

LEE COUNTY

Fiscal Year 2023 Solid Waste Revenue Sufficiency and Cost of Service Study

Final Report / August 21, 2023

August 21, 2023

Mr. Douglass Whitehead
Director
Lee County Solid Waste Department
P.O. Box 398
Fort Myers, FL 33902-0398

Subject: Fiscal Year 2023 Solid Waste Revenue Sufficiency Study

Dear Mr. Whitehead:

Raftelis Financial Consultants, Inc. ("Raftelis") has completed, for your consideration, our annual review and analysis of the Lee County (the "County") Solid Waste Department (the "Department") revenue sufficiency and rate study update (the "Study"). The Study review period encompassed the Fiscal Years 2023 (current budget year) through 2028 (collectively, the "Forecast Period") with the accounting period from October 1 through September 30 being the "Fiscal Year". The purpose of the Study was to:

- Identify the ability of revenues derived from the current charges for solid waste disposal service and ongoing operations of the Department to fund the projected expenditures of the Department and provide sufficient net revenues to fund necessary transfers for future landfill closure and long-term care.
- Provide an evaluation of the Integrated Solid Waste Management System's (the "System") overall financial position and cash balances / reserves relative to identified need (i.e., accumulated landfill closure and long-term care liabilities, operating expenses, capital expenditures, etc.), and recommendations concerning internal financial targets.
- Evaluate the cost of service for waste collection and disposal services and provide recommendations concerning the rates to recover the cost of such service.
- Develop a financial plan with County staff to maintain or promote the creditworthiness of the Department and assist in the overall strategic planning process with the ultimate objective of promoting long-term rate sustainability.

The Study is based on information provided by Department staff including, but not limited to, the number of residential properties assessed for collection and disposal service, historical waste deliveries to County facilities, historical financial operating results, budgetary information, capital plans, operating reports for the County's waste-to-energy (WTE) facility, long-term liabilities associated with future closure of the County's landfills, and other financial and statistical information. Following this letter is a report detailing the principal assumptions, findings, and recommendations of this analysis including an executive summary.

Principal Findings and Recommendations:

Based on the assumptions and analyses reflected in this report, which should be read in its entirety, we are of the opinion that the current rates of the Department will not be sufficient to meet the projected revenue requirements of the Department for the Forecast Period. The following provides a brief summary of the key findings and recommendations of the Study:

- Waste generation per capita has outpaced population growth since 2011. Waste deliveries have grown by approximately 4.0% per year through the Fiscal Year 2022, while population growth averaged approximately 2.2% over the same period. It is assumed that the greater rate of growth in waste generation is due to increased economic activity. The forecast assumes that we may be at or approaching a peak in the business cycle and that the past growth rate in waste generation will not continue, among other reasons, and therefore we have assumed waste generations rates remain constant throughout the Forecast Period.
- Operation and maintenance expenses are forecasted to increase over estimated Fiscal Year 2023 levels by approximately 5.9% or \$8.0 million annually resulting in an overall increase of approximately \$40.3 million in expenses by the Fiscal Year 2028. The increases are due to:
 - Private contracted service providers, such as the County's contracted franchise collection haulers, WTE facility operators, recycling processing, and other contract services represent the majority or approximately 78% of the total System operating expenses. During the Forecast Period, the majority or \$33.0 million of the overall increase in expenses is assumed to be attributable to contract service increases due to continued inflation, indexing not under the County's control pursuant to contractual arrangements for the provision of service, or the renegotiation and / or rebid of existing contracts.
 - All other operating expenses, including personnel, utilities, maintenance, insurance, and indirect cost allocations, among others, represent approximately 22% of the total operating expenses of the System. During the Forecast Period, approximately \$7.3 million of the overall increase in expenses is assumed to be attributable to general inflation in the cost of labor, parts and repair, and other operating costs.
- The Study assumes debt issuance for the construction of a County-operated materials recovery facility (MRF), Hendry County transfer station improvements, LCCF capacity improvements, and updates and design to the class III landfill. It is assumed the County will utilize a line of credit for fiscal years 2024 and 2025 to fund approximately \$90.1 million in planned capital projects. Subsequently it is assumed that senior lien bonds will be issued in Fiscal Year 2026 to refund the line of credit and fund the remaining project costs which, in total, equal \$129.9 million. The senior lien bonds assumption includes an 20-year term, one year of interest only, an interest rate of 4.9%, and payments of approximately \$10.0 million by Fiscal Year 2027. The Department's Series 2016 bonds are fully repaid by Fiscal Year 2027 and total debt service payments are estimated at \$10.5 million per year by Fiscal Year 2028. Remaining capital will be funded using existing reserves or future revenues over the Forecast Period.

- The Study assumes deposits to fund: i) the future cost of landfill closure; ii) fund budgetary capital outlays; and iii) the Rate Stabilization Fund and operating reserves for future and near-term capital needs of the System. The following table provides a summary of the projected deposits:

Closure, Capital, and Rate Stabilization Fund Deposits

	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Rate Stabilization / Reserves	0	2,120,098	138,437	2,393,509	9,488,266	11,788,340
Capital Outlay / Capital Deposits	12,060,083	10,085,000	10,145,000	10,200,000	10,255,000	10,315,000
Net Deposits / Capital Outlay	\$12,060,083	\$12,205,098	\$10,283,437	\$12,593,509	\$19,743,266	\$22,103,340
Closure Fund	\$6,831,383	\$1,856,543	\$1,862,306	\$1,955,047	\$2,101,778	\$2,221,132

Deposits to the Rate Stabilization Fund and operating reserves are expected to promote: i) compliance with the rate covenants (i.e., debt service coverage) as delineated in the Indenture of Trust previously adopted by the County as a condition of the sale of solid waste bonds; and ii) the overall creditworthiness of the System recognizing previous declines in debt service coverage ratios (i.e., net revenues / annual debt service).

- Based on the findings of this Study, the forecasted revenues under existing charges are not anticipated to be sufficient to fully fund the projected increases in the cost of operation, debt service, and capital needs of the System. The following table provides a summary of the identified revenue adjustments for the Forecast Period including a comparison to the prior study forecasts.

Identified Rate Revenue Adjustments by Fiscal Year^[1]

Description	2023	2024 ^[2]	Identified			
			2025 ^[2]	2026	2027	2028
Disposal Assessment / Tip Fee Rev.						
Prior Study – FY22 Forecast	5.00%	5.00%	5.00%	4.00%	4.00%	N/A
Current Study – FY23 Forecast	N/A	3.81%	5.00%	5.00%	5.00%	5.00%
Incremental Revenue Addition	N/A	\$2.95m	\$4.04m	\$4.31m	\$4.59m	\$4.88m
Cumulative Revenue Addition	N/A	\$2.95m	\$7.00m	\$11.41m	\$16.16m	\$21.27m
Collection Assessment Revenues						
Prior Study – FY22 Forecast	1.96%	28.25%	8.51%	1.77%	1.94%	N/A
Current Study – FY23 Forecast	N/A	3.25%	39.19%	6.03%	5.83%	3.52%
Incremental Revenue Addition	N/A	\$1.15m	\$14.59m	\$3.20m	\$3.34m	\$2.17m
Cumulative Revenue Addition	N/A	\$1.15m	\$15.76m	\$19.32m	\$23.03m	\$25.57m

[1] Reflects identified increases to revenues from the collection / disposal assessment and tipping fees for service. Actual increases to customer charges will vary by waste and service. It is important to note that the financial forecast does not assume investment in expanded or new facilities, which is contingent upon Board of County Commissioners approval of the recommendations of the solid waste master plan, with the exception of the landfill and MRF expansions.

[2] Historical increases from the franchised haulers have not been passed through to the customer. The identified fiscal year 2025 collection assessment rate increase represents the pass through of these costs as well as estimates for increases in inflation.

Since higher solid waste rate increases were adopted in Fiscal Year 2023, water and wastewater rate increases were adopted for Fiscal year 2024, and considering the impact of Hurricane Ian to the customers of the System, the County chose to recommend rates for Fiscal Year 2024 that help keep pace with inflation, but do not yet reflect the full cost of service in an effort to provide temporary rate relief to customers. Specifically, collection assessment increases for Fiscal Year 2024 do not fully pass through the costs associated with recent increases in franchise collection rates. The identified collection increase for fiscal year 2025 recognizes the pass through of existing and known cost increases related to inflationary indexing and recently awarded contract collection rates. Disposal and collection rates identified for Fiscal Year 2025

through 2028 are higher than previously forecast largely due to increased capital costs, inflation, and the need to reestablish cash reserves.

- **Fiscal Year 2024 Residential Assessment:**

- Collection Assessment – Based on the anticipated increases in contractual collection costs, Raftelis was asked to develop a financial and rate plan unified the rates by Fiscal Year 2025. While the contract unit rate varies by franchise area, the level of service does not change. Additionally, by having multiple franchise collection haulers the County has redundancy and options to provide service in the event hauler operations are disrupted. This provides an overall system benefit to the customers.
- Disposal Assessment – Identified increases to various components of the disposal assessment based on the increased cost of service (e.g., contractual increases, general inflation, etc.).

The following provides a summary of the overall change to residential assessments for the Franchise Areas 1 through 5 for fiscal year 2024 which have already been adopted by the County.

Existing and Adopted Residential Assessment

Area	Existing	Adopted	Annual Increase	
	2023	2024	Amount	Percent
Area 1	\$286.27	\$302.38	\$16.11	5.6%
Area 2	274.90	294.52	19.62	7.1%
Area 3	302.52	308.82	6.30	2.1%
Area 4	298.95	308.82	9.87	3.3%
Area 5	319.02	320.77	1.75	0.5%

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- **Fiscal Year 2024 Adopted Solid Waste Disposal Assessment and Tipping Fees:**
 - The following provides a summary of the overall changes to disposal tipping fees.

Existing and Adopted Tipping Fees

Tipping Fee	Existing	Adopted	Annual Increase	
	2023	2024	Amount	Percent
Disposal Facility Assessment	\$18.61	\$18.61	\$0.00	0.0%
MSW	59.96	63.56	3.60	6.0%
C&D and Class III	61.72	63.94	1.39	3.6%
Yard Waste	38.58	39.97	2.22	3.6%
Recycling	41.12	41.12	0.00	0.0%
Tires	160.00	160.00	0.00	0.0%

Summary of Adopted Fiscal Year 2024 Rates

Description	Adopted 2024
<u>Assessments:</u>	
Collection (Avg. Areas 1-5) [1]	\$192.09
Disposal MSW [2]	63.56
Disposal Yard Waste [3]	7.02
Disposal Facility Assessment Charge [2]	18.61
Recycling [4]	11.05
Surcharges	0.00
Billing Fee	2.45
Early Prepayment Gross Up (4%)	12.28
Gross Assessment Average for Areas 1-5 [5]	\$307.06
<u>Tipping Fees per Ton by Waste Type</u>	
MSW [6]	\$63.56
Commercial Horticulture / Yard Waste	39.97
Residential Horticulture / Yard Waste	32.86
C&D	63.94
Class III	63.94
Tires	160.00
Recycling	41.12
Surcharges per MSW Ton [6]	\$0.00
Disposal Facility Assessment per Ton	\$18.61

[1] Amounts shown reflect the average fee charged for the franchise collection areas 1-5.
 [2] County will assess residential customers the MSW disposal, and the Disposal Facility Assessment based on the waste generation assumption of 1.0 ton of waste per unit.
 [3] County will assess residential customers the Yard Waste Assessment based on the waste generation assumption of 0.21 tons per unit.
 [4] County will assess residential customers the Recycling Assessment based on the waste generation assumption of 0.28 tons per unit.
 [5] Reflects gross assessments before early prepayment discounts as allowed by Florida Statutes, Chapter 197.
 [6] Unincorporated waste generated by commercial and multi-family customers is charged a gate fee per ton including the addition of the base tipping fee plus applicable surcharges per ton for MSW deliveries. Currently the County does not charge for any surcharges.

Other Forecast Risks and Considerations:

New Disposal Facilities: Due to the growing amount of waste deliveries and limited processing capacity at the waste-to-energy facility, the Department is actively evaluating alternative disposal options through a strategic master planning exercise to better assess the latest technologies, options, and alternatives for waste disposal (the "Master Plan"). It is important to note that the financial forecast only assumes investment in the currently planned landfill expansions and replacement of the existing material recovery facility. To the extent that the Department requires investment in additional facilities, additional rate revenue adjustments above what is currently identified in this Study may be required.

Recycling Revenues and Costs: As previously discussed, declines in the revenue derived from the sale of recycled materials and increased costs to reduce contamination and improve quality of the recovered materials has resulted in a material increase to the net cost of recycling over the past couple of years. To the extent that the value for local recovered materials declines below what is currently contemplated in this Study, the Department may incur further net increases to the cost of recycling and negatively affect future identified rate revenue adjustments.

New Contractual Agreements: The Study recognizes the most recently awarded franchise collection agreements. These new agreements represent the most significant increases in contractual costs for the County. Other contractual service agreements generally assume continuation of the terms and conditions unless the changes are otherwise known as disclosed in more detail in subsequent sections to this report. To the extent that the County experiences material changes to the assumed terms of other agreements or contractual operations above what is contemplated in this Study, additional rate revenue adjustments above what is currently identified in this Study may be required.

The Economy and Inflation:

Significant increases in inflation, supply chain and labor shortages, and global events have affected economies across the nation. Uncertainty surrounding inflation and other economic factors can have a significant effect on the forecast of contracted services, of which many of the agreements include indexing provisions or pass-through provisions to the County. To the extent that waste deliveries decline below projections in the Study or inflation is greater than assumed, additional rate revenue adjustments above what is currently identified in this Study may be required.

Based on the current needs of the System and coupled with market conditions, it is recommended that the County consider implementation of the Fiscal Year 2024 rate increases to promote the creditworthiness of the System, fund the identified capital requirements, and mitigate further declines in the fiscal position of the System. It is also recommended that the Department continue to perform annual updates to this Study in order to adjust for changes in actual conditions. Subsequent rate increase will be required to fully recover the costs of operations and pass through the recent increases in franchise collection costs.

Hurricane Ian:

As of May 2023, the Department has incurred approximately \$104.4 million in costs related to debris clean-up as a result of Hurricane Ian with the expectation of another \$10 million to be incurred. As of this same period, the Federal Emergency Management Agency ("FEMA") has reimbursed the Department approximately \$39.1 million. For the purposes of this report and based on discussion with Department staff, it is assumed the remaining \$75.3 million in costs will be reimbursed by the General Fund either through reserves, the use of a line of credit, or some combination thereof. To the extent such reimbursements are not made or delayed, would affect the results and recommendations discussed herein.

Mr. Douglass Whitehead
Lee County Solid Waste Department
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As always, we greatly appreciate the opportunity to be of service to the County and would like to take the opportunity to thank staff for their efforts and time in providing the necessary assistance in the provision of data, insight into recent trends, and general guidance in the development of this Study.

Sincerely,



Thierry A. Boveri, CGFM
Vice President



Trevor McCarthy, CGFM
Senior Consultant

Attachments

LEE COUNTY, FLORIDA
FISCAL YEAR 2023
SOLID WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY

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SOLID WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY

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LEE COUNTY, FLORIDA

**FISCAL YEAR 2023
SOLD WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY**

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LEE COUNTY, FLORIDA

FISCAL YEAR 2023

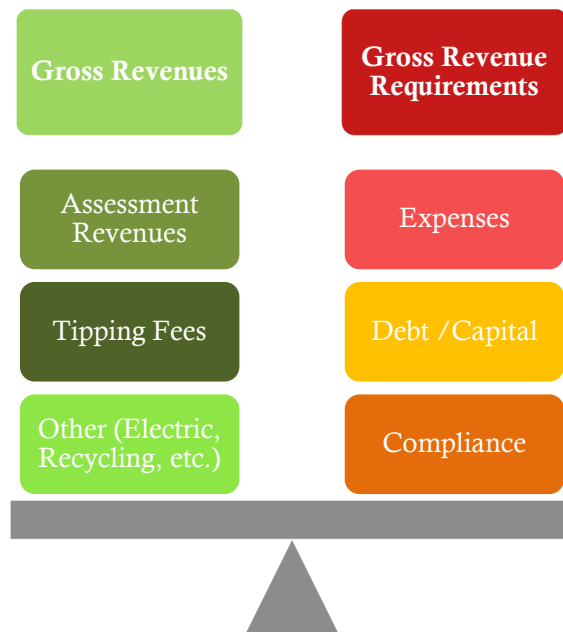
SOLID WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY

EXECUTIVE SUMMARY

Raftelis Financial Consultants, Inc. ("Raftelis") was tasked with the preparation of a solid waste revenue sufficiency and rate study on behalf of the Lee County (the "County") Solid Waste Department (the "Department"). The purpose of the study was to: i) prepare a six-year financial forecast of operations to determine the sufficiency of existing disposal and collection fees, and other Department revenues to fund necessary expenditures and fund transfers; and ii) allocate costs to the respective fees for service to identify the level of rates charged for collection and disposal service. The following executive summary is intended to provide a brief overview of the methodology, major findings and observations for the study; however, it is encouraged that the report be read in its entirety.

Revenue Sufficiency and Cost of Service Methodology

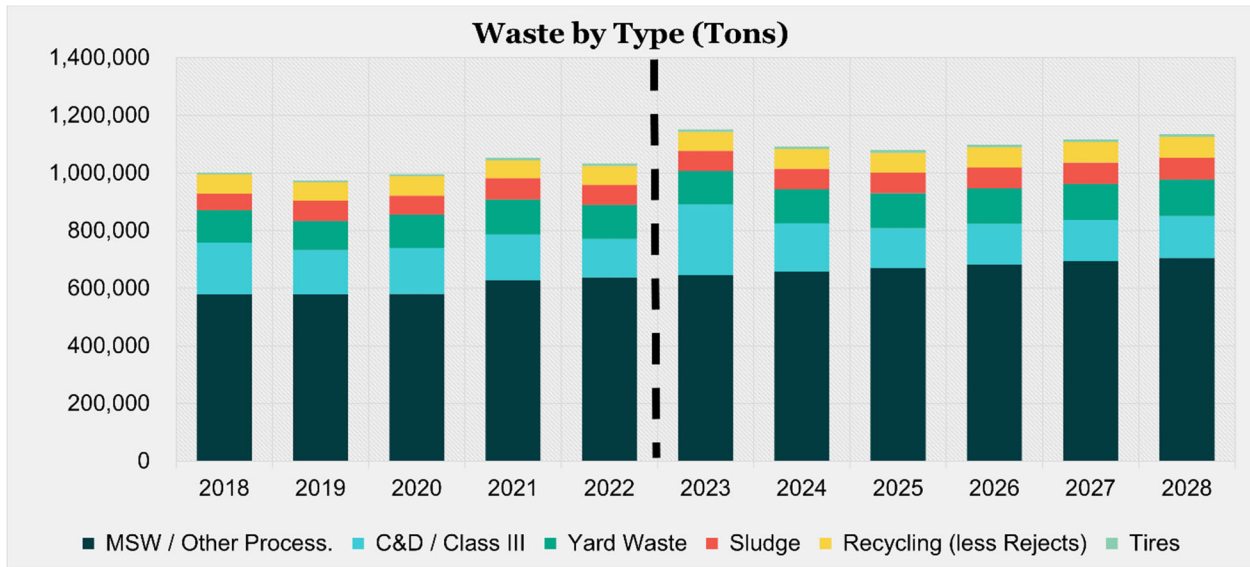
The foundation of the study and the primary objective of the solid waste rates are to reasonably recover the cost of providing service, cost of infrastructure investment and compliance with covenants of the outstanding bonds and internal fiscal targets (referred to as the "Revenue Sufficiency" evaluation).



Ensuring adequate cash reserves and appropriate cash flows generally results in a sustainable long-term financial plan that can mitigate the financial and operating risk from unanticipated or sudden events to financial operations (e.g., reduced electric sales, changes in market conditions affecting operations and recovered materials revenues, reduced growth or tonnages, unanticipated or extraordinary outages, unfunded mandates, etc.). The identified revenue requirements to be funded from rates are then allocated among the respective collection and disposal functions. The allocated costs are then assigned to the respective service and rate (e.g., collection, municipal solid waste [MSW] disposal, construction and demolition [C&D] debris disposal, class III disposal, tire disposal, etc.) to determine the estimated cost of service and divided by the billing units to determine the rates for service.

Principal Findings and Observations

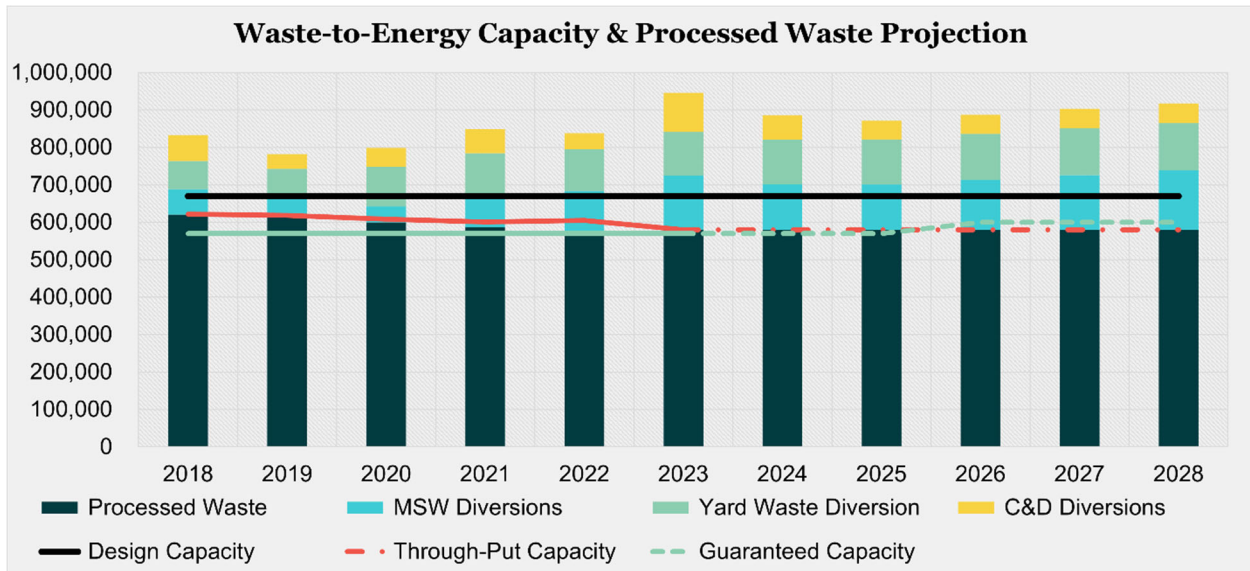
The County provides waste disposal service to approximately 820,000 residents within unincorporated and incorporated areas of the County and processed over one million tons of waste for the most recently completed Fiscal Year 2022. The chart below provides a recent history and forecast of delivered waste tonnages by type:



The chart above does not reflect any yard waste debris associated with Hurricane Ian since such amounts were processed directly by private contractors which did not enter the County’s waste management systems. It is estimated that waste deliveries have grown by approximately 30,000 tons per year on average since Fiscal Year 2018 with an overall increase of 149,000 tons or 15%. Waste generation per capita has outpaced population growth since 2011. This is due to the waste delivery growth rate of approximately 4.0% a year exceeding the population growth at approximately 2.2% for the recent historical period. It is assumed that the greater rate of growth in waste generation is due to increased economic activity. Recognizing previous projections of economic slowdown, the forecast assumes a reduced waste generation growth rate of approximately 1% a year for the Forecast Period. The reduced growth rate is conservative for financial planning purposes since it minimizes the dependency on additional revenues from increased tip fees.

To dispose of the waste, the County maintains and operates several facilities including a mass burn waste-to-energy (WTE) facility, materials recovery facility (MRF), C&D debris recycling facility, yard waste / tire processing facilities, a composting facility, a regional landfill, and a household chemical waste facility. The WTE facility is currently the primary method of waste disposal for the County and processes in excess of 610,000 tons annually or over 70% of all in-bound processed waste. The chart on the following page indicates the historical and projected utilization of the WTE facility:

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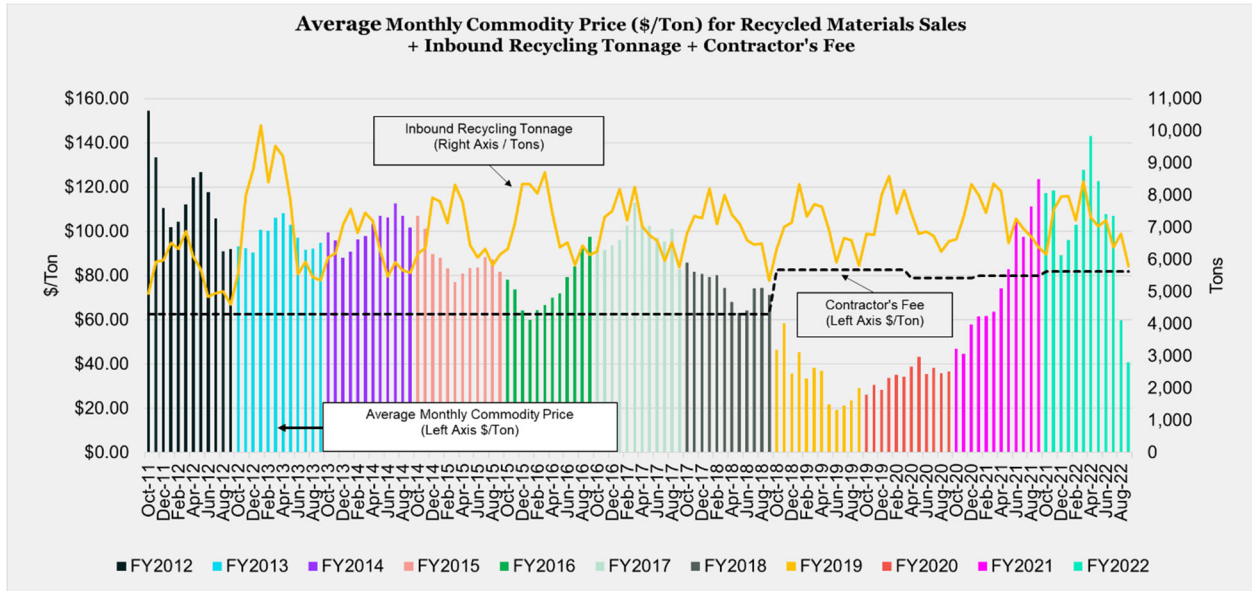


The County primarily processes MSW, C&D, yard waste, MRF residuals, and tires at the WTE facility. As shown above, the growth in such waste deliveries is expected to result in growing diversions from the WTE facility to the County's Lee / Hendry Regional Landfill (the "Lee / Hendry Landfill" or LHLF). The Department is evaluating disposal options and has prepared a strategic master planning study to better assess the latest technologies, options and alternatives for waste disposal (the "Master Plan"). It is important to note that the financial forecast only assumes investment in the currently budgeted landfill expansions and MRF for capacity expansion. To the extent the County approves additional facility expansions or additions identified in the Master Plan (e.g., a new waste-to-energy facility or materials recovery facility), the County would be expected to require additional rate revenue increases above what is currently identified in this Study to secure additional disposal capacity. For more information about waste diversions and deliveries to the Lee / Hendry Landfill, please reference Section 5 of this report.

Electricity is generated as a by-product of processing waste at the WTE facility. Historically, the County sold electricity to the Seminole Electric Cooperative Inc. ("Seminole Electric") pursuant to an electric power purchase agreement dated August 15, 2008. Effective January 1, 2017, Seminole Electric terminated the electric sale agreement with the County thereby forcing the County to sell electricity to the open market and other investor owned utilities (IOU)^[1]. Due to recent increases in the cost of natural gas, current market rates per mega-watt hour (MWh) of electricity sold to the open market have been significantly higher and the County generated approximately \$22.0 million in electric revenue for Fiscal Year 2022, compared to the prior 5-year annual average of \$8.4 million per year. It is assumed natural gas prices and therefore market rates for electricity will return to trend and revenues for the Forecast Period are assumed to average \$9.7 million per year. While pursuant to federal law the County can sell directly to Florida Power and Light Company, in order to reach a larger market and maximize electric revenue sales, the County entered into a non-firm power purchase, sale, and marketing agreement with Rainbow Energy Marketing Corporation ("REMC") effective November 1, 2016. The agreement was subsequently renewed in June 2021 for five years with renewal options. The agreement allows REMC to represent the County in the sale of electricity to the open market as well as other IOU's under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

[1] PURPA, as amended, requires IOUs to purchase electricity generated by the County's WTE facility since the facility qualifies as a small renewable energy producer, which is defined as an entity not engaged in the electric business and generates renewable energy from a facility of 80 megawatts or less.

Through the County’s various recycling operations including curbside collection, metal separation at the WTE facility, C&D recycling, sale of recoverable materials from household hazardous waste operations (e.g., car batteries, cooking oil, etc.), sale of compost, etc., the County minimizes the amount of waste landfilled, while also generating a revenue stream through the sale of the recovered materials including paper, fiber, plastic, metal, etc. The average value of the material sold has generally been lower than the processing cost since October of 2018, resulting in a net cost to the County. The following chart provides detail of the average monthly commodity price change for the sale of curbside recovered recyclables at the MRF:

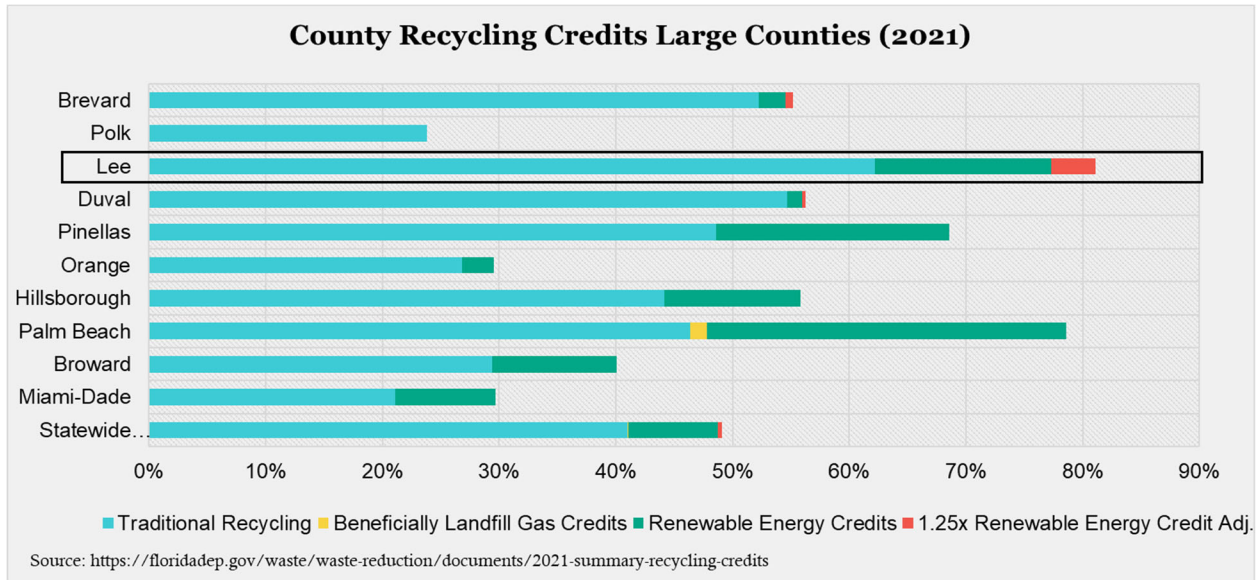


As shown in the prior chart, the County processes on average approximately 7,000 tons per month of curbside recycling, which is marketed and sold by Sims Municipal Recycling of New York, LLC, (“Sims”). Prior to the Fiscal Year 2019, the average monthly commodity price had been greater than the contractor’s processing fee, which had resulted in a shared net recycling revenue earned by the County. While the average monthly commodity price exceeded the processing fee in portions of Fiscal Year 2021 and 2022, based on current market conditions and a contractual increase to the County's processing fee, it is expected to that recycling will result in a net cost to the County. The following table provides additional detail concerning the recent and projected trends in recovered material revenues, as well as other revenues associated with operation of the WTE facility for the financial forecast:

Summary of Principal Other Operating Revenues for the Historical and Projected Forecast Period

Fiscal Year	Curbside Recycling			Ferrous			Non-Ferrous			Net MWh	Electric	
	Tons	Revenue (\$000s)	\$/Ton	Tons	Revenue (\$000s)	\$/Ton	Tons	Revenue (\$000s)	\$/Ton		Revenue (\$000s)	\$/MWh
2018	84,127	782	9.29	19,311	2,289	118.52	3,084	1,715	556.16	346,085	9,325	26.94
2019	83,394	1	0.01	17,048	1,169	68.56	2,738	1,154	421.56	341,461	9,489	27.79
2020	86,379	0	0.00	20,755	1,132	54.56	2,601	307	117.98	320,096	6,093	19.03
2021	80,247	748	9.33	20,366	2,543	124.89	2,126	1,097	515.89	286,305	9,000	31.44
2022	85,805	1,824	21.26	18,986	2,131	112.25	2,079	1,435	690.16	315,893	22,000	69.64
2023	86,366	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	324,179	11,995	37.00
2024	88,095	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	324,123	9,238	28.50
2025	89,782	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	324,069	9,236	28.50
2026	91,425	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	324,017	9,234	28.50
2027	92,922	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	323,969	9,233	28.50
2028	94,271	0	0.00	19,720	1,676	85.00	2,516	1,258	500.00	323,926	9,232	28.50

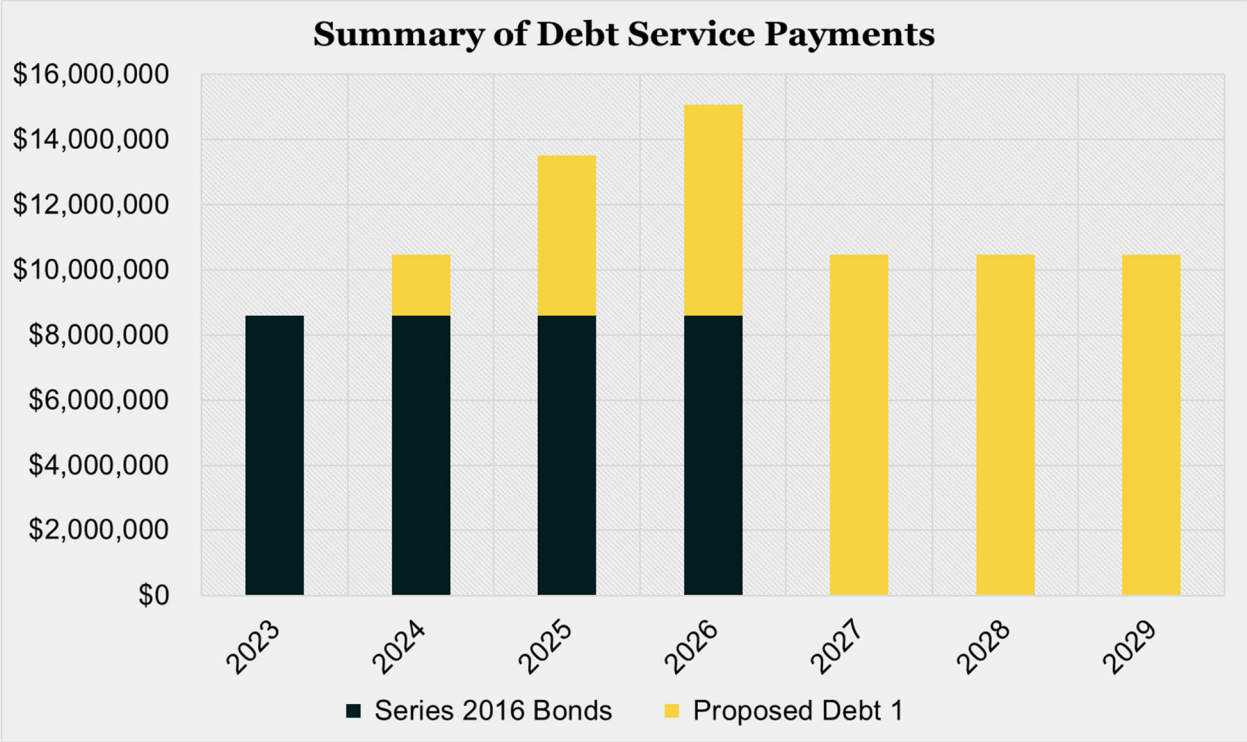
Beyond investment in recycling-oriented disposal facilities and the challenges associated with increasing net cost of operations, the County invests in public outreach programs and has enacted local regulation to further promote recycling. County Ordinance 07-25 requires the mandatory recycling of commercial and multi-family solid waste and C&D debris. The collective measures by the County, residents, and businesses to recycle have helped in meeting compliance with recycling goals for the State pursuant to Florida Statute 403.706(7) (the "Recycling Regulation"). The goal of the Recycling Regulation was to achieve a recycling rate of 75% by the Fiscal Year 2020. The County has achieved this goal with an overall recycling rate of 81.1% for Fiscal Year 2021, which ranks the County first statewide. The following chart, as reported by the Florida Department of Environmental Protection (FDEP), indicates the overall recycling rates for the top 10 most populated counties (in order from least to most populace counties):



As a component of calculating recycling credits, the FDEP recognizes renewable energy credits for energy produced at WTE facilities or from landfill gas production. The renewable energy credits are adjusted by a 1.25x factor if a county's traditional recycling credits meet or exceed 50%. The County's traditional recycling credits were 62.2% for the Fiscal Year 2021 and therefore earned the 1.25x adjustment. In aggregate the renewable energy credit with adjustments increased the County's recycling credits by 15.1%.

The County issued debt in 2006 primarily to fund an expansion of the WTE facility and to refinance certain outstanding debt at that time to achieve interest rate savings through the issuance of the Solid Waste System Revenue Bonds, Series 2006A (the "2006A Bonds") and the Solid Waste System Refunding Revenue Bonds, Series 2006B (the "2006B Bonds" and, collectively with the 2006A Bonds, the "Series 2006 Bonds"). The WTE facility expansion financed by the Series 2006 Bonds increased the waste processing capacity from 1,200 tons per day to 1,836 tons per day. In 2016, the County refinanced the Series 2006A Bonds through the issuance of the Solid Waste System Refunding Revenue Bonds, Series 2016 (AMT) (the "2016 Bonds"). It is assumed that the County will issue approximately \$125.3 million in additional during the forecast period to fund, among other projects, construction of a MRF. The following page provides a summary of the remaining and projected debt service payments assumed in the Study:

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As shown above, the Series 2016 Bonds will be fully repaid by the Fiscal Year 2027 and will provide a benefit by adding additional bonding or leveraging capacity for future capital improvements identified by the Master Plan.

Finally, the Study assumes an average annual growth in operating expenses at a rate of approximately 5.9% per year above the Fiscal Year 2023 budgeted levels. The increases are primarily due to: i) anticipated increases in the cost of contracted operations and collection as set by agreement (indexing of contract costs is customary in the industry); ii) growth of customers and tonnages within the County; and iii) general inflation in the cost of labor, chemicals, parts and repair, etc. The following table provides an indication of the revenue sufficiency and identified rate adjustments for the Forecast Period:

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Disposal Net Revenue Requirements and Revenue Sufficiency (\$1,000s) [1]

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operation and Maintenance Expenses [2]	\$84,559	\$84,893	\$88,135	\$90,063	\$93,663	\$97,689
Hurricane Ian Debris Clean-up	114,429	0	0	0	0	0
Total Operating and Maintenance Expenses	\$198,988	\$84,893	\$88,135	\$90,063	\$93,663	\$97,689
Annual Debt Service:						
Series 2016 Bonds	\$8,589	\$8,596	\$8,595	\$8,605	\$0	\$0
Proposed Debt	0	1,886	4,913	6,468	10,465	10,465
Transfers and Capital [3]	\$18,891	\$14,062	\$12,146	\$14,549	\$21,845	\$24,324
Gross Revenue Requirements	\$226,468	\$109,437	\$113,788	\$119,685	\$125,974	\$132,479
Less Income / Funds from Other Sources:						
Investment Income	\$1,822	\$1,603	\$1,524	\$1,613	\$1,672	\$1,730
Net Electric Revenue	11,995	9,238	9,236	9,234	9,233	9,232
Franchise Fees	2,776	2,835	2,893	2,952	3,000	3,049
WTE Ferrous / Non-ferrous	1,467	1,467	1,467	1,467	1,467	1,467
Miscellaneous Revenue	7,561	7,699	7,835	7,886	8,099	8,220
Compost Sales	289	289	289	289	289	289
FEMA Reimbursements - Hurricane Ian [4]	39,110	0	0	0	0	0
General Fund Transfers - Hurricane Ian [4]	75,319	0	0	0	0	0
Other Revenues [5]	5,631	5,710	5,772	5,835	5,895	5,957
Total	\$145,969	\$28,840	\$29,016	\$29,275	\$29,656	\$29,944
Net Disposal Funding Requirements	\$80,499	\$80,597	\$84,772	\$90,410	\$96,318	\$102,535
Assessment and Tip Fee Revenue – Adopted Rates	\$79,183	\$77,643	\$77,776	\$78,998	\$80,153	\$81,264
Current Period Rate Revenue Adjustments [6]	n/a	3.8%	5.0%	5.0%	5.0%	5.0%
Adjusted Disposal Revenue	\$79,183	\$80,597	\$84,772	\$90,410	\$96,318	\$102,535
Surplus / (Deficiency) [7]	(\$1,316)	\$0	\$0	\$0	\$0	\$0

- [1] Amounts shown derived from Table 13 at the end of this report. Totals may vary due to rounding.
- [2] Amounts shown include the gross expenses of the system, including the cost of shared or remitted revenues such as, franchise fees collected on behalf of the County and shared electric revenues due to the County's contracted WTE facility operator.
- [3] Reflects transfers to the landfill closure fund, transfers to the recycling fund from recovered materials revenues and funding for certain capital equipment identified from the capital program.
- [4] Reflects FEMA reimbursements received as of June 2023. Based on discussion with County staff, the General Fund is anticipated to reimburse the Solid Waste Department for the remaining debris clean-up costs associated with Hurricane Ian by the end of Fiscal Year 2023.
- [5] Includes revenues from advance disposal fees related to the C&D ordinance, contracted disposal of sludge and other miscellaneous revenues.
- [6] Reflects the current period percent increase in disposal revenues.
- [7] Reflects assumed transfers to / (from) operating reserves.

As shown above, the existing disposal assessment and tipping fee revenues are not projected to be sufficient to fund the disposal-related revenue requirements of the System due to increases in the cost of operation, additional debt, and declines in other operating revenues (e.g., electric revenues) which serve to offset the funding requirements of the disposal assessment and fees.

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The following table provides an indication of the Collection System revenue sufficiency and identified rate adjustments for the Forecast Period:

Collection Net Revenue Requirements and Revenue Sufficiency (\$1,000s) [1]

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operation and Maintenance Expenses	\$36,639	\$47,132	\$51,903	\$56,274	\$60,701	\$63,842
Annual Debt Service	0	0	0	0	0	0
Transfers and Capital	0	0	0	0	0	0
Gross Revenue Requirements	\$36,639	\$47,132	\$51,903	\$56,274	\$60,701	\$63,842
Less Income / Funds from Other Sources:						
Investment Income	\$0	\$0	\$0	\$0	\$0	\$0
Contracted Fines [2]	25	25	25	25	25	25
Total	\$25	\$25	\$25	\$25	\$25	\$25
Net Collection Funding Requirements	\$36,614	\$47,107	\$51,878	\$56,249	\$60,676	\$63,817
Collection Assessment Revenue – Existing Rates	\$34,374	\$35,261	\$36,114	\$36,931	\$37,643	\$38,247
Rate Revenue Adjustments [3]	n/a	3.25%	39.13%	6.03%	5.83%	3.52%
Adjusted Collection Revenue	\$34,374	\$36,407	\$51,878	\$56,249	\$60,676	\$63,817
Net Transfers To / (From) Reserves [4]	(\$2,241)	(\$10,700)	\$0	\$0	\$0	\$0

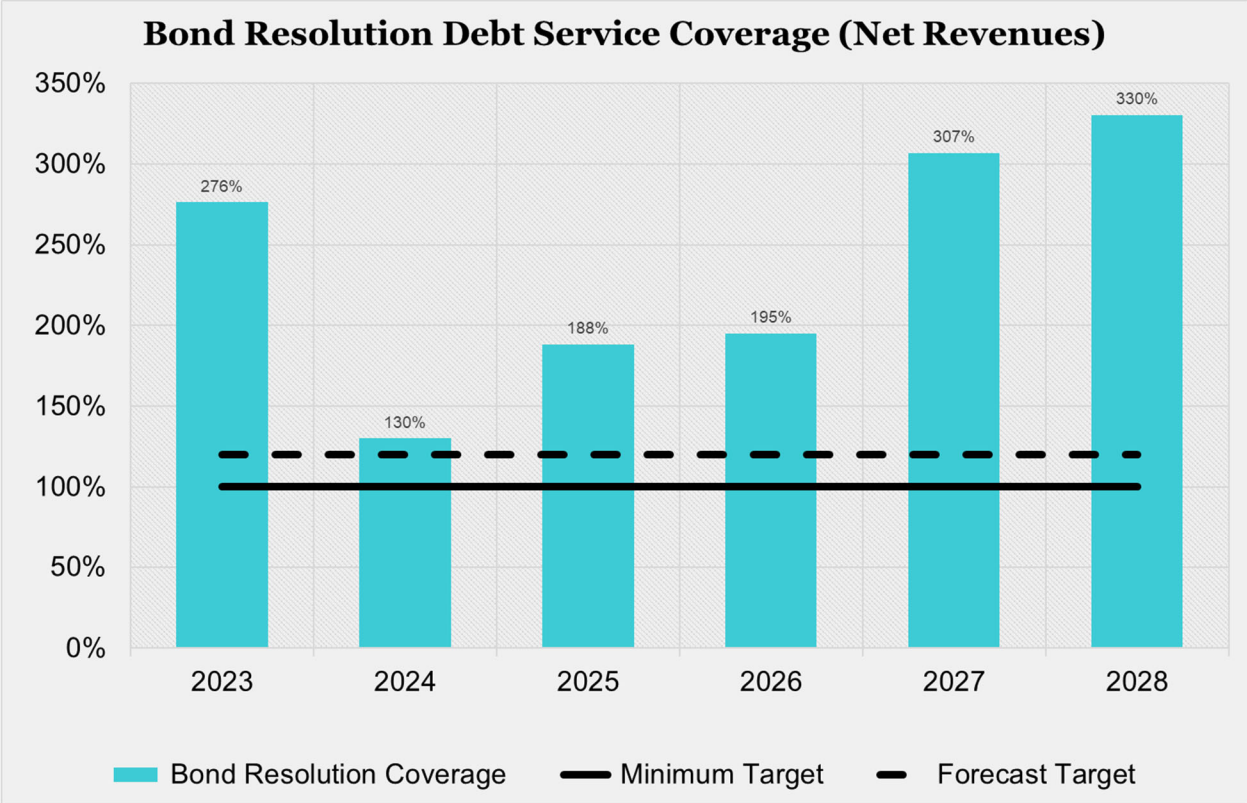
- [1] Amounts shown derived from Table 14 at the end of this report. Totals may vary due to rounding.
- [2] Reflects minor revenues from fines related to the monitoring of contracted collection.
- [3] Reflects the current period percent increase in collection revenues.
- [4] Reflects assumed transfers to / (from) reserves.

