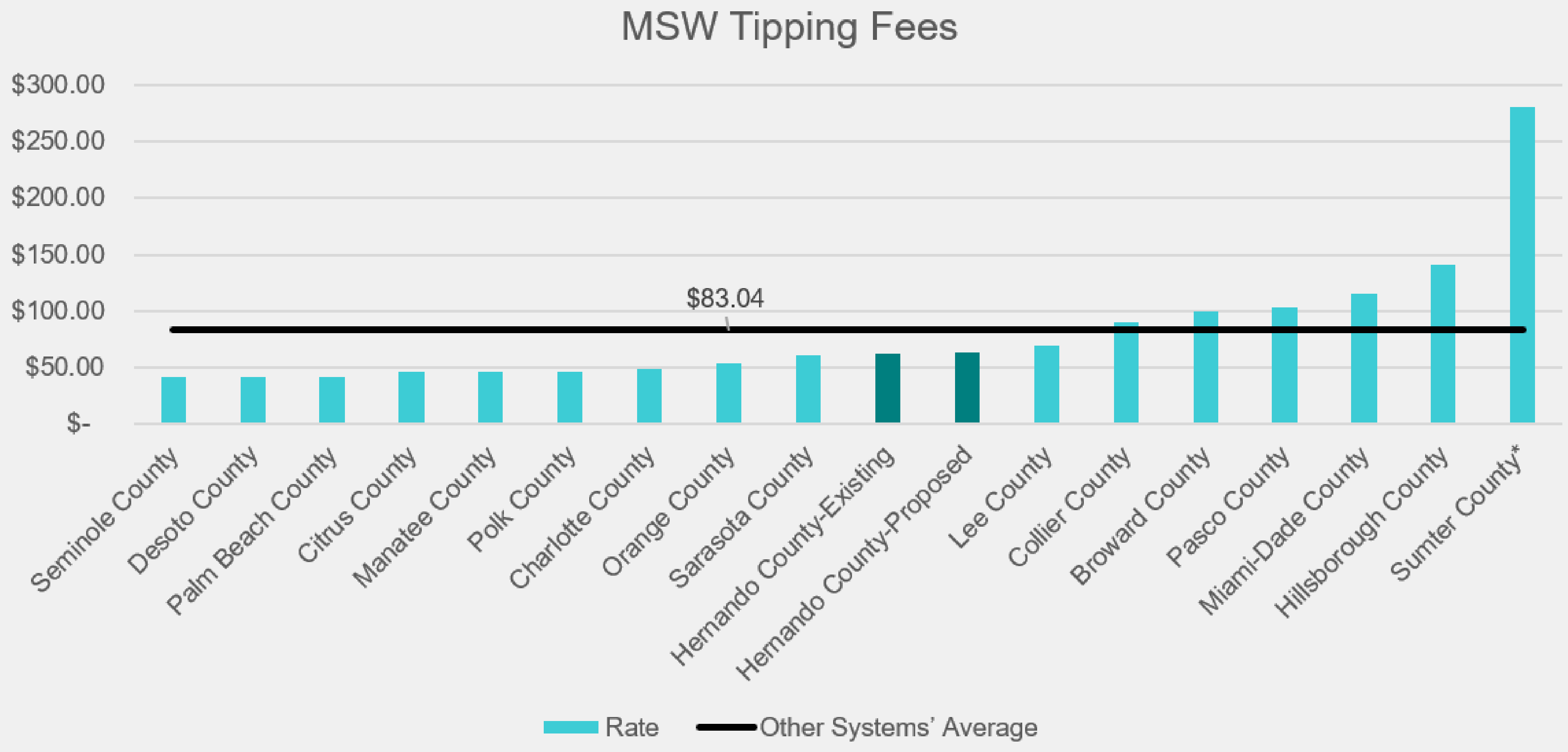

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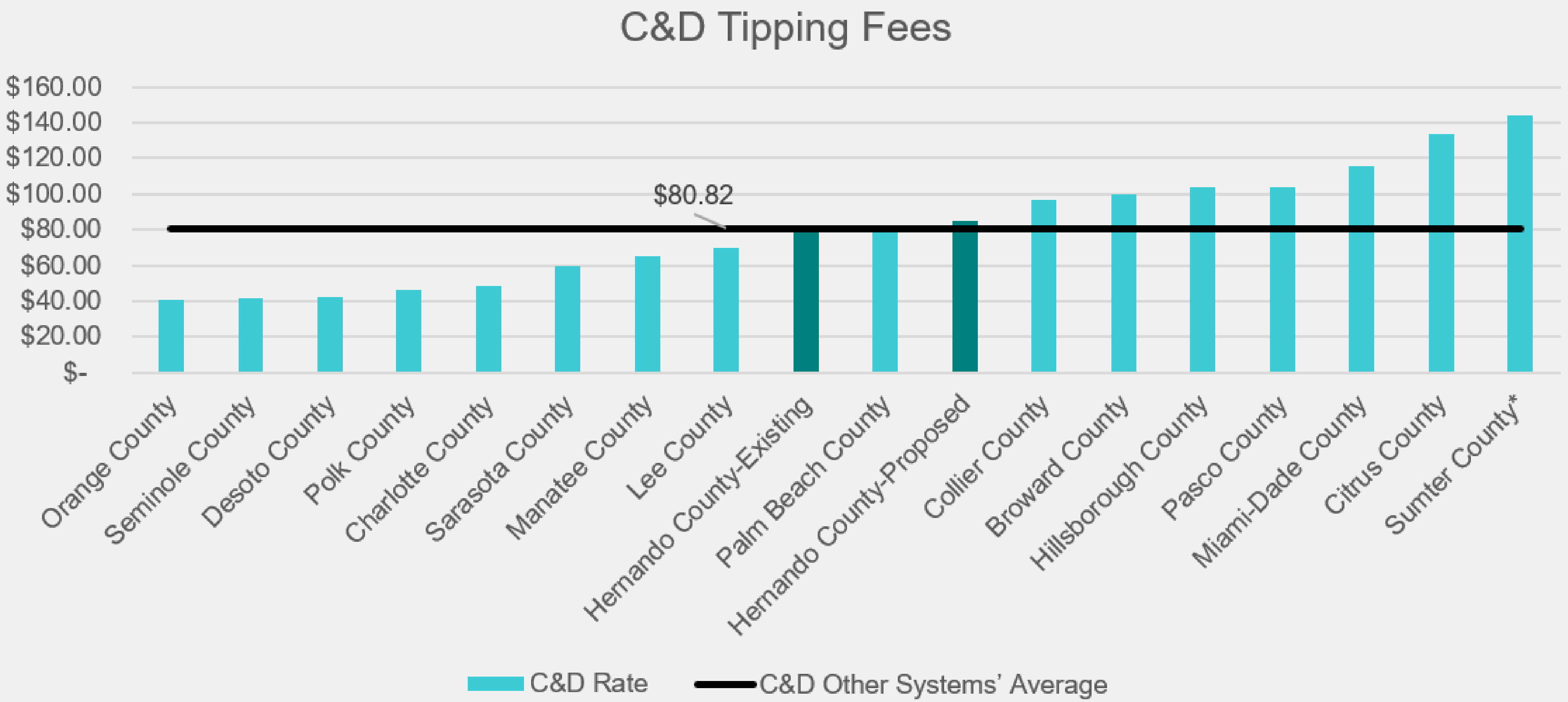