As shown above, the existing collection component of the assessment revenues is projected to be insufficient due to assumed and expected increases in the cost of contracted collection. Through Fiscal Year 2024, cash reserves are used to phase-in collection increases while additional rate adjustments beginning with the Fiscal Year 2025 reimburse cash reserves and reestablish compliance with the cash reserve targets.

Based on implementation of the identified rate revenue adjustments and recognizing the assumptions made for purposes of this Study, which should be read in its entirety, the Department is expected to maintain compliance with the requirements of Resolution No. 16-08-10 adopted August 16, 2016 (the "Bond Resolution"), which authorized the issuance of the outstanding bonds. The following chart provides the projected calculation of debt service coverage^[2] compliance with the rate covenant as delineated in the Bond Resolution:

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[2] The calculation of coverage recognizes Gross Revenues less operating expenses (exclusive of depreciation, amortization or closure expenses) should produce net revenues at least equal to 100% of the annual debt service and required transfers.



Note: The Fiscal Year 2023 coverage shown above does not include debris removal expenditures associated with Hurricane Ian. The Department has been partially reimbursed by FEMA as of the date of this report and anticipates the remaining expenses to be reimbursed by the General Fund by the end of Fiscal Year 2023.

Prior to the Fiscal Year 2016, the Department had experienced recurring declines in the debt service coverage and resulted in a credit rating downgrade by Moody's Investor Service ("Moody's") from A3 to Baa1^[3]. In response, the County adopted a series of rate adjustments over the last several years, which have significantly improved the net revenues of the System. As shown in the chart above and based on the assumptions as delineated in this study, the identified rate revenue increases are projected to produce sufficient Net Revenues, as defined in the Bond Resolution, to generate debt service coverage equal to or above the minimum target for the entire Forecast Period.

The Study assumes targeting overall unrestricted cash reserves equal to 12 months of operating expenses. The target is based on the Moody's credit surveillance opinion dated December 21, 2015, and subsequent credit analysis updates, which indicate that the Department could face a further credit rating downgrade should debt service coverage fall below 1.0 times and / or unrestricted cash reserves fall below 12 months operating expenses. The following table provides a summary of the projected cash reserves by fund:

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[3] Moody's provides the following rankings for investment grade credits from highest to lowest as follows: Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3.

Projected Ending Fund Balance (\$1,000s)

Description	Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Fund 40100 – Operations	\$30,698	\$30,698	\$30,698	\$30,698	\$30,698	\$30,698
Fund 40120 – Subaccount – R&R	7,334	7,334	7,334	7,334	7,334	7,334
Fund 40110 – Subaccount – System Reserve Fund	3,016	3,016	3,016	2,302	6,596	6,596
Fund 40103 – Rate Stabilization	15,591	2,359	321	0	9,488	18,277
Fund 40106/32 – System Reserve Fund - CIP	32,517	38,227	45,125	50,435	51,399	47,674
Fund 40107 – Closure Fund	19,386	21,547	23,747	26,073	28,582	31,248
Fund 40162/63/64 – Debt Service – Sinking	7,836	8,962	10,660	11,643	7,240	7,339
Fund 40170/71 – Debt Service – Reserve	7,728	7,728	7,728	7,728	0	0
Debt Proceeds	0	97,961	39,748	0	0	0
Total Projected Available Fund Balances	\$124,106	\$217,833	\$168,377	\$136,212	\$141,337	\$149,165
Cash Reserve Target Compliance:						
Projected Fund Balance Less Restricted Funds [*]	\$108,515	\$103,155	\$110,213	\$116,814	\$134,069	\$141,799
12 Months Operating Expenses	\$121,198	\$132,025	\$140,038	\$146,337	\$154,364	\$161,531
Amount Above or Below Target	(\$12,684)	(\$28,870)	(\$29,825)	(\$29,523)	(\$20,296)	(\$19,732)

[*] Amounts shown exclude debt-related funds and customer deposits. Although landfill closure reserves are restricted for purposes of this analysis such funds are considered to be available for the needs of the System recognizing that the restriction is established by the Board of County Commissioners action and such funds could be available during times of need or emergency should the Board of County Commissioners unrestricted such funds.

As cash reserves fall below the minimum targeted cash reserves equal to 12 months of operating expenses beginning in Fiscal Year 2023, the shortfall is expected to improve over time.

For purposes of this analysis and based on discussions with Department staff, Raftelis has assumed certain minimum financial performance metrics based on industry best practices in order to maintain and ultimately improve the creditworthiness of the System. The following provides a summary of the principal minimum financial metrics relied upon in development of this Study.

1. Net Revenues providing an annual debt service coverage ratio equal to or greater than 1.2x.
2. Operating cash reserves equal to or greater than 150 days of operating expenses to provide for necessary working capital and a hedge against declines in other operating revenues (e.g., electric revenues).
3. Capital cash reserves at the greater of either:
 - a. 6.0% of prior year's reported depreciable assets (e.g., roughly equal to two years of depreciation equivalent); or
 - b. The average annual cost of the identified five-year or 10-year CIP.
4. Landfill closure reserves equal to at least the reported liability for closure plus one year of long-term care costs incurred subsequent to the closure of the landfill.
5. Maximum amount of System outstanding debt to gross revenues ranging from 4.0x to 6.0x.
6. Minimum amount of capital reinvestment to the System equal to five percent of prior year's Gross Revenues, excluding collection revenues, or as may be determined by the County's consulting engineers.

For additional information concerning compliance with these financial targets, please reference Section 8 of this report. Based on the recommended financial targets, projected cost of revenue requirements and identified rate adjustments, the net system revenue requirements were evaluated relative to the current rate structure comprised of:

- Residential Collection and Disposal Assessments
- Solid Waste System Assessment (i.e., Disposal Facility Assessment and Recycling Assessment)
- Assessed Billing Charge
- Tipping Fees by Type of Waste

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The following table provides a brief summary of the primary residential assessments and tipping fees adopted for the Fiscal Year 2024:

Summary of Historical, Existing, and Adopted Rates

Description	Historical 2022	Existing 2023	Adopted 2024
Assessments:			
Collection (Avg. Areas 1-5) [1]	\$145.62	\$185.79	\$192.09
Disposal MSW [2]	50.20	59.96	63.56
Disposal Yard Waste [3]	6.62	6.62	7.02
Disposal Facility Assessment Charge [2]	17.25	18.61	18.61
Recycling [4]	11.05	11.05	11.05
Surcharges	0.00	0.00	0.00
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%)	9.71	11.85	12.28
Gross Assessment Average for Areas 1-5 [5]	\$242.90	\$296.33	\$307.06
Assessment Paid in February = 1% Discount	\$240.47	\$293.37	\$303.99
Assessment Paid in January = 2% Discount	238.04	290.40	300.92
Assessment Paid in December = 3% Discount	235.61	287.44	297.85
Assessment Paid in November = 4% Discount	233.18	284.48	294.78
Tipping Fees per Ton by Waste Type			
MSW [6]	\$50.20	\$59.96	\$63.56
Commercial Horticulture / Yard Waste	37.50	38.58	39.97
Residential Horticulture / Yard Waste			32.86
C&D	60.00	61.72	63.94
Class III	60.00	61.72	63.94
Tires	160.00	160.00	160.00
Recycling	38.12	41.12	41.12
Surcharges per MSW Ton [6][7]	\$0.00	\$0.00	\$0.00
Disposal Facility Assessment per Ton [8]	\$17.25	\$18.61	\$18.61

- [1] Amounts shown reflect the average fee charged for the franchise collection areas 1-5.
- [2] County assesses residential customers the MSW disposal and the Disposal Facility Assessment based on the following waste generation assumptions:

FY22 – 1.00 tons FY23 – 1.00 tons FY24 – 1.00 tons
- [3] County assesses residential customers the Yard Waste Assessment based on the following waste generation assumptions:

FY22 – 0.21 tons FY23 – 0.21 tons FY24 – 0.21 tons
- [4] County assesses residential customers the Recycling Assessment based on the waste generation assumption of 0.29 tons per unit.
- [5] Reflects gross assessments before early prepayment discounts as allowed by Florida Statutes, Chapter 197.
- [6] Unincorporated waste generated by commercial and multi-family customers is charged a gate fee per ton including the addition of the base tipping fee plus applicable surcharges per ton for MSW deliveries. Currently the County does not charge for any surcharges.
- [7] Amounts shown are not charged to municipal customers, with exception to Fort Myers Beach, Bonita Springs, and the Village of Estero for which the County provides collection services and assess any applicable surcharges pursuant to interlocal agreement. Currently the County does not charge for any surcharges.
- [8] Presented for informational purposes only since the disposal facility assessment charge is charged to all customers by assessment and to Hendry County as part of their gate fee.

The bill for residential solid waste collection and disposal is collected by non-ad valorem assessment included on the ad valorem tax bill as allowed by Florida Statutes, Chapter 197, which provides a reliable basis for solid waste services and the ability to lien a property for non-payment. As shown above, the overall residential collection and disposal assessment for unincorporated residents of the County include a mark-up to the calculated fee for the early payment discount that is extended to customers as part of the ad valorem billing process (pursuant to Florida Statutes, customers may elect to receive a discount of up to 4% if they pay all of the charges and taxes included on the ad valorem tax bill prior to the due date of the bill). Therefore, if the full 4% discount is recognized by a property owner (the majority of the property owners elect to pay early and obtain the 4% discount), the County will collect the full rate for service (after the discount is applied); the mark-up of fees included on the ad valorem tax bill is customary and allows the solid waste enterprise fund to fully collect the fees for service. As shown in the prior table, the residential

solid waste charge for collection and disposal services is expected to increase by approximately \$11 or \$0.89 per month for the Fiscal Year 2024. Disposal cost increases for residential customers within municipalities (excluding residents of the City of Bonita Springs, the Town of Fort Myers Beach, and the Village of Estero) served by the County may see their annual charges increase (excludes collection increases) by approximately \$4.17^[4] a year or \$0.35 per month. The following table provides a summary of comparable fees charged by other Florida counties for collection and disposal service to the existing and adopted fees for the County:

Solid Waste Fee Comparison with Other Florida Systems

Description	Residential Assessment			MSW	C&D	Tipping Fees	
	Collection	Disposal	Total			Yard Waste	Tires
Lee County – Existing [1] [2]	\$172.09 - \$216.22	\$102.81	\$274.90 - \$319.02	\$59.96	\$61.72	\$38.58	\$160.00
Lee County – FY24 [1] [2]	\$187.55 - \$213.80	\$106.97	\$294.52 - \$320.77	\$63.56	\$63.94	\$39.97	\$160.00
Other Systems with Waste-to-Energy Facilities:							
Broward County [3]	N/A	N/A	\$330.00	N/A	\$65.00	\$65.00	\$130.00
City of Fort Lauderdale	N/A	N/A	\$549.36	N/A	\$65.00	\$65.00	\$130.00
Hillsborough County [4]	N/A	N/A	\$509.00	\$68.77	\$68.77	\$68.77	\$114.18
Miami-Dade County [5]	\$194.00 - \$371.00	\$184.00	\$378.00 - \$555.00	\$42.00	\$60.00	\$35.00	\$100.00
Palm Beach County [4]	\$206.72	\$93.00	\$299.72	\$84.86	\$84.86	\$84.86	\$200.00
Pasco County [4]	N/A	N/A	\$192.00	\$44.75	\$44.75	\$44.75	\$125.00
Pinellas County [4]	N/A	N/A	\$418.92	\$71.00	\$51.00	\$71.00	\$121.00
City of Tampa [4]	\$234.47	\$118.32	\$352.79	\$96.85	\$71.74	\$44.55	\$156.25
Systems without Waste-to-Energy Facilities:							
Charlotte County [2]	N/A	N/A	\$292.28	\$39.28	\$39.28	\$39.28	\$125.46
Collier County [4]	N/A	N/A	\$228.09 - \$230.82	\$80.60	\$89.37	\$48.52	\$206.59
Hernando County [4]	\$194.52	\$85.50	\$280.02	\$54.50	\$54.50	\$30.00	\$150.00
Manatee County [4]	N/A	N/A	\$171.96	\$40.00	\$61.00	\$40.00	\$86.00
Polk County [2]	\$144.50	\$52.50	\$197.00	\$36.50	\$36.50	\$22.00	\$300.00
Sarasota County [2]	N/A	N/A	\$233.59	\$57.56	\$56.38	\$41.37	\$158.60
Other System Averages	\$242.02	\$106.66	\$353.08	\$59.49	\$60.33	\$50.46	\$152.05

- [1] Amounts shown for the residential assessment reflect the gross assessment before early prepayment discounts. The billing charge is included as a component of the residential disposal assessment.
- [2] Denotes residential collection service at one day per week for garbage, recycling, and yard waste collection.
- [3] Broward County residential collection includes two days per week for garbage collection, one day per week for recycling collection and one day per month yard waste collection.
- [4] Denotes residential collection service at two days per week for garbage collection and one day per week for recycling and yard waste collection. Note garbage collection service in Pinellas County is for one or two days per week depending on location.
- [5] Miami-Dade County residential collection service includes two days per week for garbage / yard waste collection and one day every other week for recycling collection.

As shown above, the adopted rates for the Fiscal Year 2024 are projected to remain comparable to the average charged by the other surveyed counties for similar solid waste service. A number of the surveyed local governments are likely also implementing rate increases of Fiscal Year 2024.

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[4] Note that residential customers within municipalities are responsible for collection services within their boundaries and pay a separate charge for collection directly to the municipality. Amounts shown reflect only the estimated increase in cost to the average residential customer if they were to pay the County's MSW and yard waste tipping fee and the assumed Solid Waste Assessment charge per ton of delivered waste. Actual impacts to residential customers may vary due to fee application through MSTU or assessment.

Summary of Findings

Based on the findings of this study the following observations are provided for consideration by the BOCC and County administration:

- The existing disposal and collection fees for service are projected to be insufficient to fund the identified funding requirements of the System and it is recommended that the BOCC implement the adopted rates for the Fiscal Year 2024.
- The County should adjust the collection assessment to fully recover the costs of the franchise collection costs and associated disposal costs in Fiscal Year 2025.
- Hurricane Ian debris removal expenditures are estimated at approximately \$114.4 million as of the date of this report. It is assumed that the County's General Fund will reimburse, in combination with reimbursements from FEMA, the Solid Waste Department by the end of Fiscal Year 2023. To the extent reimbursement is not made available or delayed, the results and recommendations of this analysis will be affected.
- Recognizing the uncertainty surrounding changes in market conditions and the timing of the need for additional disposal capacity, staff should continue to closely monitor and perform annual financial projections to assess the sufficiency of System revenues to meet the expenditure needs of the System and for compliance with the rate covenants and flow of funds requirements delineated in the Bond Resolution and need for additional rate adjustments; and
- The County should regularly review and update the financial plan to evaluate trends in service area growth, solid waste elements, costs, and capital reinvestment and financing to ensure compliance with the Rate Covenants contained in the Bond Resolution, promote the overall creditworthiness of the System and limit financial risk, and provide for long-term rate sustainability.

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Summary of Adopted Fiscal Year 2024 Rates

Description	Adopted 2024
<u>Assessments:</u>	
Collection (Avg. Areas 1-5) [1]	\$192.09
Disposal MSW [2]	63.56
Disposal Yard Waste [3]	7.02
Disposal Facility Assessment Charge [2]	18.61
Recycling [4]	11.05
Surcharges	0.00
Billing Fee	2.45
Early Prepayment Gross Up (4%)	<u>12.28</u>
 Gross Assessment Average for Areas 1-5 [5]	 \$307.06
<u>Tipping Fees per Ton by Waste Type</u>	
MSW [6]	\$63.56
Commercial Horticulture / Yard Waste	39.97
Residential Horticulture / Yard Waste	32.86
C&D	63.94
Class III	63.94
Tires	160.00
Recycling	41.12
 Surcharges per MSW Ton [6]	 \$0.00
 Disposal Facility Assessment per Ton	 \$18.61

- [1] Amounts shown reflect the average fee charged for the franchise collection areas 1-5.
- [2] County will assess residential customers the MSW disposal and the Disposal Facility Assessment based on the waste generation assumption of 1.0 ton of waste per unit.
- [3] County will assess residential customers the Yard Waste Assessment based on the waste generation assumption of 0.21 tons per unit.
- [4] County will assess residential customers the Recycling Assessment based on the waste generation assumption of 0.28 tons per unit.
- [5] Reflects gross assessments before early prepayment discounts as allowed by Florida Statutes, Chapter 197.
- [6] Unincorporated waste generated by commercial and multi-family customers is charged a gate fee per ton including the addition of the base tipping fee plus applicable surcharges per ton for MSW deliveries. Currently the County does not charge for any surcharges.

LEE COUNTY, FLORIDA

SOLID WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY

INTRODUCTION

On behalf of the Lee County Solid Waste Department (the "Department"), Raftelis Financial Consultants, Inc. ("Raftelis") was tasked with the preparation of a six-year revenue sufficiency and rate study of the integrated solid waste management system (the "System") encompassing the Fiscal Year 2022 beginning October 1, 2022 (the current budget year) through Fiscal Year 2028 ending September 30, 2028 (the "Forecast Period"). Specifically, Raftelis was tasked with:

- Updating the financial forecast model to analyze the financial and business activities of the Solid Waste Enterprise Fund, including evaluating anticipated changes over-time to the following components of the enterprise operations:
 - Growth or declines in assessed units and waste tonnage deliveries by customer type, category of waste and disposal facility.
 - Capacity utilization of the County's disposal facilities.
 - Inflation of expenses or changes in System operations affecting costs.
 - Contractual operating expenses and shared revenues.
 - Long-term liabilities for landfill closure and post-closure costs.
 - Capital funding requirements and issuance of additional debt.
 - Cash reserves and investment income recognized by fund type and purpose (e.g., operating versus capital funds).
 - Compliance requirements of the System, including financial assurance requirements of the Florida Statutes from landfill closure and the rate covenants associated with the outstanding debt.
- Evaluation of the System's overall financial position and recommended financial management policy.

This report provides a summary of the recent trends, study methodology, principal assumptions, findings, and an overview of the projected financial position of the Department.

SECTION 1: GENERAL OVERVIEW

The Department is responsible for the disposal of solid waste for approximately 820,000 residents throughout the County and contractually responsible for disposal of waste deliveries from Hendry County associated with the shared Lee / Hendry Regional Solid Waste Disposal Facility (the "Lee / Hendry Landfill" or "LHLF"). The Department typically processes approximately one million tons of solid waste annually comprised primarily of: i) garbage or class I waste (also referred to as MSW); ii) horticulture or yard waste; iii) single-stream recycling; iv) class III waste (i.e., waste that does not leach) and construction and demolition debris; and v) biosolids or sludge from wastewater treatment plant operations.

Facilities

The County has received numerous awards and recognition of the System's facilities and staff operations, which represent both a significant achievement and investment made by the County and staff. The operations and facilities for the County are oriented towards minimizing landfilling of waste and promoting recycling. For the Fiscal Year 2021, the County achieved a recycling credit rate of 81.1%, which ranks first statewide. To achieve the high rate of recycling, the County provides once a week residential single-stream recycling collection, receives renewable energy credits for waste disposal at the waste-to-energy facility, and has adopted ordinances which require mandatory recycling for commercial and multi-family residential waste, as well as mandatory recycling of C&D wastes. The following section provides an overview of the primary disposal facilities.

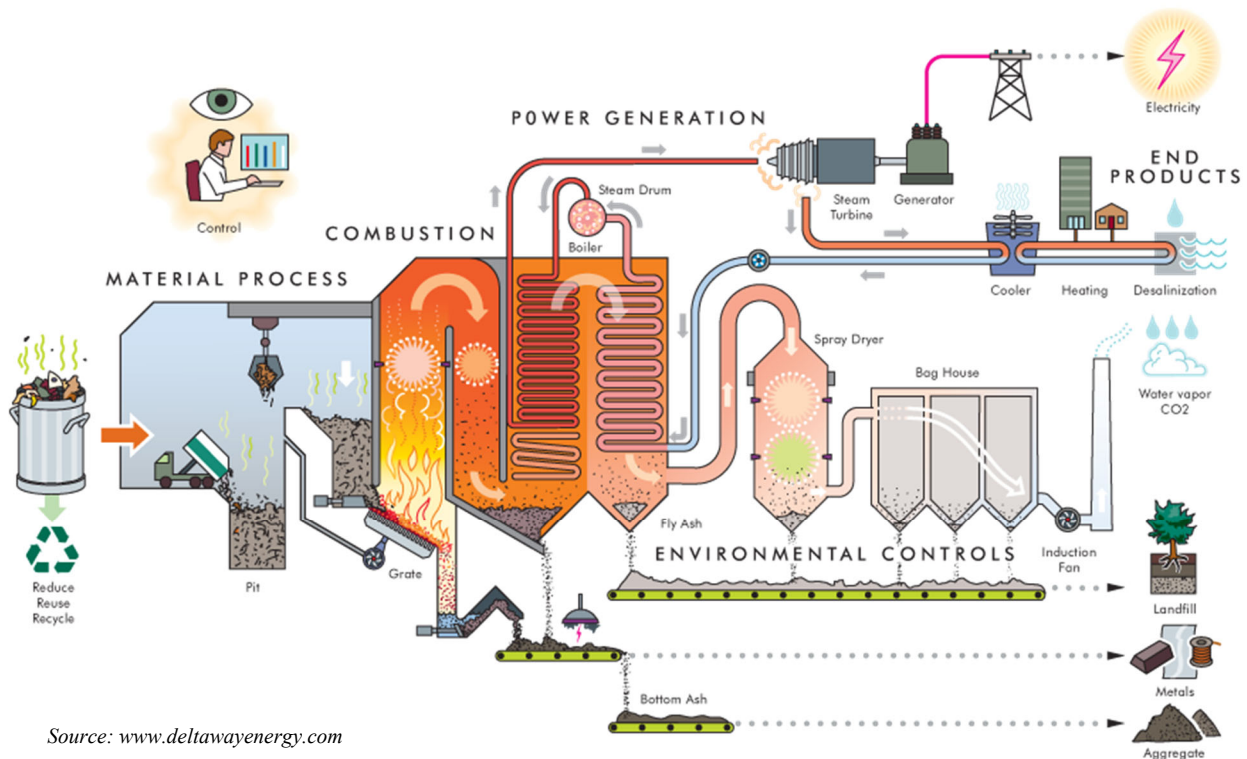


The Buckingham Campus shown above provides synergies for the integrated solid waste management system and includes the collocated WTE, MRF, C&D Recycling, MSW transfer station (not pictured), fleet maintenance, tire and yard waste processing facilities. Not shown are the County's other disposal facilities including: Lee / Hendry Landfill, compost facility, household chemical waste, and Hendry County transfer stations.

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Waste-to-Energy (WTE) Facility

The County's WTE facility is the primary means of disposal for all inbound waste. During the Fiscal Year 2022, the County burned approximately 562,000 tons of waste or approximately 51% of the total inbound waste delivered. Waste burned at the WTE facility is referred to as processable waste and is primarily comprised of MSW, yard waste, residuals from residential and C&D recycling programs, and some tire waste. Burning waste produces approximately 535 kWh (kilowatt-hours) of net electricity per ton on average, while reducing the total volume and weight of MSW by 90% and 75%, respectively. This means burning 30 tons of waste results in enough electricity to power a typical residential home in Florida for one year and producing a dense ash by-product that weighs approximately 7.5 tons but has the same volume as only 3 tons of MSW. The following diagram provides an overview of a typical WTE facility operation:



Source: www.deltawayenergy.com

In addition to the production of electricity and significant reduction in the volume of waste landfilled the WTE also recovers ferrous and non-ferrous metals, which are sold and recycled to help offset the cost of operation. The Florida Department of Environmental Protection (the "FDEP") provides a recycling credit for each MWh of energy production equal to one ton of recycling waste. For the Fiscal Year 2021, the County generated a gross electrical production of 0.59 MWh (megawatt-hours) per ton processed resulting in a 0.59 recycling credit for every ton burned. It should be noted that if the County achieves a traditional recycling rate above 50% (excluding waste burned at the WTE), which it did in Fiscal Year 2021, the credit for electrical production is equal to 1.25 tons per MWh of energy production.

The facility operates seven days a week and 24 hours a day through a contractual agreement with Covanta Lee Inc. ("Covanta"). The agreement was amended in 2006 for the expansion of the current WTE from 1,200 tons per day to the full design capacity of 1,836 tons per day. The expansion was primarily funded by the issuance of the Series 2006 Bonds. The agreement with Covanta was originally valid through November 30, 2024 but was amended to extend to November 30, 2031. It identifies, among other things, that: i) a minimum amount of waste must be delivered by the County (the "Guaranteed Tonnage") and

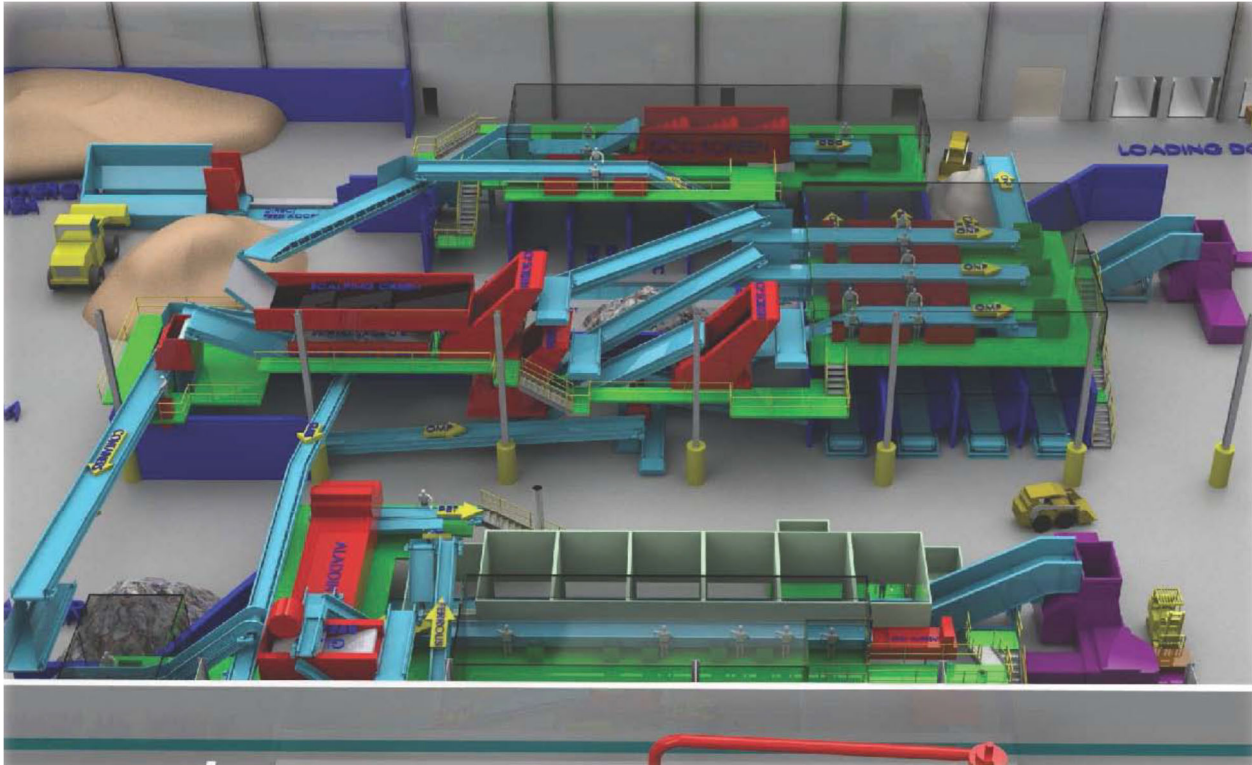
processed by Covanta (the "Process Guarantee"). The Process Guarantee by Covanta is equal to 569,619 tons annually (assuming no uncontrollable events impairing operations) and will be increased to 600,000 in Fiscal Year 2025. The Guaranteed Tonnage is established annually by written notification from the County to Covanta 90 days prior to the start of the subsequent Billing Year and must be less than or equal to the Process Guarantee; ii) Covanta is contractually responsible for the operation, maintenance, renewal and replacement of the facility and has certain performance guarantees related to the use of energy, materials and supplies required for the operation of the WTE facility; and iii) Payment to Covanta is primarily comprised of an increasing service fee based on the amount of waste processed plus revenue sharing provisions equal to 10 percent of electrical energy sold and 50 percent of any ferrous and non-ferrous metal sales.

Recognizing the WTE facility is the primary means of disposal for the County it is important to note the associated risks to operations. A primary concern of operation is related to a prolonged failure of equipment due to an uncontrolled circumstance or other event impairing the function of the facility, which would result in the lack of electrical production and / or inability to process waste at the WTE. The County can divert waste to the Lee / Hendry Landfill under such circumstances but would increase the cost of disposal associated with transport and disposal, which was estimated at approximately \$31 per ton pursuant to a March 2013 memorandum by the Department's then legal counsel, R. Stuart Broom (the "Broom Memo"). Pursuant to the Broom Memo, a similar event occurred to the Stanislaus Resources Recovery Facility in California in late 2011 from a failure of the generator resulting in a lack of electrical generation for an 11-month period. For reference, the County generated approximately \$20.5 million in net electric revenue sales for the Fiscal Year 2022, much higher than recent years to the increased cost of natural gas. Other risks identified in the Broom Memo include the contractual obligation to pay Covanta for the guaranteed waste deliveries, as well as a loss of parasitic electrical production from a loss in operation of the generators at the WTE facility requiring the purchase of electricity and gas for the continued burning of waste. As a result, it is important that the County maintain adequate reserves to provide financial margins to account for the potential catastrophic or uncontrollable prolonged facility outages. Recommendations concerning Department reserves are discussed in more detail in subsequent sections to this report.

Material Recovery Facility (MRF)

The County's MRF is collocated with the WTE at the Buckingham Campus and is responsible for the processing all the County's single-stream recycling materials, which have averaged approximately 90,000 tons for the last five years. The MRF operates using electricity produced by the WTE facility. During processing, not all materials can be recycled resulting in residuals that are routed to the WTE facility to be burned. The MRF recycling residuals have approximated 20% of total inbound recycling materials over the last five years. The FDEP provides credits for every ton of recycled waste. The following illustration provides an overview of the facility equipment and sorting stations.

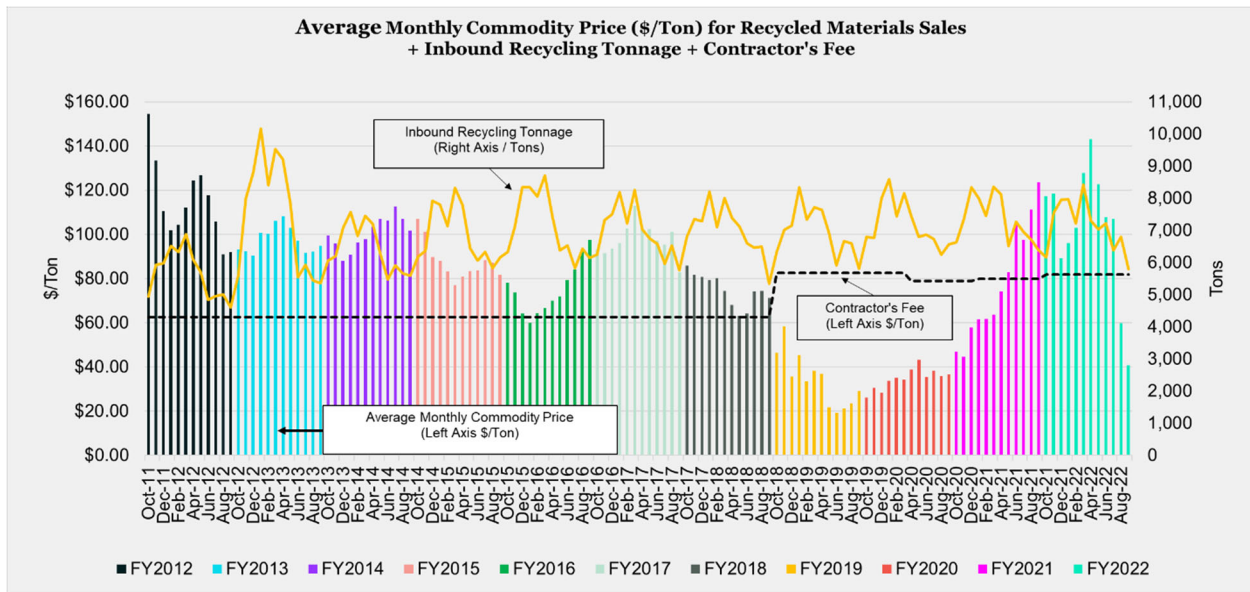
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The processing facility is equipped with an electronically controlled conveyor belt, an optical sorter, several screens, and magnets that sort the recyclable material by product. The MRF can process up to 30 tons of recyclable material per hour.

Operations for the County's MRF is contractually provided by Sims Municipal Recycling of New York, LLC ("Sims") and are responsible for the processing, recycling, marketing, and sale of recycled materials. The agreement with Sims includes a 5-year term which became effective October 1, 2022 and expires September 30, 2027. The contract allows for two renewal terms which total 5 years. Pursuant to the service agreement, the contractor is paid a processing fee of \$107.00 per ton by the County, which is netted against the revenue from the sale of recyclables. The County shares in any revenue generated from the sale of recyclables above the contractor's fee with 75% of such revenues allocable to the County and 25% to the contractor. The chart below provides an illustration of the recent values for recycled materials relative to the contract price.

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As shown above, when the average monthly commodity price (shown as bars) falls below the contractor's fee (shown as dotted line), the County does not share in any revenues from the sale of recovered materials. During the Fiscal Year 2011 the County reported approximately \$3.0 million in revenue, however recycling has generally been a net expense since Fiscal Year 2019, with brief periods of favorable commodity prices in part of Fiscal Year 2021 and 2022. For purposes of this Study, no net recycling revenues derived from the sale of recovered materials is assumed during the Forecast Period, however, should the County generate any such revenue, such amounts could be used to fund additional future capital needs.

Construction and Demolition Debris (C&D) Recycling Facility

The County's C&D recycling facility is collocated with the WTE and MRF facilities at the Buckingham Campus and is responsible for the recycling of delivered class III and C&D materials, which have averaged approximately 156,000 tons over the last five years. Of the processed waste in Fiscal Year 2022 approximately 28,000 tons were reported as recovered and recycled or repurposed as a landfill amendment for drainage or road maintenance. Approximately 25,000 tons were burned for energy at the WTE facility and the remainder of the waste that could not be recycled or burned was landfilled. The C&D recycling facility provides a benefit to the County by way of increasing the recycling rate of waste and consequently reducing the amount of landfilled waste.

The C&D recycling facility is owned and operated by the County and incorporates mechanical separation and manual separation of materials. The following illustration provides a photograph of the initial mechanical separation of C&D materials:

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Lee County C&D Debris Recycling Facility shown above. The following link provides a demonstration of the facility in operation: www.youtube.com/watch?v=P4XYX1pvt2Q.

Lee / Hendry Regional Landfill

The Lee / Hendry Regional Landfill was constructed and placed in service to support the disposal of waste associated with operation of the System. It is located in Hendry County in close proximity to the County and State Road 82. Over the last five years the Lee / Hendry Landfill primarily disposed of: i) inert ash produced by the WTE facility averaging approximately 151,000 tons annually, C&D and class III waste approximately 85,000 tons annually, approximately 69,000 tons of MSW, and minor amounts of sludge not used for composting. It should be noted that due to the growth in waste deliveries and capacity limitations at the WTE facility, MSW deliveries to the Lee / Hendry Landfill have increased. The following provides an overview of the facility:

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The Lee / Hendry Regional Landfill shown above includes an ash monofill, class I and class III landfill sites, leachate management and deep injection well, and the County's composting facility.

The Lee / Hendry Landfill primary disposal sites include:

- Ash Monofill: 36 active acres / Fully developed / Permitted capacity utilization = 52%
- Class III: 25 active acres / Expandable up to 128 acres/ Permitted capacity utilization = 54%
- Class I: 38 active acres/ Expandable up to 90 acres / Permitted capacity utilization = 80%

The County entered into an interlocal agreement with Hendry County whereby the County is required to receive and dispose of waste generated by residents and businesses within Hendry County. In addition, the County is responsible for the operation and maintenance of two transfer stations located in Hendry County to receive and transfer waste to the County's disposal facilities. Only waste generated within Lee and Hendry Counties may be landfilled at the Lee / Hendry Landfill. As a condition of securing landowner support from adjacent properties for the development of the Lee / Hendry Landfill, the County entered into a separate agreement (the "Hendry Landowner Agreement") which provided for, among other things, limitations on the landfill height, runoff mitigation / setbacks and landfill use being primarily for the disposal of ash and minimal disposal of MSW.

Composting Facility

The County owns and operates a composting facility at the Lee / Hendry Landfill (shown in the photograph below), which receives approximately 34,000 tons of mulched yard waste and approximately 58,000 tons of sludge to produce over 20,000 tons of compost annually on average. The compost is primarily sold in bulk to local landowners for agricultural uses (e.g., orange groves, etc.). The remaining compost is sold to retail customers in bags or by cubic yard and ton at the County's facilities.



The County's composting facility utilizes specialized equipment, shown above, to periodically turn the mulch and sludge amendment to reduce heat buildup from bacteriological decomposition to more efficiently produce compost for resale. Link for brief demonstration: <https://youtu.be/szRFHovcAIQ>

SECTION 2: ENTERPRISE FUND AND REVENUE SUFFICIENCY METHODOLOGY

The Department operates and is established as an enterprise fund. As such, the enterprise fund must have revenues equal to the cost of services provided by the System and the County must establish rates sufficient to cover the cost of operating, maintaining, repairing and financing the System.

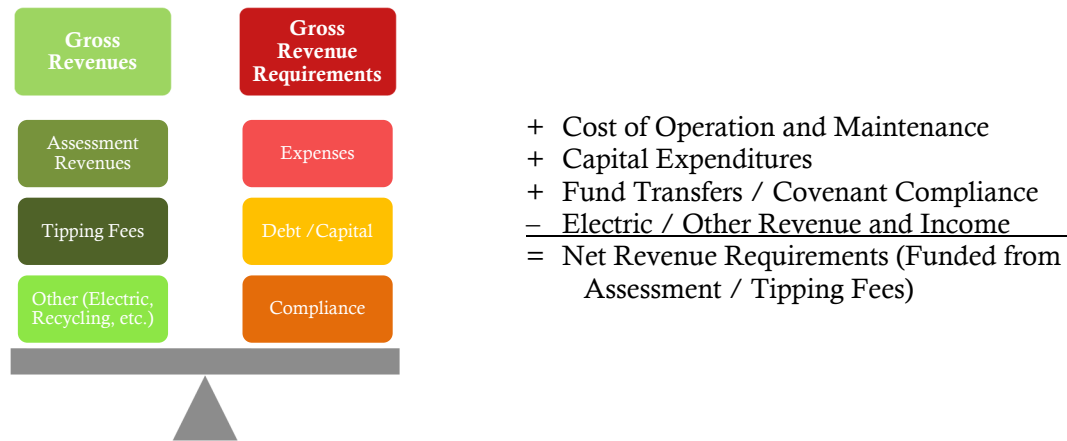
According to the Governmental Accounting Standards Board:

Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Department has historically maintained a positive financial position and annually reevaluates the sufficiency of rate / fee revenues through the budgetary and residential assessment setting procedures. The management within the Department is also responsible for evaluation of monthly financial and operating statistics. In order to evaluate the existing and forecasted financial position of the System the following methodology was recognized:

1. An evaluation of the service area requirements for the Department was reviewed. This included an analysis of the recent historical trends in customers served and waste generation tonnage statistics in order to provide: i) a representative forecast of System needs from a financial standpoint; and ii) a projection of rate revenues consistent with the projected service area needs.
2. Collection and disposal service-related costs were independently evaluated in order to determine the sufficiency of the respective collection and disposal fees for services. A revenue and cost allocation review was performed by budgetary line item and reviewed with staff.

- A projection of the Net Revenue Requirements funded from disposal fees was analyzed utilizing the following approach:



- Included as a component of Net Revenue Requirements was the development of a funding plan for the System capital equipment and facility improvements. The funding of these capital expenditures recognized the use of available cash reserves or user fees. Additional debt was assumed to aid in financing new facilities during the Forecast Period.
- The cash position of the System was evaluated and taken into consideration through the identification of targeted minimum ending cash balances in order to adequately reserve working capital balances for operational risks (e.g., electrical production outages, changes in market values of recyclables, etc.) and provide funds for financing future capital needs of the System.
- Estimate the necessary annual System rate adjustments that would be required to fund the Net Revenue Requirements and meet the overall financial needs of the System.

SECTION 3: AGREEMENTS

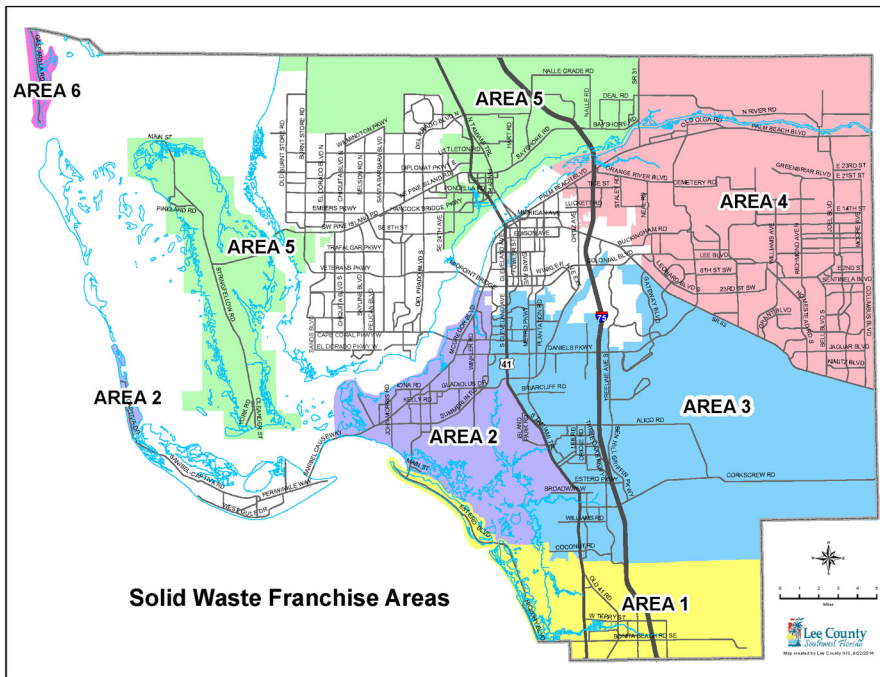
Approximately 78% of the operating expenses of the System are related to payments to private providers for contractual operations or contracted services. In addition, the County generates a significant portion of revenues through contractual agreements including municipal interlocal agreements for waste disposal and from electrical sales agreement with Rainbow Energy Marketing Corporation. This section provides a brief overview of the principal agreements affecting operations for the County.

Contract Operations

The principal contractual operating expenses are associated with the solid waste collection services and operations of the various disposal facilities of the System. The following agreements are discussed in order of greater to lesser cost of operation to the System:

Franchised Collection Services

Franchised collection services represented approximately \$36.6 million or 30% of total operating expenses of the System in Fiscal Year 2023. The County has contracted with several waste haulers to collect and dispose of waste for the following six franchised collection areas:



Area 1 - Incorporated: South / Bonita Springs, Fort Myers Beach, Village of Estero

Area 2 - Unincorporated: Southwest / Captiva, Iona, McGregor

Area 2 - Incorporated: Village of Estero

Area 3 - Unincorporated: Southeast / San Carlos

Area 3 - Incorporated: Village of Estero

Area 4 - Unincorporated: Northeast / Leigh Acres, Alva

Area 5 - Unincorporated: Northwest / Pine Island, North Fort Myers

Area 6 - Unincorporated: Northwest / Boca Grande

Collection services include automated collection and are serviced by several private hauling providers. Collection services include once-a-week garbage, yard waste, and recycling collection for single-family residences. Commercial and multi-family customers may contract directly with franchised haulers for service. With exception to commercial and multi-family customers, the County pays the franchise haulers on a monthly basis for collection services. To recover the cost of collection from residents, the County charges an annual collection assessment that varies by service area. Each franchise area is charged an established rate per residential unit, which may be indexed annually. To administer the collection program, the County charges the franchise haulers a franchise fee at 5.5% of the haulers' total collection revenues. With respect to the City of Bonita Springs, the Town of Fort Myers Beach, and the Village of Estero the County remits any associated franchise fee collections to the respective municipalities. To recover the cost of collection from residents the County in turn charges an annual collection assessment that varies by service area.

It should be noted that due to the location of approximately 1,270 residences in Boca Grande (Area 6), located on Gasparilla Island, the County has entered into an interlocal agreement with Charlotte County to dispose of collected waste in Boca Grande at the Charlotte County disposal facilities.

Waste-to-Energy Facility (WTE) Operations

Contract operations for the WTE represent a net cost of approximately \$22.9 million (gross expense before revenue sharing = \$33.5 million) or 29% of total operating expenses of the System. The County entered into agreement with Covanta Lee, Inc. dated January 31, 2006. The agreement is valid through November 30, 2024 and has been amended to extend through November 30, 2031. Covanta is responsible for the operation, maintenance, and repair of the WTE, with exception to repairs related to uncontrollable circumstances such as hurricane, flooding, etc.

The agreement provides for certain performance guarantees on behalf of both parties. The County is responsible for providing a minimum amount of processable waste, defined as the Guaranteed Tonnage, which is 569,619 tons (i.e., 85% of WTE design capacity). Starting in Fiscal Year 2025 the Guaranteed tonnage will be 600,000 tons. Covanta has a responsibility to process the tonnage delivered up to the

Processing Guarantee as defined by agreement. Covanta also has a maximum performance guarantee on the use of certain materials and supplies used in the burning and generation of electricity.

Pursuant to Section 6.01 of the agreement, Covanta is compensated based on the following formula:

$$\text{Service Fee} = \text{OM} + \text{ETF} + \text{PT} + \text{EC} - \text{RRR} - \text{LC} +/- \text{MD} =/- \text{MA}$$

Below is a description of the service fee components.