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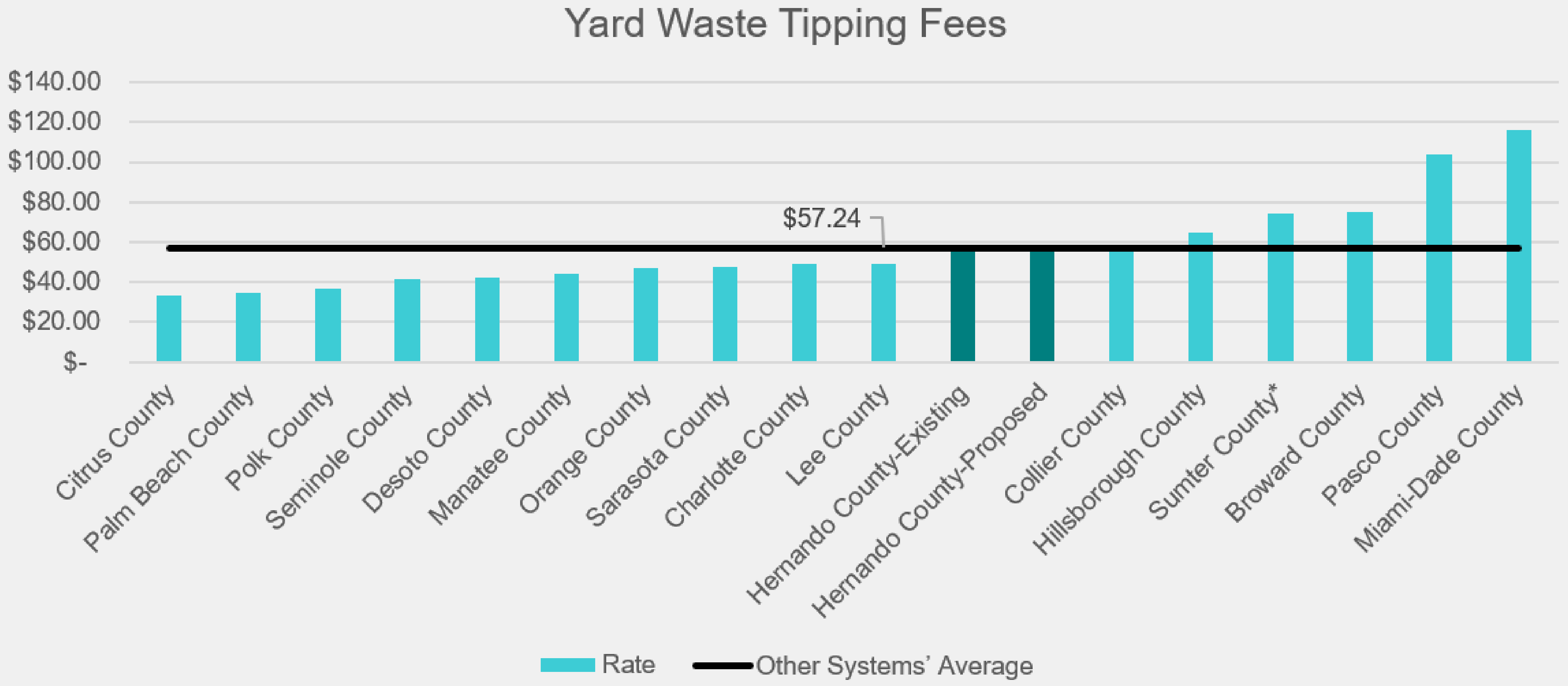

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