- OM = Operation and Maintenance Charge represents a base fee of \$25.3 million for a Process Guarantee of 569,619 during the Fiscal Year 2022, which includes annual allowances for increases to the OM charges for inflation.
- ETF = Excess Tonnage Fee represents an additional charge per ton of processed waste above the Processing Guarantee of 569,619 to incentivize the additional processing of waste by Covanta. The fee varies based on if the tonnage above the Process Guarantee is below or exceeds 90% Availability of the WTE facility. The ETF represents approximately \$0.1 million for the Fiscal Year 2022.
- PT = Pass Through Costs represents costs associated with operation of the WTE including electric, water, sewer, reclaimed, taxes, insurance, environmental testing, etc. Beginning in the Fiscal Year 2017, the purchase of chemicals is included as a PT cost. Such amounts are based on actual costs exclusive of any markup for profit and were approximately \$5.1 million for the Fiscal Year 2022.
- EC = Energy Credit represents sharing in the electric sales revenues generated from the operation of the WTE at 10% of the net electric revenues. The EC was approximately \$1.3 million for the Fiscal Year 2022. The shared revenue is deducted from the County's charges.
- RRR = Recovered Resources Revenues representing the sharing in the recovered material sales (i.e., sale of recovered ferrous and non-ferrous metal scrap) revenues generated from the operation of the WTE at 50% of the gross sales revenues. Covanta handles marketing and sales of the metals and provides an offset to the County's bill. The County recently upgraded the metal recovery equipment through an improvement to the magnet, which is expected to improve metal recovery separation from wasted ash. The total revenues from the sale of metals were approximately \$3.6 million during the Fiscal Year 2022 of which approximately \$1.8 million or 50% was remitted to the County by way of a reduction to the County's contract operations charges.
- LC = Landfill Charge represents a credit to the County for Bypassed Waste (i.e., waste which was processable and which the contractor elected not to process) equal to the tons of Bypassed Waste times the Landfill Charge.
- MD = Monthly Damages represents credits from Covanta to the County for exceeding performance guarantees on the maximum use of supplies or materials such as dolomitic lime, propane and / or water consumption.

- MA = Monthly Adjustment represents a true-up performed monthly and at the close of the fiscal year primarily related to the Availability bonus for exceeding 90% Availability.

Materials Recovery Facility (MRF) Operations

As of Fiscal Year 2023, the MRF is contractually operated by Sims. Sims is responsible for the processing and remarketing of single-stream recycling delivered and processed at the County's MRF facility. The County's current contract is valid through September 30, 2027.

Pursuant to agreement, Sims must compensate the County monthly for: i) a portion of the recycling revenues derived monthly above the contract fee; ii) a facility fee; and iii) all tipping fees on residue generated from operations. The shared revenues with the County are calculated based on the product of the market value or average commodity revenue ("ACR") of the recovered material less the operations and maintenance fee times inbound tons times 75%. Based on the delivery of recyclables and market value of the recyclables, recycling was a net expense during the Fiscal Year 2022. For purposes of this Study, no recycling revenues from the operation of the MRF are assumed during the Forecast Period.

Lee / Hendry Regional Landfill Operations

Contract operations for the Lee / Hendry Landfill represented a cost of approximately \$2.9 million for Fiscal Year 2022 or 2.3% of total operating expenses of the System. The County entered into agreement with Waste Management Inc. of Florida ("WMI") on February 2, 1994 with an initial 10-year term and an additional 10-year renewal option. Pursuant to information provided by Department staff, the current agreement has been extended to September 30, 2025. The agreement provides for the reimbursement of actual cost plus (+) an approximate thirty percent (30%) markup for applicable costs plus (+) reimbursement of equipment taxes and other costs of operation plus (+) an indemnity rate per ton of waste landfill by WMI. For the purposes of this analysis, it is assumed that the County will enter into a new agreement once the current contract expires.

Electric Sales Agreements

Rainbow Energy Marketing Corporation.

On November 1, 2016 the County entered into an agreement with Rainbow Energy Marketing Corporation (REMC) to locate wholesale markets for electric energy and to sell and dispatch energy to such markets. REMC offers three services to the County:

- i. Short-term Marketing Services, which represents services less than 31 days of duration.
- ii. Long-term Marketing Services, which represents services greater than 31 days and less than 365 days of duration.
- iii. Scheduling Services.

When REMC enters into a transaction with a customer, REMC purchases energy from the County, which is then sold and dispatched. The County's revenues associated with energy market sales are net of transmission, marketing, and imbalance fees.

The County entered into an agreement with Tampa Electric Company on December 17, 2020 for delivery and sale of as-available energy.

It should be noted that the Public Utility Regulatory Policies Act of 1978, as amended, requires that all investor owned utilities (IOUs) purchase electricity generated by the County's WTE and conveyed to the

grid since the WTE is considered a qualified small renewable energy producer^[5]. The projection of gross annual electric revenue sales is estimated at approximately \$9.2 million by the end of the Forecast Period.

Interlocal Agreements

As previously discussed, the County provides waste disposal services to incorporated residents throughout the County. Services to municipalities within the County are provided through interlocal agreements with the Cities of Bonita Springs, Cape Coral, Fort Myers, Sanibel, the Town of Fort Myers Beach, and the Village of Estero. The County recently renegotiated the interlocal agreements with the most significant changes assumed to allow the County to begin charging for recycling services and eliminate certain limitations on the ability of the County to raise fees. The renegotiated interlocal agreements expire on September 30, 2030 and have the option for two additional five-year terms. The County also entered into interlocal agreements with Collier, Charlotte and Hendry County for other purposes as discussed in greater detail below:

City of Bonita Springs, Town of Fort Myers Beach, and Village of Estero

The City of Bonita Springs, the Town of Fort Myers Beach, and the Village of Estero entered into the current agreements for collection and disposal services with the County in September 2020. The County is and shall be responsible for the collection, billing, customer service, and disposal of MSW, vegetative waste, and residential recyclable material from within the municipalities. The County shall also be responsible for planning and developing additional solid waste disposal capacity and / or facilities that are environmentally sound and economically practical in order to provide disposal services for additional MSW generated by the municipalities due to growth. The municipalities agree, to the extent that it may lawfully do so, to cause its MSW, vegetative waste and recyclable materials to be directed to the County's System, or other County designated facilities, for the term of the agreement. The County is also responsible for providing a collection point for the disposal of household hazardous waste.

The County provides equivalent service and charges residents within the municipalities in the same manner as it does the unincorporated residents of the County. It should be noted that the County remits all franchise fee revenues collected from the franchise haulers for the municipalities in Franchise Area 1, including the Village of Estero which is also found in Franchise Areas 2 and 3.

City of Cape Coral

The City of Cape Coral entered into the current and amended agreement for disposal-only services (i.e., the County does not administer or provide collection services) with the County in August 2020. The term for the agreement shall terminate September 30, 2030 with the option for the City of Cape Coral to renew for up to two additional five-year terms. Pursuant to the terms of the agreement between the parties, the County is and shall be responsible for the disposal of MSW, vegetative waste, and recycled materials recovered from within the municipality. The County shall also be responsible for planning and developing additional solid waste disposal capacity and / or facilities that are environmentally sound and economically practical in order to provide disposal services for additional MSW generated by the municipality due to growth. The municipality agrees, to the extent that it may lawfully do so, to cause its MSW, vegetative waste and recyclable materials to be directed to the County's System, or other County designated facilities, for the term of the agreement. The County is also responsible for the administration and collection of household hazardous waste within the municipality. The County is also responsible for providing processing and disposal services for acceptable biosolids from the City of Cape Coral's water reclamation facility.

[5] Defined as an entity not engaged in the electric business which generates renewable energy from a facility of eighty (80) megawatts or less.

The County charges the customers within the municipality through both a Municipal Service Benefit Unit ("MSBU") and a tipping fee for MSW and yard waste delivered to the County. It should also be noted that the County charges customers within the municipality the same tipping fee as all other customers of the System, with exception to the exclusion of the solid waste operation and right-of-way surcharges. The municipality benefits from the remittance of the net recovered material sales revenues from the proportion of recycled materials delivered by the municipality to the County's MRF in the event such revenues are generated. The revenues derived from charges for disposal service under existing rates from waste generated and delivered to the County is estimated at approximately \$10.0 annually. This does not consider any revenues from the sale of recovered materials from operation of the WTE facility, which are retained by the County (i.e., ferrous and non-ferrous revenues) to offset the cost of operation for the WTE facility.

City of Fort Myers

The City of Fort Myers entered into the current agreement for disposal-only services (i.e., the County does not administer or provide collection services) with the County in September 2020. The term for the agreement shall terminate September 30, 2030 with the option for both parties to renew for up to two additional five-year terms. Pursuant to the terms of the agreement between the parties, the County is and shall be responsible for the disposal of all MSW, residential vegetative waste, and residential recycled materials recovered from within the municipality. The County shall also be responsible for planning and developing additional solid waste disposal capacity and / or facilities that are environmental sound and economically practical in order to provide disposal services for additional MSW generated by the municipality due to growth. The municipality agrees, to the extent that it may lawfully do so, to cause all its MSW, residential vegetative waste and residential recyclable materials to be directed to the County's System, or other County designated facilities, for the term of the agreement. The County is also responsible for the grinding, shredding, screening, etc. of a portion of the municipality's horticulture waste and produces a mulch, graded material substantially free of plastics and other non-organic contaminants and make available and load into municipal vehicles, up to 15 tons per week of this mulch material for the municipality's use.

The County charges the customers within the municipality through both a non-ad valorem assessment and a tipping fee for MSW and yard waste delivered to the County. The County agrees that to the extent that it may lawfully do so, the tipping fee charged to the municipality shall be the same as the fee charged to similar users within the unincorporated areas of the County and other municipalities within the County. The municipality also benefits from the remittance of the net recovered material sales revenues based on the relative proportion of recycled materials delivered by the municipality to the County's MRF in the event such revenues are generated.

The County shall also accept all biosolids produced by the City of Fort Myers' wastewater treatment facilities. The revenues derived from charges for disposal service under existing rates from waste generated and delivered to the County is estimated at approximately \$6.4 million annually. This does not consider any minor revenues from the sale of recovered materials from operation of the WTE facility, which are retained by the County (i.e., ferrous and non-ferrous revenues) to offset the cost of operation for the WTE facility.

City of Sanibel

The City of Sanibel entered into the current agreement for disposal-only services (i.e., the County does not administer or provide collection services) with the County in September 2020. The term for the agreement shall terminate September 30, 2030 with the option for both parties to renew for up to two additional five-year terms. Pursuant to the terms of the agreement between the parties, the County is and shall be responsible for the disposal of MSW, vegetative waste, and recycled materials recovered from within the municipality. The County shall also be responsible for planning and developing additional solid waste

disposal capacity and /or facilities that are environmentally sound and economically practical in order to provide disposal services for any growth in MSW generated by the municipality. The municipality agrees, to the extent that it may lawfully do so, to cause its MSW, vegetative waste and recyclable materials to be directed to the County's System, or other County designated facilities, for the term of the agreement.

The County charges the customers within the municipality through both a non-ad valorem assessment and a tipping fee for MSW and yard waste delivered to the County. The County agrees that to the extent that it may lawfully do so, the tipping fee charged to the municipality shall be the same as the fee charged to similar users within the unincorporated areas of the County and other municipalities within the County. The municipality also benefits from the remittance of the net recovered material sales revenues based on the relative proportion of recycled materials delivered by the municipality to the County's MRF in the event such revenues are generated. The revenues derived from charges for disposal service under existing rates from waste generated and delivered to the County is estimated at approximately \$0.7 million annually. This does not consider any minor revenues from the sale of recovered materials from operation of the WTE facility, which are retained by the County (i.e., ferrous and non-ferrous revenues) to offset the cost of operation for the WTE facility.

Hendry County

As previously discussed, the County entered into an interlocal agreement with Hendry County whereby the County is required to receive and dispose of waste generated by residents and businesses within Hendry County. In addition, the County is responsible for the operation and maintenance of two transfer stations located in Hendry County to receive and transfer waste to the County's disposal facilities. Only waste generated within Lee and Hendry Counties may be landfilled at the Lee / Hendry Landfill. As a result, the County was allowed to construct the landfill within Hendry County. Services are charged to customers of Hendry County through tipping fees, which may include a \$5 per ton surcharge or higher surcharge for tires remitted back to Hendry County pursuant to the agreement.

Other Agreements

Lee / Hendry Regional Landfill / Landowner Agreement

As previously discussed, in order to mitigate objections in the permitting of the Lee / Hendry Landfill from neighboring landowners, the County entered into the agreement June 23, 1993 with several neighboring landowners including Duda & Sons, Inc., Cooperative Producers, Inc., and Turner Foods Corporation. The agreement provides for, among other things, limitations on the landfill height, runoff mitigation / setbacks and intended use of the landfill being primarily for the disposal of inert ash and minimal disposal of MSW.

SECTION 4: SOLID WASTE ASSESSMENT AND FEES

The County provides waste disposal services to unincorporated and incorporated residents throughout the County. Services to municipalities within the County are provided through interlocal agreements as discussed in Section 3 of this report. The County principally charges customers for waste disposal services through: i) an annual non-ad valorem assessment or MSBU included as a component of the tax bill as allowed by Florida Statutes, Chapter 197, which provides a reliable source of revenues and the ability to lien a property for non-payment; and / or ii) a tipping fee paid per ton of waste delivered to the County's disposal facilities. The following provides a brief discussion of the existing rate structure components as understood by Raftelis:

- Residential Collection Assessment: Charged to franchised residential customers receiving collection services (i.e., the Franchised Areas 1-6) administered by the County and to recover the direct cost of collection services from private franchised haulers.

- Residential Disposal Assessment: Charged to franchised residential customers for MSW and yard waste disposal services. The fee is currently based on average disposal rates of 1.00 ton of MSW and 0.17 tons of yard waste per residential unit.
- Solid Waste System Assessment: Charged to customers of the System to recover a portion of the disposal costs which benefits all disposal customers of the System (e.g., costs related to WTE, landfill, etc.) and to recover the net cost of recycling. The fee is typically a fixed fee charged either by non-ad valorem assessment but may also be charged pursuant to interlocal agreement with the municipalities by MSBU. The fee is currently based on average disposal rates of 1.00 tons of MSW and 0.27 tons of recycling for single family customers. In some instances, the Solid Waste System Assessment may be considered as a means to promote flow control for the System.
- Billing Charge: Charged to all customers of the System related to assessments, MSBU or other fees associated with the tax roll for which the Department is charged a fee by the County's property tax appraiser and collector. The billing fee represents a direct pass-through of such costs to the Department.
- Tipping Fees by Type of Waste: Charged to customers that are not assessed the Residential Disposal Assessment for delivery of waste based on actual weighed deliveries.

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The following presents the recent and current rates charged by the County for collection and disposal services:

Summary of Recent Historical and Existing Rates

Description	2021	Historical 2022	Existing 2023
Assessments:			
Collection (Avg. Areas 1-5) [1]	\$145.62	\$145.62	\$185.79
Disposal MSW	45.18	50.20	59.96
Disposal Yard Waste	6.62	6.62	6.62
Disposal Facility Assessment Charge	15.53	17.25	18.61
Recycling Assessment	11.05	11.05	11.05
Surcharges	0.00	0.00	0.00
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%)	9.44	9.71	11.85
Gross Assessment Average for Areas 1-5 [2]	\$235.88	\$242.90	\$296.33
Assessment Paid in February = 1% Discount	\$233.07	\$240.47	\$293.37
Assessment Paid in January = 2% Discount	230.71	238.04	290.41
Assessment Paid in December = 3% Discount	228.36	235.61	287.44
Assessment Paid in November = 4% Discount	226.00	233.18	284.48
Tipping Fees per Ton by Waste Type:			
MSW	\$50.20	\$50.20	\$59.69
Horticulture / Yard Waste	31.00	37.50	38.58
C&D	48.40	60.00	61.72
Class III	48.40	60.00	61.72
Tires	120.00	160.00	160.00
Recycling	38.12	38.12	38.12
Disposal Facility Assessment per Ton [4]	\$17.25	\$17.25	\$18.61

[1] Amounts shown reflect the average fee charged for the primary franchise collection areas 1-5.

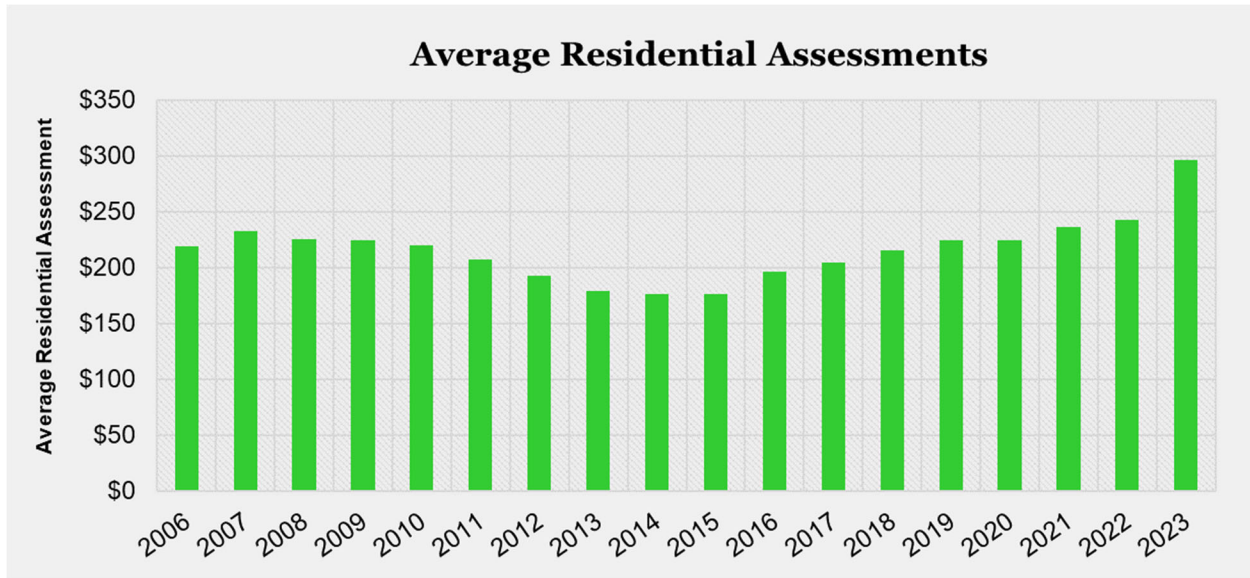
[2] Reflects gross assessments before early prepayment discounts as allowed by Florida Statutes, Chapter 197.

[3] Amounts shown are not charged to municipal customers, with exception to the City of Bonita Springs, the Town of Fort Myers Beach, and the Village of Estero for which the County provides collection services.

[4] Presented for informational purposes only since the disposal facility assessment charge is charged to all MSW customers by assessment, with exception to Hendry County customers.

As shown above, the residential collection and disposal assessment for unincorporated residents of the County include an early payment discount that is extended to customers as part of the ad valorem billing process; pursuant to Florida Statutes, customers may elect to receive a discount of up to 4% if they pay all of the charges and taxes included on the ad valorem tax bill prior to the due date of the bill. The majority of customers elect to pay early and receive the full 4% discount; mortgage payments for residential homes typically include an allowance for escrow for the early prepayment of the estimated tax bill, which contributes to the high rate of early prepayments. The County began adjusting for the early prepayment in Fiscal Year 2016. The following chart provides additional history of the average residential assessment:

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As shown in the figure above, the residential assessment was increased annually from the Fiscal Year 2006 through 2007, which coincides with the expansion of the WTE and issuance of the refunded Series 2006 Bonds. Subsequent to 2011, the County annually reduced the solid waste assessments. In support of these reductions, the County applied approximately \$34 million in cash reserves during Fiscal Year 2011 to defease portions of the then outstanding Solid Waste System Revenue Refunding, Series 2001 Bonds (the "Series 2001 Bonds" which are no longer outstanding). The reduction in debt service was a factor in the reduction of the residential assessment and tipping fees as shown on the following table:

Historic MSW Tipping Fees for the Solid Waste System

Fiscal Year	Unincorporated Area [*]	Incorporated Area
2006	\$57.51	\$49.59
2007	\$58.40	\$51.20
2008	\$59.77	\$53.25
2009	\$59.93	\$54.00
2010	\$61.48	\$54.00
2011	\$61.44	\$55.00
2012	\$47.62	\$40.00
2013	\$37.74	\$32.00
2014	\$34.93	\$30.00
2015	\$34.33	\$30.00
2016	\$32.30	\$31.75
2017	\$37.45	\$37.45
2018	\$45.45	\$45.45
2019	\$50.20	\$50.20
2020	\$50.20	\$50.20
2021	\$50.20	\$50.20
2022	\$50.20	\$50.20
2023	\$59.69	\$59.69

Source: Lee County Solid Waste Department

[*] Amounts shown includes surcharges. However, the County has not charged surcharges since Fiscal Year 2016.

The MSW tipping fees were reduced subsequent to the defeasance of the Series 2001 Bonds during the Fiscal Year 2012. It is notable that for the unincorporated areas the fees are currently below levels charged prior to the Fiscal Year 2012 and also below levels in effect when the County had entered into the current interlocal agreements for service with municipalities as described in Section 3 of this report.

The following table provides a summary of comparable fees charged by other Florida solid waste systems for collection and disposal service to the existing and adopted fees for the County:

Solid Waste Fee Comparison with Other Florida Solid Waste Systems

Description	Residential Assessment [1]			MSW	Tipping Fees		
	Collection	Disposal	Total		C&D	Yard Waste	Tires
Lee County – Existing [1] [2]	\$172.09 - \$216.22	\$102.81	\$274.90 - \$319.02	\$59.96	\$61.72	\$38.58	\$160.00
Lee County – FY24 [1] [2]	\$187.55 - \$213.80	\$106.97	\$294.52 - \$320.77	\$63.56	\$63.94	\$39.97	\$160.00
Other Systems with Waste-to-Energy Facilities:							
Broward County [3]	N/A	N/A	\$330.00	N/A	\$65.00	\$65.00	\$130.00
City of Fort Lauderdale	N/A	N/A	\$549.36	N/A	\$65.00	\$65.00	\$130.00
Hillsborough County [4]	N/A	N/A	\$509.00	\$68.77	\$68.77	\$68.77	\$114.18
Miami-Dade County [5]	\$194.00 - \$371.00	\$184.00	\$378.00 - \$555.00	\$42.00	\$60.00	\$35.00	\$100.00
Palm Beach County [4]	\$206.72	\$93.00	\$299.72	\$84.86	\$84.86	\$84.86	\$200.00
Pasco County [4]	N/A	N/A	\$192.00	\$44.75	\$44.75	\$44.75	\$125.00
Pinellas County [4]	N/A	N/A	\$418.92	\$71.00	\$51.00	\$71.00	\$121.00
City of Tampa [4]	\$234.47	\$118.32	\$352.79	\$96.85	\$71.74	\$44.55	\$156.25
Systems without Waste-to-Energy Facilities:							
Charlotte County [2]	N/A	N/A	\$292.28	\$39.28	\$39.28	\$39.28	\$125.46
Collier County [4]	N/A	N/A	\$228.09 - \$230.82	\$80.60	\$89.37	\$48.52	\$206.59
Hernando County [4]	\$194.52	\$85.50	\$280.02	\$54.50	\$54.50	\$30.00	\$150.00
Manatee County [4]	N/A	N/A	\$171.96	\$40.00	\$61.00	\$40.00	\$86.00
Polk County [2]	\$144.50	\$52.50	\$197.00	\$36.50	\$36.50	\$22.00	\$300.00
Sarasota County [2]	N/A	N/A	\$233.59	\$57.56	\$56.38	\$41.37	\$158.60
Other System Averages	\$242.02	\$106.66	\$353.08	\$59.49	\$60.33	\$50.46	\$152.05

- [1] Amounts shown reflect the gross assessment before early prepayment discounts.
- [2] Denotes residential collection service at one day per week for garbage, recycling, and yard waste collection.
- [3] Broward County residential collection includes two days per week for garbage collection, one day per week for recycling collection and one day per month yard waste collection.
- [4] Denotes residential collection service at two days per week for garbage collection and one day per week for recycling and yard waste collection. Note garbage collection service in Pinellas County is for one or two days per week depending on location.
- [5] Miami-Dade County residential collection service includes two days per week for garbage and yard waste collection and one day every other week for recycling collection.

As shown above, the County's existing and adopted rates for the Fiscal Year 2023 and 2024, respectively, are comparable to and / or below the averages charged by the other solid waste systems surveyed.

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SECTION 5: HISTORICAL AND PROJECTED CUSTOMER / TONNAGE STATISTICS

The County provides waste disposal service to approximately 820,000 residents within unincorporated and incorporated areas of the County and processed incoming waste of approximately 1 million tons for the most recently completed Fiscal Year 2021, including waste deliveries from Hendry County residents. The table below provides an indication of the recent trends and projections of in the number of units served:

Historical and Projected Disposal Customer Statistics by Class / Area [1]

	Historical Fiscal Year Ended September 30,					Projected Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Franchised Area Statistics – Area 1-5 [2]:											
Avg. Residential Units	164,682	167,369	170,558	173,986	178,155	182,943	187,638	192,160	196,493	200,273	203,481
Avg. Multi-family Units	86,457	87,481	88,573	89,500	89,985	92,144	92,764	93,378	93,988	94,543	95,045
Avg. RV Units	6,747	6,977	7,016	7,042	6,990	7,040	7,040	7,040	7,040	7,040	7,040
Commercial (000s Sq.Ft.)	98,368	101,503	104,799	105,901	108,008	114,360	115,973	117,581	119,184	120,651	121,984
Hendry County [3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Municipalities / Not Franchised Primary											
Cape Coral [4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Myers											
Avg. Residential Units	20,396	21,179	22,069	22,874	23,358	23,891	24,661	25,440	26,226	26,956	27,626
Avg. Multi-family Units	18,510	19,048	20,176	21,026	22,292	23,803	24,425	25,049	25,677	26,255	26,784
Avg. RV Units	104	104	104	104	104	104	104	104	104	104	104
Commercial (000s Sq.Ft.)	38,681	39,027	39,717	40,477	41,684	42,958	43,477	43,993	44,503	44,968	45,388
Sanibel											
Avg. Residential Units	4,101	4,112	4,125	4,144	4,161	4,175	4,190	4,205	4,219	4,233	4,244
Avg. Multi-family Units	3,762	3,765	3,768	3,768	3,766	3,763	3,763	3,763	3,763	3,763	3,763
Avg. RV Units	85	85	85	85	85	85	85	85	85	85	85
Commercial (000s Sq.Ft.)	1,740	1,751	1,769	1,778	1,780	1,790	1,791	1,793	1,795	1,797	1,799

[1] Amounts shown derived from Tables 1 at the end of this report.

[2] Amounts shown reflect statistics for franchise areas 1 through 5, which include statistics associated with the City of Bonita Springs, the Town of Fort Myers Beach, and the Village of Estero. Amounts shown exclude statistics for Boca Grande (Area 6) and the Outer Islands (Area 7).

[3] Amounts shown not reported since the Hendry County customers are not assessed for service and pay based on actual tonnage deliveries. Per the 2018 U.S. Census estimates, Hendry County has a population of 41,556 with approximately 14,850 housing units.

[4] Amounts shown not reported since the City of Cape Coral elects billing for the Disposal Facility Assessment by MSTU. Per the 2018 U.S. Census estimates, the City has a population of 189,343 with approximately 80,900 housing units (note Census estimated occupied households of 56,900 for the same period).

As shown above, the majority or approximately 87% of residential units served during the Fiscal Year 2022 are located within the franchised service areas of the County at approximately 178,000 residential single-family disposal units, including approximately 46,750 franchised residential units within the municipalities of Bonita Springs, Fort Myers Beach and the Village of Estero. By contrast, other customers within Hendry County and the Cities of Cape Coral, Fort Myers, and Sanibel are estimated to represent approximately 131,250 residential housing units. The forecast assumes growth in franchised residential units of approximately 1.8% annually. The following table provides a projection of the primary waste streams by customer classification and location.

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Historical and Projected Disposal Customer Statistics [1]

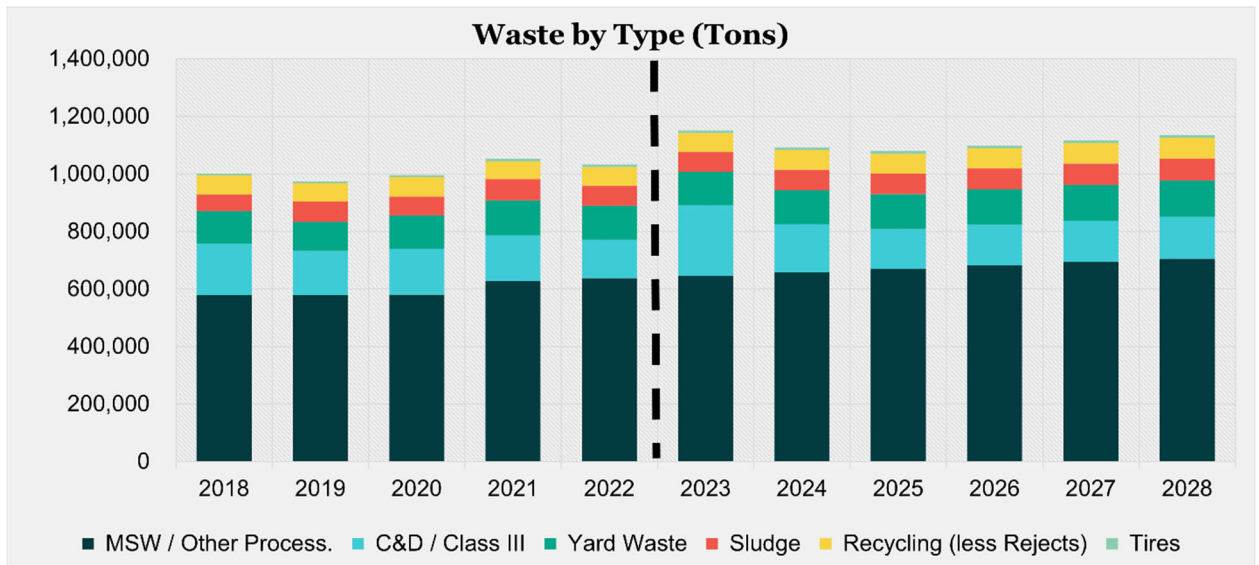
	Historical Fiscal Year Ended September 30,					Projected Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Franchised Area Statistics – Area 1-5 [2]											
Delivered MSW Tons	375,335	366,504	369,137	393,980	388,053	397,433	405,748	413,756	421,612	428,875	435,524
Yard Waste	74,271	63,123	74,201	87,336	83,102	81,184	83,289	84,814	86,317	87,740	89,080
C&D / Class III	171,997	147,023	150,597	131,235	91,515	107,989	95,257	96,781	98,330	99,904	101,503
Recycling	56,768	55,971	56,920	50,619	58,398	58,521	59,804	61,039	62,222	63,252	64,126
Hendry County											
Delivered MSW Tons	36,366	36,678	37,744	39,505	41,718	42,552	43,403	44,271	45,156	46,059	46,980
Yard Waste	4,942	3,919	4,139	3,682	3,312	3,312	3,312	3,312	3,312	3,312	3,312
C&D / Class III	7,068	5,842	9,381	9,972	10,652	12,570	10,207	10,370	10,536	10,705	10,876
Municipalities / Not Franchised Primary											
MSW and Yard Waste Generation											
Cape Coral	107,012	109,770	111,370	118,925	128,854	120,828	122,761	124,726	126,721	128,749	130,809
Fort Myers	74,858	72,587	73,293	80,404	81,299	81,690	82,997	84,325	85,674	87,045	88,438
Sanibel	8,735	8,358	7,860	8,827	8,724	11,650	11,837	12,026	12,218	12,414	12,613
Total	190,605	190,714	192,523	208,156	218,877	214,168	217,595	221,077	224,614	228,208	231,859
Recycling Generation											
Cape Coral	19,707	19,372	21,214	22,243	20,173	22,599	22,960	23,328	23,701	24,080	24,466
Fort Myers	6,386	6,688	6,893	7,260	7,071	7,376	7,494	7,614	7,736	7,859	7,985
Sanibel	1,265	1,363	1,352	1,366	1,286	1,388	1,410	1,433	1,456	1,479	1,503
Total	27,358	27,423	29,459	30,869	28,529	31,363	31,865	32,375	32,893	33,419	33,954

[1] Amounts shown derived from Tables 3 at the end of this report and totals may vary due to rounding.

[2] Amounts shown reflect statistics for franchise areas 1 through 5, which include statistics associated with the City of Bonita Springs and the Town of Fort Myers Beach. Amounts shown exclude statistics for Boca Grande (Area 6) and the Outer Islands (Area 7).

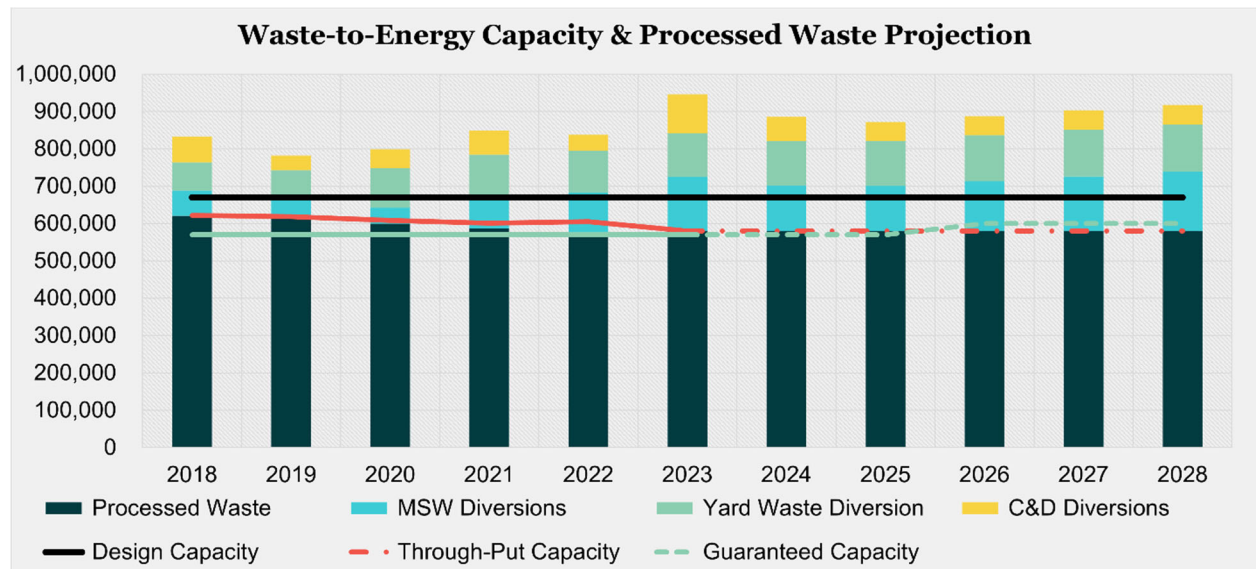
For the Fiscal Year 2022, the relationship of MSW and yard waste generation among the franchised (471,155 tons / 64%) and non-franchised (255,183 tons / 36%) customers is generally consistent with relationship of residential units as previously discussed. The forecast assumes an annual average growth rate of approximately 1.6% for MSW and 1.1% for yard waste generation. The following chart provides a historical summary and projected forecast of inbound waste to the County.

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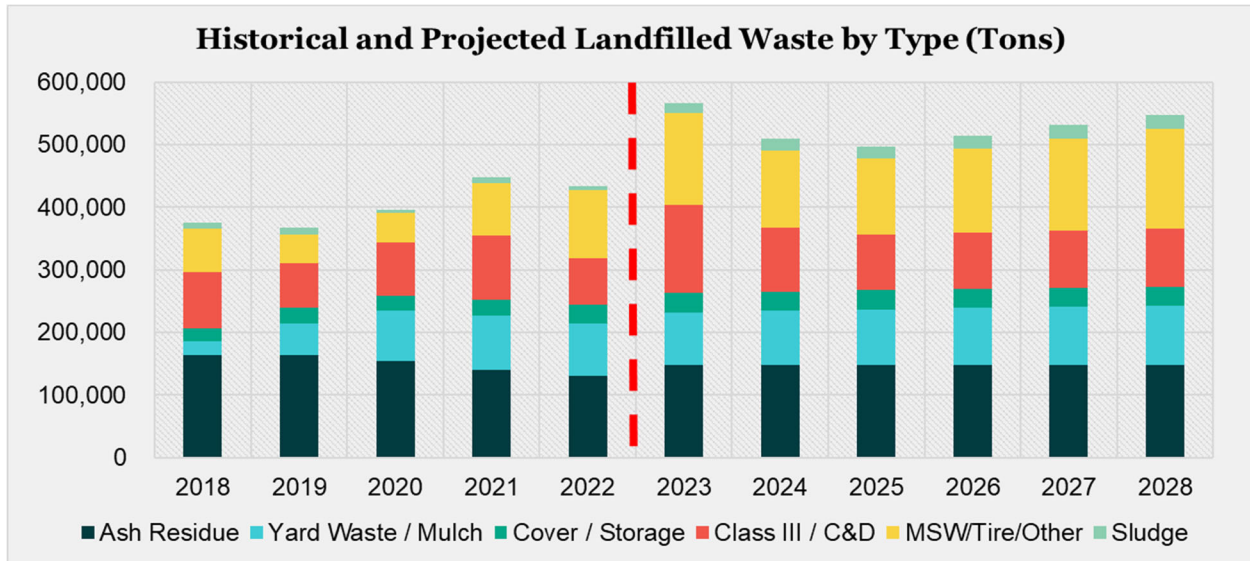


As shown in the chart above, waste deliveries have grown by approximately 8,000 tons per year from Fiscal Years 2018 through 2022 with overall increase of 31,000 tons or 15%. The growth in waste deliveries is attributed to the improved economy and increased population growth. Fiscal Year 2023 has seen large increases in C&D tons due to Hurricane Ian but are assumed to return to trend by Fiscal Year 2025. The Study anticipates continued growth of approximately 10,700 tons per year for the Fiscal Years 2024 through 2028.

As previously discussed, the County maintains and operates several facilities, including a mass burn waste-to-energy facility, materials recovery facility, construction and demolition debris recycling facility, yard and tire processing facilities, composting, regional landfill, and household hazardous waste facility. A critical issue is the capacity utilization of the County's existing WTE facility. The chart below indicates the historical and projected utilization of the WTE facility:



The WTE facility is currently the primary method of waste disposal for the County and processes over 610,000 tons annually or over 70% of all in-bound processed waste. The existing WTE facility currently exceeds the estimated through-put capacity of the facility. Due to the growth in waste deliveries and a reduction in waste sent to the WTE to promote longevity and sustainability of the facility, waste diversions to the County's landfill are expected to grow. The following table provides a summary of estimated landfilled waste over the recent historical and projected period:



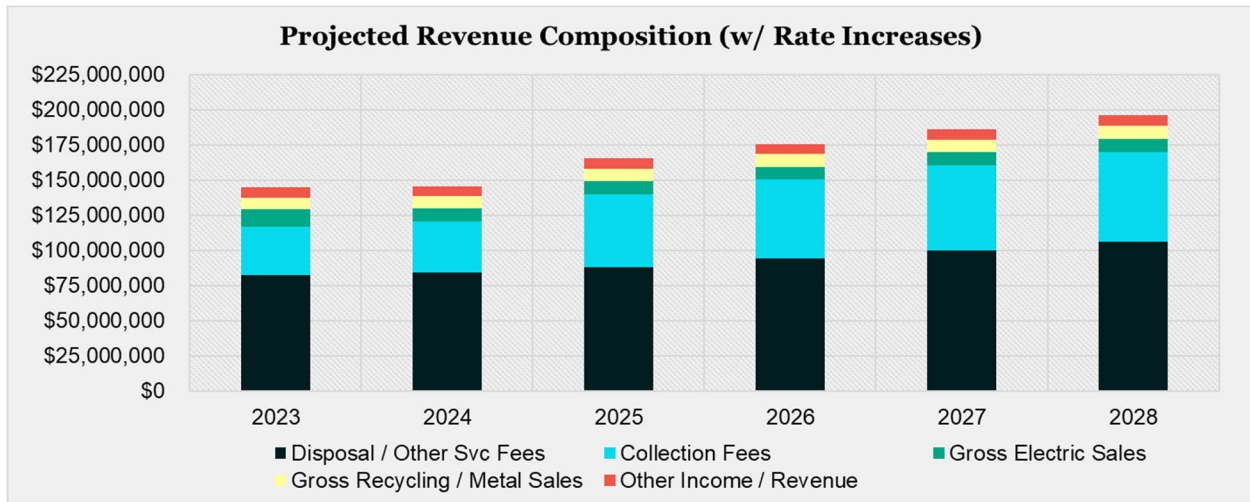
Due to the continued growth in MSW deliveries to the WTE facility, increasing diversions of waste is expected to continue for the Forecast Period. Beyond the Forecast Period it is expected that increasing amounts of MSW deliveries may result in an increase to MSW and yard waste being landfilled. As previously discussed, the County is limited by agreement with adjacent landowners as to the disposal of MSW to the Lee / Hendry Landfill. To provide a long-term solution for the future growth in waste deliveries, the Department has completed a master plan to evaluate new facilities or options of waste disposal. For additional detail concerning the historical and projected customer statistics and assumptions, please reference Tables 1 through 5 at the end of this report.

SECTION 6: REVENUE COMPOSITION AND FORECAST

The Department is expected to generate or collect approximately \$118.6 million in revenue for the Fiscal Year 2023. This amount includes approximately \$2.2 million in remittances to municipalities for franchise fees and shared recycling revenues (if any) and to the WTE facility contractor associated with shared electric revenues and ferrous and non-ferrous metal revenues. Such reimbursements are budgeted as a cost of operation in order to present the gross revenues and track the benefits through shared revenues received by the municipalities and contracted operators. For the Fiscal Year 2023, the revenues can generally be categorized as follows:

- 81% is generated from the collection, disposal and other service fees (e.g., compost sales).
- 8% is generated from gross electric sales.
- 11% is generated from other revenues primarily comprised of franchise fees, recycling and recovered material revenues, other miscellaneous fees, and investment income.

The revenue forecast for collection and disposal fee revenues were developed based upon the forecast of customer billing and tonnage statistics as previously discussed in Section 5 of this report and applied to the existing and projected rates for service. Electric sales revenues were based on the forecast of electrical production as presented in Table 5 at the end of this report. Other revenues, such as recycling revenue, were primarily escalated from historical or budgeted levels based on recent trends and discussions with Department staff. Due to recent market conditions revenues from sale of recyclable materials were not anticipated in the Fiscal Year 2023 and for the remainder of the Forecast Period. The following chart provides the forecasted revenue composition assuming implementation of the identified rate adjustments:



The projected growth in disposal and collection fees are due to increase in customers served, tonnages delivered, and application of the identified rate increases as previously discussed. Electric and other revenues are assumed to remain generally constant for the remainder of the Forecast Period.

SECTION 7: REVENUE REQUIREMENTS COMPOSITION AND FORECAST

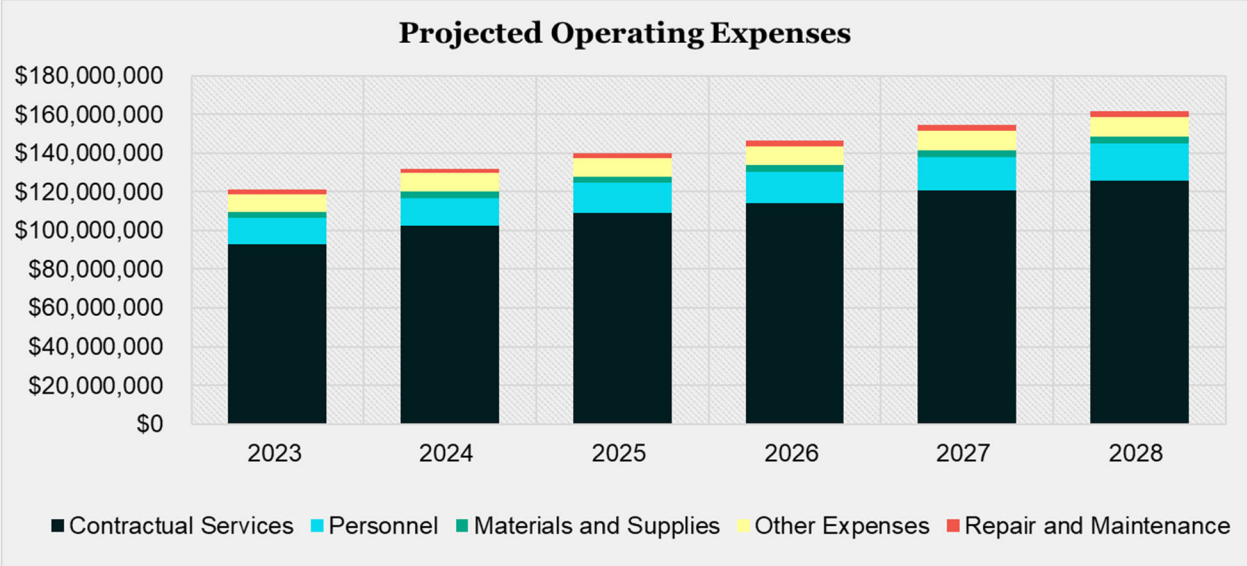
The revenue requirements of the System are comprised of expenditures and required transfers:

- Expenditures: includes annual operating expenses, major maintenance, capital expenditures, and debt service payments.
- Required Transfers: includes transfers for landfill closure, transfers to operating cash reserves for maintaining minimum reserve balances and transfers to capital reserves for funding future capital expenditures.

This section provides a detailed discussion of the revenue requirements and principal assumptions relied upon in development of the forecast for the System.

Operating Expenses

The operating expenses of the Department represent the primary recurring expenditure of the System. Unless otherwise noted operating expenses are exclusive of closure, post-closure, and periodic major maintenance (funded from the Renewal and Replacement Fund), which is consistent with the definition of operating expenses pursuant to the Bond Resolution. Approximately 78% of the operating expenses are related to contracted services for the franchised collection and operation of the System. The remaining operating expenses are primarily related to labor, materials and supplies, and repairs and maintenance. The chart below provides a summary of the total operating expenses for the Forecast Period:



The forecast assumes average annual increases in the cost of operation equal to approximately 7.8% annually, which is largely due to the estimated increase in franchise collection rates in Fiscal Year 2024 coinciding with expiration of certain existing hauler contracts, as summarized in the section below. From Fiscal Year 2025 through 2028 the average annual increase in the cost of operations is equal to 4.0% annually, which we consider reasonable based on long-term trends and the recent rise in inflation. The forecast of operating expenses was based on a five-year review of historical operating expenses, the adopted Fiscal Year 2023 operating budget, year-to-date results, modeling of the Department's principal contracted expenses, and discussions and review of projections with Department staff.

Contracted Collection of Franchise Areas

As discussed in Section 3, the County administers six franchised collection areas. The cost of collection represents a significant component (i.e., approximately 35%) of total operating expenses. The County makes monthly payments to the haulers for each residential franchised collection area. The following presents the historical trends and projected collection expense assumptions by residential franchised collection areas:

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Historical and Projected Franchised Hauler Collection Expense

Description	Historical Fiscal Year Ended September 30,					Projected Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
AREA 1 – Bonita & FMB											
Growth	557	613	558	536	387	550	550	549	548	457	457
Average Monthly											
Units	25,679	26,292	26,850	27,386	27,772	28,323	28,872	29,421	29,969	30,426	30,883
Rate Change (%)	0.0%	0.0%	0.0%	4.0%	3.1%	11.0%	39.2%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$135.96	\$135.96	\$135.96	\$141.36	\$145.68	\$161.64	\$225.00	\$241.88	\$256.39	\$271.77	\$281.28
Expense (\$1,000s)	\$3,491	\$3,575	\$3,651	\$3,871	\$4,046	\$4,578	\$6,496	\$7,116	\$7,684	\$8,269	\$8,687
AREA 2 – SFM – West, Iona-McGregor, Captiva											
Growth	293	257	255	162	78	59	58	57	56	46	45
Average Monthly											
Units	25,102	25,359	25,614	25,776	25,854	25,913	25,971	26,028	26,083	26,129	26,174
Rate Change (%)	0.0%	0.0%	0.0%	4.0%	3.0%	10.9%	53.5%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$125.04	\$125.04	\$125.04	\$130.08	\$133.92	\$148.56	\$228.00	\$245.10	\$259.81	\$275.40	\$285.04
Expense (\$1,000s)	\$3,139	\$3,171	\$3,203	\$3,353	\$3,462	\$3,850	\$5,921	\$6,379	\$6,777	\$7,196	\$7,461
AREA 3 – SFM – East, San Carlos Park											
Growth	609	838	951	1,217	1,247	1,266	1,150	1,027	900	620	486
Average Monthly											
Units	43,376	44,214	45,165	46,383	47,630	48,895	50,045	51,073	51,972	52,592	53,078
Rate Change (%)	0.0%	0.0%	0.0%	4.0%	3.0%	10.9%	25.5%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$151.56	\$151.56	\$151.56	\$157.68	\$162.36	\$180.12	\$226.12	\$243.08	\$257.66	\$273.12	\$282.68
Expense (\$1,000s)	\$6,574	\$6,701	\$6,845	\$7,314	\$7,733	\$8,807	\$11,316	\$12,415	\$13,391	\$14,364	\$15,004
AREA 4 – East, Lehigh, Alva											
Growth	685	891	1,261	1,435	1,680	2,458	2,433	2,399	2,356	1,911	1,839
Average Monthly											
Units	48,169	49,060	50,320	51,755	53,436	55,894	58,327	60,726	63,082	64,993	66,833
Rate Change (%)	0.3%	3.3%	4.0%	0.7%	3.0%	61.2%	13.8%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$143.40	\$148.08	\$153.96	\$155.04	\$159.72	\$257.40	\$292.90	\$314.87	\$333.76	\$353.79	\$366.17
Expense (\$1,000s)	\$6,907	\$7,265	\$7,747	\$8,024	\$8,535	\$14,387	\$17,084	\$19,121	\$21,054	\$22,994	\$24,472
AREA 5 – Pine Island, NFM											
Growth	93	115	167	242	476	355	335	315	295	226	206
Average Monthly											
Units	22,298	22,414	22,581	22,822	23,298	23,654	23,989	24,304	24,599	24,824	25,030
Rate Change (%)	0.0%	0.0%	0.0%	4.0%	3.0%	11.0%	25.4%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$167.40	\$167.40	\$167.40	\$174.12	\$179.28	\$198.96	\$249.56	\$268.28	\$284.38	\$301.44	\$311.99
Expense (\$1,000s)	\$3,733	\$3,752	\$3,780	\$3,974	\$4,177	\$4,706	\$5,987	\$6,520	\$6,995	\$7,483	\$7,809
AREA 6 – Boca Grande / Gasparilla											
Growth	4	5	4	6	2	0	0	0	0	0	0
Average Monthly											
Units	1,256	1,261	1,265	1,267	1,269	1,269	1,269	1,269	1,269	1,269	1,269
Rate Change (%)	0.0%	0.0%	25.4%	69.1%	31.2%	1.3%	5.0%	7.5%	6.0%	6.0%	2.0%
Collection Rate	\$143.40	\$143.40	\$179.88	\$242.48	\$236.04	\$245.52	\$257.80	\$277.14	\$293.77	\$311.40	\$322.30
Expense (\$1,000s)	\$180	\$181	\$228	\$307	\$300	\$312	\$327	\$352	\$373	\$395	\$409
ALL AREAS – Franchise Hauler Expense											
Growth	1,683	2,107	2,638	3,061	3,484	4,138	3,976	3,798	3,606	2,803	2,576
Average Monthly											
Units	165,880	168,600	171,796	175,389	179,259	183,947	188,473	192,820	196,974	200,234	203,267
Rate Change (%)	0.1%	1.0%	1.4%	3.8%	3.3%	30.6%	26.5%	7.5%	6.0%	6.0%	3.5%
Collection Rate	\$144.83	\$146.17	\$148.16	\$153.05	\$157.61	\$199.18	\$250.07	\$269.18	\$285.69	\$303.15	\$314.08
Expense (\$1,000s)	\$24,024	\$24,644	\$25,454	\$26,843	\$28,253	\$36,639	\$47,132	\$51,903	\$56,274	\$60,701	\$63,842

The cost of collection has increased over the recent historical period, including increases associated with the recent contract renegotiations. Forecasts of such costs were based on assumptions provided by Department staff, which may vary from the actual realized cost of collection, as the contracts for collection services are rebid or renegotiated, which could result in different haulers providing service and different rates for service.

WTE Contracted Operations

As previously discussed, the County contracts operation for the WTE facility. The cost of operation is another significant component (i.e., approximately 28%) of total operating expenses. The cost of operation is based on forecasts of processable tonnage statistics, as previously discussed (reference Section 5), and the charges for service by Covanta. The following table provides a summary of the projection of gross and net contracted operating expenses:

Historical and Projected WTE Facility Contract Operations (\$1,000s)

	Historical Fiscal Year Ended September 30,					Projected Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Tons Processed	620,677	620,028	599,559	587,031	574,509	580,000	580,000	580,000	580,000	580,000	580,000
% Change		-0.1%	-3.3%	-2.1%	-2.1%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Service Fee [*]:											
OM	\$20,722	\$21,418	\$21,915	\$22,252	\$24,027	\$25,269	\$27,275	\$28,732	\$28,287	\$29,323	\$30,397
ETF	1,266	1,265	719	385	117	400	431	156	162	168	174
PT	3,997	3,819	3,980	4,362	5,100	5,323	5,745	5,994	6,212	6,440	6,676
EC	881	877	545	738	1,326	1,136	858	858	858	858	858
RRR	(2,002)	(1,161)	(720)	(1,820)	(1,783)	(1,467)	(1,467)	(1,467)	(1,467)	(1,467)	(1,467)
LC	(52)	(58)	(62)	(53)	(36)	(39)	(40)	(42)	(44)	(45)	(46)
MD	(142)	(86)	(140)	(144)	(85)	0	0	0	0	0	0
MA	(25)	(27)	(29)	(34)	(30)	(28)	(25)	(29)	(36)	(46)	(58)
True up	1	(12)	68	0	0	0	0	0	0	0	0
Net Fee	\$24,645	\$26,034	\$26,276	\$25,685	\$28,637	\$30,593	\$32,778	\$34,203	\$33,972	\$35,232	\$36,533
% Change		5.6%	0.9%	(2.2%)	11.5%	6.8%	7.1%	4.3%	(0.7%)	3.7%	3.7%

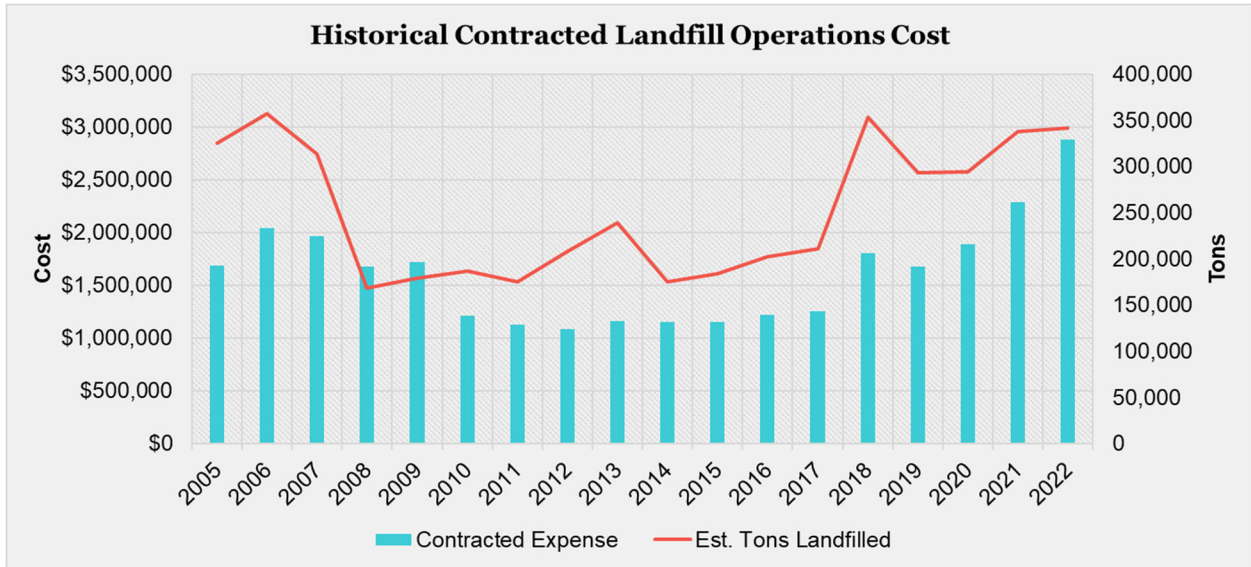
[*] Service Fee (SF) = Operation and Maintenance (OM) Charge + Excess Tonnage Fee (ETF) + Pass-Through (PT) + Energy Credit (EC) – Resources Recovery Revenue (RRR) – Landfill Credit (LC) +/- Monthly Damages (MD) +/- Monthly Adjustment (MA)

The recent historical growth in the cost of contracted operations for the WTE is primarily due to increases in the amount of waste processed and indexing of service fees. On average, the cost of contracted operations for the WTE is expected to average 4.1% per year during the Forecast Period.

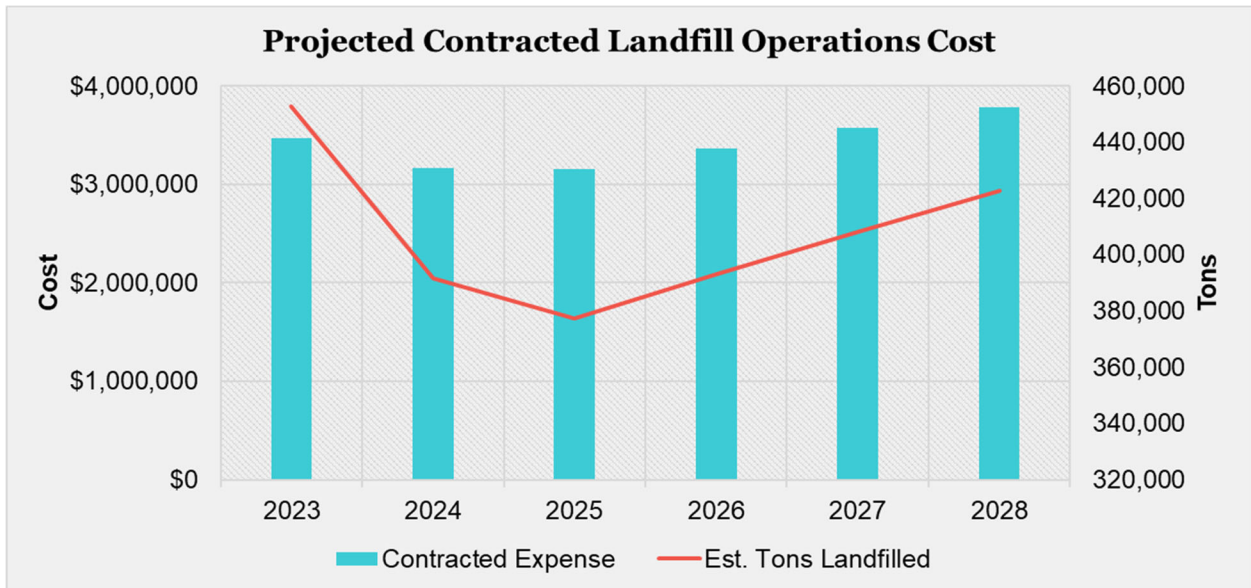
Financial Effects of Landfill Diversions

The primary cost affected by increasing diversions of waste to the landfill is the contracted cost of operation. This cost has averaged approximately \$2.1 million annually for the last five years. For reference, the Department reported approximately 341,800 tons landfilled in 2022, which is the second highest amount landfilled in the previous five years. The cost of contracted operations has generally been increasing since 2018 as shown in following chart.

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Amounts shown above are provided based on reports from Department staff and the County's contracted landfill operator. Such amounts may vary with reported inbound tonnage reports to the landfill associated with: i) tonnages processed for disposal by the County through the composting operations; ii) timing of receipt and ultimate disposal of waste in the landfill; and iii) other variances. The cost of contracted operation for the landfill has generally increased with the level of waste deliveries over time. The current agreement for operation of the landfill is based on "actual cost, plus mark-up." Labor and other operating costs for the landfill can be scaled to the level of waste deliveries. The following chart presents the forecast of contracted landfill operating expenses:



As previously discussed, the Buckingham Campus has a transfer station collocated with the WTE. The primary purpose of the facility is for diverting MSW, recognizing that the County currently diverts minimal quantities of MSW when the facility is not in use. This forecast assumes that due to anticipated growth in waste deliveries the County would prioritize and divert increasing amounts of yard waste (may conditionally require use of the transfer station for diversion) to the landfill. This is expected to provide additional capacity at the WTE for disposal of increasing amounts of MSW. However, there are limitations

on the amount of additional capacity that can be provided from diverting yard waste and or other processable materials (i.e., C&D) away from the WTE to the landfill. For example, seasonality of waste deliveries also has a material effect on diversion of MSW to the landfill.

Other Expense Forecast Assumptions

The remaining operating expenses after the payment of contracted operations comprise approximately 27% of the total operating expenses are primarily related to the payment of Department employee labor costs and materials and supplies for operation of the facilities. In particular, the Department must fund operating expenses related to operation of the scales, transfer stations, C&D recycling facility, composting operations, fleet / vehicle maintenance, administration and management, etc. The forecast of these costs were developed based on a five-year review of the historical expenses, application of assumed escalation factors (for more information please reference Tables 8 and 9) based on the nature of the expense (e.g., certain variable costs may be escalated based inflation, growth in tonnage, etc.) and a detailed review with Department staff.

Capital Expenditures and Major Maintenance

The forecast of capital and major maintenance was provided by Department staff and generally represents the periodic renewals, replacement and improvements of System infrastructure and facilities. As previously discussed, major maintenance is not a capitalized expenditure for purposes of financial reporting (i.e., operating expenses); however, the County views such periodic expenditures as capital-related and funds such expenditures from the Renewal and Replacement Fund (i.e., excluded from Operating Expenses pursuant to the Bond Resolution). For example, the County has identified the need to repave the main road leading to the Lee/Hendry Landfill and has funded this expenditure through the Renewal and Replacement Fund as a major maintenance (and non-recurring) expenditure. The following table provides a listing of the capital projects identified.

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Listing of Identified Capital and Major Maintenance Expenditures

Capital Project Description	Start Year	Project Cost [1]
Recycling Facilities	2022	\$904,000
MRF Development	2022	87,061,900
Landfill Connectivity	2022	476,000
Buckingham Resource Area	2023	1,100,000
LCCF Capacity Improvements	2022	6,952,987
Buckingham Scale Improvements	2022	559,529
Hendry County Transfer Station Improvements	2023	10,234,144
Parts and Equipment Storage Area	2022	837,000
Compost Facility and Well Improvements	2022	185,659
Landfill Gas Collection System	2022	1,400,000
Landfill Class I Update and Design	2022	12,234,615
Landfill Class III Update and Design	2023	14,535,000
Ash Landfill Closure	2026	5,624,000
Umbrella - Buckingham Upgrades	2022	325,304
Umbrella - Mechanical Systems	2022	231,943
Umbrella - Scales	2022	566,500
Umbrella - Generators Multiple Sites	2022	341,070
Class I Landfill Phase IV	2027	21,100,000
Capital Project Subtotal		\$156,469,651
Major Maintenance [2]	2023-2028	\$45,463,724
Operating Budget Capital Outlay [3]	2023-2028	19,060,083
Total		\$221,093,459

[1] Amounts shown derived from Table 10.

[2] Amounts shown reflect periodic major maintenance expenses that are not capitalized, however are funded from the Renewal and Replacement Fund (i.e., excluded from Operating Expenses as defined in the Bond Resolution) and more similar to a capital expenditure (e.g., road repaving).

[3] Represents annually recurring purchases of minor capital, equipment, and other capitalized expenses included in the annual operating budget.

As shown above, the County has identified approximately \$221.1 million in total capital projects. The largest projects in the plan are projects related to facility expansion (i.e., materials recovery facility and landfill expansions) which account for approximately \$131.7 million or 60% of the total capital improvement funding requirements for the Forecast Period. The following table provides a summary of the funding plan for the Forecast Period:

Capital Funding – Fiscal Years 2023-2028 [*]

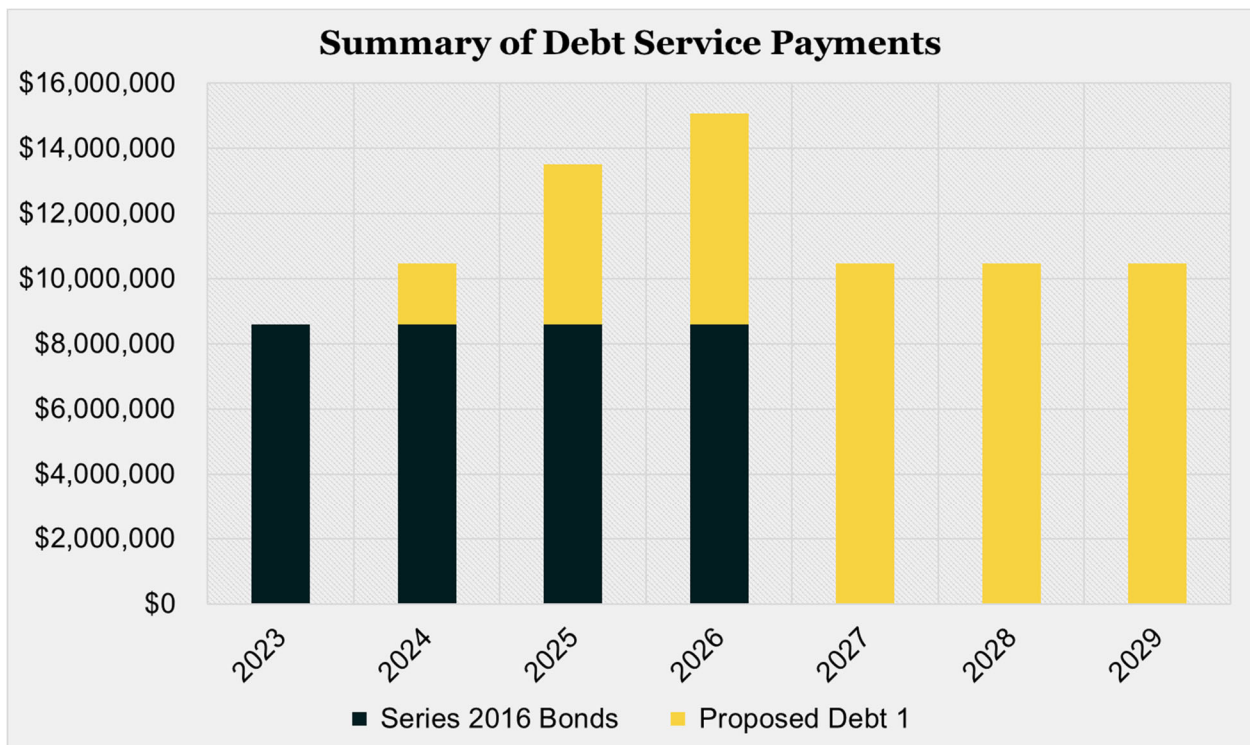
Description	Amount	Percent
Rate Revenue	\$19,060,083	8.6%
System Reserve Fund	49,161,873	22.2%
Renewal and Replacement Fund	25,474,603	10.4%
Proposed Debt	129,896,900	58.8%
Total Funding	221,093,459	100.0%

[*] Amounts shown derived from Table 10.

Table 10 at the end of this report provides additional detail concerning the projected capital and major maintenance needs and funding sources for the Forecast Period. As previously discussed, the County has completed a master plan to address the issue of the disposal facility capacity of the System. This financial forecast does not recognize any additional capital needs that may be identified as part of the master plan, with the exception of the previously mentioned MRF and landfill expansion, which could result in the need to raise rates beyond what is currently identified in this Study.

Debt Service

As of October 1, 2022, the System had debt outstanding of approximately \$30.5 million, which is exclusive of amortized premiums and discounts. The outstanding debt is associated with the Series 2016 Bonds; no other services or subordinated debt is outstanding for the System. The associated debt service for the Series 2016 Bonds represents level payments of approximately \$8.6 million annually with final repayment in Fiscal Year 2027 and accrued in Fiscal Year 2026. The forecast assumes the issuance of additional debt during the Forecast Period for construction of the previously discussed MRF, among other projects. It is assumed the County will use a line of credit to fund approximately \$90.2 million in projects in Fiscal Years 2024 and 2025 with senior lien bonds of \$129.9 million in project fund deposits assumed to be issued in Fiscal Year 2026 to repay the line of credit and fund the remaining project costs. The bond financing assumptions include a 20-year term, one year of interest only, and an interest rate of 4.9% which results in an estimated average annual debt service payment of \$10.5 million by Fiscal Year 2028. The chart below provides a summary of the existing and projected annual debt service payments:



Closure and Post-closure Transfers

Pursuant to the Florida Administrative Code (the "Code") 62-701.630, landfill operators within the State are required to demonstrate financial assurance for the final closure and subsequent on-going post-closure costs. The Code identifies several methods for demonstrating financial assurance, but the most common is to set aside funds as landfill capacity is used in a restricted fund. This is the method employed by the County in demonstrating financial assurance. The Florida Department of Environmental Protection requires the County to annually submit proof of compliance with the financial assurance requirements of the Code.

The projected costs of closure and post-closure or long-term care are estimated at the time of permit renewal, typically every five years. The costs are determined based upon surveys of costs associated with closure and long-term care at the time of the permit renewal, which are reviewed by engineers and FDEP staff. While the closure cost is a one-time event, long-term care or post-closure expenses represent the

cumulative cost of annual operating expenses such as grounds maintenance, security, site monitoring, or other operating costs for a 30-year period after closure. Once the closure and long-term care costs have been estimated during permitting, such costs are then escalated annually to account for inflation based on approved inflation factors by the FDEP. Closure and post-closure cost estimates are then not formally re-evaluated until the subsequent permit renewal or there are changes to the closure and long-term care plan. Additionally, closure liability is only calculated for active landfill cells that have received or are currently receiving waste.

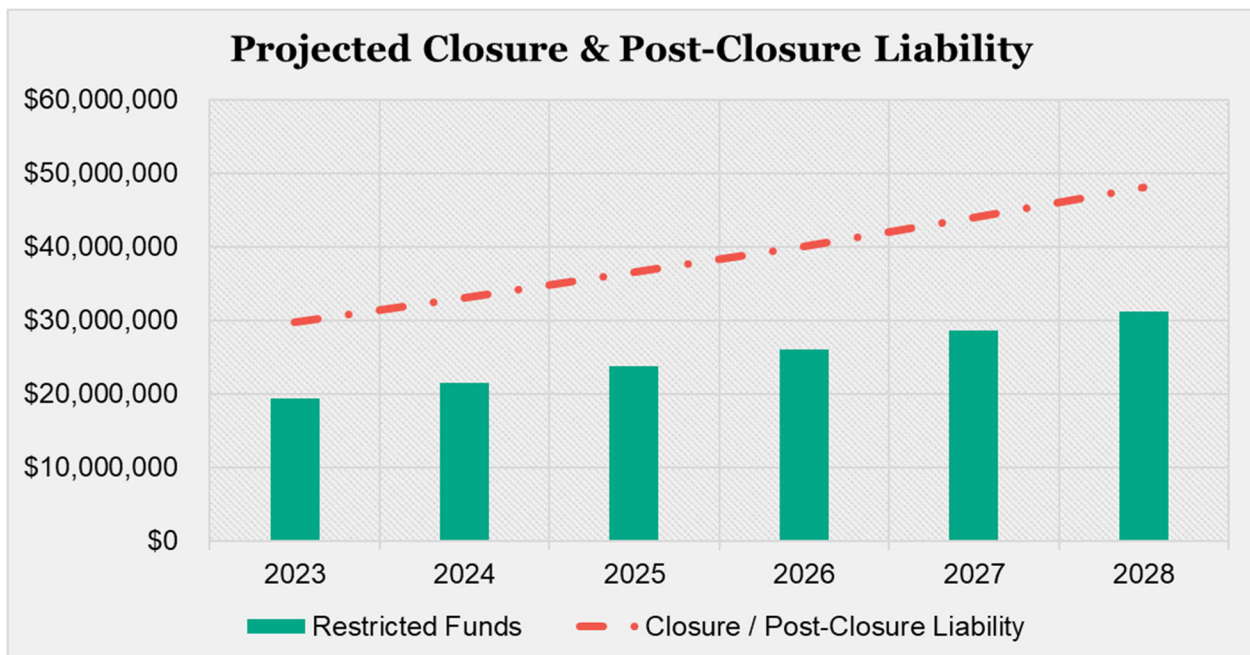
In order to estimate the capacity utilization of the landfill to determine the allocable closure liability / costs that are required for determination of financial assurance compliance, the County annually contracts for a fly-over to define the elevation of the landfill surface and calculate the volume of permitted landfill volume used during the previous year. This data provides accurate information to allow the Department to identify the remaining air space or volume of permitted capacity remaining in the constructed cells. The following table provides a comparison of the estimated liability based on the landfill's capacity utilization and the corresponding cash reserves reported to be held by the Department within the Closure Fund:

Estimated Closure and Post-Closure Liability as of September 30, 2022

Active Landfill Sites	Closure	Post-Closure [*]	Total	Restricted Funds
Ash Monofill	\$4,332,711	\$2,944,412	\$7,227,123	N/A
Class I Landfill	8,819,063	3,763,057	12,582,120	N/A
Class III Landfill	3,529,229	2,682,214	6,211,443	N/A
Total	\$16,681,002	\$9,389,684	\$26,070,686	\$12,318,835

[*] Amounts shown reflect the cumulative post-closure liability allocable to the County based on the pro-rata share of the capacity utilized calculated assuming a 30-year maintenance expense liability for the ash monofill, and class III landfill.

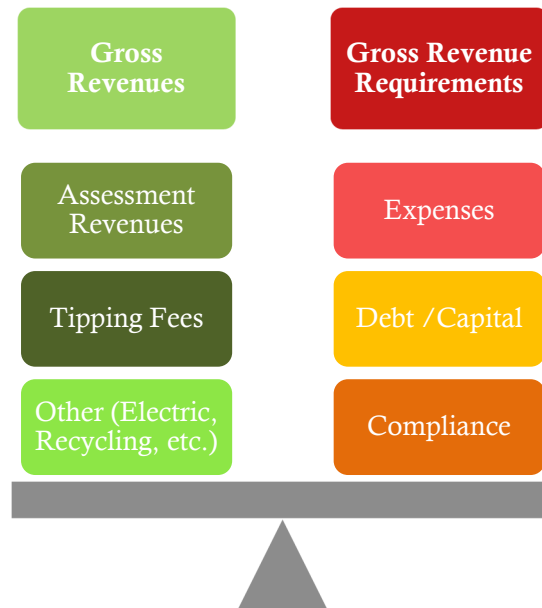
As shown in the prior table, the County has restricted approximately \$12.3 million representing approximately 47% of the allocable long-term liability. The forecast assumes reaching 100% of the current closure liability and one year of the post-closure liability for the Forecast Period. If financial conditions improve, it is recommended the County consider fully funding the combined closure and post-closure liability in order to match the cost of closure with the disposal of waste. The chart below presents a forecast of the cumulative liability and restricted funds for closure:



It is projected that the County will require transfers to the Closure Fund beginning in Fiscal Year 2023 to maintain the minimum balance mentioned above. The forecast assumes transfers to the closure funds averaging approximately \$2.8 million annually for the Forecast Period. It should be noted that closure fund liability is expected to grow at a faster rate than in recent years due to increased diversions to the landfill.

SECTION 8: REVENUE SUFFICIENCY AND FINANCIAL COMPLIANCE

The foundation of the study and the primary objective of the solid waste rates are to reasonably recover the cost of providing service, cost of infrastructure investment and compliance with covenants of the outstanding bonds and internal fiscal targets (referred to as the "Revenue Sufficiency" evaluation).



Based on the assumptions and findings of this analysis the following table provides a summary of the identified revenue adjustments for the Forecast Period recognizing financial projections under current operations.

Identified Rate Revenue Adjustments by Fiscal Year ^[1]

Description	Adopted 2024	2025	Identified 2026	2027	2028
Disposal Assessment / Tip Fee Rev.					
Percent Adjustment	3.81%	5.00%	5.00%	5.00%	5.00%
Incremental Revenue Addition	\$2.95m	\$4.04m	\$4.31m	\$4.59m	\$4.88m
Cumulative Revenue Addition	\$2.95m	\$7.00m	\$11.41m	\$16.16m	\$21.27m
Collection Assessment Revenues					
Percent Adjustment ^[2]	3.25%	39.19%	6.03%	5.83%	3.52%
Incremental Revenue Addition	\$1.15m	\$14.59m	\$3.20m	\$3.34m	\$2.17m
Cumulative Revenue Addition	\$1.15m	\$15.76m	\$19.32m	\$23.03m	\$25.57m

[1] Reflects identified increases to revenues from the collection / disposal assessment and tipping fees for service. It should be noted that amounts shown reflect the increase to rate revenues from increases to fees only and do not reflect any increases or decreases from changes in assumed waste generation.

[2] Fiscal Year 2025 reflects projected increases to recover estimated cost of contracted collection services and may vary based on actual realized increases in such costs.

The revenue increases are necessary to ensuring adequate cash reserves and appropriate cash flows produce a sustainable long-term financial plan that can mitigate the financial and operating risk from unanticipated

or sudden events to financial operations (e.g., reduced electric sales, reduced growth or tonnages unanticipated or extraordinary outages, unfunded mandates, etc.).

Collection Revenue Requirements

In order to develop rates for solid waste disposal and collection services, the revenue requirements were allocated among the disposal and collection operations. The collection fee as a component of the residential solid waste assessment only recovers the direct contracted cost of collection. The following table presents the allocated collection system revenue requirements:

Collection Net Revenue Requirements and Revenue Sufficiency (\$1,000s) [1]

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operation and Maintenance Expenses	\$36,639	\$47,132	\$51,903	\$56,274	\$60,701	\$63,842
Annual Debt Service	0	0	0	0	0	0
Transfers and Capital	0	0	0	0	0	0
Gross Revenue Requirements	\$36,639	\$47,132	\$51,903	\$56,274	\$60,701	\$63,842
Less Income / Funds from Other Sources:						
Investment Income	\$0	\$0	\$0	\$0	\$0	\$0
Contracted Fines [2]	25	25	25	25	25	25
Total	\$25	\$25	\$25	\$25	\$25	\$25
Net Collection Funding Requirements	\$36,614	\$47,107	\$51,878	\$56,249	\$60,676	\$63,817
Collection Assessment Revenue – Adopted Rates	\$34,374	\$35,261	\$36,114	\$36,931	\$37,643	\$38,247
Rate Revenue Adjustments [3]	n/a	3.25%	39.13%	6.03%	5.83%	3.52%
Adjusted Collection Revenue	\$34,374	\$36,407	\$51,878	\$56,249	\$60,676	\$63,817
Net Transfers To / (From) Reserves [4]	(\$2,241)	(\$10,700)	\$0	\$0	\$0	\$0
[1] Amounts shown derived from Table 14 at the end of this report. Totals may vary due to rounding. [2] Reflects minor revenues from fines related to the monitoring of contracted collection. [3] Reflects the current period percent increase in collection revenues. [4] Reflects assumed transfers to / (from) reserves.						

Based on the allocation of costs a primary driver for the increase in the identified residential collection assessment is related to increases in the cost of contracted collections.

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Disposal Revenue Requirements

The balance of all other revenue requirements is, therefore, allocable to the disposal function of operation for the System. The following table presents the allocated disposal system revenue requirements:

Disposal Net Revenue Requirements and Revenue Sufficiency (\$1,000s) [1]

Description	Projected Fiscal Year Ending September 30,					
	2023	2024	2025	2026	2027	2028
Operation and Maintenance Expenses [2]	\$84,559	\$84,893	\$88,135	\$90,063	\$93,663	\$97,689
Hurricane Ian Debris Clean-up	114,429	0	0	0	0	0
Total Operating and Maintenance Expenses	\$198,988	\$84,893	\$88,135	\$90,063	\$93,663	\$97,689
Annual Debt Service:						
Series 2016 Bonds	\$8,589	\$8,596	\$8,595	\$8,605	\$0	\$0
Proposed Debt	0	1,886	4,913	6,468	10,465	10,465
Transfers and Capital [3]	\$18,891	\$14,062	\$12,146	\$14,549	\$21,845	\$24,324
Gross Revenue Requirements	\$226,468	\$109,437	\$113,788	\$119,685	\$125,974	\$132,479
Less Income / Funds from Other Sources:						
Investment Income	\$1,822	\$1,603	\$1,524	\$1,613	\$1,672	\$1,730
Net Electric Revenue	11,995	9,238	9,236	9,234	9,233	9,232
Franchise Fees [2]	2,776	2,835	2,893	2,952	3,000	3,049
WTE Ferrous / Non-ferrous [2]	1,467	1,467	1,467	1,467	1,467	1,467
Miscellaneous Revenue	7,561	7,699	7,835	7,886	8,099	8,220
Compost Sales	289	289	289	289	289	289
FEMA Reimbursements - Hurricane Ian [4]	39,110	0	0	0	0	0
General Fund Transfers - Hurricane Ian [4]	75,319	0	0	0	0	0
Other Revenues [5]	5,631	5,710	5,772	5,835	5,895	5,957
Total	\$145,969	\$28,840	\$29,016	\$29,275	\$29,656	\$29,944
Net Disposal Funding Requirements	\$80,499	\$80,597	\$84,772	\$90,410	\$96,318	\$102,535
Disposal Assessment and Tip Fee Revenue – Adopted Rates	\$79,183	\$77,643	\$77,776	\$78,998	\$80,153	\$81,264
Current Period Rate Revenue Adjustments [5]	n/a	3.8%	5.0%	5.0%	5.0%	5.0%
Adjusted Disposal Revenue	\$79,183	\$80,597	\$84,772	\$90,410	\$96,318	\$102,535
Surplus / (Deficiency) [6]	(\$1,316)	\$0	\$0	\$0	\$0	\$0

[1] Amounts shown derived from Table 13 at the end of this report. Totals may vary due to rounding.

[2] Amounts shown include the gross expenses of the system, including the cost of shared or remitted revenues such as, franchise fees collected on behalf of the County and shared electric revenues due to the County's contracted WTE facility operator.

[3] Reflects transfers to the landfill closure fund, transfers to the recycling fund from recovered materials revenues and funding for certain capital equipment identified from the capital program.

[4] Includes revenues from advance disposal fees related to the C&D ordinance, contracted disposal of sludge and other miscellaneous revenues.

[5] Reflects the current period percent increase in disposal revenues.

[6] Reflects assumed transfers to / (from) operating reserves.

As shown above the existing disposal assessment and tipping fee revenues are not projected to be sufficient to fund the disposal-related revenue requirements of the System due to increases in the cost of operation, capital funding, and anticipated declining income and funds from other sources (e.g., recycling revenues) which serve to offset the funding requirements of the disposal assessment and fees. For more information on the adopted Fiscal Year 2024 rates for service, please reference Section 9 of this report, which provides detail concerning the application of the proposed increases to rates.

Bond Resolution and Rate Covenant Compliance

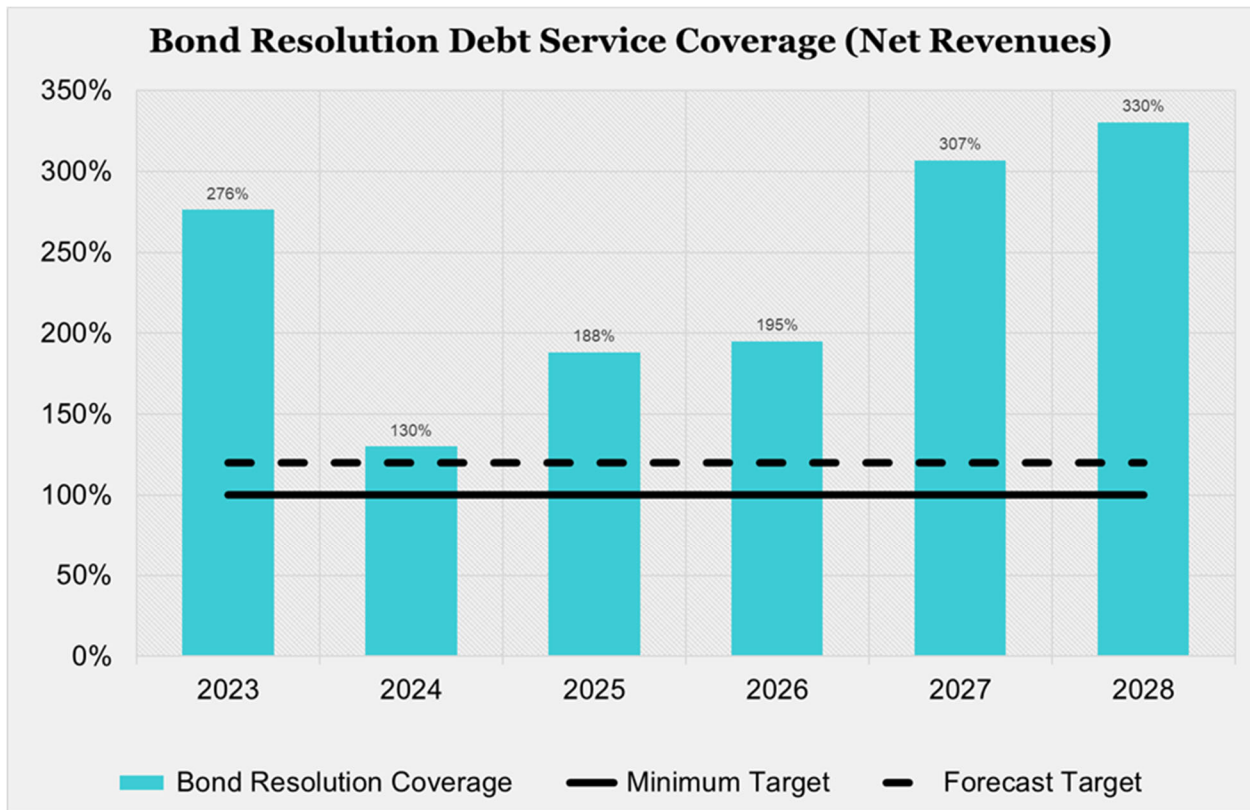
Upon issuance of the Series 2016 Bonds, the Bond Resolution took effect and superseded the prior Trust Indenture. The Bond Resolution recognized, among other things, certain changes to the definitions, creation of funds, and calculation of compliance with the Rate Covenant. The following provides a listing of the primary changes to the definitions and creation of funds, which affect the determination of projected operating results and compliance with the Rate Covenant. The following does not represent an authoritative or complete listing of changes from the prior Trust Indenture to the Bond Resolution.

1. The Bond Resolution provides for the creation of the Rate Stabilization Fund. The Rate Stabilization Fund represents a reserve available for the needs of the System to minimize the risk of default on the payment of Annual Debt Service for the Bonds. For compliance with the Rate Covenant, transfers from the Rate Stabilization Fund may be recognized as a component of Gross Revenues up to the Rate Stabilization Amount if transferred within 120 days of the respective close of the Fiscal Year, further defined as an amount not greater than 25% of prior year's ending cash balance within the Rate Stabilization Fund. Conversely, Funds transferred to the Rate Stabilization Fund have the effect of reducing Gross Revenues for determining compliance with the Rate Covenant.
2. The definition of Gross Revenues was revised to include:
 - a. Recovered Materials Revenues derived from the operation of the MRF.
 - b. Transfers from the Rate Stabilization Fund, up to the Rate Stabilization Amount, having the effect of increasing Gross Revenues.
 - c. Transfers to the Rate Stabilization Fund having the effect of decreasing Gross Revenues.
3. The definition of Operating Expenses was revised to exclude:
 - a. OPEB accruals and instead recognizes actual OPEB outlays.
 - b. Expenses funded from the Renewal and Replacement Fund (i.e., major maintenance or extraordinary expenditures).
4. The required transfer to the Renewal and Replacement Fund are governed by the flow of funds described in Section 4.05 of the Bond Resolution and the definition of the Renewal and Replacement Fund Requirement. The specific changes to the Bond Resolution are related to the required minimum annual deposit should the balance within the Renewal and Replacement Fund be less than the Renewal and Replacement Fund Requirement. The minimum annual transfer is established as either:
 - a. 5% of prior year's Gross Revenues; or
 - b. Such other amount as recommended by the Consulting Engineers.

The change is intended to support a minimum transfer to the Renewal and Replacement Fund that may be more appropriate, at times, than the default of 5% of prior year's gross revenues.
5. As previously discussed, the Debt Service Reserve Account Requirement, is defined as an amount equal to the lesser of:
 - a. Maximum Annual Debt Service for all Outstanding Bonds secured thereby;
 - b. 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby;
 - c. the maximum amount of Bond proceeds which may be deposited to the Debt Service Reserve Account without subjecting the same to yield restriction under the Code provided; or
 - d. The County may establish by Supplemental Resolution a different Debt Service Reserve Account Requirement with respect to any particular Series of Bonds, which Debt Service Reserve Account Requirement may be \$0.00.

6. The Rate Covenant for the Bond Resolution is a two-part test as follows:
 - a. Net Revenues, together with the Net Position, must equal at least 120% of the Annual Debt Service becoming due in such Fiscal Year; and
 - b. Net Revenues shall be adequate at all times to pay in each Fiscal Year at least (1) 100% of the Annual Debt Service becoming due in such Fiscal Year, and (2) 100% of any amounts required by the terms thereof to be deposited in the Renewal and Replacement Fund or the Debt Service Reserve Account or with any issuer of a Debt Service Reserve Account Letter of Credit or Debt Service Reserve Account Insurance Policy in such Fiscal Year to pay Policy Costs.

For informational purposes, projected compliance with the Rate Covenant was evaluated for the Forecast Period and presented as follows:



Note: The Fiscal Year 2023 coverage shown above does not include debris removal expenditures associated with Hurricane Ian. The Department has been partially reimbursed by FEMA as of the date of this report and anticipates the remaining expenses to be reimbursed by the General Fund by the end of Fiscal Year 2023.

Prior to the Fiscal Year 2016, the Department had experienced recurring declines in the debt service coverage and resulted in a credit rating downgrade by Moody's Investor Service from A3 to Baa1^[6]. In response, the County adopted a series of rate adjustments over the last several years, which have significantly improved the Net Revenues of the System. As shown in the chart above, and assuming the implementation of the identified rate revenue increases, the System Net Revenues are projected to produce

[6] Moody's provides the following rankings for investment grade credits from highest to lowest as follows: Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3.

sufficient revenues to generate debt service coverage equal to or above the minimum target (i.e., coverage requirement in the Bond Resolution) for the entire Forecast Period. For additional information concerning the calculation of historical and projected compliance with the Rate Covenant, please reference Tables 16 and 17 found at the end of this report.

Recommended Financial Targets

Recognizing the credit downgrade as previously discussed and the desire for the long-term financial sustainability of the County's solid waste enterprise fund, it is recommended that the County consider minimum financial targets in order to promote the creditworthiness of the System. The following objectives were recognized in consideration of the financial targets:

- Maintain adequate reserves to provide hedges against unplanned events associated with: i) sudden changes in market demand for sale of recovered materials; ii) revenue reductions / increased costs associated with short- or long-term facility outages, including changes in the determination of the rates earned from the sale of electricity generated from the County's existing or future facilities; and iii) non-recurring expenditures needed in instances of emergencies or Force Majeure Incidents (as later defined).
- Target minimum financial metrics greater than those required by the Bond Resolution or subordinate loan agreements to promote the increased ability to be in compliance with the various rate and financial covenants of such agreements.
- Maintain adequate rates and charges to produce sufficient revenues and financial margins to fully cover operating expenses, debt service payments, identified capital expenditures, required transfers and funding for cash reserve targets.
- Maintain and promote a strong financial condition aimed at preserving and enhancing the Enterprise Fund bond ratings to minimize capital project financing costs and promote long-term System sustainability.
- The desire to maintain reasonable and well-justified levels of rates and fees over the long run, in accordance with good business practices.

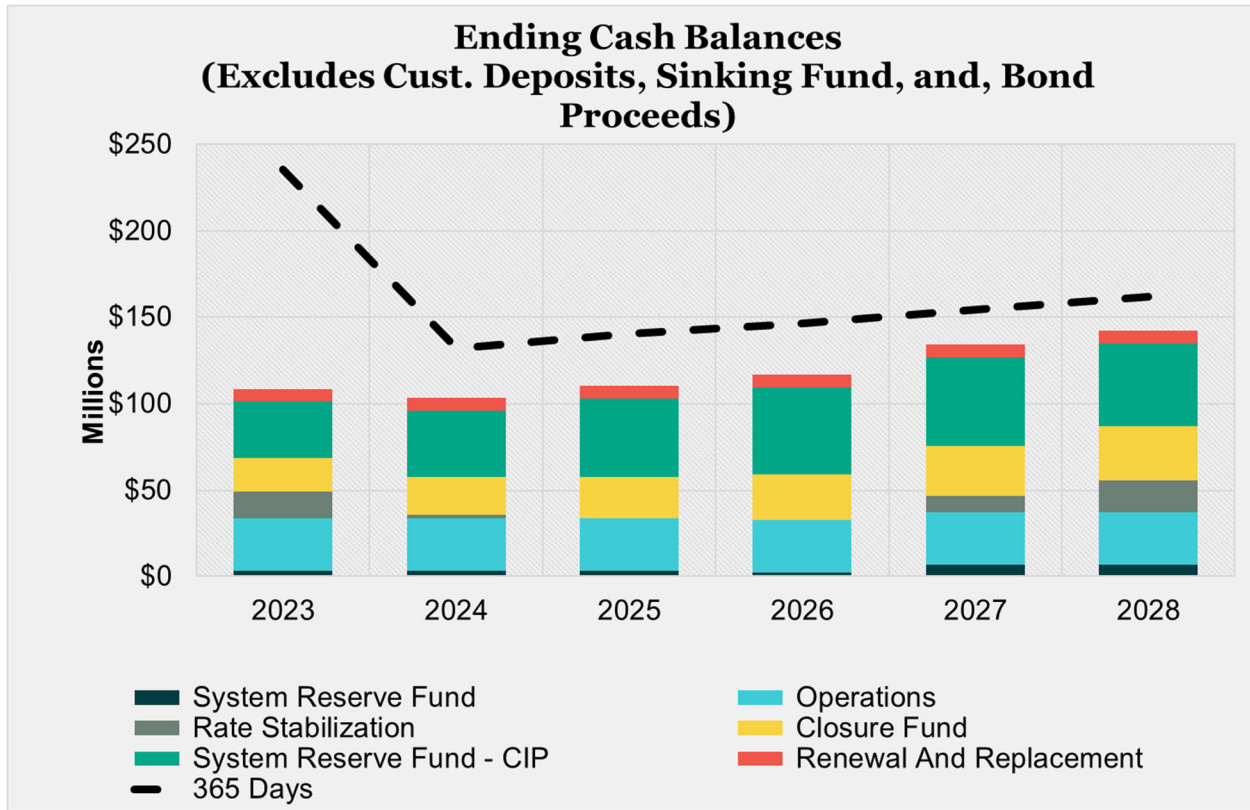
In general, the financial targets are more restrictive than the minimum legal requirements as may be contained in Bond Resolution or subordinate loan agreements as later defined. The following table provides a brief summary of the principal financial metrics and targets recommended and reflected in the financial plan presented in this Study:

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Financial Metrics and Targets

Description	Basis	Purpose
Minimum Cash Reserves:		
1.1) Operating Reserve Target	Maintain a minimum of 150 days of operating expenses within operating reserve cash balances.	To promote the maintenance of a minimum working capital reserve balance for operating needs of the System and unexpected loss of revenues (e.g., reduction in electric revenue) or increases in costs.
1.2) Capital Reserve Target	Maintain the greater of: a) 6% of prior year's gross assets; or b) the average annual cost of the five- or ten-year CIP.	To promote the maintenance of a minimum capital reserve balance for System capital needs (e.g., renewals and replacements) and to allow for ongoing capital re-investment.
1.3) Closure Target	Maintain the estimated liability of landfill closure costs + one year of post-closure liability.	Represents a minimum cash funded reserve for the future closure and post closure care of the landfill.
1.4) Aggregate Reserve Target	Maintain an aggregate reserve balance at least equal to one year of budgeted Operating Expenses.	Reflects an aggregate cash reserve balance in order to maintain the credit worthiness of the System.
Debt Capacity and Coverage:		
2.1) Debt Capacity	Maintain a minimum Debt to Revenue Ratio from 4.0x to 6.0x calculated as: $= \frac{[\text{Outstanding Principal All-in Debt} - \text{Cash Balance in Debt Service Reserve Account}]}{[\text{Gross Revenues} - \text{Transfers from Rate Stabilization Fund}]}$	Provides a maximum range of indebtedness to be issued by the System based on financial metrics utilized by credit rating agencies in the evaluation of the debt capacity of a solid waste enterprise fund. It should be noted that the debt to revenue ratio was assumed in lieu of the debt to net equity ratio since it may be difficult to estimate the net equity associated with the County's WTE facility since repairs and replacements are performed by the County's Contract Operator.
2.2) All-in Coverage	Maintain at least 1.20x all-in debt coverage.	Represents a key financial metric used in assessing the creditworthiness of the Department.
Capital Reinvestment:		
3.1) Capital Reinvestment	Transfer at least five percent of prior year's Gross Revenues, excluding collection revenues, to capital reserves.	Intended to promote a minimum transfer for capital needs of the System.

The County is expected to meet or exceed the recommended targets assuming implementation of the identified rate revenue adjustments by the end of the Forecast period. The following chart provides a determination of compliance with the *1.4) Aggregate Reserve Target* which is projected to below target until Fiscal Year 2028.



As shown in the prior table, it is projected that cash reserves are expected to decline during initial period of the Study primarily associated with identified capital funding requirements of the System and increased operating expenses, but generally increase toward the targeted cash reserves equal to 12 months of operating expenses during the Forecast Period.

SECTION 9: COST OF SERVICE AND RATE DESIGN

Based on the recommended financial targets, projected cost of revenue requirements and identified rate adjustments, the net system revenue requirements were evaluated relative to the current rate structure comprised of:

- Residential Collection and Disposal Assessments
- Solid Waste System Assessment (i.e., Disposal Facility Assessment and Recycling Assessment)
- Assessed Billing Charge
- Solid Waste Operations and Right of Way Surcharges
- Tipping Fees by Type of Waste

Costs were allocated by budgetary line item to the various charges based on a rational nexus among the costs and the respective fees. Adjustments to the allocated rates were then made to recognize: i) benefits of an integrated solid waste operation; ii) market comparisons; iii) pricing incentives to discourage out-of-town waste; and iv) general rounding of rates for ease of billing. The following table provides a brief summary of the principal assessments and fees adopted for the Fiscal Year 2024:

Summary of Historical, Existing, and Adopted Rates

Description	Historical 2022	Existing 2023	Adopted 2024
Assessments:			
Collection (Avg. Areas 1-5) [1]	\$145.62	\$185.79	\$192.09
Disposal MSW [2]	50.20	59.96	63.56
Disposal Yard Waste [3]	6.62	6.62	7.02
Disposal Facility Assessment Charge [2]	17.25	18.61	18.61
Recycling Assessment [4]	11.05	11.05	11.05
Surcharges	0.00	0.00	0.00
Billing Fee	2.45	2.45	2.45
Early Prepayment Gross Up (4%)	9.71	11.85	12.28
Gross Assessment Average for Areas 1-5 [5]	\$242.90	\$296.33	\$307.06
Assessment Paid in February = 1% Discount	\$240.47	\$293.37	\$303.99
Assessment Paid in January = 2% Discount	238.04	290.40	300.92
Assessment Paid in December = 3% Discount	235.61	287.44	297.85
Assessment Paid in November = 4% Discount	233.18	284.48	294.78
Tipping Fees per Ton by Waste Type			
MSW [6]	\$50.20	\$59.96	\$63.56
Commercial Horticulture / Yard Waste	37.50	38.58	39.97
Residential Horticulture / Yard Waste			32.86
C&D	60.00	61.72	63.94
Class III	60.00	61.72	63.94
Tires	160.00	160.00	160.00
Recycling	38.12	41.12	41.12
Surcharges per MSW Ton [6][7]	\$0.00	\$0.00	\$0.00
Disposal Facility Assessment per Ton [8]	\$17.25	\$18.61	\$18.61

[1] Amounts shown reflect the average fee charged for the franchise collection areas 1-5.

[2] County assesses residential customers the MSW disposal and the Disposal Facility Assessment based on the following waste generation assumptions:

FY22 – 1.00 tons FY23 – 1.00 tons FY24 – 1.00 tons

[3] County assesses residential customers the Yard Waste Assessment based on the following waste generation assumptions:

FY22 – 0.21 tons FY23 – 0.21 tons FY23 – 0.21 tons

[4] County assesses residential customers the Recycling Assessment based on the waste generation assumption of 0.28 tons per unit.

[5] Reflects gross assessments before early prepayment discounts as allowed by Florida Statutes, Chapter 197.

[6] Unincorporated waste generated by commercial and multi-family customers is charged a gate fee per ton including the addition of the base tipping fee plus applicable surcharges per ton for MSW deliveries. Currently the County does not charge for any surcharges.

[7] Amounts shown are not charged to municipal customers, with exception to Fort Myers Beach, Bonita Springs, and the Village of Estero for which the County provides collection services and assess any applicable surcharges pursuant to interlocal agreement. Currently the County does not charge for any surcharges.

[8] Presented for informational purposes only since the disposal facility assessment charge is charged to all customers by assessment and to Hendry County as part of their gate fee.

As shown above, the adopted fees did not recognize uniform or across-the-board increases. The identified disposal fees and collection fees are targeted to generate a net increase in revenues of approximately \$3.0 million and \$1.1 million, respectively. The following provides a brief discussion concerning the rate design assumptions in development of the rates:

Disposal Fees:

- **Tipping Fees:** The cost-of-service allocations for various tipping fees were performed based on discussions with Department staff and reflected consideration of the pro-rata share of the cost of disposal recognizing the actual means of disposal for each respective type of waste processed by the County.

- **Surcharges:** No surcharges are identified in the Fiscal Year 2023 rate design. Identified costs associated with solid waste operations were funded through the application of net franchise fee revenues. The nexus of the application of the franchise fee revenues to the surcharges relates to the link among the unincorporated customers associated with the generation of the franchise fee revenues and those same customers, which would pay the surcharges.
- **Disposal Facility Assessment:** The Disposal Facility Assessment (also called the Solid Waste System Assessment when combined with the Recycling Assessment) is designed to recover the fixed costs of the System associated with operation of the disposal facilities.

Billing Fees: The billing fee represents a pass-through of the cost associated with charges from the County's property appraiser and tax collector. The fee is equivalent to the fee to be charged by the property appraiser and tax collector.

Collection Fees: Based on the anticipated increases in contractual collection costs Raftelis was asked to develop a financial and rate plan that incrementally adjusts rates to unify the collection rates for all areas by Fiscal Year 2027. While the contract unit rate varies by franchise area, the level of service does not change. Additionally, by having multiple franchise collection haulers the County has redundancy and options to provide service in the event hauler operations are disrupted. This provides an overall system benefit to the customers.

Early Prepayment Discount

Pursuant to Florida Statutes, customers may elect to receive a discount of up to 4% if they pay all of the charges and taxes included on the ad valorem tax bill prior to the due date of the bill. The residential solid waste assessment is collected with the tax bill as allowed by Florida Statutes, Chapter 197. The majority of residential customers in the County pay taxes and the solid waste assessment early and receive a discount. The adopted assessment for the Fiscal Year 2023 assumes a mark-up to the calculated fee for the early payment discount. Therefore, if the full 4% discount is recognized by a property owner the County will collect the full rate for service (after the discount is applied); the mark-up of fees included on the ad valorem tax bill is customary and allows the solid waste enterprise fund to fully collect the fees for service.

Customer Impact

The residential solid waste bill is expected to increase approximately \$53 on average (i.e., \$4.45 per month) for Fiscal Year 2023 assuming the residential customer receives the same discount from the prior year. Due to the early prepayment discount, the actual charge a customer pays may vary.

Residential customers within the municipalities of Cape Coral, Fort Myers, and Sanibel disposing of waste to County facilities may see their annual disposal charges increase approximately \$11.58 (i.e., \$0.97 a month) for Fiscal Year 2023 assuming application of the adopted tipping fees to assumed deliveries of 1.00 tons of MSW and 0.21 tons of yard waste. It should be clarified that the County is not responsible for collection nor charges such customers for curbside collection for which the respective municipalities administer and control.

Rate Comparison

The following table provides a summary of comparable fees charged by other Florida solid waste systems for collection and disposal service to the existing and adopted fees for the County:

Solid Waste Fee Comparison with Other Florida Systems

Description	Residential Assessment			MSW	C&D	Tipping Fees		Tires
	Collection	Disposal	Total			Yard Waste		
Lee County – Existing [1] [2]	\$172.09 - \$216.22	\$102.81	\$274.90 - \$319.02	\$59.96	\$61.72	\$38.58		\$160.00
Lee County – FY24 [1] [2]	\$187.55 - \$213.80	\$106.97	\$294.52 - \$320.77	\$63.56	\$63.94	\$39.97		\$160.00
<u>Other Systems with Waste-to-Energy Facilities:</u>								
Broward County [3]	N/A	N/A	\$330.00	N/A	\$65.00	\$65.00		\$130.00
City of Fort Lauderdale	N/A	N/A	\$549.36	N/A	\$65.00	\$65.00		\$130.00
Hillsborough County [4]	N/A	N/A	\$509.00	\$68.77	\$68.77	\$68.77		\$114.18
Miami-Dade County [5]	\$194.00 - \$371.00	\$184.00	\$378.00 - \$555.00	\$42.00	\$60.00	\$35.00		\$100.00
Palm Beach County [4]	\$206.72	\$93.00	\$299.72	\$84.86	\$84.86	\$84.86		\$200.00
Pasco County [4]	N/A	N/A	\$192.00	\$44.75	\$44.75	\$44.75		\$125.00
Pinellas County [4]	N/A	N/A	\$418.92	\$71.00	\$51.00	\$71.00		\$121.00
City of Tampa [4]	\$234.47	\$118.32	\$352.79	\$96.85	\$71.74	\$44.55		\$156.25
<u>Systems without Waste-to-Energy Facilities:</u>								
Charlotte County [2]	N/A	N/A	\$292.28	\$39.28	\$39.28	\$39.28		\$125.46
Collier County [4]	N/A	N/A	\$228.09 - \$230.82	\$80.60	\$89.37	\$48.52		\$206.59
Hernando County [4]	\$194.52	\$85.50	\$280.02	\$54.50	\$54.50	\$30.00		\$150.00
Manatee County [4]	N/A	N/A	\$171.96	\$40.00	\$61.00	\$40.00		\$86.00
Polk County [2]	\$144.50	\$52.50	\$197.00	\$36.50	\$36.50	\$22.00		\$300.00
Sarasota County [2]	N/A	N/A	\$233.59	\$57.56	\$56.38	\$41.37		\$158.60
Other System Averages	\$242.02	\$106.66	\$353.08	\$59.49	\$60.33	\$50.46		\$152.05

- [1] Amounts shown for the residential assessment reflect the gross assessment before early prepayment discounts. The billing charge is included as a component of the residential disposal assessment.
- [2] Denotes residential collection service at one day per week for garbage, recycling, and yard waste collection.
- [3] Broward County residential collection includes two days per week for garbage collection, one day per week for recycling collection and one day per month yard waste collection.
- [4] Denotes residential collection service at two days per week for garbage collection and one day per week for recycling and yard waste collection. Note garbage collection service in Pinellas County is for one or two days per week depending on location.
- [5] Miami-Dade County residential collection service includes two days per week for garbage / yard waste collection and one day every other week for recycling collection.

As shown above, the adopted rates for the Fiscal Year 2024 are projected to remain comparable to and / or below the average charged by the other surveyed counties for similar solid waste service.

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SECTION 10: FINDINGS

Based on the findings of this study the following observations are provided for consideration by the BOCC and County administration:

- The existing disposal and collection fees for service are projected to be insufficient to fund the identified funding requirements of the System and it is recommended that the BOCC implement the adopted rates for the Fiscal Year 2024.
- The County should adjust the collection assessment to fully recover the costs of the franchise collection costs and associated disposal costs in Fiscal Year 2025.
- Hurricane Ian debris removal expenditures are estimated at approximately \$114.4 million as of the date of this report. It is assumed that the County's General Fund will reimburse, in combination with reimbursements from FEMA, the Solid Waste Department by the end of Fiscal Year 2023. To the extent reimbursement is not made available or delayed, the results and recommendations of this analysis will be affected.
- Recognizing the uncertainty surrounding changes in market conditions and the timing of the need for additional disposal capacity, staff should continue to closely monitor and perform annual financial projections to assess the sufficiency of System revenues to meet the expenditure needs of the System and for compliance with the rate covenants and flow of funds requirements delineated in the Bond Resolution and need for additional rate adjustments; and
- The County should regularly review and update the financial plan to evaluate trends in service area growth, solid waste elements, costs, and capital reinvestment and financing to ensure compliance with the Rate Covenants contained in the Bond Resolution, promote the overall creditworthiness of the System and limit financial risk, and provide for long-term rate sustainability.

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LEE COUNTY, FLORIDA

**FISCAL YEAR 2023
SOLID WASTE REVENUE SUFFICIENCY AND COST OF SERVICE STUDY**

LIST OF TABLES

<u>Table No.</u>	<u>Description</u>
ES-1	Dashboard and Summary of Projected Financial Position and Operational Statistics
1	Historical and Projected Assessed Residential Customer Billing Units and Tonnage Statistics
2	Historical and Projected Disposal Facility Assessment Customer Billing Statistics
3	Historical and Projected Waste Flow Summary by Type of Waste
4	Historical and Projected Waste Flow Summary by Disposal Facility
5	Historical and Projected Waste-to-Energy (WTE) Operational Statistics
6	Projected Assessment and Disposal Fee Revenues Under Existing Rates
7	Historical and Projected Electric Sales Revenue
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9	Projected Operating Expense Escalation Factors
10	Projected Capital Expenditures
11	Projected Annual Debt Service Payments – Accrual Basis
12	Projected Fund Balance and Interest Income
13	Projected Solid Waste Disposal Net Revenue Requirements from Rates
14	Projected Solid Waste Collection Net Revenue Requirements from Rates
15	Projected Solid Waste Disposal and Collection Net Revenue Requirements from Rates
16	Projected Rate Covenant Compliance

**Table 1
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study**

Historical and Projected Assessed Residential Customer Billing Units and Tonnage Statistics

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Residential Collection and Disposal Assessment Units:												
<u>Area 5 - Pine Island/NFM</u>												
45	Single Family	0.37%	0.78%	0.68%	1.51%	2.33%	1.52%	1.42%	1.31%	1.21%	0.92%	0.83%
46	Units - Beginning Units	22,256	22,338	22,513	22,666	23,008	23,545	23,904	24,243	24,561	24,859	25,087
47	Units - Growth (Total)	82	175	153	342	537	359	339	318	298	228	208
48	Units - Ending Units	22,338	22,513	22,666	23,008	23,545	23,904	24,243	24,561	24,859	25,087	25,295
49	Units - Average	22,297	22,426	22,590	22,837	23,277	23,725	24,074	24,402	24,710	24,973	25,191
50	MSW Tons	22,497	24,689	26,125	28,205	28,763	29,418	29,851	30,258	30,640	30,967	31,237
51	Tons per Unit	1.01	1.10	1.16	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
52	Yard Waste Tons	8,089	7,857	7,687	7,610	6,032	6,406	6,500	6,589	6,672	6,743	6,802
53	Tons per Unit	0.36	0.35	0.34	0.33	0.26	0.27	0.27	0.27	0.27	0.27	0.27
54	Recycling Tons	6,708	6,195	6,069	6,153	7,315	7,592	7,704	7,809	7,907	7,991	8,061
55	Tons per Unit	0.30	0.28	0.27	0.27	0.31	0.32	0.32	0.32	0.32	0.32	0.32
<u>Area 6 - Boca Grande [1]</u>												
56	Single Family	0.48%	0.48%	0.16%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
57	Units - Beginning Units	1,252	1,258	1,264	1,266	1,269	1,269	1,269	1,269	1,269	1,269	1,269
58	Units - Growth (Total)	6	6	2	3	-	-	-	-	-	-	-
59	Units - Ending Units	1,258	1,264	1,266	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
60	Units - Average	1,255	1,261	1,265	1,268	1,269	1,269	1,269	1,269	1,269	1,269	1,269
61	MSW Tons	1,004	1,009	1,012	1,014	1,015	1,015	1,015	1,015	1,015	1,015	1,015
62	Tons per Unit	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
63	Yard Waste Tons	126	126	127	127	127	127	127	127	127	127	127
64	Tons per Unit	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
65	Recycling Tons	126	126	127	127	127	127	127	127	127	127	127
66	Tons per Unit	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Total Collection Assessments												
67	Units - Beginning Units	164,777	167,097	170,163	173,482	177,024	181,823	186,601	191,213	195,644	199,879	203,204
68	Units - Growth (Total)	2,320	3,066	3,319	3,542	4,799	4,778	4,612	4,431	4,235	3,325	3,092
69	Units - Ending Units	167,097	170,163	173,482	177,024	181,823	186,601	191,213	195,644	199,879	203,204	206,296
70	Units - Average	165,937	168,630	171,823	175,253	179,424	184,212	188,907	193,429	197,762	201,542	204,750
71	MSW Tons	158,048	160,829	172,397	186,918	194,646	201,499	207,248	212,647	217,853	222,425	226,339
72	Tons per Unit	0.95	0.95	1.00	1.07	1.08	1.09	1.10	1.10	1.10	1.10	1.11
73	Yard Waste Tons	37,846	33,618	35,487	32,329	32,587	33,707	35,050	35,801	36,518	37,142	37,670
74	Tons per Unit	0.23	0.20	0.21	0.18	0.18	0.18	0.19	0.19	0.18	0.18	0.18
75	Recycling Tons	48,850	48,496	50,237	51,869	51,675	53,068	54,352	55,587	56,769	57,800	58,674
76	Tons per Unit	0.29	0.29	0.29	0.30	0.29	0.29	0.29	0.29	0.29	0.29	0.29

Footnote:
 [1] Area 6 represents a small barrier island community within the north western portion of Lee County's jurisdictional boundaries, however, due to lack of direct access to the County and the area's proximity to Charlotte County, such disposal service is provided by Charlotte County.

Table 2
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Disposal Facility Assessment Customer Billing Statistics [1]

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<u>Disposal Facility Assessment Units:</u>												
<u>Area 5 - Pine Island/NFM</u>												
81	Single Family	0.37%	0.78%	0.68%	1.51%	2.33%	1.52%	1.42%	1.31%	1.21%	0.92%	0.83%
82	Units - Beginning Units	22,256	22,338	22,513	22,666	23,008	23,545	23,904	24,243	24,561	24,859	25,087
83	Units - Growth (Total)	82	175	153	342	537	359	339	318	298	228	208
84	Units - Ending Units	22,338	22,513	22,666	23,008	23,545	23,904	24,243	24,561	24,859	25,087	25,295
85	Units - Average	22,297	22,426	22,590	22,837	23,277	23,725	24,074	24,402	24,710	24,973	25,191
86	Multi-family	0.54%	0.17%	-0.54%	0.02%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
87	Units - Beginning Units	19,212	19,316	19,348	19,243	19,246	19,258	19,258	19,258	19,258	19,258	19,258
88	Units - Growth (Total)	104	32	(105)	3	12	-	-	-	-	-	-
89	Units - Ending Units	19,316	19,348	19,243	19,246	19,258	19,258	19,258	19,258	19,258	19,258	19,258
90	Units - Average	19,264	19,332	19,296	19,245	19,252	19,258	19,258	19,258	19,258	19,258	19,258
91	Commercial	0.11%	0.36%	-0.50%	0.45%	-0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
92	Units - Beginning Units (sqft)	10,644,493	10,656,024	10,694,138	10,640,328	10,688,191	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441
93	Units - Growth (Total)	11,531	38,114	(53,810)	47,863	(16,750)	-	-	-	-	-	-
94	Units - Ending Units (sqft)	10,656,024	10,694,138	10,640,328	10,688,191	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441
95	Units - Average (sqft)	10,650,259	10,675,081	10,667,233	10,664,260	10,679,816	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441	10,671,441
96	RV Parks	0.10%	-1.71%	-6.91%	0.00%	-0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
97	Units - Beginning Units	1,986	1,988	1,954	1,819	1,819	1,817	1,817	1,817	1,817	1,817	1,817
98	Units - Growth (Total)	2	(34)	(135)	-	(2)	-	-	-	-	-	-
99	Units - Ending Units	1,988	1,954	1,819	1,819	1,817	1,817	1,817	1,817	1,817	1,817	1,817
100	Units - Average	1,987	1,971	1,887	1,819	1,818	1,817	1,817	1,817	1,817	1,817	1,817
<u>Area 6 - Boca Grande</u>												
101	Single Family	0.48%	0.48%	0.16%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
102	Units - Beginning Units	1,252	1,258	1,264	1,266	1,269	1,269	1,269	1,269	1,269	1,269	1,269
103	Units - Growth (Total)	6	6	2	3	-	-	-	-	-	-	-
104	Units - Ending Units	1,258	1,264	1,266	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
105	Units - Average	1,255	1,261	1,265	1,268	1,269	1,269	1,269	1,269	1,269	1,269	1,269
<u>Area 7 - Outer Islands</u>												
106	Single Family	0.39%	2.92%	0.00%	1.32%	1.12%	0.25%	0.24%	0.24%	0.23%	0.19%	0.19%
107	Units - Beginning Units	512	514	529	529	536	542	543	545	546	547	548
108	Units - Growth (Total)	2	15	-	7	6	1	1	1	1	1	1
109	Units - Ending Units	514	529	529	536	542	543	545	546	547	548	549
110	Units - Average	513	522	529	533	539	543	544	545	547	548	549
111	Commercial	0.39%	1.25%	0.10%	0.00%	2.21%	0.13%	0.12%	0.12%	0.12%	0.10%	0.09%
112	Units - Beginning Units (sqft)	54,590	54,802	55,486	55,543	55,543	56,773	56,844	56,914	56,982	57,049	57,104
113	Units - Growth (Total)	212	684	57	-	1,230	71	70	68	67	55	54
114	Units - Ending Units (sqft)	54,802	55,486	55,543	55,543	56,773	56,844	56,914	56,982	57,049	57,104	57,158
115	Units - Average (sqft)	54,696	55,144	55,515	55,543	56,158	56,808	56,879	56,948	57,015	57,076	57,131

**Table 2
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study**

Historical and Projected Disposal Facility Assessment Customer Billing Statistics [1]

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Average Disposal Facility Assessment											
156	Single Family	190,947	194,442	198,545	202,803	207,481	212,820	218,302	223,618	228,754	233,278	237,170
157	Multi Family	110,845	112,312	113,929	115,323	117,486	119,710	120,951	122,191	123,427	124,561	125,592
158	Commercial - Sq. Ft.	145,275,252	146,733,799	149,548,420	152,427,329	155,739,469	159,164,193	161,298,691	163,423,514	165,538,950	167,473,156	169,227,633
159	RV Parks	7,205	7,231	7,179	7,111	7,170	7,229	7,229	7,229	7,229	7,229	7,229

Footnote:
 [1] Historical amounts shown are derived from franchise statistical reports, tax roll and other information provided by Department staff. It should be noted that statistics for the City of Cape Coral representing approximately 80,900 residential units and Hendry County customers representing approximately 14,850 residential units as reported per the 2018 U.S. Census estimates are not shown since such customers are not assessed the disposal facility assessment via non-ad valorem assessment, but instead are charged the disposal facility assessment fee by MSTU and tipping fee, respectively.

Table 3
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Type of Waste [1]

Line No.	Description	Fiscal Year Ending September 30,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
MSW WASTE FLOWS:											
Inbound MSW											
Residential Assessed (Areas 1 - 5) [2]											
1	Delivered Waste Growth	1.77%	7.24%	8.47%	4.16%	3.54%	2.87%	2.62%	2.46%	2.11%	1.77%
2	Delivered Waste Tons	159,820	171,385	185,904	193,630	200,484	206,232	211,632	216,838	221,409	225,323
3	Residential Assessed Units	167,369	170,558	173,986	178,155	182,943	187,638	192,160	196,493	200,273	203,481
4	Tons Disposed per Unit	0.95	1.00	1.07	1.09	1.10	1.10	1.10	1.10	1.11	1.11
5	Assessed Waste Growth	7.61%	1.91%	2.01%	13.77%	2.69%	2.57%	2.41%	2.25%	1.92%	1.60%
6	Assessed Waste Tons	150,632	153,502	156,587	178,155	182,943	187,638	192,160	196,493	200,273	203,481
7	Residential Assessed Units	167,369	170,558	173,986	178,155	182,943	187,638	192,160	196,493	200,273	203,481
8	Tons Assessed per Unit	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9	Growth	(3.68%)	(5.23%)	8.12%	-4.90%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
10	Commercial / Multi-Family - Delivered	162,055	153,580	166,049	157,914	160,441	163,008	165,616	168,266	170,958	173,693
11	Growth	(1.58%)	(4.86%)	4.58%	7.01%	0.99%	0.99%	1.00%	1.01%	1.01%	1.02%
12	Commercial / Multi-Family - Charged	240,100	228,434	238,894	255,632	258,159	260,726	263,334	265,984	268,676	271,411
13	Growth	(0.18%)	(0.92%)	14.29%	6.26%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
14	Municipalities (Cape Coral, Fort Myers, Sanibel)	156,760	155,319	177,514	188,627	191,645	194,711	197,826	200,991	204,207	207,474
15	Growth	0.86%	2.90%	4.67%	5.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
16	Hendry County	36,678	37,744	39,505	41,718	42,552	43,403	44,271	45,156	46,059	46,980
17	Growth	-10.81%	-1.03%	-4.86%	-13.13%	0.00%	0.00%	0.00%	0.00%	171.75%	0.00%
18	Miscellaneous Customers	44,630	44,172	42,026	36,508	36,508	36,508	36,508	36,508	36,508	36,508
19	Total Garbage / MSW Processed - Growth Tons	(8,796)	2,257	48,799	7,400	13,232	12,232	11,991	11,906	11,382	10,837
20	Total Garbage / MSW Processed - Delivered Tons	559,943	562,199	610,998	618,398	631,630	643,862	655,853	667,759	679,141	689,978
21	Total Garbage / MSW Charged - Growth Tons	1,422	(9,630)	35,355	46,115	11,167	11,179	11,113	11,033	10,591	10,131
22	Total Garbage / MSW Charged - Delivered Tons	628,800	619,170	654,525	700,640	711,807	722,986	734,099	745,132	755,723	765,854

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Table 3
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Type of Waste [1]

Line No.	Description	Fiscal Year Ending September 30,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
C&D / CLASS III WASTE FLOWS:											
Inbound C&D / Class III											
23	Growth	(22.83%)	(0.70%)	(19.57%)	(35.42%)	18.00%	(18.80%)	1.60%	1.60%	1.60%	1.60%
24	Lee County C&D	116,464	115,647	93,011	60,071	70,884	57,558	58,479	59,415	60,366	61,332
25	Growth	0.00%	0.00%	0.00%	84.39%	295.14%	(50.00%)	(49.39%)	1.60%	1.60%	1.60%
26	Shingles	-	-	17,156	31,634	125,000	62,500	31,634	32,140	32,654	33,176
27	Growth	(17.34%)	60.59%	6.29%	6.82%	18.00%	(18.80%)	1.60%	1.60%	1.60%	1.60%
28	Henry County C&D	5,842	9,381	9,972	10,652	12,570	10,207	10,370	10,536	10,705	10,876
29	Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Lee County > 30CY C&D	-	-	-	-	-	-	-	-	-	-
31	Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Henry County > 30CY C&D	-	-	-	-	-	-	-	-	-	-
33	Growth	44.92%	14.37%	9.37%	(17.74%)	18.00%	1.60%	1.60%	1.60%	1.60%	1.60%
34	Class III	30,559	34,950	38,224	31,445	37,105	37,699	38,302	38,915	39,538	40,171
35	Total C&D / Class III Processed	152,865	159,978	158,363	133,802	245,559	167,964	138,785	141,006	143,263	145,555
HORTICULTURAL WASTE FLOWS:											
Inbound Yard Waste											
36	Growth	0.72%	9.48%	(17.36%)	0.52%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
37	Yard Waste - Municipal	34,165	37,404	30,910	31,070	31,567	32,072	32,585	33,106	33,636	34,174
Residential Assessed (Areas 1 - 5) [2]											
38	Delivered Waste Growth	-11.21%	5.58%	-8.93%	0.80%	3.45%	4.00%	2.15%	2.01%	1.72%	1.43%
39	Delivered Waste Tons	33,492	35,360	32,203	32,460	33,580	34,923	35,674	36,391	37,015	37,543
40	Residential Assessed Units	167,369	170,558	173,986	178,155	182,943	187,638	192,160	196,493	200,273	203,481
41	Tons Disposed per Unit	0.20	0.21	0.19	0.18	0.18	0.19	0.19	0.19	0.18	0.18
42	Assessed Waste Growth	1.63%	1.91%	-16.16%	-15.41%	-0.19%	2.57%	2.41%	2.25%	1.92%	1.60%
43	Assessed Waste Tons	43,516	44,345	37,181	31,450	31,391	32,197	32,973	33,716	34,365	34,916
44	Residential Assessed Units	167,369	170,558	173,986	178,155	182,943	187,638	192,160	196,493	200,273	203,481
45	Tons Assessed per Unit	0.26	0.26	0.21	0.18	0.17	0.17	0.17	0.17	0.17	0.17
46	Growth	(18.93%)	31.08%	41.94%	(8.15%)	(6.00%)	1.60%	1.60%	1.60%	1.60%	1.60%
47	Yard Waste - Commercial	29,631	38,841	55,133	50,642	47,604	48,366	49,140	49,926	50,725	51,537
48	Growth	(20.70%)	5.62%	(11.05%)	(10.04%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49	Yard Waste - Hendry	3,919	4,139	3,682	3,312	3,312	3,312	3,312	3,312	3,312	3,312
50	Total Yard Waste Processed	101,207	115,744	121,927	117,484	116,063	118,673	120,711	122,735	124,688	126,566
51	Total Yard Waste Billed	111,231	124,729	126,905	116,474	113,874	115,947	118,010	120,060	122,038	123,939

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Table 3
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Type of Waste [1]

Line No.	Description	Fiscal Year Ending September 30,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
SLUDGE WASTE FLOWS:											
Inbound Sludge											
52	Growth	321.91%	(60.25%)	43.77%	(64.02%)	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
53	Sludge - Lee	11,462	4,556	6,551	2,357	2,395	2,433	2,472	2,512	2,552	2,593
54	Growth	0.00%	4.48%	33.73%	(1.60%)	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
55	Sludge - Lee County Utilities	13,268	13,862	18,537	18,240	18,532	18,829	19,130	19,436	19,747	20,063
56	Growth	16.94%	7.26%	14.67%	(2.33%)	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
57	Sludge - City of Fort Myers	26,337	28,250	32,393	31,638	32,145	32,659	33,182	33,713	34,252	34,800
58	Growth	0.00%	2.71%	5.17%	3.57%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
59	Sludge - City of Cape Coral	13,254	13,612	14,315	14,827	15,064	15,305	15,550	15,799	16,052	16,309
60	Growth	26.54%	14.08%	(25.40%)	41.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
61	Sludge - Hendry	1,106	1,262	941	1,328	1,328	1,328	1,328	1,328	1,328	1,328
62	Growth	0.24%	(17.36%)	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
63	Sludge - Collier	4,943	4,085	-	-	-	-	-	-	-	-
64	Total Sludge Processed	70,369	65,627	72,737	68,390	69,464	70,554	71,662	72,788	73,931	75,093
RESIDUE WASTE FLOWS:											
Inbound Residues											
65	Growth	8.27%	(8.05%)	(2.39%)	13.16%	0.65%	2.00%	1.92%	1.83%	1.64%	1.45%
66	MRF Residues	19,382	17,821	17,395	19,685	19,814	20,211	20,598	20,975	21,318	21,628
67	Growth	(100.00%)	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
68	Glass Residues	-	-	-	-	-	-	-	-	-	-
69	Total Residues Processed	19,382	17,821	17,395	19,685	19,814	20,211	20,598	20,975	21,318	21,628
OIL WASTE FLOWS:											
Inbound Oil											
70	Growth	(16.10%)	39.29%	(24.36%)	(8.26%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
71	Oil Filters	4	6	5	4	4	4	4	4	4	4
72	Growth	(13.61%)	(24.38%)	(64.20%)	(5.19%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
73	Oily Waste	36	27	10	9	9	9	9	9	9	9
74	Total Oil Waste Processed	40	33	14	13	13	13	13	13	13	13
TIRE WASTE FLOWS:											
Inbound Tires											
75	Growth	0.29%	(6.34%)	39.13%	2.96%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
76	Tires - Lee	5,534	5,183	7,211	7,425	7,544	7,665	7,787	7,912	8,038	8,167
77	Growth	1.14%	(1.34%)	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
78	XL Tires - Lee	354	349	-	547	547	547	547	547	547	547

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Table 3
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Type of Waste [1]

Line No.	Description	Fiscal Year Ending September 30,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
79	Growth	(15.96%)	38.09%	13.55%	5.72%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
80	Tires - Hendry	434	599	680	719	730	742	754	766	778	790
81	Growth	28.01%	14.66%	(24.59%)	(1.35%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
82	XL Tires - Hendry	156	179	135	133	133	133	133	133	133	133
83	Total Tires Processed	6,478	6,310	8,026	8,824	8,954	9,087	9,221	9,358	9,497	9,638
OTHER WASTE FLOWS:											
Inbound Other											
84	Growth	16.69%	(62.76%)	(91.81%)	1233.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
85	International Waste (WTE)	27	10	1	11	11	11	11	11	11	11
86	Growth	(58.10%)	(35.55%)	(29.65%)	(43.59%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
87	Certified Destroy (WTE)	41	27	19	11	11	11	11	11	11	11
88	Growth	(41.86%)	35.07%	(44.27%)	29.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
89	Boat/RV (WTE)	83	112	62	81	81	81	81	81	81	81
90	Growth	21.46%	150.47%	(58.04%)	(23.56%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
91	Sand (WTE)	1,435	3,594	1,508	1,153	1,153	1,153	1,153	1,153	1,153	1,153
92	Growth	1532.20%	(89.58%)	360.53%	(93.10%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
93	Asbestos - Lee (WTE)	713	74	342	24	24	24	24	24	24	24
94	Growth	158.54%	1.32%	53.02%	(49.90%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
95	Contaminated Soil (WTE)	206	209	320	160	160	160	160	160	160	160
96	Growth	0.00%	39.19%	26.29%	(21.80%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
97	Latex Paint	173	241	304	238	238	238	238	238	238	238
96	Total Inbound Other Processed	2,678	4,267	2,556	1,677	1,677	1,677	1,677	1,677	1,677	1,677
Recycling											
98	Growth	(0.73%)	3.60%	(2.02%)	0.00%	7.83%	2.42%	2.28%	2.13%	1.82%	1.52%
99	Franchised Areas	48,369	50,111	49,097	49,099	52,941	54,225	55,460	56,642	57,673	58,547
100	Growth	0.24%	7.42%	0.57%	(7.50%)	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
101	Cities (Cape Coral, Fort Myers, Sanibel)	27,423	29,459	29,628	27,406	27,845	28,290	28,743	29,203	29,670	30,145
102	Growth	(5.51%)	(10.42%)	(77.65%)	511.01%	(40.00%)	0.00%	0.00%	0.00%	0.00%	0.00%
103	Other	7,601	6,809	1,522	9,299	5,580	5,580	5,580	5,580	5,580	5,580
104	Total Recycled	83,394	86,379	80,247	85,805	86,366	88,095	89,782	91,425	92,922	94,271

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Table 3
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Type of Waste [1]

Line No.	Description	Fiscal Year Ending September 30,									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
WTE By Products											
105	Growth	0.05%	(5.91%)	(9.34%)	(6.59%)	13.08%	0.00%	0.00%	0.00%	0.00%	0.00%
106	Ash Residue	164,159	154,457	140,025	130,796	147,900	147,900	147,900	147,900	147,900	147,900
107	Growth	(11.80%)	22.06%	(2.34%)	(6.30%)	3.55%	0.00%	0.00%	0.00%	0.00%	0.00%
108	Ferrous Scrap	17,048	20,810	20,323	19,044	19,720	19,720	19,720	19,720	19,720	19,720
109	Growth	(11.23%)	(5.00%)	(19.03%)	(1.24%)	20.97%	0.00%	0.00%	0.00%	0.00%	0.00%
110	Non-Ferrous Scrap	2,738	2,601	2,106	2,080	2,516	2,516	2,516	2,516	2,516	2,516
111	Growth	(4471.00%)	(4471.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
112	Reject	-	-	-	-	-	-	-	-	-	-
113	Total By Product	183,945	177,868	162,454	151,919	170,136	170,136	170,136	170,136	170,136	170,136
Landfill Cover / Storage											
114	Growth	(17.71%)	6.22%	(7.38%)	5.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
115	RSM	10,570	11,228	10,399	11,021	11,021	11,021	11,021	11,021	11,021	11,021
116	Growth	2963.26%	(6.90%)	(3.50%)	33.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
117	Rip Rap	10,064	9,370	9,042	12,109	12,109	12,109	12,109	12,109	12,109	12,109
118	Growth	(31.49%)	(32.78%)	97.46%	(4.28%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
119	Cover Glass	5,124	3,444	6,801	6,510	6,510	6,510	6,510	6,510	6,510	6,510
120	Growth	8.08%	3.55%	(74.45%)	404.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
121	XL Tires	510	528	135	680	680	680	680	680	680	680
122	Total Cover	26,268	24,570	26,377	30,321	30,321	30,321	30,321	30,321	30,321	30,321
Compost											
123	Growth	(46.94%)	(7.52%)	12.14%	(1.96%)	8.26%	0.00%	0.00%	0.00%	0.00%	0.00%
124	Mulch In - LHLF	28,867	26,697	29,939	29,351	31,775	31,775	31,775	31,775	31,775	31,775
125	Growth	87.20%	(7.85%)	(8.93%)	89.74%	(44.07%)	0.00%	0.00%	0.00%	0.00%	0.00%
126	Compost Out - Tons	26,864	24,756	22,545	42,778	23,928	23,928	23,928	23,928	23,928	23,928
127	Growth	63.52%	(58.69%)	8.73%	(32.00%)	56.08%	0.00%	0.00%	0.00%	0.00%	0.00%
128	Compost Out - CY	773	319	347	236	368	368	368	368	368	368

Footnotes:

- [1] Historical amounts shown derived from detailed material inbound / outbound reports, franchised statistical reports and facility summary reports as provided by Department staff.
- [2] The County does not dispose of waste from Franchise Area 6 at the County's facilities. For purposes of this table such statistics are not incorporated to present the waste generation statistics for disposal at the County's disposal facilities.

Table 4
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Disposal Facility

Line No.	Description	Fiscal Year Ended September 30,					Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Waste-to-Energy Facility [1]												
1	MSW	501,481	515,854	519,343	529,742	509,765	486,216	521,961	535,269	534,033	532,815	531,618
2	C&D	39,725	25,734	13,803	(7,644)	359	72,171	35,897	22,067	22,790	23,525	24,272
3	Class III	21,086	30,559	34,950	38,224	31,445	-	-	-	-	-	-
4	Yard Waste	37,612	22,921	9,311	5,836	5,095	-	-	-	-	-	-
5	Sludge	-	3,977	36	23	0	-	-	-	-	-	-
6	MRF Residue	10,422	19,382	17,821	17,395	19,685	13,304	13,701	14,088	14,465	14,808	15,118
7	Oil	47	40	33	14	13	13	13	13	13	13	13
8	Tires	6,034	5,968	5,782	7,891	8,144	8,274	8,406	8,541	8,677	8,816	8,957
9	Other	122	242	278	324	260	22	22	22	22	22	22
10	Total [2]	616,529	624,676	601,357	591,805	574,766	580,000	580,000	580,000	580,000	580,000	580,000
11	Waste Processing Throughput Capacity						580,000	580,000	580,000	580,000	580,000	580,000
Lee-Hendry Landfill												
12	MSW	67,258	44,089	42,856	81,256	108,634	145,414	121,901	120,584	133,726	146,326	158,360
13	C&D	90,385	70,303	85,177	102,983	74,004	141,332	102,832	88,544	89,961	91,401	92,863
14	Yard Waste	21,118	49,419	79,736	86,152	83,038	84,289	86,898	88,936	90,961	92,914	94,792
15	Sludge	57,564	66,392	65,591	72,715	68,390	69,464	70,554	71,662	72,788	73,931	75,093
16	Tires	-	-	-	-	-	-	-	-	-	-	-
17	Other	1,447	2,437	3,989	2,232	1,417	1,417	1,417	1,417	1,417	1,417	1,417
18	Cover / Storage - RSM / Rip Rap (C&D Recycle)	13,172	20,634	20,598	19,441	23,130	23,130	23,130	23,130	23,130	23,130	23,130
19	Cover / Storage - Cover Glass (MRF)	7,479	5,124	3,444	6,801	6,510	6,510	6,510	6,510	6,510	6,510	6,510
20	Cover / Storage - Large Tires	472	510	528	135	680	680	680	680	680	680	680
21	Mulch	54,403	28,867	26,697	29,939	29,351	31,775	31,775	31,775	31,775	31,775	31,775
22	Ash Residue	164,084	164,159	154,457	140,025	130,796	147,900	147,900	147,900	147,900	147,900	147,900
23	Subtotal Landfilled Tons	477,382	451,933	483,073	541,679	525,951	651,911	593,597	581,138	598,848	615,984	632,520
24	Less: Compost Sludge	(48,061)	(56,115)	(61,092)	(63,773)	(62,919)	(52,839)	(52,839)	(52,839)	(52,839)	(52,839)	(52,839)
25	Less: Compost Mulch	(54,403)	(28,867)	(26,697)	(29,939)	(29,351)	(31,775)	(31,775)	(31,775)	(31,775)	(31,775)	(31,775)
26	Less: Yard Waste for Land Application	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-
27	Less: Cover/Storage	(21,124)	(26,268)	(24,570)	(26,377)	(30,321)	(30,321)	(30,321)	(30,321)	(30,321)	(30,321)	(30,321)
28	Less: Contractual Yard Waste Disposal	-	(48,868)	(79,649)	(86,043)	(82,593)	(84,289)	(86,898)	(88,936)	(90,961)	(92,914)	(94,792)
29	Estimated Net Tonnage to Landfill	353,795	291,815	291,064	335,547	320,767	452,688	391,765	377,267	392,953	408,135	422,794
30	Net Landfilled per Contract Operator	353,360	292,793	293,978	337,533	341,813	452,688	391,765	377,267	392,953	408,135	422,794
31	Variance [2]	(435)	978	2,914	1,987	21,047	0	0	0	0	0	0
MRF & Other Recycling												
32	Recycling	84,127	83,394	86,379	80,247	85,805	86,366	88,095	89,782	91,425	92,922	94,271
33	C&D Recycling	14,696	5,635	5,451	5,359	4,864	8,926	6,105	5,044	5,125	5,207	5,290
34	Total MRF & Other Recycling	98,823	89,029	91,831	85,606	90,668	95,292	94,200	94,826	96,550	98,129	99,561

Footnotes on Page 2 of 2.

Table 4
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste Flow Summary by Disposal Facility

Line No.	Description	Fiscal Year Ended September 30,					Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Horticulture Pad												
35	Yard Waste (For Mulch / Compost)	54,403	28,867	26,697	29,939	29,351	31,775	31,775	31,775	31,775	31,775	31,775
36	Yard Waste - Contract Disposal	-	48,868	79,649	86,043	82,593	84,289	86,898	88,936	90,961	92,914	94,792
37	Total Horticulture Pad	54,403	77,734	106,346	115,982	111,944	116,063	118,673	120,711	122,735	124,688	126,566
By Products												
38	Ferrous Scrap	19,328	17,048	20,810	20,323	19,044	19,720	19,720	19,720	19,720	19,720	19,720
39	Non-Ferrous Scrap	3,084	2,738	2,601	2,106	2,080	2,516	2,516	2,516	2,516	2,516	2,516
40	Total By Products	22,412	19,786	23,411	22,429	21,124	22,236	22,236	22,236	22,236	22,236	22,236
41	Total Tons	1,145,962	1,103,041	1,114,009	1,151,369	1,119,269	1,266,279	1,206,873	1,195,041	1,214,474	1,233,189	1,251,158
Transfer Stations [3]												
42	MSW	36,366	36,678	37,744	39,505	41,718	42,552	43,403	44,271	45,156	46,059	46,980
43	C&D	7,068	5,842	9,381	9,972	10,652	12,570	10,207	10,370	10,536	10,705	10,876
44	Yard Waste	4,942	3,919	4,139	3,682	3,312	3,312	3,312	3,312	3,312	3,312	3,312
45	Tires	638	590	778	815	852	863	875	887	899	911	924
46	Recycling	910	947	1,180	1,186	1,140	1,186	1,186	1,186	1,186	1,186	1,186
47	Total Transfer Stations	49,924	47,976	53,222	55,159	57,673	60,483	58,983	60,026	61,089	62,173	63,277

Footnotes:

- [1] Based on discussions with the County, any waste received at the Waste-to-Energy facility above 610,000 tons should be assumed to be diverted.
[2] Variances during the historical period relate to differences in tonnage statistics reporting and were not considered material for purposes of this evaluation.
[3] The Labelle and Clewiston Transfer Stations are included below total tonnages as waste incoming to the transfer stations are not disposed at these facilities.

Table 5
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Waste-to-Energy (WTE) Operational Statistics

Line No.	Description	Fiscal Year Ended September 30,					Fiscal Year Ending September 30,					
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Performance Statistics:												
1	Design Capacity @ 100% Avail. (Tons)	670,140	670,140	670,140	670,140	670,140	670,140	670,140	670,140	670,140	670,140	670,140
2	Effective Throughput as Percent of Design (%)	91.1%	92.6%	92.5%	89.5%	87.6%	85.7%	86.5%	86.5%	86.5%	86.5%	86.5%
3	Implied Waste Processing Capacity (Tons)	623,309	622,012	618,454	608,807	601,020	605,341	580,000	580,000	580,000	580,000	580,000
4	Weighted Boiler Availability (%)	93.0%	92.8%	92.3%	90.8%	89.7%	90.3%	92.0%	92.0%	92.0%	92.0%	92.0%
5	Weighted Generator Availability (%)	94.6%	100.0%	98.6%	98.9%	89.6%	99.2%	98.5%	98.5%	98.5%	98.5%	98.5%
6	Waste Received Before Diversions (Tons)	645,083	674,438	667,291	644,998	670,287	690,399	743,072	709,937	698,667	701,928	705,099
7	Waste By-Pass / Diversions	(23,604)	(67,258)	(44,089)	(43,516)	(83,256)	(115,890)	(163,072)	(129,937)	(118,667)	(121,928)	(125,099)
8	Waste Received (Tons)	621,479	607,180	623,202	601,482	587,031	574,509	N/A	N/A	N/A	N/A	N/A
9	Throughput Waste (Tons)	610,459	620,677	620,028	599,559	587,031	574,509	580,000	580,000	580,000	580,000	580,000
10	Decrease / (Increase) to Inventory (Tons)	(11,020)	13,497	(3,174)	(1,923)	-	-	N/A	N/A	N/A	N/A	N/A
11	Inventory (EOFY)	15,215	1,718	4,893	6,816	6,816	6,816	N/A	N/A	N/A	N/A	N/A
12	Process Guarantee (Tons)	569,619	569,619	569,619	569,619	569,619	569,619	569,619	569,619	569,619	600,000	600,000
13	Guaranteed Waste Delivery (Tons)	569,619	569,619	569,619	569,619	569,619	569,619	569,619	569,619	569,619	600,000	600,000
14	Tons Delivered Above Put	51,860	37,561	53,583	31,863	17,412	4,890	10,381	10,381	10,381	(20,000)	(20,000)
15	Minimum Put Met (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N
16	Waste HHV (Btu/lb)	4,841	4,833	4,878	4,966	5,000	4,887	5,000	5,000	5,000	5,000	5,000
17	Reference Ton Ratio (HHV / 5,000 Btu/lbs)	96.8%	96.7%	97.6%	99.3%	100.0%	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%
18	Reference Waste Processed (Tonr)	591,046	599,946	604,899	595,482	587,031	561,525	580,000	580,000	580,000	580,000	580,000
Production Statistics Summary:												
19	Total Processed Waste (Tons)	610,459	620,677	620,028	599,559	587,031	574,509	580,000	580,000	580,000	580,000	580,000
20	Total Processed Waste - Reference (Tonsr)	591,046	599,946	604,899	595,482	587,031	561,525	580,000	580,000	580,000	580,000	580,000
21	Total Steam Production (klbs)	3,857,488	3,939,692	3,944,805	3,843,001	3,809,868	3,802,810	3,927,930	3,927,930	3,927,930	3,927,930	3,927,930
22	Steam Production Per Reference Ton (klbs/Ton)	6.527	6.567	6.521	6.454	6.490	6.772	6.772	6.772	6.772	6.772	6.772
23	Design Steam Production (klbs)	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929	4,486,929
24	Production as % of Design	86.0%	87.8%	87.9%	85.6%	84.9%	84.8%	87.5%	87.5%	87.5%	87.5%	87.5%
25	Gross Electric Production (MWhr)	376,423	406,733	401,031	380,622	348,053	377,879	384,937	384,937	384,937	384,937	384,937
26	Gross Electric per Steam (kWhr/klbs)	97.58	103.24	101.66	99.04	91.36	99.37	98.00	98.00	98.00	98.00	98.00
27	Purchased Electricity (MWhr)	221.9	2.8	-	93.6	-	-	N/A	N/A	N/A	N/A	N/A
28	Propane Use (mmBTU)	22,680	22,014	23,882	28,566	25,296	22,410	N/A	N/A	N/A	N/A	N/A
29	In-Plant Electricity Use (MWhr)	55,504	58,073	57,137	57,941	59,140	59,245	58,000	58,000	58,000	58,000	58,000
30	Net Electricity Production (MWhr)	320,919	348,660	343,894	322,681	288,913	318,634	326,937	326,937	326,937	326,937	326,937
31	Net Electricity per Ton (kWhr/Ton)	526	562	555	538	492	555	564	564	564	564	564
By-Product Statistics:												
32	Residue - Ash Produced (Tons)	152,676	163,877	164,159	153,382	139,213	128,581	147,900	147,900	147,900	147,900	147,900
33	Percent of Processed Waste (%)	25.0%	26.4%	26.5%	25.6%	23.7%	22.4%	25.5%	25.5%	25.5%	25.5%	25.5%
34	Residue - Ferrous Recovered (Tons)	20,114	19,311	17,048	20,755	20,366	18,986	19,720	19,720	19,720	19,720	19,720
35	Percent of Processed Waste (%)	3.29%	3.11%	2.75%	3.46%	3.47%	3.30%	3.40%	3.40%	3.40%	3.40%	3.40%
36	Residue - Non-Ferrous Recovered (Tons)	2,409	3,084	2,738	2,601	2,126	2,079	2,516	2,516	2,516	2,516	2,516
37	Percent of Processed Waste (%)	0.39%	0.50%	0.44%	0.43%	0.36%	0.36%	0.43%	0.43%	0.43%	0.43%	0.43%

Table 6
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Assessment and Disposal Fee Revenue Under Adopted Rates [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
<u>REVENUE SUMMARY:</u>							
1	Collection Assessment	\$ 35,806,048	\$ 36,729,902	\$ 37,618,917	\$ 38,470,131	\$ 39,211,950	\$ 39,840,734
2	Early Prepayment Discount (Assessment Only)	(1,432,242)	(1,469,196)	(1,504,757)	(1,538,805)	(1,568,478)	(1,593,629)
3	Net Collection Assessment Revenue	\$ 34,373,806	\$ 35,260,706	\$ 36,114,161	\$ 36,931,326	\$ 37,643,472	\$ 38,247,105
4	Disposal Assessment	\$ 12,759,223	\$ 13,084,078	\$ 13,397,663	\$ 13,698,175	\$ 13,960,334	\$ 14,182,857
5	Early Prepayment Discount	(510,369)	(523,363)	(535,907)	(547,927)	(558,413)	(567,314)
6	Net Disposal Assessment Revenue	\$ 12,248,854	\$ 12,560,715	\$ 12,861,757	\$ 13,150,248	\$ 13,401,920	\$ 13,615,542
7	Disposal Facility Charge per Assessment / Cape Coral MSTU	\$ 13,808,501	\$ 14,532,032	\$ 14,771,214	\$ 15,006,968	\$ 15,222,401	\$ 15,417,204
8	Allocable Assessment Early Prepayment Discount	(552,340)	(581,281)	(590,849)	(600,279)	(608,896)	(616,688)
9	Disposal Facility Charge per Tip Fee (Hendry County)	816,607	832,444	848,597	865,067	881,872	899,012
10	Net Disposal Facility Charge Revenue	\$ 14,072,767	\$ 14,783,195	\$ 15,028,963	\$ 15,271,757	\$ 15,495,377	\$ 15,699,528
11	Recycling Assessment Revenue	\$ 3,551,698	\$ 3,632,643	\$ 3,711,838	\$ 3,789,243	\$ 3,859,899	\$ 3,923,584
12	Early Prepayment Discount	(142,068)	(145,306)	(148,474)	(151,570)	(154,396)	(156,943)
13	Net Disposal Assessment Revenue	\$ 3,409,630	\$ 3,487,337	\$ 3,563,364	\$ 3,637,673	\$ 3,705,503	\$ 3,766,641
14	Assessment Billing Revenue	\$ 975,713	\$ 997,129	\$ 1,017,970	\$ 1,038,186	\$ 1,043,152	\$ 1,058,476
15	Early Prepayment Discount	(39,029)	(39,885)	(40,719)	(41,527)	(41,726)	(42,339)
16	Net Disposal Assessment Revenue	\$ 936,684	\$ 957,244	\$ 977,252	\$ 996,659	\$ 1,001,426	\$ 1,016,137
17	Tip Fee Revenue	\$ 48,514,719	\$ 45,854,457	\$ 45,344,632	\$ 45,942,113	\$ 46,549,178	\$ 47,165,847
18	Total User Fee, Assessment, & MSTU Revenue	\$ 113,556,460	\$ 112,903,653	\$ 113,890,128	\$ 115,929,775	\$ 117,796,877	\$ 119,510,799
19	Annual Change - Amount (\$)	N/A	\$ (652,807)	\$ 986,475	\$ 2,039,646	\$ 1,867,103	\$ 1,713,922
20	Annual Change - Percentage (%)	N/A	-0.6%	0.9%	1.8%	1.6%	1.5%

Footnote:

[1] Calculated tip fee revenues in this table does not recognize additional rate adjustments beyond rates adopted by the County.

**Table 7
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study**

Historical and Projected Electric Sales Revenue

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1	Gross Electrical Production (MWh)	406,733	401,031	380,622	348,053	377,879	384,937	384,937	384,937	384,937	384,937	384,937
2	Total Waste Burned at Resource Recovery Facility	620,677	620,028	599,559	587,031	574,509	580,000	580,000	580,000	580,000	580,000	580,000
Electric Energy Use by Facility:												
3	Waste-to-Energy (WTE) In-Plant Use (MWh)	58,073	57,137	57,941	59,140	59,245	58,000	58,000	58,000	58,000	58,000	58,000
Recovered Material Processing Facility (RMPF / MRF):												
4	Electric Use (MWh)	2,575	2,433	2,585	2,608	2,741	2,759	2,814	2,868	2,920	2,968	3,011
5	Tons Processed (Tons)	84,127	83,394	86,379	80,247	85,805	86,366	88,095	89,782	91,425	92,922	94,271
6	Use per Ton Processed (kWh/Ton)	31	29	30	32	32	32	32	32	32	32	32
7	Seminole Electric Cooperative Inc. (SEC) Use (MWh)	346,085	341,461	320,096	286,305	315,893	324,179	324,123	324,069	324,017	323,969	323,926
8	Total Electric Use (MWh)	406,733	401,031	380,622	348,053	377,879	384,937	384,937	384,937	384,937	384,937	384,937
Electric Energy Sales (\$):												
1) Electric Energy Sales:												
9	Energy Sales	9,324,700	9,488,571	6,092,684	9,000,401	21,999,858	11,994,609	9,237,517	9,235,981	9,234,486	9,233,122	9,231,894
10	Net Rate per MWh						\$ 37.00	\$ 28.50	\$ 28.50	\$ 28.50	\$ 28.50	\$ 28.50
11	Energy Sales (net of contract sales)						\$11,994,609	\$9,237,517	\$9,235,981	\$9,234,486	\$9,233,122	\$9,231,894
2) SEC - Capacity Payment (Peak Hours):												
12	Days in the Year (Days)	365	365	366	365	365	365	366	365	365	365	366
13	Annual Weighted Average Boiler Availability (%)	92.8%	92.3%	90.8%	89.7%	90.3%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
14	Estimated Days Available (Days)	339	337	333	327	330	336	337	336	336	336	337
15	SEC Electric Sales Energy (MWh)	346,085	341,461	320,096	286,305	315,893	324,179	324,123	324,069	324,017	323,969	323,926
16	Average SEC Capacity (MW)	42.6	42.2	40.1	36.4	39.9	40.2	40.1	40.2	40.2	40.2	40.1
17	Outage Bank (22 Days a Year) (MW)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
18	Adjusted Average SEC Capacity (MW)	43.6	43.3	41.2	37.5	41.0	41.3	41.2	41.3	41.3	41.3	41.2
19	Avg. Monthly On-Peak MW to Avg. Total MW Factor	-	-	-	-	-	-	-	-	-	-	-
20	Rate per kW Month	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Average Monthly On-Peak Capacity (MW)	-	-	-	-	-	-	-	-	-	-	-
22	Capacity Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3) SEC - Renewable Energy Credit:												
23	Energy Sales	-	-	-	-	-	-	-	-	-	-	-
24	Rate per MWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	4) Regulation Service Charge:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	5) Gross Electric Sales Revenue	\$ 9,324,700	\$ 9,488,571	\$ 6,092,684	\$ 9,000,401	\$ 21,999,858	\$ 11,994,609	\$ 9,237,517	\$ 9,235,981	\$ 9,234,486	\$ 9,233,122	\$ 9,231,894
Expenses from Electric Sales:												
6) FP&L Expense:												
27	Charges Per MWh Delivered to SEC	\$ 0.452	\$ 0.385	\$ 0.441	\$ 0.720	\$ 0.511	\$ 0.720	\$ 0.720	\$ 0.720	\$ 0.720	\$ 0.720	\$ 0.720
28	Expense	\$ 156,480	\$ 131,348	\$ 141,061	\$ 206,046	\$ 161,290	\$ 233,409	\$ 233,369	\$ 233,330	\$ 233,292	\$ 233,258	\$ 233,227

Table 7
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Electric Sales Revenue

Line No.	Description	Fiscal Year Ending September 30,										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
29	7) Electric Revenue Sharing with Covanta: a) Gross Electric Sales Less REC Payment	\$ 9,324,700	\$ 9,488,571	\$ 6,092,684	\$ 9,000,401	\$ 21,999,858	\$ 11,994,609	\$ 9,237,517	\$ 9,235,981	\$ 9,234,486	\$ 9,233,122	\$ 9,231,894
30	b) Implied Sales to MRF Net Revenue per MWh (Excluding REC Credits)	\$ 26.94	\$ 27.79	\$ 19.03	\$ 31.44	\$ 69.64	\$ 37.00	\$ 28.50	\$ 28.50	\$ 28.50	\$ 28.50	\$ 28.50
31	Implied Sales to MRF	\$ 69,390	\$ 67,620	\$ 49,210	\$ 81,986	\$ 190,864	\$ 102,066	\$ 80,192	\$ 81,728	\$ 83,223	\$ 84,586	\$ 85,814
32	c) Less FP&L Expenses	\$ (156,480)	\$ (131,348)	\$ (141,061)	\$ (206,046)	\$ (161,290)	\$ (233,409)	\$ (233,369)	\$ (233,330)	\$ (233,292)	\$ (233,258)	\$ (233,227)
33	d) Subtotal Applicable Energy Credit Revenue Sharing	\$ 9,237,610	\$ 9,424,843	\$ 6,000,833	\$ 8,876,341	\$ 22,029,432	\$ 11,863,266	\$ 9,084,340	\$ 9,084,379	\$ 9,084,416	\$ 9,084,451	\$ 9,084,482
34	e) 10% Revenue Sharing (before adjustments)	\$ 923,761	\$ 942,484	\$ 600,083	\$ 887,634	\$ 2,202,943	\$ 1,186,327	\$ 908,434	\$ 908,438	\$ 908,442	\$ 908,445	\$ 908,448
35	f) Less Credit Due County per 6.04(b)	\$ (43,242)	\$ (65,020)	\$ (55,289)	\$ (149,774)	\$ (876,987)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
36	e) 10% Revenue Sharing to Covanta	\$ 880,519	\$ 877,464	\$ 544,795	\$ 737,861	\$ 1,325,957	\$ 1,136,327	\$ 858,434	\$ 858,438	\$ 858,442	\$ 858,445	\$ 858,448
37	8) Net Electric Sales	\$ 8,287,701	\$ 8,479,758	\$ 5,406,828	\$ 8,056,495	\$ 20,512,611	\$ 10,624,874	\$ 8,145,714	\$ 8,144,213	\$ 8,142,752	\$ 8,141,419	\$ 8,140,219

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
53401 - ROW															
<u>Personnel Services</u>															
1	Salaries - Full Time Regular	\$ 127,912	\$ 12,685	\$ -	\$ -	\$ -	\$ -	\$ -		Labor	\$ -	\$ -	\$ -	\$ -	\$ -
2	Additional Personnel	-	-	-	-	-	-	-		Calculated	\$ 96,000	\$ 197,760	\$ 305,539	\$ 419,607	\$ 540,244
3	Disaster Pay (1.0)	(2)	-	-	-	-	-	-		Labor	-	-	-	-	-
4	Special Pay (w/ Retirement)	4	2	-	-	-	-	-		Labor	-	-	-	-	-
5	Sick Leave	6,495	196	-	-	-	-	-		Labor	-	-	-	-	-
6	Vacation Leave	11,400	551	-	-	-	-	-		Labor	-	-	-	-	-
7	Pay-Non-Perm Labor	683	613	-	-	-	-	-		Labor	-	-	-	-	-
8	Overtime (OT 1.0)	6,904	498	-	-	-	-	-		Labor	-	-	-	-	-
9	Overtime (OT 1.5)	46,822	4,578	-	-	-	-	-		Labor	-	-	-	-	-
10	Holiday Pay	6,733	438	-	-	-	-	-		Labor	-	-	-	-	-
11	Disaster Pay - (OT 1.5)	34	-	-	-	-	-	-		Labor	-	-	-	-	-
12	Sick Leave Buy Back	52	-	-	-	-	-	-		Labor	-	-	-	-	-
13	FICA Taxes (OASDI)	12,448	1,189	-	-	-	-	-		Labor	-	-	-	-	-
14	FICA Taxes (Medicare)	2,911	278	-	-	-	-	-		Labor	-	-	-	-	-
15	Regular Retirement	17,589	1,623	-	-	-	-	-		Labor	-	-	-	-	-
16	Health Insurance	51,745	4,438	-	-	-	-	-		HealthIns	-	-	-	-	-
17	Health Ins Opt Out	48	4	-	-	-	-	-		HealthIns	-	-	-	-	-
18	Life Insurance	367	35	-	-	-	-	-		Inflation	-	-	-	-	-
19	Dental Insurance	1,412	127	-	-	-	-	-		Inflation	-	-	-	-	-
20	Disability Insurance	719	68	-	-	-	-	-		Inflation	-	-	-	-	-
21	Worker's Comp-(IGS)	7,807	-	-	-	-	-	-		Labor	-	-	-	-	-
22	Total Personnel Services	\$ 302,085	\$ 27,323	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 96,000	\$ 197,760	\$ 305,539	\$ 419,607	\$ 540,244
<u>Operating Expenses</u>															
25	Other Contracted Services	100	-	-	-	-	-	-		Inflation	-	-	-	-	-
26	Telecommunications	4,501	4,515	-	-	-	-	-		Inflation	-	-	-	-	-
27	Int. Phone Line (IGS-Var)	707	-	-	52	-	-	-		Inflation	-	-	-	-	-
28	Trash, Garbage&Sludge Removal	22,756	-	-	-	-	-	-		DisposalRate	-	-	-	-	-
29	Self Ins Assess-Auto Ins	5,411	-	-	-	-	-	-		Inflation	-	-	-	-	-
30	Maintenance Material	345	-	-	-	-	-	-		Repair	-	-	-	-	-
31	Equipment Repair Parts	112	-	-	-	-	-	-		Repair	-	-	-	-	-
32	Indirect Cost	4,594	-	-	-	-	-	-		Inflation	-	-	-	-	-
33	Fiscal Support	4,810	-	-	-	-	-	-		Inflation	-	-	-	-	-
34	Clothing & Wearing Apparel	144	-	-	-	-	-	-		Inflation	-	-	-	-	-
35	Chem. Insect & Fertilizer	97	194	-	-	-	-	-		Chemicals	-	-	-	-	-
36	Jani. & Other Maint. Supplies	-	127	-	-	-	-	-		Inflation	-	-	-	-	-
37	Minor Equipment	95	-	-	-	-	-	-		Inflation	-	-	-	-	-
38	Other Supplies	473	-	-	-	-	-	-		Inflation	-	-	-	-	-
39	Total Operating Expense	\$ 49,427	\$ 6,124	\$ -	\$ 52	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
40	Total ROW Clean Up	\$ 351,511	\$ 33,447	\$ -	\$ 52	\$ -	\$ -	\$ -			\$ 96,000	\$ 197,760	\$ 305,539	\$ 419,607	\$ 540,244
53403 Facilities															
<u>Personnel Services</u>															
41	Salaries - Full Time Regular	\$ -	\$ 28,167	\$ 56,374	\$ 61,379	\$ 59,055	\$ 42,235	\$ 985	\$ 43,220	Labor	\$ 44,517	\$ 45,853	\$ 47,228	\$ 48,645	\$ 50,104
43	Disaster Pay (1.0)	-	-	-	826	1,517	-	-	-	Labor	-	-	-	-	-
44	Special Pay (w/ Retirement)	-	-	88	162	152	-	-	-	Labor	-	-	-	-	-
45	Sick Leave	-	1,347	2,350	3,927	3,115	-	-	-	Labor	-	-	-	-	-
46	Vacation Leave	-	1,552	2,602	3,388	4,399	-	-	-	Labor	-	-	-	-	-
47	CPI-Consumer Price Index	-	-	-	-	-	6,857	160	7,017	Labor	7,228	7,444	7,668	7,898	8,135
48	Pay-Non-Perm Labor	-	-	-	100	267	-	-	-	Labor	-	-	-	-	-
49	Overtime (OT 1.0)	-	-	3,337	4,067	4,661	-	-	-	Labor	-	-	-	-	-
50	Overtime (OT 1.5)	-	-	2,483	7,339	7,514	-	-	-	Labor	-	-	-	-	-
51	Holiday Pay	-	1,372	2,745	3,084	3,023	-	-	-	Labor	-	-	-	-	-
52	Disaster Pay - (OT 1.5)	-	-	-	258	1,039	-	-	-	Labor	-	-	-	-	-
54	FICA Taxes (OASDI)	-	1,968	4,171	5,029	5,054	2,617	61	2,678	Labor	2,758	2,841	2,926	3,014	3,105
55	FICA Taxes (Medicare)	-	460	976	1,176	1,182	611	14	625	Labor	644	663	683	704	725
56	Regular Retirement	-	2,700	6,273	8,656	9,438	5,065	118	5,183	Labor	5,339	5,499	5,664	5,834	6,009
57	Health Insurance	-	6,027	22,080	27,577	26,761	16,236	-	16,236	HealthIns	16,804	17,392	18,001	18,631	19,283
58	Health Ins Opt Out	-	-	-	5	-	-	-	-	HealthIns	-	-	-	-	-
59	Life Insurance	-	87	130	144	155	78	-	78	Inflation	81	83	84	86	88
60	Dental Insurance	-	178	555	585	537	320	-	320	Inflation	331	338	346	353	360
61	Disability Insurance	-	157	310	259	222	136	-	136	Inflation	141	144	147	150	153

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
62	Worker's Comp-(IGS)	-	1,939	10,042	10,042	-	-	-	Labor	-	-	-	-	-	
63	Total Personnel Services	\$ -	\$ 45,953	\$ 114,516	\$ 138,001	\$ 128,147	\$ 74,155	\$ 1,339	\$ 75,494	\$ 173,842	\$ 278,018	\$ 388,286	\$ 504,921	\$ 628,206	
Operating Expenses															
64	Other Professional Services	\$ -	\$ 30,993	\$ 24,167	\$ 26,931	\$ 101,613	34,000	\$ -	\$ 34,000	Inflation	\$ 35,156	\$ 35,965	\$ 36,720	\$ 37,454	\$ 38,278
65	Janitorial Services	-	21,164	37,069	-	-	-	-	-	Inflation	-	-	-	-	-
66	Data Processing	-	3,087	3,825	-	4,604	25,000	-	25,000	Inflation	25,850	26,445	27,000	27,540	28,146
67	Other Contracted Services	-	101,789	111,185	143,779	149,990	185,000	-	185,000	Inflation	191,290	195,690	199,799	203,795	208,279
68	Out-of-County Travel	-	780	-	958	441	9,000	-	9,000	Inflation	9,306	9,520	9,720	9,914	10,132
69	Telecommunications	-	20	3,137	2,154	2,735	-	-	-	Inflation	-	-	-	-	-
70	Freight, Postage & Courier Svc	-	-	-	342	-	-	-	-	Inflation	-	-	-	-	-
71	Other Equipment Rental	-	6,452	21,638	-	-	-	-	-	Inflation	-	-	-	-	-
72	Rental & Lease (<12 mos, <\$5,000)	-	-	-	14,451	14,393	12,500	-	12,500	Inflation	12,925	13,222	13,500	13,770	14,073
73	Self Ins Assess-Auto Ins	-	746	1,404	1,404	-	-	-	-	Inflation	-	-	-	-	-
74	Building Maintenance	-	20,288	15,645	-	-	-	-	-	Repair	-	-	-	-	-
75	Maintenance Material	-	42,931	68,610	-	-	-	-	-	Repair	-	-	-	-	-
76	Vehicle Maintenance	-	-	2,165	-	-	-	-	-	Repair	-	-	-	-	-
77	Equipment Maintenance	-	36,849	52,353	-	-	-	-	-	Repair	-	-	-	-	-
78	Equipment Repair Parts	-	27,096	34,643	-	-	-	-	-	Repair	-	-	-	-	-
79	Repair & Maint. - Services & Labor	-	-	-	61,434	56,833	83,000	-	83,000	Repair	86,320	89,773	93,364	97,098	100,982
80	Repairs & Maint. - Parts	-	-	-	120,766	135,024	109,000	-	109,000	Repair	113,360	117,894	122,610	127,515	132,615
81	Horticultural	-	1,133	-	-	-	-	-	-	Inflation	-	-	-	-	-
82	Internal Repair & Maint.	-	19,531	1,913	5,635	2,948	2,000	-	2,000	Repair	2,080	2,163	2,250	2,340	2,433
83	Pmntg, Bndng & Copy Ext	-	17	-	17	-	-	-	-	Inflation	-	-	-	-	-
84	License, Permit & Appl. Fee	-	185	-	635	-	200	-	200	Inflation	207	212	216	220	225
85	Gen. Office Supplies	-	280	99	388	21	-	-	-	Inflation	-	-	-	-	-
86	Fuel and Lubricants	-	145	166	179	347	-	-	-	Fuel	-	-	-	-	-
87	Medical Supplies & Drugs	-	470	861	-	-	-	-	-	Inflation	-	-	-	-	-
88	Clothing & Wearing Apparel	-	1,246	2,530	-	-	-	-	-	Inflation	-	-	-	-	-
89	Chem, Insect & Fertilizer	-	72	414	-	-	-	-	-	Chemicals	-	-	-	-	-
90	Jani. & Other Maint. Supplies	-	6,839	14,322	-	-	-	-	-	Inflation	-	-	-	-	-
91	Minor Equipment	-	20,129	35,948	32,052	48,280	37,000	-	37,000	Inflation	38,258	39,138	39,960	40,759	41,656
92	Attractive Items	-	-	-	-	4,992	-	-	-	Inflation	-	-	-	-	-
93	Other Supplies	-	3,206	4,587	27,171	21,803	21,000	-	21,000	Inflation	21,714	22,213	22,680	23,134	23,642
94	Cement and Concrete	-	752	4,498	-	-	-	-	-	Inflation	-	-	-	-	-
95	Other Road Materials	-	-	411	2,121	1,164	5,000	-	5,000	Inflation	5,170	5,289	5,400	5,508	5,629
96	Reference Materials	-	56	83	-	-	-	-	-	Inflation	-	-	-	-	-
97	Educational Expenses	-	-	689	-	-	3,600	-	3,600	Inflation	3,722	3,808	3,888	3,966	4,053
98	Training/Seminars/Bus. Meeting	-	2,795	250	2,390	375	14,400	-	14,400	Inflation	14,890	15,232	15,552	15,863	16,212
99	Furniture and Equipment	-	-	76,308	30,293	16,777	-	-	-	Eliminate	-	-	-	-	-
100	Vehicle & Rolling Stock	-	-	-	-	35,020	-	-	-	Eliminate	-	-	-	-	-
101	Total Operating Expense	\$ -	\$ 349,053	\$ 518,920	\$ 473,101	\$ 597,359	\$ 540,700	\$ -	\$ 540,700	\$ 560,248	\$ 576,563	\$ 592,658	\$ 608,876	\$ 626,356	
102	Total Facilities	\$ -	\$ 395,006	\$ 633,435	\$ 611,102	\$ 725,506	\$ 614,855	\$ 1,339	\$ 616,194	\$ 734,090	\$ 854,581	\$ 980,944	\$ 1,113,797	\$ 1,254,562	
53404 - Operations/Solid Waste Management															
Personnel Services															
103	Salaries - Full Time Regular	\$ 412,709	\$ 506,046	\$ 483,744	\$ 432,349	\$ 436,458	\$ 601,373	\$ 14,032	\$ 615,405	Labor	\$ 633,867	\$ 652,883	\$ 672,470	\$ 692,644	\$ 713,423
104	Special Pay (w/ Retirement)	0	27	83	104	285	-	-	-	Labor	-	-	-	-	-
106	Sick Leave	15,724	21,334	28,715	42,309	34,873	-	-	-	Labor	-	-	-	-	-
107	Vacation Leave	34,429	34,191	45,075	60,534	29,800	-	-	-	Labor	-	-	-	-	-
108	CPI-Consumer Price Index	-	-	-	-	-	100,705	2,350	103,055	Labor	106,146	109,331	112,611	115,989	119,469
109	Pay-Non-Perm Labor	-	-	-	100	267	-	-	-	Labor	-	-	-	-	-
110	Overtime (OT 1.0)	4,872	1,582	3,538	3,506	4,037	-	-	-	Labor	-	-	-	-	-
111	Overtime (OT 1.5)	46,397	7,626	19,345	11,499	10,855	-	-	-	Labor	-	-	-	-	-
112	Holiday Pay	20,424	24,852	25,022	22,481	22,330	-	-	-	Labor	-	-	-	-	-
113	Disaster Pay - (OT 1.5)	516	-	1,277	12,614	-	-	-	-	Labor	-	-	-	-	-
114	Disaster Pay (1.0)	(109)	-	1,554	20,375	-	-	-	-	Labor	-	-	-	-	-
115	Special Pay (w/o Retirement)	-	-	-	1,531	-	-	-	-	Labor	-	-	-	-	-
116	Sick Leave Buy Back	224	-	769	4	-	-	-	-	Labor	-	-	-	-	-
117	FICA Taxes (OASDI)	31,951	35,492	36,066	34,548	34,351	37,283	870	38,153	Labor	39,298	40,476	41,691	42,941	44,230
118	FICA Taxes (Medicare)	7,473	8,300	8,435	8,080	8,034	8,722	204	8,926	Labor	9,193	9,469	9,753	10,046	10,347
119	Regular Retirement	45,164	53,489	61,213	66,433	67,600	79,009	1,844	80,853	Labor	83,278	85,776	88,350	91,000	93,730
120	Senior Management Retirement	2,778	-	-	-	-	-	-	-	Labor	-	-	-	-	-
121	Health Insurance	136,319	164,620	191,435	186,905	182,143	230,316	-	230,316	HealthIns	238,377	246,720	255,355	264,293	273,543
122	Health Ins Opt Out	108	108	17	11	82	-	-	-	HealthIns	-	-	-	-	-
123	Life Insurance	1,227	1,411	1,186	1,079	1,137	1,118	-	1,118	Inflation	1,156	1,183	1,207	1,232	1,259
124	Dental Insurance	3,702	4,250	4,560	4,114	4,254	5,142	-	5,142	Inflation	5,317	5,439	5,553	5,664	5,789

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
125	Disability Insurance	2,292	2,774	2,831	1,783	1,639	1,925	-	1,925	Inflation	1,990	2,036	2,079	2,121	2,167
126	Worker's Comp-(IGS)	17,561	19,393	20,084	20,084	-	-	-	-	Labor	-	-	-	-	-
127	Total Personnel Services	\$ 783,760	\$ 885,495	\$ 931,348	\$ 901,047	\$ 871,139	\$ 1,065,593	\$ 19,299	\$ 1,084,892		\$ 1,214,623	\$ 1,351,074	\$ 1,494,609	\$ 1,645,537	\$ 1,804,201
Operating Expenses															
128	Legal Services	9,889	-	8,074	-	-	-	-	-	Inflation	-	-	-	-	-
129	Financial Services	1,500	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
130	Architect and Engin. Serve	44,219	9,058	22,190	-	-	-	-	-	Inflation	-	-	-	-	-
131	Other Professional Services	88,384	122,759	47,113	21,583	120	-	-	-	Inflation	-	-	-	-	-
133	Comp Data Proc & Netwk-IGS	63,126	74,000	61,312	68,119	74,931	92,628	-	92,628	Inflation	95,777	97,980	100,038	102,039	104,283
134	Data Processing	317	-	955	58,400	64,678	73,000	-	73,000	Inflation	75,482	77,218	78,840	80,416	82,186
135	Other Contracted Services	236,505	55,884	75,401	(217,128)	(217,169)	156,500	-	156,500	Inflation	161,821	165,543	169,019	172,400	176,192
136	Hauler Collection	24,024,426	24,644,385	25,452,140	26,842,966	28,252,595	36,636,831	2,650	36,639,481	Calculated	47,131,535	51,903,118	56,273,937	60,701,122	63,841,879
137	Local Travel - Class C	333	69	-	-	111	-	-	-	Inflation	-	-	-	-	-
138	Bridge Tickets & Passes	6	-	6	-	-	-	-	-	Inflation	-	-	-	-	-
139	Out-of-County Travel	-	774	-	1,481	1,425	10,560	-	10,560	Inflation	10,919	11,170	11,405	11,633	11,889
140	Interview Expenses	-	-	2,119	-	-	-	-	-	Inflation	-	-	-	-	-
141	Telecommunications	9,616	14,093	9,161	16,037	10,946	7,336	-	7,336	Inflation	7,585	7,760	7,923	8,081	8,259
142	Advertising	7,200	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
143	Int. Phone Line (IGS-Var)	15,791	18,256	18,012	16,198	16,553	11,514	-	11,514	Inflation	11,905	12,179	12,435	12,684	12,963
144	Int. Phone Usage (IGS-Var)	-	106	-	1	106	106	-	106	Inflation	110	112	114	117	119
145	Freight, Postage & Courier Svc	1,658	808	857	917	798	2,000	-	2,000	Inflation	2,068	2,116	2,160	2,203	2,252
146	Water and Sewer	1,052	-	1,083	-	-	-	-	-	W&S	-	-	-	-	-
148	All Utility Services	-	-	-	928	9,826	13,380	-	13,380	DisposalRate	13,915	14,472	15,051	15,653	16,279
149	Self Ins Assess-Auto Ins	4,735	1,678	2,528	2,528	-	-	-	-	Inflation	-	-	-	-	-
150	Maintenance Material	66	-	-	-	-	-	-	-	Repair	-	-	-	-	-
152	Equipment Maintenance	-	1,519	2,006	-	-	-	-	-	Repair	-	-	-	-	-
153	Equipment Repair Parts	322	-	34	-	-	-	-	-	Repair	-	-	-	-	-
154	Repair & Maint. - Services & Labor	-	-	-	1,861	2,037	4,440	-	4,440	Inflation	4,591	4,697	4,795	4,891	4,999
155	Repairs & Maint-Parts	-	-	-	89	-	-	-	-	Inflation	-	-	-	-	-
156	Internal Repair & Maint.	3,920	2,958	3,814	4,050	3,605	-	-	-	Repair	-	-	-	-	-
157	Prntng, Bndng & Copy Ext	102	2,180	152	527	-	-	-	-	Inflation	-	-	-	-	-
158	Deputy Clerk Fees	230	350	50	-	-	-	-	-	Inflation	-	-	-	-	-
159	Indirect Cost	258,584	270,474	345,788	377,097	373,083	430,919	-	430,919	Labor	443,847	457,162	470,877	485,003	499,553
160	Fiscal Support	11,691	17,039	17,550	18,168	18,802	19,307	-	19,307	Inflation	19,963	20,423	20,851	21,269	21,736
161	License,Permit & Appl.Fee	10,733	737	-	90	80	-	-	-	Inflation	-	-	-	-	-
162	Gen. Office Supplies	14,915	16,675	17,150	13,469	-	-	-	-	Inflation	-	-	-	-	-
165	Clothing & Wearing Apparel	642	269	480	-	-	-	-	-	Inflation	-	-	-	-	-
167	Jani. & Other Maint. Supplies	351	171	123	-	-	-	-	-	Inflation	-	-	-	-	-
168	Minor Equipment	11,682	10,902	4,082	16,440	1,864	3,000	-	3,000	Inflation	3,102	3,173	3,240	3,305	3,377
169	Attractive Items	-	-	-	-	5,340	-	-	-	Inflation	-	-	-	-	-
170	Other Supplies	844	231	150	2,703	1,652	1,000	-	1,000	Inflation	1,034	1,058	1,080	1,102	1,126
171	Reference Materials	19	745	-	185	-	-	-	-	Inflation	-	-	-	-	-
172	Memberships	283	2,304	648	686	1,751	3,630	-	3,630	Inflation	3,753	3,840	3,920	3,999	4,087
173	Training/Seminars/Bus. Meeting	1,300	1,190	2,650	1,982	4,194	1,740	-	1,740	Inflation	1,799	1,841	1,879	1,917	1,959
174	Furniture and Equipment	-	-	-	17,281	26,000	35,000	(35,000)	-	Eliminate	-	-	-	-	-
175	Vehicle & Rolling Stock	-	-	-	55,381	-	71,500	(71,500)	-	Eliminate	-	-	-	-	-
176	Lease Purchase Principal	-	-	-	-	-	-	-	-	Constant	-	-	-	-	-
177	Grants/Aid to Local Governments	545,533	554,822	551,561	584,227	610,144	-	791,210	791,210	Pop	807,867	824,524	841,180	855,106	869,031
178	Assessment Billing	-	-	-	-	-	-	936,684	936,684	Calculated	957,244	977,252	996,659	1,001,426	1,016,137
179	Total Operating Expenses	\$ 25,369,973	\$ 25,826,094	\$ 26,647,187	\$ 27,906,266	\$ 29,263,471	\$ 37,574,391	\$ 1,624,044	\$ 39,198,435		\$ 49,754,318	\$ 54,585,636	\$ 59,015,403	\$ 63,484,364	\$ 66,678,306
180	Total Operations/Solid Waste Management	\$ 26,153,733	\$ 26,711,589	\$ 27,578,535	\$ 28,807,313	\$ 30,134,610	\$ 38,639,984	\$ 1,643,343	\$ 40,283,327		\$ 50,968,941	\$ 55,936,710	\$ 60,510,012	\$ 65,129,901	\$ 68,482,508
53406 - Recycling															
Personnel Services															
181	Salaries - Full Time Regular	458,161	423,749	147,929	138,745	149,584	199,368	4,652	204,020	Labor	210,141	216,445	222,938	229,626	236,515
182	Salaries - PT Regular	1,118	4,904	153	-	-	-	-	-	Labor	-	-	-	-	-
183	Special Pay (w/ Retirement)	6	92	42	2,072	3,490	-	-	-	Labor	-	-	-	-	-
184	Sick Leave	15,192	24,296	4,963	6,801	18,054	-	-	-	Labor	-	-	-	-	-
185	Vacation Leave	35,983	32,567	10,397	12,507	7,682	-	-	-	Labor	-	-	-	-	-
186	CPI-Consumer Price Index	-	-	-	-	-	27,100	632	27,732	Labor	28,564	29,421	30,304	31,213	32,149
187	Pay-Non-Perm Labor	413	4,604	799	50	134	-	-	-	Labor	-	-	-	-	-
188	Overtime (OT 1.0)	6,129	6,393	1,649	1,496	1,929	-	-	-	Labor	-	-	-	-	-
189	Overtime (OT 1.5)	47,512	21,428	4,790	3,876	4,167	-	-	-	Labor	-	-	-	-	-
190	Holiday Pay	22,836	22,023	6,840	6,793	7,549	-	-	-	Labor	-	-	-	-	-
191	Disaster Pay - (OT 1.5)	263	-	-	52	2,978	-	-	-	Labor	-	-	-	-	-
192	Disaster Pay (1.0)	(144)	-	-	165	4,684	-	-	-	Labor	-	-	-	-	-
193	Sick Leave Buy Back	116	-	-	-	11	-	-	-	Labor	-	-	-	-	-

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
194	FICA Taxes (OASDI)	35,266	32,092	10,531	10,279	11,888	12,360	288	12,648	Labor	13,028	13,419	13,821	14,236	14,663
195	FICA Taxes (Medicare)	8,248	7,554	2,475	2,404	2,780	2,890	67	2,957	Labor	3,046	3,138	3,232	3,329	3,428
196	Regular Retirement	53,366	48,525	15,779	17,685	22,343	23,779	555	24,334	Labor	25,064	25,816	26,590	27,388	28,210
197	Senior Management Retirement	926	-	-	-	-	-	-	-	Labor	-	-	-	-	-
198	Health Insurance	134,437	138,755	46,150	50,068	53,754	60,156	-	60,156	HealthIns	62,261	64,441	66,696	69,030	71,446
199	Health Ins Opt Out	126	132	12	6	-	-	-	-	HealthIns	-	-	-	-	-
200	Life Insurance	1,301	1,182	320	326	411	370	-	370	Inflation	383	391	400	408	417
201	Dental Insurance	3,749	3,684	1,079	1,044	1,085	1,208	-	1,208	Inflation	1,249	1,278	1,305	1,331	1,360
202	Disability Insurance	2,482	2,394	770	583	589	639	-	639	Inflation	661	676	690	704	719
203	Worker's Comp-(IGS)	19,512	17,454	8,033	8,033	-	-	-	-	Labor	-	-	-	-	-
204	Total Personnel Services	\$ 846,998	\$ 791,827	\$ 262,710	\$ 262,984	\$ 293,113	\$ 327,870	\$ 6,195	\$ 334,065		\$ 344,397	\$ 355,024	\$ 365,975	\$ 377,264	\$ 749,071
Operating Expenses															
205	Other Professional Services	\$ 42,990	\$ 20,260	\$ 32,660	\$ 76,053	43,705	\$ 100,000	\$ -	\$ 100,000	Inflation	\$ 103,400	\$ 105,778	\$ 108,000	\$ 110,160	\$ 112,583
206	Comp Data Proc & Netwk-IGS	7,014	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
207	Data Processing	1,138	542	542	1,227	525	-	-	-	Inflation	-	-	-	-	-
209	Other Contracted Services - Republic	113,931	4,010,868	4,101,508	1,091,757	-	9,202,000	45,124	9,247,124	Calculated	9,762,689	10,226,277	10,537,426	11,181,563	11,658,845
210	Local Travel - Class C	-	152	-	-	-	125	100	100	Inflation	103	106	108	110	113
211	Out-of-County Travel	428	968	-	1,140	3,209	5,100	-	5,100	Inflation	5,273	5,395	5,508	5,618	5,742
212	Telecommunications	880	690	1,250	1,575	1,242	960	-	960	Inflation	993	1,015	1,037	1,058	1,081
213	Advertising	21,765	10,070	3,515	-	-	-	-	-	Inflation	-	-	-	-	-
214	Int. Phone Line (IGS-Var)	9,192	7,923	7,524	6,897	7,587	3,030	-	3,030	Inflation	3,133	3,205	3,272	3,338	3,411
215	Int. Phone Usage (IGS-Var)	39	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
216	Freight, Postage & Courier Svc	225	-	-	245	-	-	-	-	Inflation	-	-	-	-	-
217	Vehicle Rental	340	270	1,545	-	-	-	-	-	Inflation	-	-	-	-	-
218	Trash, Garbage&Sludge Removal	472,528	944,508	848,214	-	-	-	-	-	DisposalRate	-	-	-	-	-
219	All Utility Services	-	-	-	-	974,345	863,440	-	863,440	DisposalRate	897,978	933,897	971,253	1,010,103	1,050,507
220	Rental&Lease <12mos <5,000	-	-	-	711	-	-	-	-	Inflation	-	-	-	-	-
221	Self Ins Assess-Auto Ins	4,735	1,305	1,966	1,966	-	-	-	-	Inflation	-	-	-	-	-
222	Self Ins Assess-Prop Ins	47,398	59,550	58,025	58,025	-	-	-	-	Inflation	-	-	-	-	-
223	Building Maintenance	17,820	-	-	-	-	-	-	-	Repair	-	-	-	-	-
224	Maintenance Material	19	-	-	-	-	-	-	-	Repair	-	-	-	-	-
225	Equipment Maintenance	650	-	-	-	-	-	-	-	Repair	-	-	-	-	-
226	Equipment Repair Parts	-	43,846	-	-	-	-	-	-	Repair	-	-	-	-	-
227	Repair & Maint. - Services & Labor	-	-	-	4,391	-	-	-	-	Repair	-	-	-	-	-
228	Repairs & Maint-Parts	-	-	-	-	20,406	-	-	-	Repair	-	-	-	-	-
229	Internal Repair & Maint.	-	100	-	-	68	-	-	-	Repair	-	-	-	-	-
230	Prntng, Bndng & Copy Ext	32,072	26,348	24,969	22,126	34,342	35,000	-	35,000	Inflation	36,190	37,022	37,800	38,556	39,404
231	Promo, Advertising & Expenses	71,568	213,170	166,982	82,157	145,396	208,500	-	208,500	Inflation	215,589	220,548	225,179	229,683	234,736
232	Indirect Cost	14,833	15,515	19,835	21,631	21,401	24,718	-	24,718	Inflation	25,558	26,146	26,695	27,229	27,828
233	Fiscal Support	6,525	11,820	12,175	12,604	13,044	13,393	-	13,393	Inflation	13,848	14,167	14,464	14,754	15,078
234	License,Permit & Appl.Fee	-	-	4,171	-	162	-	-	-	Inflation	-	-	-	-	-
235	Gen. Office Supplies	110	-	-	1,492	-	-	-	-	Inflation	-	-	-	-	-
236	Clothing & Wearing Apparel	-	150	-	-	-	-	-	-	Inflation	-	-	-	-	-
237	Jani. & Other Maint. Supplies	8	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
238	Minor Equipment	125,282	150,416	177,406	206,867	391,462	230,000	-	230,000	Calculated	309,973	304,657	297,296	238,082	226,269
239	Minor Equipment	-	-	-	-	360	-	-	-	Inflation	-	-	-	-	-
240	Attractive Items	-	-	-	-	5,230	-	-	-	Inflation	-	-	-	-	-
241	Other Supplies	45	-	-	244	-	-	-	-	Inflation	-	-	-	-	-
242	Reference Materials	391	299	180	299	64	-	-	-	Inflation	-	-	-	-	-
243	Memberships	1,472	1,413	981	860	2,114	4,079	-	4,079	Inflation	4,218	4,315	4,405	4,493	4,592
244	Educational Expenses	200	-	138	-	-	-	-	-	Inflation	-	-	-	-	-
245	Training/Seminars/Bus. Meeting	4,025	5,567	1,170	3,541	1,984	21,300	-	21,300	Inflation	22,024	22,531	23,004	23,464	23,980
246	Furniture and Equipment	-	-	-	-	434,954	574,200	(574,200)	-	Eliminate	-	-	-	-	-
247	Electronic Subscriptions	-	-	90	531	504	1,938	(1,938)	-	Eliminate	-	-	-	-	-
248	Aids to Priv. Organizations	85,000	85,000	85,000	85,000	85,000	107,500	-	107,500	Constant	107,500	107,500	107,500	107,500	107,500
249	County-Sponsored Functions	-	8,000	22,500	20,000	24,350	24,000	-	24,000	Inflation	24,816	25,387	25,920	26,438	27,020
250	Grants/Aid to Local Governments	204,515	1,381	-	230,161	579,883	600,000	-	600,000	Calculated	610,729	621,201	622,551	640,687	649,058
251	Total Operating Expenses	\$ 1,287,136	\$ 5,620,131	\$ 5,572,346	\$ 1,931,501	\$ 2,925,633	\$ 12,069,758	\$ (531,014)	\$ 11,538,744		\$ 12,196,231	\$ 12,712,564	\$ 13,065,958	\$ 13,718,465	\$ 14,244,601
252	Total Recycling	\$ 2,134,134	\$ 6,411,957	\$ 5,835,056	\$ 2,194,485	\$ 3,218,746	\$ 12,397,628	\$ (524,819)	\$ 11,872,809		\$ 12,540,628	\$ 13,067,588	\$ 13,431,933	\$ 14,095,729	\$ 14,993,672

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget	Adjustments	Adjusted	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022	2023		2023		2024	2025	2026	2027	2028
53408- Disposal															
<u>Personnel Services</u>															
253	Salaries - Full Time Regular	\$ 1,280,106	\$ 1,555,887	\$ 3,032,643	\$ 3,024,145	\$ 3,278,654	\$ 3,993,972	\$ 93,193	\$ 4,087,165	Labor	\$ 4,209,780	\$ 4,336,073	\$ 4,466,155	\$ 4,600,140	\$ 4,738,144
254	Salaries - PT Regular	3,353	14,711	22,538	7,664	20,144	27,622	-	27,622	Labor	28,451	29,304	30,183	31,089	32,021
255	Disaster Pay (1.0)	(429)	-	-	7,588	88,291	-	-	-	Labor	-	-	-	-	-
256	Special Pay (w/ Retirement)	8	322	981	2,957	5,188	-	-	-	Labor	-	-	-	-	-
257	Sick Leave	52,715	75,840	118,247	151,014	153,334	-	-	-	Labor	-	-	-	-	-
258	Vacation Leave	78,590	95,924	170,309	219,924	216,654	-	-	-	Labor	-	-	-	-	-
259	CPI-Consumer Price Index	-	-	-	-	-	625,767	14,601	640,368	Labor	659,579	679,367	699,748	720,740	742,362
260	Pay-Non-Perm Labor	3,771	21,342	3,392	43,356	6,685	-	-	-	Labor	-	-	-	-	-
261	Pay-Non-Perm Labor	3,771	21,342	-	-	-	-	-	-	Labor	-	-	-	-	-
262	Overtime (OT 1.0)	59,335	64,232	108,995	112,961	119,534	165,000	3,850	168,850	Labor	173,916	179,133	184,507	190,042	195,743
263	Overtime (OT 1.5)	356,653	271,798	372,173	502,801	520,573	500,000	11,667	511,667	Labor	527,017	542,827	559,112	575,885	593,162
264	Holiday Pay	62,981	75,610	146,596	150,317	156,905	-	-	-	Labor	-	-	-	-	-
265	Disaster Pay - (OT 1.5)	400	-	-	3,223	62,575	-	-	-	Labor	-	-	-	-	-
266	Special Pay (w/o Retirement)	-	-	-	10,251	-	-	-	-	Labor	-	-	-	-	-
267	Sick Leave Buy Back	497	-	423	399	63	-	-	-	Labor	-	-	-	-	-
268	FICA Taxes (OASDI)	114,722	131,037	240,837	255,255	279,174	248,823	5,806	254,629	Labor	262,268	270,136	278,240	286,587	295,185
269	FICA Taxes (Medicare)	26,830	30,648	56,379	59,878	65,381	58,314	1,361	59,675	Labor	61,465	63,309	65,208	67,164	69,179
270	Regular Retirement	155,530	186,901	355,928	421,493	498,119	473,820	11,056	484,876	Labor	499,422	514,405	529,837	545,732	562,104
271	Senior Management Retirement	3,704	-	21,759	-	50,696	49,036	-	49,036	Labor	50,507	52,022	53,583	55,190	56,846
272	Health Insurance	403,957	534,125	1,002,554	1,089,204	1,179,448	1,329,846	-	1,329,846	HealthIns	1,376,391	1,424,564	1,474,424	1,526,029	1,579,440
273	Health Ins Opt Out	1,686	1,657	2,955	2,357	1,711	1,800	-	1,800	HealthIns	1,863	1,928	1,996	2,066	2,138
274	Life Insurance	3,833	4,172	8,184	8,426	10,166	8,836	-	8,836	Inflation	9,136	9,347	9,543	9,734	9,948
275	Dental Insurance	11,924	14,808	26,647	25,815	25,959	28,680	-	28,680	Inflation	29,655	30,337	30,974	31,594	32,289
276	Disability Insurance	6,804	8,499	16,520	11,084	11,778	12,862	-	12,862	Inflation	13,299	13,605	13,891	14,169	14,480
277	Worker's Comp-(IGS)	68,294	77,572	128,534	128,534	80,659	80,314	-	80,314	Labor	82,723	85,205	87,761	90,394	93,106
278	Total Personnel Services	\$ 2,699,035	\$ 3,186,436	\$ 5,836,593	\$ 6,238,647	\$ 6,831,694	\$ 7,604,692	\$ 141,533	\$ 7,746,225		\$ 8,081,471	\$ 8,429,322	\$ 8,790,701	\$ 9,166,162	\$ 9,556,392
<u>Operating Expenses</u>															
279	Legal Services	\$ 23,606	\$ 12,137	\$ -	\$ -	\$ 7,771	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -
280	Financial Services	77,351	89,308	116,471	164,936	240,838	200,000	-	200,000	Inflation	206,800	211,556	215,999	220,319	225,166
281	Architect and Engin. Serve	516,394	498,559	759,195	535,145	435,739	785,000	-	785,000	Inflation	811,690	830,359	847,796	864,752	883,777
282	Architect and Engin. Serve	-	-	9,510	20,000	58,711	130,000	-	130,000	Inflation	134,420	137,512	140,399	143,207	146,358
283	Other Professional Services	69,368	134,693	270,556	12,832	88,203	150,000	-	150,000	Inflation	155,100	158,667	161,999	165,239	168,875
284	Other Professional Services	-	-	55,324	123,159	34,364	30,000	-	30,000	Inflation	31,020	31,733	32,400	33,048	33,775
285	Auditing	-	-	5,000	5,000	-	-	-	-	Inflation	-	-	-	-	-
286	Janitorial Services	4,673	1,580	2,620	-	-	-	-	-	Inflation	-	-	-	-	-
287	Uniform/Laundry Service	6,396	5,969	6,237	-	-	7,482	-	7,482	Inflation	7,736	7,914	8,081	8,242	8,423
288	Comp Data Proc & Netwk-IGS	59,619	118,400	95,800	168,294	185,123	228,845	-	228,845	Inflation	236,626	242,068	247,152	252,095	257,641
289	Data Processing	7,677	19,531	7,698	18,261	38,876	15,700	-	15,700	Inflation	16,234	16,607	16,956	17,295	17,676
290	Data Processing	-	-	-	1,135	-	-	-	-	Inflation	-	-	-	-	-
291	Other Contracted Services	30,278,465	30,211,663	30,286,633	32,802,885	37,805,698	1,439,052	-	1,439,052	Repair	1,496,614	1,556,479	1,618,738	1,683,487	1,750,827
292	Covanta Operation	N/A	N/A	N/A	N/A	N/A	36,893,646	-	36,893,646	Calculated	35,712,503	37,137,268	36,906,967	38,166,363	39,468,019
293	Yard Waste Processing	N/A	N/A	N/A	N/A	N/A	3,500,000	-	3,500,000	Calculated	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
294	Local Travel - Class C	764	290	851	2,318	1,091	-	-	-	Inflation	-	-	-	-	-
295	Local Travel - Class C	-	-	196	-	-	-	-	-	Inflation	-	-	-	-	-
296	Bridge Tickets & Passes	10	6	-	-	-	-	-	-	Inflation	-	-	-	-	-
297	Out-of-County Travel	12,324	17,744	2,276	1,940	10,012	22,100	-	22,100	Inflation	22,851	23,377	23,868	24,345	24,881
298	Out-of-County Travel 392	-	-	488	-	416	-	-	-	Inflation	-	-	-	-	-
299	Telecommunications	12,473	15,244	23,100	21,697	13,240	16,320	-	16,320	Inflation	16,875	17,263	17,626	17,978	18,374
300	Telecommunications 392	-	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
301	Advertising	1,811	1,083	4,523	-	-	-	-	-	Inflation	-	-	-	-	-
302	Int. Phone Line (IGS-Var)	17,676	20,151	20,007	19,280	19,312	13,332	-	13,332	Inflation	13,785	14,102	14,398	14,686	15,010
303	Int. Phone Usage (IGS-Var)	49	161	212	190	161	161	-	161	Inflation	166	170	174	177	181
304	Freight, Postage & Courier Svc	15	947	274	15	177	-	-	-	Inflation	-	-	-	-	-
305	Trash, Garbage&Sludge Removal	270,973	144,099	141,812	-	-	-	-	-	DisposalRate	-	-	-	-	-
306	All Utility Services	-	-	45,942	55,491	-	451,900	-	451,900	Inflation	467,265	478,012	488,050	497,811	508,763
307	Other Equipment Rental	5,290	6,544	-	-	-	-	-	-	Inflation	-	-	-	-	-
308	Rental&Lease <12mos <5,000	-	-	96	-	-	-	-	-	Inflation	-	-	-	-	-
309	Small Equipment Leases	-	-	319	731	-	-	-	-	Inflation	-	-	-	-	-
310	Self Ins Assess-General Liability	135,667	156,908	11,080	17,283	28,307	28,307	-	28,307	Inflation	29,269	29,943	30,571	31,183	31,869
311	Self Ins Assess-Auto Ins	22,996	9,323	-	18,536	27,878	49,405	-	49,405	Inflation	51,085	52,260	53,357	54,424	55,622
312	Self Ins Assess-Prop Ins	96,231	120,906	-	117,807	279,952	194,702	-	194,702	Inflation	201,322	205,952	210,277	214,483	219,201
313	Insurance and Bonds	183,035	183,035	233,635	213,987	243,768	285,000	-	285,000	Inflation	294,690	301,468	307,799	313,955	320,862
314	Building Maintenance	-	9,934	-	-	-	-	-	-	Repair	-	-	-	-	-
315	Maintenance Material	8,254	6,476	32	-	-	-	-	-	Repair	-	-	-	-	-
316	Vehicle Maintenance	2,337	-	-	-	-	-	-	-	Disposal/Hauling	-	-	-	-	-
317	Equipment Maintenance	14,372	3,936	4,536	-	-	-	-	-	Repair	-	-	-	-	-

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
318	Equipment Repair Parts	3,354	1,816	320	-	-	-	-	Repair	-	-	-	-	-	
319	Repair & Maint. - Services & Labor	-	-	-	3,831	7,786	-	-	Repair	-	-	-	-	-	
320	Repair & Maint. - Services & Labor	-	-	-	-	-	-	-	Repair	-	-	-	-	-	
321	Repairs & Maint. - Parts	-	-	-	1,777	4,005	4,500	4,500	Repair	4,680	4,867	5,062	5,264	5,475	
322	Repairs & Maint. - Parts	-	-	-	324	23	-	-	Repair	-	-	-	-	-	
323	Repairs & Maint. - Parts	-	-	-	524	2,743	-	-	Repair	-	-	-	-	-	
324	Repairs & Maint. - Parts	-	-	-	3,174	1,825	-	-	Repair	-	-	-	-	-	
325	Tires & Tubes	266	251	98	-	-	-	-	Inflation	-	-	-	-	-	
326	Internal Repair & Maint.	1,782	2,677	20	-	-	-	-	Repair	-	-	-	-	-	
327	Prntng, Bndng & Copy Ext	717	4,500	215	845	111	-	-	Inflation	-	-	-	-	-	
328	Promo. Advertising & Expenses	-	109,303	15,005	430	788	-	-	Inflation	-	-	-	-	-	
329	Deputy Clerk Fees	40	10	-	-	-	-	-	Inflation	-	-	-	-	-	
330	Indirect Cost	323,961	343,660	439,353	479,134	474,033	547,519	547,519	Inflation	566,135	579,156	591,318	603,144	616,414	
331	Solid Waste Assessment	9,160	-	9,188	9,188	9,188	11,000	11,000	Inflation	11,374	11,636	11,880	12,118	12,384	
332	Fiscal Support	86,380	116,256	119,744	123,962	128,289	131,730	131,730	Inflation	136,209	139,342	142,268	145,113	148,306	
333	License, Permit & Appl.Fee	26,467	26,892	291	4,112	9,655	560	560	Inflation	579	592	605	617	630	
334	License, Permit & Appl.Fee 392	-	-	-	24,562	24,420	30,225	30,225	Inflation	31,253	31,971	32,643	33,296	34,028	
335	Gen. Office Supplies	3,857	3,230	341	-	17,457	20,000	20,000	Inflation	20,680	21,156	21,600	22,032	22,517	
336	Fuel and Lubricants	12,800	-	33,609	38,534	35,814	40,000	40,000	DisposalHauling	35,711	34,437	35,553	36,659	37,862	
337	Medical Supplies & Drugs	1,669	619	53	-	-	1,000	1,000	Inflation	1,034	1,058	1,080	1,102	1,126	
338	Clothing & Wearing Apparel	9,247	1,934	2,896	-	-	16,700	16,700	Inflation	17,268	17,665	18,036	18,397	18,801	
339	Clothing & Wearing Apparel 392	-	-	-	-	-	-	-	Inflation	-	-	-	-	-	
340	Chem, Insect & Fertilizer	97	69	-	223	-	-	-	Chemicals	-	-	-	-	-	
341	Jani. & Other Maint. Supplies	4,748	1,899	1,154	-	-	-	-	Inflation	-	-	-	-	-	
342	Jani. & Other Maint. Supplies	-	-	51	-	-	-	-	Inflation	-	-	-	-	-	
343	Recreational Supplies	-	-	7	-	-	-	-	Inflation	-	-	-	-	-	
344	Minor Equipment	22,078	11,148	8,664	38,319	23,638	5,000	5,000	Inflation	5,170	5,289	5,400	5,508	5,629	
345	Attractive Items	-	-	-	1,550	5,025	-	-	Inflation	-	-	-	-	-	
346	Attractive Items	-	-	-	2,820	-	-	-	Inflation	-	-	-	-	-	
347	Attractive Items	-	-	-	2,129	1,633	-	-	Inflation	-	-	-	-	-	
348	Other Supplies	12,345	11,472	7,939	15,014	30,284	10,000	10,000	Inflation	10,340	10,578	10,800	11,016	11,258	
349	Other Supplies	-	-	-	344	-	-	-	Inflation	-	-	-	-	-	
350	Road Base Materials	-	852	-	-	-	-	-	Inflation	-	-	-	-	-	
351	Cement and Concrete	6	-	329	-	-	-	-	Inflation	-	-	-	-	-	
352	Fill Material	2,353	-	-	-	-	-	-	Inflation	-	-	-	-	-	
353	Other Road Materials	493	-	-	-	1,424	-	-	Inflation	-	-	-	-	-	
354	Reference Materials	764	120	918	745	2,037	3,100	3,100	Inflation	3,205	3,279	3,348	3,415	3,490	
355	Reference Materials 392	-	-	-	-	31	4,200	4,200	Inflation	4,343	4,443	4,536	4,627	4,728	
356	Memberships	1,177	2,779	6,017	4,843	21,564	22,200	22,200	Inflation	22,955	23,483	23,976	24,455	24,993	
357	Memberships 392	-	-	-	-	395	-	-	Inflation	-	-	-	-	-	
358	Educational Expenses	200	-	276	409	1,476	400	400	Inflation	414	423	432	441	450	
359	Educational Expenses	-	-	138	-	-	-	-	Inflation	-	-	-	-	-	
360	Training/Seminars/Bus. Meeting	17,256	20,819	12,632	19,221	22,032	17,700	17,700	Inflation	18,302	18,723	19,116	19,498	19,927	
361	Training/Seminars/Bus. Meeting 392	-	-	755	-	145	-	-	Inflation	-	-	-	-	-	
362	Furniture and Equipment	-	-	119,099	-	41,137	110,000	(110,000)	Eliminate	-	-	-	-	-	
363	Vehicle & Rolling Stock	-	-	56,112	265,953	159,882	1,355,000	(1,355,000)	Eliminate	-	-	-	-	-	
364	County-Sponsored Functions	-	-	813	-	38	-	-	Inflation	-	-	-	-	-	
365	Appraisal Services	-	-	200	-	-	-	-	Inflation	-	-	-	-	-	
366	Misc Fines-Like Fire Alarms	-	-	-	194	-	-	-	Inflation	-	-	-	-	-	
367	Administrative Charges	-	-	2,236	2,057	2,319	2,428	2,428	Inflation	2,511	2,568	2,622	2,675	2,734	
368	Total Operating Expense	\$ 32,378,978	\$ 32,439,000	\$ 32,885,461	\$ 35,349,146	\$ 40,600,876	\$ 46,774,214	\$ (1,465,000)	\$ 45,309,214	\$ 44,298,212	\$ 45,863,376	\$ 45,874,062	\$ 47,172,467	\$ 48,626,051	
369	Total Disposal	\$ 35,078,013	\$ 35,625,436	\$ 38,722,054	\$ 41,587,793	\$ 47,432,571	\$ 54,378,906	\$ (1,323,467)	\$ 53,055,439	\$ 52,379,684	\$ 54,292,698	\$ 54,664,763	\$ 56,338,629	\$ 58,182,443	

53408- Buckingham Campus Transfer Station

Personnel Services

370	Salaries - Full Time Regular	\$ -	\$ 84,392	\$ 2,852	\$ -	\$ -	\$ -	\$ -	Labor	\$ -	\$ -	\$ -	\$ -	\$ -
372	Sick Leave	-	2,278	12	-	-	-	-	Labor	-	-	-	-	-
373	Vacation Leave	-	3,669	125	-	-	-	-	Labor	-	-	-	-	-
374	Overtime (OT 1.0)	-	2,089	47	-	-	-	-	Labor	-	-	-	-	-
375	Overtime (OT 1.5)	-	16,364	585	-	-	-	-	Labor	-	-	-	-	-
376	Holiday Pay	-	2,858	-	-	-	-	-	Labor	-	-	-	-	-
377	FICA Taxes (OASDI)	-	6,769	220	-	-	-	-	Labor	-	-	-	-	-
378	FICA Taxes (Medicare)	-	1,583	52	-	-	-	-	Labor	-	-	-	-	-
379	Regular Retirement	-	9,309	307	-	-	-	-	Labor	-	-	-	-	-
380	Health Insurance	-	23,085	-	-	-	-	-	HealthIns	-	-	-	-	-
381	Life Insurance	-	174	-	-	-	-	-	Inflation	-	-	-	-	-
382	Dental Insurance	-	703	-	-	-	-	-	Inflation	-	-	-	-	-
383	Disability Insurance	-	414	-	-	-	-	-	Inflation	-	-	-	-	-

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
384	Worker's Comp-(IGS)	-	3,879	-	-	-	-	-	-	Labor	-	-	-	-	-
385	Total Personnel Services	\$ -	\$ 157,568	\$ 4,201	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 96,000	\$ 197,760	\$ 305,539	\$ 419,607	\$ 540,244
Operating Expenses															
386	Other Professional Services	\$ 12,779	\$ 6,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Inf+LF	\$ -	\$ -	\$ -	\$ -	\$ -
387	Janitorial Services	5,040	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
389	Comp Data Proc & Netwk-IGS	17,535	14,800	15,328	16,028	17,631	21,795	-	21,795	Inflation	22,536	23,054	23,539	24,009	24,537
390	Other Contracted Services	22,815	18,250	64,869	11,812	8,265	52,100	-	52,100	Inflation	53,871	55,110	56,268	57,393	58,656
391	Telecommunications	-	-	-	3,982	14,829	1,920	-	1,920	Inflation	1,985	2,031	2,074	2,115	2,162
392	Int. Phone Line (IGS-Var)	7,070	6,373	6,156	5,643	6,207	1,818	-	1,818	Inflation	1,880	1,923	1,963	2,003	2,047
393	Other Equipment Rental	32,958	34,052	5,450	-	-	-	-	-	Inflation	-	-	-	-	-
394	Rental & Lease (<12 mos, <\$5,000)	-	-	-	-	-	10,000	-	10,000	Inflation	10,340	10,578	10,800	11,016	11,258
395	Building Maintenance	49	-	-	-	-	-	-	-	Repair	-	-	-	-	-
396	Maintenance Material	2,649	5,011	-	-	-	-	-	-	Repair	-	-	-	-	-
397	Equipment Maintenance	5,147	4,170	436	-	-	-	-	-	Repair	-	-	-	-	-
398	Equipment Repair Parts	11,745	1,447	989	-	-	-	-	-	Inflation	-	-	-	-	-
399	Repair & Maint. - Services & Labor	-	-	-	891	767	-	-	-	Inflation	-	-	-	-	-
400	Internal Repair & Maint.	-	15	-	-	-	-	-	-	Repair	-	-	-	-	-
401	License, Permit & Appl.Fee	171	360	82	83	95	-	-	-	Inflation	-	-	-	-	-
402	Gen. Office Supplies	-	21	-	-	-	-	-	-	Inflation	-	-	-	-	-
403	Fuel and Lubricants	38	15	-	-	-	-	-	-	Fuel	-	-	-	-	-
404	Medical Supplies & Drugs	409	243	108	-	-	150	-	150	Inflation	155	159	162	165	169
405	Clothing & Wearing Apparel	3,556	6,511	4,898	-	-	1,650	-	1,650	Inflation	1,706	1,745	1,782	1,818	1,858
406	Chem, Insect & Fertilizer	380	-	-	-	-	-	-	-	Chemicals	-	-	-	-	-
407	Jani. & Other Maint. Supplies	1,989	3,856	3,456	-	-	-	-	-	Inflation	-	-	-	-	-
408	Minor Equipment	5,626	1,829	1,351	5,196	1,910	2,500	-	2,500	Inflation	2,585	2,644	2,700	2,754	2,815
409	Other Supplies	2,188	822	371	10,338	3,261	2,500	-	2,500	Inflation	2,585	2,644	2,700	2,754	2,815
410	Reference Materials	-	3,284	-	-	-	-	-	-	Inflation	-	-	-	-	-
411	Furniture and Equipment	-	-	3,141	-	-	-	-	-	Eliminate	-	-	-	-	-
412	Vehicle & Rolling Stock	-	-	246,993	-	-	-	-	-	Eliminate	-	-	-	-	-
413	Total Operating Expense	\$ 132,145	\$ 107,454	\$ 353,628	\$ 53,973	\$ 53,191	\$ 95,611	\$ -	\$ 95,611		\$ 98,862	\$ 101,136	\$ 103,259	\$ 105,325	\$ 107,642
414	Total Buckingham Campus Transfer Station	\$ 132,145	\$ 265,022	\$ 357,829	\$ 53,973	\$ 53,191	\$ 95,611	\$ -	\$ 95,611		\$ 194,862	\$ 298,896	\$ 408,799	\$ 524,932	\$ 647,886
53408- Hazardous Waste															
Personnel Services															
415	Salaries - Full Time Regular	\$ 269,301	\$ 297,454	\$ 270,464	\$ 265,476	\$ 305,699	\$ 375,837	\$ 8,770	\$ 384,607	Labor	\$ 396,145	\$ 408,029	\$ 420,270	\$ 432,878	\$ 445,864
416	Special Pay (w/ Retirement)	2	78	650	1,499	3,307	-	-	-	Labor	-	-	-	-	-
417	Sick Leave	13,452	13,224	10,240	14,565	20,399	-	-	-	Labor	-	-	-	-	-
418	Vacation Leave	17,640	22,075	19,753	19,982	21,413	-	-	-	Labor	-	-	-	-	-
419	CPI-Consumer Price Index	-	-	-	-	-	65,068	\$ 1,518	66,586	Labor	68,584	70,641	72,761	74,943	77,192
420	Overtime (OT 1.0)	1,781	3,307	2,273	3,188	3,121	5,000	117	5,117	Labor	5,270	5,428	5,591	5,759	5,932
421	Overtime (OT 1.5)	10,547	12,399	8,414	8,572	13,833	20,000	467	20,467	Labor	21,081	21,713	22,364	23,035	23,726
422	Holiday Pay	13,349	13,675	13,284	13,417	15,469	-	-	-	Labor	-	-	-	-	-
423	Disaster Pay - (OT 1.5)	0	-	-	31	7,964	-	-	-	Labor	-	-	-	-	-
424	Disaster Pay (1.0)	(0)	-	-	99	15,083	-	-	-	Labor	-	-	-	-	-
425	Sick Leave Buy Back	38	-	-	-	7	-	-	-	Labor	-	-	-	-	-
426	FICA Taxes (OASDI)	19,734	21,854	19,718	19,877	24,718	23,301	544	23,845	Labor	24,560	25,297	26,056	26,837	27,643
427	FICA Taxes (Medicare)	4,616	5,111	4,612	4,649	5,781	5,449	127	5,576	Labor	5,743	5,916	6,093	6,276	6,464
428	Regular Retirement	25,969	30,210	28,827	33,475	45,422	50,168	1,171	51,339	Labor	52,879	54,465	56,099	57,782	59,515
429	Senior Management Retirement	463	-	-	-	-	-	-	-	Labor	-	-	-	-	-
430	Health Insurance	84,041	101,676	91,358	99,569	122,630	131,448	-	131,448	HealthIns	136,049	140,810	145,739	150,840	156,119
431	Health Ins Opt Out	-	-	-	-	-	-	-	-	HealthIns	-	-	-	-	-
432	Life Insurance	775	716	628	616	816	699	-	699	Inflation	723	739	755	770	787
433	Dental Insurance	1,949	2,279	1,890	1,844	2,235	2,408	-	2,408	Inflation	2,490	2,547	2,601	2,653	2,711
434	Disability Insurance	1,498	1,598	1,505	1,095	1,165	1,200	-	1,200	Inflation	1,241	1,269	1,296	1,322	1,351
435	Worker's Comp-(IGS)	15,610	15,514	12,050	12,050	-	-	-	-	Labor	-	-	-	-	-
436	Total Personnel Services	\$ 480,762	\$ 541,169	\$ 485,666	\$ 500,053	\$ 609,197	\$ 680,578	\$ 12,713	\$ 693,291		\$ 714,764	\$ 736,856	\$ 759,624	\$ 783,095	\$ 807,304

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
Operating Expenses															
437	Other Professional Services	\$ 13,486	\$ 9,224	\$ 1,291	\$ -	-	\$ -	\$ -	-	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -
438	Janitorial Services	4,533	2,532	-	-	-	-	-	-	Inflation	-	-	-	-	-
439	Uniform/Laundry Service	1,396	1,327	1,454	-	-	-	-	-	Inflation	-	-	-	-	-
440	Comp Data Proc & Netwk-IGS	3,507	3,700	8,014	8,815	10,897	10,897	10,897	11,267	Inflation	11,267	11,527	11,769	12,004	12,268
442	Other Contracted Services	311,852	198,960	235,031	333,706	299,244	365,400	365,400	377,824	Inflation	377,824	386,514	394,630	402,523	411,378
443	Out-of-County Travel	-	-	-	-	1,033	3,000	-	3,000	Inflation	3,102	3,173	3,240	3,305	3,377
444	Telecommunications	959	1,299	531	1,017	1,255	-	-	-	Inflation	-	-	-	-	-
445	Advertising	-	76	-	-	-	-	-	-	Inflation	-	-	-	-	-
446	Int. Phone Line (IGS-Var)	1,414	1,091	57	1,463	2,759	606	606	627	Inflation	627	641	654	668	682
447	Electric	9,212	11,308	9,505	-	-	-	-	-	Electric	-	-	-	-	-
448	Water and Sewer	1,195	434	173	-	-	-	-	-	W&S	-	-	-	-	-
449	Trash, Garbage&Sludge Removal	21,571	57,717	66,090	-	-	-	-	-	DisposalRate	-	-	-	-	-
450	All Utility Services	-	-	1,221	36,570	38,032	38,000	38,000	39,520	DisposalRate	39,520	41,101	42,745	44,455	46,233
451	Other Equipment Rental	320	1,432	-	-	-	-	-	-	Inflation	-	-	-	-	-
452	Rental & Lease (<12 mos, <\$5,000)	-	-	-	-	-	2,500	2,500	2,585	Inflation	2,585	2,644	2,700	2,754	2,815
453	Self Ins Assess-Auto Ins	1,353	374	-	-	-	-	-	-	Inflation	-	-	-	-	-
454	Maintenance Material	4,549	3,473	51	-	-	-	-	-	Repair	-	-	-	-	-
455	Equipment Maintenance	4,517	3,630	195	-	-	-	-	-	Repair	-	-	-	-	-
456	Equipment Repair Parts	1,620	452	124	-	-	-	-	-	Repair	-	-	-	-	-
457	Internal Repair & Maint.	-	41	-	-	-	-	-	-	Repair	-	-	-	-	-
458	Prntng, Bndng & Copy Ext	-	-	-	17	-	-	-	-	Inflation	-	-	-	-	-
459	Solid Waste Assessment	457	9,637	449	449	449	1,500	1,500	1,551	Inflation	1,551	1,587	1,620	1,652	1,689
461	Gen. Office Supplies	124	8	12	-	-	-	-	-	Inflation	-	-	-	-	-
462	Fuel and Lubricants	1,762	319	290	410	558	-	-	-	Fuel	-	-	-	-	-
463	Medical Supplies & Drugs	288	566	456	-	-	-	-	-	Inflation	-	-	-	-	-
464	Clothing & Wearing Apparel	1,140	1,061	1,519	-	-	-	-	-	Inflation	-	-	-	-	-
465	Chem, Insect & Fertilizer	10	-	-	-	-	-	-	-	Chemicals	-	-	-	-	-
466	Jani. & Other Maint. Supplies	24,366	6,470	2,752	-	-	-	-	-	Inflation	-	-	-	-	-
467	Minor Equipment	3,278	10,823	2,681	3,042	3,964	10,000	10,000	10,340	Inflation	10,340	10,578	10,800	11,016	11,258
468	Other Supplies	4,099	3,547	4,021	6,473	4,087	10,000	10,000	10,340	Inflation	10,340	10,578	10,800	11,016	11,258
469	Other Road Materials	278	212	1,094	-	-	-	-	-	Inflation	-	-	-	-	-
470	Memberships	740	400	800	-	-	-	-	-	Inflation	-	-	-	-	-
471	Training/Seminars/Bus. Meeting	-	-	(190)	-	(545)	500	500	517	Inflation	517	529	540	551	563
472	Furniture and Equipment	-	-	-	29,065	-	87,600	(87,600)	-	Eliminate	-	-	-	-	-
473	Vehicle & Rolling Stock	-	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
474	Total Operating Expense	\$ 418,025	\$ 330,113	\$ 333,437	\$ 421,342	\$ 359,734	\$ 530,003	\$ (87,600)	\$ 442,403		\$ 457,673	\$ 468,871	\$ 479,498	\$ 489,943	\$ 501,522
475	Total Hazardous Waste	\$ 898,787	\$ 871,283	\$ 819,104	\$ 921,395	\$ 968,931	\$ 1,210,581	\$ (74,887)	\$ 1,135,694		\$ 1,172,436	\$ 1,205,727	\$ 1,239,123	\$ 1,273,038	\$ 1,308,826
53408- Vehicle Maintenance															
Operating Expenses															
476	Comp Data Proc & Netwk-IGS	\$ 21,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -
477	Other Contracted Services	300	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
478	Int. Phone Line (IGS-Var)	4,949	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
479	Vehicle Maintenance	(584)	-	-	-	-	-	-	-	Repair	-	-	-	-	-
480	Equipment Maintenance	885	-	-	-	-	-	-	-	Repair	-	-	-	-	-
481	Equipment Repair Parts	(1,647)	-	-	-	-	-	-	-	Repair	-	-	-	-	-
482	Other Supplies	200	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
483	Total Operating Expense	\$ 25,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
484	Total Vehicle Maintenance	\$ 25,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
53408- C&D															
Personnel Services															
485	Salaries - Full Time Regular	\$ 397,483	\$ 447,450	\$ 389,828	\$ 490,091	\$ 551,516	\$ 543,023	\$ 12,671	\$ 555,694	Labor	\$ 572,364	\$ 589,535	\$ 607,221	\$ 625,438	\$ 644,201
486	Special Pay (w/ Retirement)	7	134	525	812	1,774	-	-	-	Labor	-	-	-	-	-
487	Sick Leave	21,119	22,956	12,449	29,491	22,213	-	-	-	Labor	-	-	-	-	-
488	Vacation Leave	25,632	25,882	20,532	27,678	28,762	-	-	-	Labor	-	-	-	-	-
489	CPI-Consumer Price Index	-	-	-	-	-	95,072	2,218	97,290	Labor	100,209	103,215	106,312	109,501	112,786
490	Pay-Non-Perm Labor	1,012	4,420	-	18,696	15,075	25,000	583	25,583	Labor	26,351	27,141	27,956	28,794	29,658
491	Overtime (OT 1.0)	27,914	26,387	26,117	35,525	35,607	50,000	1,167	51,167	Labor	52,702	54,283	55,911	57,589	59,316
492	Overtime (OT 1.5)	156,110	127,799	113,186	205,365	202,184	225,000	5,250	230,250	Labor	237,158	244,272	251,600	259,148	266,923
493	Holiday Pay	20,066	22,169	18,587	23,985	26,066	-	-	-	Labor	-	-	-	-	-
494	Disaster Pay - (OT 1.5)	28	-	-	206	10,843	-	-	-	Labor	-	-	-	-	-
495	Disaster Pay (1.0)	(22)	-	-	661	14,048	-	-	-	Labor	-	-	-	-	-
496	Sick Leave Buy Back	44	-	-	397	65	-	-	-	Labor	-	-	-	-	-

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
497	FICA Taxes (OASDI)	39,111	40,849	35,215	50,388	55,011	33,671	786	34,457	Labor	35,490	36,555	37,652	38,781	39,945
498	FICA Taxes (Medicare)	9,147	9,554	8,236	11,784	12,866	7,877	184	8,061	Labor	8,303	8,552	8,808	9,072	9,345
499	Regular Retirement	53,062	58,057	51,613	85,621	101,191	68,983	1,610	70,593	Labor	72,710	74,892	77,138	79,453	81,836
500	Health Insurance	152,413	166,871	143,130	220,070	244,645	207,951	-	207,951	HealthIns	215,229	222,762	230,559	238,629	246,981
	Health Ins Opt Out	-	-	-	-	-	-	-	-	HealthIns	-	-	-	-	-
501	Life Insurance	1,121	1,076	867	1,127	1,390	1,016	-	1,016	Inflation	1,051	1,075	1,097	1,119	1,144
502	Dental Insurance	4,439	4,667	3,685	4,982	5,088	4,580	-	4,580	Inflation	4,736	4,845	4,946	5,045	5,156
503	Disability Insurance	2,180	2,406	2,073	2,011	1,982	1,737	-	1,737	Inflation	1,796	1,837	1,876	1,913	1,956
504	Worker's Comp-(IGS)	23,415	25,211	14,058	14,058	-	-	-	-	Labor	-	-	-	-	-
505	Total Personnel Services	\$ 934,282	\$ 985,889	\$ 840,101	\$ 1,222,948	\$ 1,330,325	\$ 1,263,910	\$ 24,468	\$ 1,288,378		\$ 1,328,098	\$ 1,368,964	\$ 1,411,077	\$ 1,454,483	\$ 1,499,246
	Operating Expenses														
506	Other Professional Services	\$ 32,554	\$ 12,215	\$ -	\$ 29,000	150	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -
507	Janitorial Services	5,452	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
508	Uniform/Laundry Service	2,029	3,205	2,578	-	-	2,620	-	2,620	Inflation	2,709	2,771	2,830	2,886	2,950
509	Comp Data Proc & Netwk-IGS	7,014	11,100	7,664	4,007	4,408	5,449	-	5,449	Inflation	5,634	5,764	5,885	6,003	6,135
510	Data Processing	-	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
511	Other Contracted Services	715,403	636,700	469,364	416,579	586,664	650,650	-	650,650	Inflation	672,772	688,246	702,699	716,753	732,522
512	Local Travel - Class C	-	-	188	-	-	-	-	-	Inflation	-	-	-	-	-
513	Out-of-County Travel	-	-	-	-	240	3,400	-	3,400	Inflation	3,516	3,596	3,672	3,745	3,828
514	Telecommunications	3,971	8,210	8,563	7,070	5,233	4,320	-	4,320	Inflation	4,467	4,570	4,666	4,759	4,864
515	Advertising	-	83	-	-	-	-	-	-	Inflation	-	-	-	-	-
516	Int. Phone Usage (IGS-Var)	1,547	387	-	-	387	387	-	387	Inflation	400	409	418	426	436
517	Other Equipment Rental	169,295	53,793	18,151	-	-	-	-	-	Inflation	-	-	-	-	-
518	Rental & Lease (<12 mos, <\$5,000)	-	-	-	36,818	-	20,000	-	20,000	Inflation	20,680	21,156	21,600	22,032	22,517
519	Self Ins Assess-Auto Ins	4,735	2,051	-	-	-	-	-	-	Inflation	-	-	-	-	-
520	Building Maintenance	-	110	-	-	-	-	-	-	Repair	-	-	-	-	-
521	Maintenance Material	10,637	25,553	7	-	-	-	-	-	Repair	-	-	-	-	-
522	Equipment Maintenance	1,400	1,390	130	-	-	-	-	-	Repair	-	-	-	-	-
523	Equipment Repair Parts	57,106	21,764	3,939	-	-	-	-	-	Repair	-	-	-	-	-
524	Internal Repair & Maint.	-	23	-	-	-	-	-	-	Repair	-	-	-	-	-
525	Prntng, Bndng & Copy Ext	290	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
526	License,Permit & Appl.Fee	-	-	83	50	-	-	-	-	Inflation	-	-	-	-	-
527	Gen. Office Supplies	45	80	-	-	-	-	-	-	Inflation	-	-	-	-	-
528	Fuel and Lubricants	239	101	75	50	-	-	-	-	Fuel	-	-	-	-	-
529	Medical Supplies & Drugs	542	944	697	-	-	350	-	350	Inflation	362	370	378	386	394
530	Clothing & Wearing Apparel	4,873	5,987	4,524	-	-	6,650	-	6,650	Inflation	6,876	7,034	7,182	7,326	7,487
531	Chem, Insect & Fertilizer	9	107	-	-	-	-	-	-	Chemicals	-	-	-	-	-
532	Jani. & Other Maint. Supplies	3,546	3,459	2,281	-	-	-	-	-	Inflation	-	-	-	-	-
533	Minor Equipment	19,345	2,209	523	2,208	4,394	3,000	-	3,000	Inflation	3,102	3,173	3,240	3,305	3,377
534	Other Supplies	3,629	681	537	9,091	8,751	3,500	-	3,500	Inflation	3,619	3,702	3,780	3,856	3,940
535	Cement and Concrete	166	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
536	Other Road Materials 278	-	650	1,075	2,415	1,425	-	-	-	Inflation	-	-	-	-	-
537	Reference Materials	-	-	-	-	-	1,300	-	1,300	Inflation	1,344	1,375	1,404	1,432	1,464
538	Memberships	525	-	-	-	12	800	-	800	Inflation	827	846	864	881	901
539	Educational Expenses	-	-	551	-	-	-	-	-	Inflation	-	-	-	-	-
540	Training/Seminars/Bus. Meeting	-	-	253	(50)	300	2,000	-	2,000	Inflation	2,068	2,116	2,160	2,203	2,252
541	Furniture and Equipment	-	-	9,267	-	54,916	739,100	(739,100)	-	Eliminate	-	-	-	-	-
542	Vehicle & Rolling Stock	-	-	11,735	399,033	95,414	-	-	-	Eliminate	-	-	-	-	-
543	Total Operating Expense	\$ 1,044,352	\$ 790,717	\$ 542,269	\$ 906,271	\$ 762,294	\$ 1,443,526	\$ (739,100)	\$ 704,426		\$ 728,376	\$ 745,129	\$ 760,777	\$ 775,992	\$ 793,064
544	Total C&D	\$ 1,978,634	\$ 1,776,607	\$ 1,382,370	\$ 2,129,218	\$ 2,092,619	\$ 2,707,436	\$ (714,632)	\$ 1,992,804		\$ 2,056,475	\$ 2,114,094	\$ 2,171,854	\$ 2,230,476	\$ 2,292,310
	53409- Hendry County Transfer Stations														
	Personnel Services														
545	Salaries - Full Time Regular	\$ 308,827	\$ 379,768	\$ 197,253	\$ 152,141	\$ 201,191	\$ 267,912	\$ 6,251	\$ 274,163	Labor	\$ 282,388	\$ 290,860	\$ 299,586	\$ 308,573	\$ 317,830
546	Disaster Pay (1.0)	(137)	-	-	330	4,339	-	-	-	Labor	-	-	-	-	-
547	Special Pay (w/ Retirement)	2	90	105	239	433	-	-	-	Labor	-	-	-	-	-
548	Sick Leave	11,272	15,695	6,288	12,149	7,516	-	-	-	Labor	-	-	-	-	-
549	Vacation Leave	17,884	20,139	7,786	13,323	10,992	-	-	-	Labor	-	-	-	-	-
550	CPI-Consumer Price Index	-	-	-	-	-	208,595	4,867	213,462	Labor	219,866	226,462	233,256	240,254	247,461
551	Pay-Non-Perm Labor	4,162	5,474	-	199	535	-	-	-	Labor	-	-	-	-	-
552	Overtime (OT 1.0)	18,684	21,219	14,221	11,979	14,979	20,000	467	20,467	Labor	21,081	21,713	22,364	23,035	23,726
553	Overtime (OT 1.5)	91,651	79,978	51,233	43,587	62,683	50,000	1,167	51,167	Labor	52,702	54,283	55,911	57,589	59,316
554	Holiday Pay	14,560	18,049	8,811	7,771	9,845	-	-	-	Labor	-	-	-	-	-
555	Disaster Pay - (OT 1.5)	117	-	-	103	5,077	-	-	-	Labor	-	-	-	-	-
556	Sick Leave Buy Back	1	-	-	-	22	-	-	-	Labor	-	-	-	-	-
557	FICA Taxes (OASDI)	27,777	32,420	17,250	14,547	19,197	16,612	388	17,000	Labor	17,510	18,035	18,576	19,133	19,707

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
558	FICA Taxes (Medicare)	6,558	7,583	4,034	3,402	4,490	3,885	91	3,976	Labor	4,095	4,218	4,344	4,475	4,609
559	Regular Retirement	37,941	45,787	25,754	-	39,950	35,004	817	35,821	Labor	36,895	38,002	39,142	40,317	41,526
560	Health Insurance	113,356	144,401	70,505	73,273	85,658	111,837	-	111,837	HealthIns	115,751	119,803	123,996	128,336	132,827
561	Health Ins Opt Out	276	293	23	21	-	-	-	-	HealthIns	-	-	-	-	-
562	Life Insurance	831	949	420	366	481	499	-	499	Inflation	516	528	539	550	562
563	Dental Insurance	3,354	4,237	1,884	1,700	1,912	2,430	-	2,430	Inflation	2,513	2,570	2,624	2,677	2,736
564	Disability Insurance	1,596	2,049	1,002	660	686	854	-	854	Inflation	883	903	922	941	961
565	Worker's Comp-(IGS)	17,561	19,393	10,042	10,042	-	-	-	-	Labor	-	-	-	-	-
566	Total Personnel Services	\$ 676,273	\$ 797,525	\$ 416,609	\$ 345,832	\$ 469,986	\$ 717,628	\$ 14,047	\$ 731,675		\$ 754,199	\$ 777,377	\$ 801,261	\$ 825,878	\$ 851,263
Operating Expenses															
567	Other Professional Services	\$ 15,248	\$ 2,682	\$ 727	\$ 505	\$ 546	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -
568	Janitorial Services	-	1,590	-	-	-	-	-	-	Inflation	-	-	-	-	-
569	Uniform/Laundry Service	1,032	950	480	-	-	526	-	526	Inflation	544	556	568	579	592
570	Comp Data Proc & Netwk-IGS	7,014	7,400	7,664	16,028	17,631	21,795	-	21,795	Inflation	22,536	23,054	23,539	24,009	24,537
571	Data Processing	163	217	542	763	758	1,500	-	1,500	Inflation	1,551	1,587	1,620	1,652	1,689
572	Other Contracted Services	21,403	5,616	239	1,224	58,272	3,000	-	3,000	Inflation	3,102	3,173	3,240	3,305	3,377
573	Local Travel - Class C	-	1,477	-	132	-	500	-	500	Inflation	517	529	540	551	563
574	Telecommunications	1,518	1,887	188	1,151	720	-	-	-	Inflation	-	-	-	-	-
575	Int. Phone Line (IGS-Var)	1,414	1,378	1,368	1,254	1,379	-	-	-	Inflation	-	-	-	-	-
576	Int. Phone Usage (IGS-Var)	1,596	1,617	3,775	4,131	1,617	1,617	-	1,617	Inflation	1,672	1,710	1,746	1,781	1,820
577	Electric	3,835	3,852	3,480	-	-	-	-	-	Electric	-	-	-	-	-
578	Water and Sewer	7,315	7,668	8,046	-	-	-	-	-	W&S	-	-	-	-	-
579	Gas and Fuel Oil	-	(2,810)	-	-	-	-	-	-	DisposalRate	-	-	-	-	-
580	All Utility Services	-	-	-	12,297	11,842	12,000	-	12,000	DisposalRate	12,480	12,979	13,498	14,038	14,600
581	Land, Bldg, Parking Rental	-	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
582	Other Equipment Rental	43,567	3,847	1,370	-	-	-	-	-	Inflation	-	-	-	-	-
583	Rental & Lease (<12 mos, <\$5,000)	-	-	-	-	3,592	10,000	-	10,000	Inflation	10,340	10,578	10,800	11,016	11,258
584	Self Ins Assess-Auto Ins	5,411	1,678	-	2,528	-	-	-	-	Inflation	-	-	-	-	-
585	Maintenance Material	1,582	191	-	-	-	-	-	-	Repair	-	-	-	-	-
586	Vehicle Maintenance	8,501	2,810	-	-	-	-	-	-	Repair	-	-	-	-	-
587	Equipment Maintenance	14,731	350	106	-	-	-	-	-	Repair	-	-	-	-	-
588	Equipment Repair Parts	11,247	1,523	1,291	-	-	-	-	-	Repair	-	-	-	-	-
589	Repair & Maint-Sves & Labor	-	-	-	3,100	-	2,500	-	2,500	Repair	2,600	2,704	2,812	2,925	3,042
590	Repairs & Maint-Parts	-	-	-	698	1,205	2,000	-	2,000	Repair	2,080	2,163	2,250	2,340	2,433
591	Indirect Cost	11,241	11,758	15,032	16,393	16,218	18,733	-	18,733	Inflation	19,370	19,815	20,232	20,636	21,090
592	Fiscal Support	-	15,285	15,744	16,298	16,868	17,320	-	17,320	Inflation	17,909	18,321	18,706	19,080	19,499
593	Fiscal Support	8,391	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
594	License,Permit & Appl.Fee	807	772	632	807	1,022	-	-	-	Inflation	-	-	-	-	-
595	License,Permit & Appl.Fee	807	772	-	-	-	-	-	-	Inflation	-	-	-	-	-
595	Expenses Other Than Salaries	60	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
596	Fuel and Lubricants	35	25	-	-	66	-	-	-	Fuel	-	-	-	-	-
597	Medical Supplies & Drugs	138	103	231	-	-	-	-	-	Inflation	-	-	-	-	-
598	Clothing & Wearing Apparel	232	162	-	-	-	-	-	-	Inflation	-	-	-	-	-
599	Chem, Insect & Fertilizer	-	62	177	-	-	-	-	-	Chemicals	-	-	-	-	-
600	Jani. & Other Maint. Supplies	420	2,600	1,754	-	-	-	-	-	Inflation	-	-	-	-	-
601	Minor Equipment	4,032	4,180	127	525	2,860	1,000	-	1,000	Inflation	1,034	1,058	1,080	1,102	1,126
602	Other Supplies	371	515	-	4,292	3,505	2,500	-	2,500	Inflation	2,585	2,644	2,700	2,754	2,815
603	Reference Materials	2	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
604	Memberships	223	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
605	Educational Expenses	-	-	276	-	-	-	-	-	Inflation	-	-	-	-	-
606	Training/Seminars/Bus. Meeting	-	1,251	-	-	-	-	-	-	Inflation	-	-	-	-	-
607	Furniture and Equipment	-	-	3,045	301,236	-	-	-	-	Eliminate	-	-	-	-	-
608	Vehicle & Rolling Stock	-	-	133,080	133,080	-	190,000	(190,000)	-	Eliminate	-	-	-	-	-
609	Total Operating Expense	\$ 172,332	\$ 81,215	\$ 199,564	\$ 516,441	\$ 138,101	\$ 284,991	\$ (190,000)	\$ 94,991		\$ 98,320	\$ 100,873	\$ 103,330	\$ 105,768	\$ 108,442
610	Total Transfer Stations	\$ 848,604	\$ 878,740	\$ 616,173	\$ 862,272	\$ 608,086	\$ 1,002,619	\$ (175,953)	\$ 826,666		\$ 852,519	\$ 878,250	\$ 904,591	\$ 931,646	\$ 959,705

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
53410- Lee-Hendry Landfill															
<u>Personnel Services</u>															
611	Salaries - Full Time Regular	\$ 961,651	\$ 1,071,962	\$ 708,546	\$ 683,273	\$ 679,924	\$ 950,448	\$ 22,177	\$ 972,625	Inf+LF	\$ 874,798	\$ 862,547	\$ 916,521	\$ 970,263	\$ 1,026,457
612	Disaster Pay (1.0)	(150)	-	-	2,626	17,970	-	-	-	Inf+LF	-	-	-	-	-
613	Special Pay (w/ Retirement)	2	234	3,265	4,707	7,047	-	-	-	Inf+LF	-	-	-	-	-
614	Sick Leave	41,171	57,923	34,395	45,028	54,040	-	-	-	Inf+LF	-	-	-	-	-
615	Vacation Leave	61,476	58,118	36,954	48,173	57,996	-	-	-	Inf+LF	-	-	-	-	-
616	CPI-Consumer Price Index	-	-	-	-	-	-	-	-	Labor	-	-	-	-	-
617	Pay-Non-Perm Labor	1,226	15,490	3,425	1,637	3,342	-	-	-	Inf+LF	-	-	-	-	-
618	Overtime (OT 1.0)	36,147	40,566	31,827	31,039	36,534	55,000	1,283	56,283	Inf+LF	50,622	49,913	53,037	56,147	59,398
619	Overtime (OT 1.5)	205,959	153,306	92,832	109,100	129,240	125,000	2,917	127,917	Inf+LF	115,051	113,439	120,538	127,606	134,996
620	Holiday Pay	45,984	52,619	33,782	34,683	35,646	-	-	-	Inf+LF	-	-	-	-	-
621	Disaster Pay - (OT 1.5)	159	-	-	508	7,854	-	-	-	Inf+LF	-	-	-	-	-
622	Sick Leave Buy Back	135	-	-	271	33	-	-	-	Inf+LF	-	-	-	-	-
623	FICA Taxes (OASDI)	81,491	86,430	55,748	57,112	61,584	58,930	1,375	60,305	Inf+LF	54,240	53,480	56,826	60,159	63,643
624	FICA Taxes (Medicare)	19,057	20,304	13,190	13,436	14,402	13,781	322	14,103	Inf+LF	12,684	12,506	13,289	14,068	14,883
625	Regular Retirement	109,273	121,500	83,844	-	114,994	118,153	2,757	120,910	Inf+LF	108,749	107,226	113,935	120,616	127,602
626	Senior Management Retirement	1,389	-	-	-	-	-	-	-	Labor	-	-	-	-	-
627	Health Insurance	309,438	373,676	262,938	291,892	317,125	380,217	-	380,217	HealthIns	393,525	407,298	421,553	436,308	451,579
628	Health Ins Opt Out	756	808	144	131	-	-	-	-	HealthIns	-	-	-	-	-
629	Life Insurance	3,034	2,929	1,822	1,843	1,921	1,769	-	1,769	Inflation	1,829	1,871	1,911	1,949	1,992
630	Dental Insurance	8,652	9,903	6,438	6,318	6,564	7,860	-	7,860	Inflation	8,127	8,314	8,489	8,659	8,849
631	Disability Insurance	5,140	5,846	3,787	2,676	2,595	3,043	-	3,043	Inflation	3,146	3,219	3,286	3,352	3,426
632	Worker's Comp-(IGS)	46,830	48,483	28,117	28,117	-	-	-	-	Labor	-	-	-	-	-
633	Total Personnel Services	\$ 1,938,822	\$ 2,120,098	\$ 1,401,053	\$ 1,362,569	\$ 1,548,810	\$ 1,714,201	\$ 30,831	\$ 1,745,032		\$ 1,622,771	\$ 1,619,814	\$ 1,709,386	\$ 1,799,126	\$ 1,892,824
<u>Operating Expenses</u>															
634	Architect and Engin. Serve	\$ 84,150	\$ -	\$ 133,743	\$ 108,981	\$ 285,208	\$ 470,000	\$ -	\$ 470,000	Inflation	\$ 485,980	\$ 497,158	\$ 507,598	\$ 517,750	\$ 529,140
635	Other Professional Services	201,517	227,531	7,545	13,217	-	3,000	-	3,000	Inflation	3,102	3,173	3,240	3,305	3,377
636	Other Professional Services	-	-	86,512	11,392	10,888	10,000	-	10,000	Inflation	10,340	10,578	10,800	11,016	11,258
637	Other Professional Services	-	-	86,512	191,707	100,829	70,000	-	70,000	Inflation	72,380	74,045	75,600	77,112	78,808
638	Janitorial Services	8,400	8,730	-	-	-	-	-	-	Inflation	-	-	-	-	-
639	Uniform/Laundry Service	4,479	5,012	4,389	-	-	-	-	-	Inflation	-	-	-	-	-
640	Comp Data Proc & Netwk-IGS	17,535	29,600	26,824	36,063	39,669	49,038	-	49,038	Inflation	50,705	51,872	52,961	54,020	55,208
641	Data Processing	4,046	300	775	1,063	1,358	2,500	-	2,500	Inflation	2,585	2,644	2,700	2,754	2,815
642	Other Contracted Services	254,119	201,774	1,448,604	2,556,536	2,862,925	-	-	-	Inflation	-	-	-	-	-
643	WMI - Landfill Operator	1,803,789	1,678,079	1,889,305	2,286,750	2,876,208	2,800,000	671,622	3,471,622	Calculated	3,162,665	3,155,877	3,360,776	3,569,807	3,785,805
644	Other Contracted Services	-	-	-	125	72	-	-	-	Inflation	-	-	-	-	-
645	Other Contracted Services	-	-	7,262	-	3,989	-	-	-	Inflation	-	-	-	-	-
646	Local Travel - Class C	1,212	687	960	36	54	-	-	-	Inflation	-	-	-	-	-
647	Local Travel - Class C	1,212	687	-	-	-	-	-	-	Inflation	-	-	-	-	-
648	Bridge Tickets & Passes	16	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
649	County-Sponsored Functions	-	-	-	3,488	-	-	-	-	Inflation	-	-	-	-	-
650	Out-of-County Travel	1,217	2,102	1,087	1,502	1,041	2,250	-	2,250	Inflation	2,327	2,380	2,430	2,479	2,533
651	Out-of-County Travel 381	-	-	-	-	-	2,250	-	2,250	Inflation	2,327	2,380	2,430	2,479	2,533
652	Out-of-County Travel	-	-	-	-	157	-	-	-	Inflation	-	-	-	-	-
652	Telecommunications	6,884	8,068	10,704	10,813	8,778	11,000	-	11,000	Inflation	11,374	11,636	11,880	12,118	12,384
653	Advertising	1,502	445	726	-	-	-	-	-	Inflation	-	-	-	-	-
654	Int. Phone Line (IGS-Var)	8,484	8,267	8,208	5,957	8,276	-	-	-	Inflation	-	-	-	-	-
655	Int. Phone Usage (IGS-Var)	18	10	9	11	10	10	-	10	Inflation	10	11	11	11	11
656	Freight, Postage & Courier Svc	5,625	7,075	-	823	33	-	-	-	Inflation	-	-	-	-	-
657	Freight, Postage & Courier Svc	5,625	7,075	8,373	6,604	8,597	7,500	-	7,500	Inflation	7,755	7,933	8,100	8,262	8,444
658	Electric	35,187	28,238	36,677	-	-	-	-	-	Electric	-	-	-	-	-
659	All Utility Services	-	-	-	39,876	45,453	43,000	-	43,000	DisposalRate	44,720	46,509	48,369	50,304	52,316
660	Office Equip Lease	-	693	943	-	-	-	-	-	Inf+LF	-	-	-	-	-
661	Other Equipment Rental	112,932	9,674	19,706	-	-	-	-	-	Inf+LF	-	-	-	-	-
662	Other Equipment Rental	-	-	15,950	-	-	-	-	-	Inf+LF	-	-	-	-	-
663	Rental & Lease (<12 mos, <\$5,000)	-	-	-	-	195	60,000	-	60,000	Inf+LF	53,965	53,209	56,539	59,854	63,321
664	Rental & Lease (<12 mos, <\$5,000)	-	-	-	127,600	-	30,000	-	30,000	Inf+LF	26,983	26,605	28,270	29,927	31,660
665	Small Equipment Leases	-	-	-	935	608	-	-	-	Inf+LF	-	-	-	-	-
664	Self Ins Assess-Auto Ins	13,527	3,170	-	4,774	-	-	-	-	Inf+LF	-	-	-	-	-
666	Maintenance Material	7,675	50,530	6,172	-	-	-	-	-	Repair	-	-	-	-	-
667	Maintenance Material 381	-	-	1,369	-	-	-	-	-	Repair	-	-	-	-	-
668	Vehicle Maintenance	190	-	170	-	-	-	-	-	Repair	-	-	-	-	-
669	Equipment Maintenance	32,926	22,301	6,053	-	-	-	-	-	SludgeHauling	-	-	-	-	-
670	Equipment Maintenance 381	-	-	2,344	-	-	-	-	-	Repair	-	-	-	-	-
671	Equipment Repair Parts	93,918	74,619	43,153	-	-	-	-	-	Repair	-	-	-	-	-
672	Equipment Repair Parts 381	-	-	2,064	-	-	-	-	-	Repair	-	-	-	-	-
673	Repair & Maint. - Services & Labor	-	-	-	6,883	6,936	2,500	-	2,500	Repair	2,600	2,704	2,812	2,925	3,042
674	Repair & Maint. - Services & Labor	-	-	-	344	-	1,000	-	1,000	Repair	1,040	1,082	1,125	1,170	1,217

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
675	Repairs & Maint. - Parts	-	-	-	71,435	17,459	20,000	-	20,000	Repair	20,800	21,632	22,497	23,397	24,333
676	Repairs & Maint. - Parts	-	-	-	7,539	3,717	6,000	-	6,000	Repair	6,240	6,490	6,749	7,019	7,300
677	Tires & Tubes	-	50	-	-	-	-	-	-	Inflation	-	-	-	-	-
678	Internal Repair & Maint.	811	5,283	-	-	-	-	-	-	Repair	-	-	-	-	-
679	Promo. Advertising & Expenses	-	-	4,675	-	-	-	-	-	Inflation	-	-	-	-	-
680	Indirect Cost	51,687	54,063	69,117	75,375	74,573	86,133	-	86,133	Inflation	89,062	91,110	93,023	94,884	96,971
681	Fiscal Support	25,141	39,952	41,151	42,600	44,088	45,270	-	45,270	Inflation	46,809	47,886	48,891	49,869	50,966
682	License, Permit & Appl. Fee	32,688	37,584	950	28,586	32,838	-	-	-	Permits-LHLF	-	-	-	-	-
683	License, Permit & Appl. Fee 392	-	-	61,765	250	349	74,250	-	74,250	Permits-LHLF	40,977	19,491	19,491	40,977	40,977
684	Gen. Office Supplies	238	508	145	339	155	-	-	-	Inflation	-	-	-	-	-
685	Fuel and Lubricants	466	372	584	920	152	-	-	-	Sludge Hauling	-	-	-	-	-
686	Fuel and Lubricants	-	-	135	-	286	-	-	-	Inflation	-	-	-	-	-
687	Medical Supplies & Drugs	421	623	728	-	-	-	-	-	Inflation	-	-	-	-	-
688	Clothing & Wearing Apparel	9,473	6,326	4,952	-	-	-	-	-	Inflation	-	-	-	-	-
689	Clothing & Wearing Apparel 381	-	-	1,047	-	-	-	-	-	Inflation	-	-	-	-	-
690	Chem. Insect & Fertilizer	2,399	3,115	3,454	-	-	-	-	-	Chemicals	-	-	-	-	-
691	Food and Food Supplies	-	114	-	-	-	-	-	-	Inflation	-	-	-	-	-
692	Jani. & Other Maint. Supplies	10,441	11,487	6,454	-	-	-	-	-	Inflation	-	-	-	-	-
693	Jani. & Other Maint. Supplies 381	-	-	530	-	-	13,000	-	13,000	Inflation	13,442	13,751	14,040	14,321	14,636
694	Minor Equipment	32,265	18,694	12,307	16,629	10,004	-	-	-	Inf+LF	-	-	-	-	-
695	Minor Equipment	-	-	-	-	-	1,300	-	1,300	Inf+LF	1,169	1,153	1,225	1,297	1,372
696	Minor Equipment 381	-	-	1,352	1,317	1,189	13,600	-	13,600	Inf+LF	12,232	12,061	12,816	13,567	14,353
697	Other Supplies	5,586	11,053	10,280	20,770	16,945	-	-	-	Inf+LF	-	-	-	-	-
698	Other Supplies	-	-	-	-	-	8,000	-	8,000	Inf+LF	7,195	7,095	7,539	7,981	8,443
698	Other Supplies 381	-	-	899	14,792	14,564	-	-	-	Inf+LF	-	-	-	-	-
699	Road Base Materials	-	3,359	-	-	-	-	-	-	Inflation	-	-	-	-	-
700	Cement and Concrete	10	40	-	-	-	-	-	-	Inflation	-	-	-	-	-
701	Reference Materials	637	60	-	228	-	-	-	-	Inflation	-	-	-	-	-
702	Reference Materials	-	-	-	-	-	2,000	-	2,000	Inflation	2,068	2,116	2,160	2,203	2,252
703	Memberships	3,676	2,004	2,542	508	1,891	1,000	-	1,000	Inflation	1,034	1,058	1,080	1,102	1,126
704	Memberships 381	-	-	-	-	750	-	-	-	Inflation	-	-	-	-	-
705	Educational Expenses	-	-	414	-	-	2,000	-	2,000	Inflation	2,068	2,116	2,160	2,203	2,252
706	Training/Seminars/Bus. Meeting	1,240	3,157	4,008	3,256	3,558	2,000	-	2,000	Inflation	2,068	2,116	2,160	2,203	2,252
708	Furniture and Equipment	-	-	339,686	114,595	131,133	323,000	(323,000)	-	Eliminate	-	-	-	-	-
709	Furniture and Equipment	-	-	447,590	449,244	449,244	1,105,000	(1,105,000)	-	Eliminate	-	-	-	-	-
710	Vehicle & Rolling Stock	-	-	181,281	-	14,899	570,000	(570,000)	-	Eliminate	-	-	-	-	-
	Lease Purchase Principal	-	-	-	-	-	-	-	-	Constant	-	-	-	-	-
711	Total Operating Expense	\$ 2,883,363	\$ 2,572,514	\$ 4,604,593	\$ 6,262,207	\$ 7,095,569	\$ 5,929,851	\$ (1,326,378)	\$ 4,603,473		\$ 4,238,931	\$ 4,204,731	\$ 4,436,402	\$ 4,719,426	\$ 4,964,290
712	Total Lee-Hendry Landfill	\$ 4,822,185	\$ 4,692,612	\$ 6,005,646	\$ 7,624,776	\$ 8,644,379	\$ 7,644,052	\$ (1,295,547)	\$ 6,348,505		\$ 5,861,702	\$ 5,824,545	\$ 6,145,788	\$ 6,518,552	\$ 6,857,114
53410 - Closure															
713	Other Contracted Services	\$ 1,580,403	\$ 2,585,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Inflation	-	-	-	-	-
714	Total Closure	\$ 1,580,403	\$ 2,585,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
53402- Solid Waste Fleet															
Personnel Services															
715	Salaries - Full Time Regular	\$ 31,999	\$ 27,771	\$ 23,008	\$ 27,443	\$ 27,561	\$ 25,568	\$ 597	\$ 26,165	Labor	\$ 26,950	\$ 27,758	\$ 28,591	\$ 29,448	\$ 30,332
717	Special Pay (w/ Retirement)	-	-	35	90	115	-	-	-	Labor	-	-	-	-	-
718	Sick Leave	280	1,952	958	1,786	1,509	-	-	-	Labor	-	-	-	-	-
719	Vacation Leave	2,528	1,825	1,041	1,599	1,932	-	-	-	Labor	-	-	-	-	-
720	CPI-Consumer Price Index	-	-	-	-	-	3,964	92	4,056	Labor	4,178	4,304	4,433	4,566	4,703
721	Overtime (OT 1.0)	-	-	1,335	1,839	2,126	-	-	-	Labor	-	-	-	-	-
722	Overtime (OT 1.5)	-	-	993	4,020	4,144	-	-	-	Labor	-	-	-	-	-
723	Holiday Pay	1,578	1,367	1,098	1,383	1,397	-	-	-	Labor	-	-	-	-	-
724	Disaster Pay - (OT 1.5)	-	-	103	484	484	-	-	-	Labor	-	-	-	-	-
726	FICA Taxes (OASDI)	2,242	2,021	1,698	2,303	2,389	1,586	37	1,623	Labor	1,672	1,722	1,774	1,827	1,882
727	FICA Taxes (Medicare)	524	473	397	539	559	371	9	380	Labor	391	403	415	427	440
728	Regular Retirement	2,918	2,738	2,549	3,952	4,453	3,081	72	3,153	Labor	3,247	3,345	3,445	3,549	3,655
729	Health Insurance	4,470	4,326	8,832	12,039	12,121	9,648	-	9,648	HealthIns	9,986	10,335	10,697	11,071	11,459
730	Health Ins Opt Out	-	-	-	5	-	-	-	-	HealthIns	-	-	-	-	-
731	Life Insurance	92	98	52	64	71	46	-	46	Inflation	48	49	50	51	52
732	Dental Insurance	178	155	222	256	245	188	-	188	Inflation	194	199	203	207	212
733	Disability Insurance	179	154	124	116	102	81	-	81	Inflation	84	86	87	89	91
734	Worker's Comp-(IGS)	1,951	1,939	24,100	24,100	-	-	-	-	Labor	-	-	-	-	-
735	Total Personnel Services	\$ 48,938	\$ 44,818	\$ 66,442	\$ 81,966	\$ 59,927	\$ 44,533	\$ 807	\$ 45,340		\$ 46,749	\$ 48,199	\$ 49,694	\$ 51,235	\$ 52,825

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
Operating Expenses															
736	Other Professional Services	\$ 41,831	\$ 24,283	\$ 19,209	\$ 33,849	19,434	\$ 35,000	\$ -	\$ 35,000	Inflation	\$ 36,190	\$ 37,022	\$ 37,800	\$ 38,556	\$ 39,404
737	Uniform/Laundry Service	2,276	4,253	4,581	-	-	-	-	-	Inflation	-	-	-	-	-
738	Comp Data Proc & Netwk-IGS	-	-	34,488	32,056	35,262	43,590	-	43,590	Inflation	45,072	46,109	47,077	48,019	49,075
739	Data Processing	71,101	20,493	50,838	24,785	31,701	43,000	-	43,000	Inflation	44,462	45,485	46,440	47,369	48,411
740	Other Contracted Services	74,905	107,219	102,375	69,789	107,321	114,000	-	114,000	Inflation	117,876	120,587	123,119	125,582	128,345
742	Telecommunications	1,283	1,442	3,125	3,412	3,574	-	-	-	Inflation	-	-	-	-	-
743	Advertising	-	552	-	-	-	-	-	-	Inflation	-	-	-	-	-
744	Int. Phone Line (IGS-Var)	-	4,822	4,788	4,389	4,828	2,424	-	2,424	Inflation	2,506	2,564	2,618	2,670	2,729
745	Int. Phone Usage (IGS-Var)	-	31	-	3	31	31	-	31	Inflation	32	33	33	34	35
746	Freight, Postage & Courier Svc	-	885	1,042	1,593	734	700	-	700	Inflation	724	740	756	771	788
747	Trash, Garbage&Sludge Removal	68	143	157	-	-	-	-	-	DisposalRate	-	-	-	-	-
748	All Utility Services	-	-	-	130	190	260	-	260	DisposalRate	270	281	292	304	316
749	Office Equip Lease	-	532	948	-	-	-	-	-	Inflation	-	-	-	-	-
750	Other Equipment Rental	2,251	2,546	28,845	-	-	-	-	-	Inflation	-	-	-	-	-
751	Rental & Lease (<12 mos, <\$5,000)	-	-	-	4,347	6,019	4,471	-	4,471	Inflation	4,623	4,729	4,829	4,925	5,034
752	Small Equipment Leases	-	-	-	935	940	-	-	-	Inflation	-	-	-	-	-
753	Self Ins Assess-Auto Ins	2,029	559	-	-	1,123	-	-	-	Inflation	-	-	-	-	-
754	Building Maintenance	291	4,884	-	-	-	-	-	-	Repair	-	-	-	-	-
755	Maintenance Material	2,577	3,716	3,953	-	-	-	-	-	Repair	-	-	-	-	-
756	Vehicle Maintenance	651,827	716,326	447,380	(4)	-	-	-	-	Repair	-	-	-	-	-
757	Equipment Maintenance	223,279	413,959	582,113	-	-	-	-	-	Repair	-	-	-	-	-
758	Equipment Repair Parts	645,805	891,584	747,058	-	-	-	-	-	Repair	-	-	-	-	-
759	Repair & Maint. - Services & Labor	-	-	-	738,873	913,173	858,380	-	858,380	Repair	892,715	928,424	965,561	1,004,183	1,044,351
760	Repairs & Maint. - Parts	-	-	1,074	714,565	1,132,588	1,287,570	-	1,287,570	Repair	1,339,073	1,392,636	1,448,341	1,506,275	1,566,526
761	Tires & Tubes	167	-	32,337	-	-	-	-	-	Inflation	-	-	-	-	-
762	Batteries	6,995	10,057	9,859	-	-	-	-	-	Inflation	-	-	-	-	-
763	Internal Repair & Maint.	-	85	433	37	-	-	-	-	Repair	-	-	-	-	-
764	Prntng, Bndng & Copy Ext	-	1,002	-	-	2,460	-	-	-	Inflation	-	-	-	-	-
765	Fiscal Support	-	24,890	25,637	26,540	27,467	28,203	-	28,203	Inflation	29,162	29,833	30,459	31,068	31,752
766	License,Permit & Appl.Fee	570	670	120	697	329	2,750	-	2,750	Inflation	2,844	2,909	2,970	3,029	3,096
767	Gen. Office Supplies	34	209	762	50	492	-	-	-	Inflation	-	-	-	-	-
768	Fuel and Lubricants	897,073	832,529	587,796	852,954	1,541,273	2,398,125	-	2,398,125	Fuel	2,494,050	2,593,812	2,697,564	2,805,467	2,917,686
769	Medical Supplies & Drugs	362	301	429	-	-	-	-	-	Inflation	-	-	-	-	-
770	Clothing & Wearing Apparel	4,274	5,255	12,973	-	-	-	-	-	Inflation	-	-	-	-	-
771	Chem, Insect & Fertilizer	3,493	3,835	7,054	-	-	-	-	-	Chemicals	-	-	-	-	-
772	Jani. & Other Maint. Supplies	28,920	30,153	41,450	-	-	-	-	-	Inflation	-	-	-	-	-
773	Minor Equipment	33,513	19,744	31,383	39,432	77,098	46,000	-	46,000	Inflation	47,564	48,658	49,680	50,673	51,788
774	Attractive Items	-	-	-	-	2,475	-	-	-	Inflation	-	-	-	-	-
775	Other Supplies	7,567	4,410	18,243	73,190	65,439	58,000	-	58,000	Inflation	59,972	61,351	62,640	63,893	65,298
776	Other Road Materials	1,698	-	-	-	-	-	-	-	Inflation	-	-	-	-	-
777	Reference Materials	3,899	6,622	580	15,760	-	-	-	-	Inflation	-	-	-	-	-
778	Memberships	196	212	218	630	195	-	-	-	Inflation	-	-	-	-	-
780	Training/Seminars/Bus. Meeting	-	-	1,148	150	-	1,500	-	1,500	Inflation	1,551	1,587	1,620	1,652	1,689
781	Furniture and Equipment	-	-	80,286	131,645	71,299	16,500	(16,500)	-	Eliminate	-	-	-	-	-
782	Vehicle & Rolling Stock	-	-	199,695	-	35,194	37,000	(37,000)	-	Eliminate	-	-	-	-	-
	Lease Purchase Principal	-	-	-	-	-	-	-	-	Constant	-	-	-	-	-
783	Total Operating Expense	\$ 2,708,282	\$ 3,138,202	\$ 3,082,653	\$ 2,770,929	\$ 4,079,516	\$ 4,979,604	\$ (53,500)	\$ 4,926,104		\$ 5,120,858	\$ 5,318,981	\$ 5,524,068	\$ 5,736,784	\$ 5,958,686
784	Total Solid Waste Fleet	\$ 2,757,221	\$ 3,183,020	\$ 3,149,094	\$ 2,852,895	\$ 4,139,443	\$ 5,024,137	\$ (52,693)	\$ 4,971,444		\$ 5,167,607	\$ 5,367,181	\$ 5,573,762	\$ 5,788,019	\$ 6,011,510
53400- General Fund / Solid Waste Control															
Personnel Services															
785	Salaries - Full Time Regular	\$ 1,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Labor	\$ -	\$ -	\$ -	\$ -	\$ -
786	Sick Leave	7	-	-	-	-	-	-	-	Labor	-	-	-	-	-
787	Vacation Leave	90	-	-	-	-	-	-	-	Labor	-	-	-	-	-
788	Overtime (OT 1.0)	31	-	-	-	-	-	-	-	Labor	-	-	-	-	-
789	Overtime (OT 1.5)	329	-	-	-	-	-	-	-	Labor	-	-	-	-	-
790	Holiday Pay	36	-	-	-	-	-	-	-	Labor	-	-	-	-	-
791	FICA Taxes (OASDI)	100	-	-	-	-	-	-	-	Labor	-	-	-	-	-
792	FICA Taxes (Medicare)	23	-	-	-	-	-	-	-	Labor	-	-	-	-	-
793	Regular Retirement	129	-	-	-	-	-	-	-	Labor	-	-	-	-	-
794	Health Insurance	184	-	-	-	-	-	-	-	Labor	-	-	-	-	-
795	Life Insurance	3	-	-	-	-	-	-	-	Labor	-	-	-	-	-

Table 8
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Historical and Projected Operating Expenses

Line No.	Description	Actual					Budget 2023	Adjustments	Adjusted 2023	Escalation Reference	Fiscal Year Ending September 30,				
		2018	2019	2020	2021	2022					2024	2025	2026	2027	2028
796	Dental Insurance	9	-	-	-	-	-	-	-	Labor	-	-	-	-	-
797	Disability Insurance	6	-	-	-	-	-	-	-	Labor	-	-	-	-	-
798	Total Personnel Services	\$ 2,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
799	Total General Fund	\$ 2,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
ZZ/CB/GE/400 - Other Expense															
<u>Personnel Services</u>															
800	Compensated Absences	\$ 18,974	\$ 73,908	\$ 71,081	\$ (40,771)	\$ 174,065	\$ -	\$ -	\$ -	Labor	\$ -	\$ -	\$ -	\$ -	\$ -
801	Pension Expense (Finance Only)	-	(2,586)	-	-	-	-	-	-	Labor	-	-	-	-	-
802	OPEB - Current Year Expenditures	2,365,403	-	-	-	-	-	-	-	Labor	-	-	-	-	-
803	OPEB-United	3,245	5,181	4,863	-	16,600	-	-	-	Labor	-	-	-	-	-
804	OPEB-Aetna	11,862	30,859	32,702	-	32,076	-	-	-	Labor	-	-	-	-	-
805	Total Personnel Services	\$ 2,399,484	\$ 107,362	\$ 108,646	\$ (40,771)	\$ 222,741	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<u>Operating Expenses</u>															
806	Financial Services	\$ 3,740	\$ -	\$ -	\$ (11,014)	\$ 1,664	\$ -	\$ -	\$ -	Eliminate	\$ -	\$ -	\$ -	\$ -	\$ -
806	Tax Collector Financial Services	420,601	433,112	442,539	458,204	471,738	-	-	-	Eliminate	-	-	-	-	-
807	Architect and Engin. Serve	-	60,261	-	-	-	-	-	-	Eliminate	-	-	-	-	-
807	Appraisal Services	13,929	15,450	14,965	15,997	19,675	-	-	-	Eliminate	-	-	-	-	-
808	Other Professional Services	19,883	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
808	Other Professional Services	-	48,967	24,181	-	-	-	-	-	Eliminate	-	-	-	-	-
809	Other Professional Services	265,357	268,494	272,979	277,316	281,675	-	-	-	Eliminate	-	-	-	-	-
798	Data Processing	-	(2,165)	(11,605)	3,987	(330)	-	-	-	Eliminate	-	-	-	-	-
810	Other Contracted Services	646,474	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
811	Building Maintenance	37,901	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
812	Equipment Repair Parts	36,554	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
813	Equipment Repair Parts	38,102	40,898	-	-	-	-	-	-	Eliminate	-	-	-	-	-
814	Equipment Repair Parts	78,810	44,976	77,036	53,611	101,396	-	-	-	Eliminate	-	-	-	-	-
815	Equipment Repair Parts	-	-	30,111	46,831	94,492	-	-	-	Eliminate	-	-	-	-	-
816	License, Permit, & Appl. Fee	(10,789)	4,592	7,280	4,796	4,796	-	-	-	Eliminate	-	-	-	-	-
806	Training/Seminars/Bus. Meeting	4,670	-	-	-	-	-	-	-	Eliminate	-	-	-	-	-
817	Total Operating Expenses	\$ 1,555,232	\$ 914,584	\$ 1,192,192	\$ 930,347	\$ 1,308,911	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
818	Total ZZ/CB/GE/400 - Other Expense	\$ 3,954,716	\$ 1,021,946	\$ 1,300,838	\$ 889,576	\$ 1,531,653	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
11116440100 - Hurricane															
<u>Operating Expenses</u>															
819	Architect and Engin. Serve	\$ 100,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Calculated	\$ -	\$ -	\$ -	\$ -	\$ -
820	Other Professional Services	420,435	865,794	-	-	-	-	-	-	Calculated	-	-	-	-	-
821	Other Contracted Services	32,480,615	55,522	-	-	-	-	-	114,428,599	114,428,599	Calculated	-	-	-	-
822	Building Maintenance	-	1,141,527	-	-	-	-	-	-	Calculated	-	-	-	-	-
823	Advertising	8,790	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
824	Trash, Garbage&Sludge Removal	245,870	995	-	-	-	-	-	-	Calculated	-	-	-	-	-
825	Land, Bldg. Parking Rental	9,971	1,458	-	-	-	-	-	-	Calculated	-	-	-	-	-
826	Other Equipment Rental	568	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
827	Equipment Repair Parts	2,590	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
828	Deputy Clerk Fees	36	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
829	Minor Equipment	1,135	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
830	Other Road Materials	1,546	-	-	-	-	-	-	-	Calculated	-	-	-	-	-
831	Furniture and Equipment	16,768	64,995	-	-	-	-	-	-	Calculated	-	-	-	-	-
832	Total Operating Expense	\$ 33,288,869	\$ 2,130,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,428,599	\$ 114,428,599	\$ -	\$ -	\$ -	\$ -	\$ -
833	Total 11116440100 - Hurricane	\$ 33,288,869	\$ 2,130,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,428,599	\$ 114,428,599	\$ -	\$ -	\$ -	\$ -	\$ -
834	Grand Total Operating Budget	\$ 114,006,170	\$ 86,642,859	\$ 86,706,101	\$ 88,534,850	\$ 99,549,736	\$ 123,715,809	\$ 111,911,282	\$ 235,627,091		\$ 132,024,944	\$ 140,038,027	\$ 146,337,108	\$ 154,364,326	\$ 161,530,781

Table 9
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Operating Expense Escalation Factors

Line No.	Description	Escalation Reference	Fiscal Year Ending September 30,				
			2024	2025	2026	2027	2028
Operating Escalation Factors							
1	Constant	Constant	1.0000	1.0000	1.0000	1.0000	1.0000
2	General Inflation - Consumer Price Index (CPI-U) [*]	Inflation	1.0340	1.0230	1.0210	1.0200	1.0220
3	Labor	Labor	1.0300	1.0300	1.0300	1.0300	1.0300
4	Electric	Electric	1.0500	1.0500	1.0500	1.0500	1.0500
5	Water and Sewer	W&S	1.0500	1.0500	1.0500	1.0500	1.0500
6	Gas / Fuel	Fuel	1.0400	1.0400	1.0400	1.0400	1.0400
7	Chemicals	Chemicals	1.0500	1.0500	1.0500	1.0500	1.0500
8	Health Insurance	HealthIns	1.0350	1.0350	1.0350	1.0350	1.0350
9	Solid Waste Disposal Fee Increase	DisposalRate	1.0400	1.0400	1.0400	1.0400	1.0400
10	Repairs and Maintenance	Repair	1.0400	1.0400	1.0400	1.0400	1.0400
11	Eliminate	Eliminate	0.0000	0.0000	0.0000	0.0000	0.0000
12	Calculated	Calculated	1.0000	1.0000	1.0000	1.0000	1.0000
13	Population Growth	Pop	1.0211	1.0206	1.0202	1.0166	1.0163
14	Change in Population Growth	Pop Change	0.9789	0.9794	0.9798	0.8195	0.9836
15	Population + Inflation	Pop+Inf	1.0558	1.0441	1.0416	1.0369	1.0386
16	Population + Landfill	Pop+LF	0.8836	0.9829	1.0626	1.0558	1.0528
17	Landfill	LF	0.8654	0.9630	1.0416	1.0386	1.0359
18	Inflation + Landfill	Inf+LF	0.8994	0.9860	1.0626	1.0586	1.0579
19	Labor + Landfill	Labor+LF	0.8954	0.9930	1.0716	1.0686	1.0659
20	Disposal Cost Center Hauling Costs (WTE to LHLF)	DisposalHauling	0.8928	0.9643	1.0324	1.0311	1.0328
21	Landfill Cost Center Hauling Costs (Sludge to LHLF)	SludgeHauling	1.0497	1.0387	1.0367	1.0357	1.0377
22	Franchise Hauler MSW Diversions	FranchiseDivert	1.2238	1.1785	1.1548	1.1330	1.1190
23	Municipal Cost Index	MCI	1.0300	1.0300	1.0300	1.0300	1.0300
24	Urban Wage Earners and Clerical Workers (CPI-W)	CPI-W	1.0300	1.0300	1.0300	1.0300	1.0300
25	Employment Cost Index (NAICS) - Total Compensation	NAICS-A	1.0300	1.0300	1.0300	1.0300	1.0300
26	Employment Cost Index (NAICS) - Salaries and Wages	NAICS-B	1.0300	1.0300	1.0300	1.0300	1.0300
27	Machinery and Equipment Index	Machine	1.0400	1.0400	1.0400	1.0400	1.0400
Cumulative Capital Improvement Plan Escalation Factors							
28	Constant	Constant	1.0000	1.0000	1.0000	1.0000	1.0000
29	Capital Outlay	Outlay	1.0300	1.0610	1.0930	1.1260	1.1600
30	Repairs and Maintenance	Repair	1.0400	1.0820	1.1250	1.1700	1.2170
31	Marginal Increase	Marginal	1.0100	1.0200	1.0300	1.0400	1.0500
32	High Increase	High	1.0500	1.1030	1.1580	1.2160	1.2770
33	Inflation	Inflation	1.0340	1.0580	1.0800	1.1020	1.1260

Footnote:

[*] Inflation figures obtained from the "An Overview of the Budget and Economic Outlook: 2023 to 2033 report published by the Congressional Budget Office in February 2023.

Table 10
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Six-Year Capital Improvement Program

Line No.	Project Number	Description	Capital Escalation	Funding Source	Adjusted 2023	Fiscal Year Ended September 30,					6-Year Total
						2024	2025	2026	2027	2028	
Disposal											
Capital Projects											
1	xxxxx	Recycling Facilities	Constant	Cap	\$ 904,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 904,000
2	200754	MRF Development	Constant	Cap	-	-	-	-	-	-	-
3	200754	MRF Development (Split Funding)	Constant	NewDebt1	-	18,336,100	38,544,400	30,181,400	-	-	87,061,900
4	200753	Landfill Connectivity	Constant	Cap	476,000	-	-	-	-	-	476,000
5	200751	Buckingham Resource Area	Constant	Cap	330,000	770,000	-	-	-	-	1,100,000
6	200752	LCCF Capacity Improvements	Constant	Cap	2,152,987	-	-	-	-	-	2,152,987
7	200752	LCCF Capacity Improvements	Constant	NewDebt1	-	4,800,000	-	-	-	-	4,800,000
8	200680	Buckingham Scale Improvements	Constant	Cap	559,529	-	-	-	-	-	559,529
9	200624	Hendry County Transfer Station Improvements	Constant	Cap	3,834,144	-	-	-	-	-	3,834,144
10	200624	Hendry County Transfer Station Improvements	Constant	NewDebt1	-	6,400,000	-	-	-	-	6,400,000
11	200955	Parts and Equipment Storage Area	Constant	Cap	837,000	-	-	-	-	-	837,000
13	200657	Compost Facility and Well Improvements	Constant	Cap	185,659	-	-	-	-	-	185,659
14	200936	Landfill Gas Collection System	Constant	Cap	1,400,000	-	-	-	-	-	1,400,000
15	200956	Landfill Class I Update and Design	Constant	Cap	12,234,615	-	-	-	-	-	12,234,615
16	200715	Landfill Class III Update and Design	Constant	Cap	400,000	-	-	-	-	-	400,000
17	200715	Landfill Class III Update and Design	Constant	NewDebt1	-	2,400,000	2,168,000	9,567,000	-	-	14,135,000
18	xxxxx	Ash Landfill Closure	Constant	Cap	-	-	-	1,568,000	4,056,000	-	5,624,000
19	N/A	Ash Monofill Leachate System Modification	Constant	Cap	-	-	-	-	-	-	-
20	200710	Umbrella - Equipment Related to MRF Agreement	Constant	Cap	-	-	-	-	-	-	-
21	200682	Umbrella - Buckingham Upgrades	Constant	Cap	134,504	190,800	-	-	-	-	325,304
22	200681	Umbrella - Mechanical Systems	Constant	Cap	93,043	31,800	32,700	33,600	40,800	-	231,943
23	200684	Umbrella - Scales	Constant	Cap	244,000	-	159,000	163,500	-	-	566,500
24	200685	Umbrella - Generators Multiple Sites	Constant	Cap	341,070	-	-	-	-	-	341,070
25	N/A	Class I Landfill Phase IV	Constant	Cap	-	-	-	-	2,000,000	10,900,000	12,900,000
26		Total Capital Projects - Disposal			24,126,551	32,928,700	40,904,100	41,513,500	6,096,800	10,900,000	156,469,651
Major Maintenance											
27	403338	Roof Systems	Constant	Cap	\$ 257,500	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 657,500
28	403337	MRF Life Extension Projects	Constant	R&R	2,000,000	1,750,000	1,750,000	500,000	500,000	500,000	7,000,000
29	403340	WTE Life Extension Projects	Constant	R&R	3,300,000	2,500,000	-	2,500,000	2,500,000	2,500,000	13,300,000
30	400941	WTE Life Extension Projects (Debt Funded)	Constant	NewDebt1	-	-	17,500,000	-	-	-	17,500,000
31	400941	Landfill Leachate System Maintenance	Constant	Cap	293,550	302,100	310,650	319,200	327,750	325,000	1,878,250
32	400945	R&R Asphalt and Paving Repairs	Constant	R&R	636,310	160,272	169,223	160,832	165,830	-	1,292,467
33	400942	R&R - C&D Facility	Constant	R&R	161,332	109,316	115,949	122,248	128,714	-	637,559
34	400943	R&R Compost Facility	Constant	Cap	298,776	94,976	100,280	105,728	111,320	-	711,080
35	403274	R&R Scale Systems	Constant	Cap	42,291	-	-	-	-	-	42,291
36	403273	R&R Tipping Floors	Constant	R&R	185,627	132,500	141,700	145,600	139,150	-	744,577
37	403340	WTE Generator Field Replace	Constant	Cap	1,800,000	-	-	-	-	-	1,800,000
38		Total Major Maintenance - Disposal			\$ 8,975,386	\$ 5,449,164	\$ 20,087,802	\$ 3,853,608	\$ 3,872,764	\$ 3,325,000	\$ 45,563,724
39	506	Departmental Capital Outlay	Inflation	Rates	\$ 5,560,083	\$ 2,585,000	\$ 2,645,000	\$ 2,700,000	\$ 2,755,000	\$ 2,815,000	\$ 19,060,083
40		Total Capital Improvement Plan - Disposal			\$ 38,662,021	\$ 40,962,864	\$ 63,636,902	\$ 48,067,108	\$ 12,724,564	\$ 17,040,000	\$ 221,093,459
41		Grand Total Capital Improvement Plan			\$ 38,662,021	\$ 40,962,864	\$ 63,636,902	\$ 48,067,108	\$ 12,724,564	\$ 17,040,000	\$ 221,093,459

**Table 10
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study**

Six-Year Capital Improvement Program

Line No.	Project Number	Description	Capital Escalation	Funding Source	Adjusted 2023	Fiscal Year Ended September 30,					6-Year Total
						2024	2025	2026	2027	2028	
Total Capital Improvement Plan Funding Sources											
42		Rate Revenue		Rates	\$ 5,560,083	\$ 2,585,000	\$ 2,645,000	\$ 2,700,000	\$ 2,755,000	\$ 2,815,000	\$ 19,060,083
43		System Reserve Fund - Solid Waste Management (Capital Account)		Cap	26,818,669	1,789,676	602,630	2,190,028	6,535,870	11,225,000	49,161,873
44		Renewal and Replacement		R&R	6,283,269	4,652,088	2,176,872	3,428,680	3,433,694	3,000,000	22,974,603
45		New Debt 1		NewDebt1	-	31,936,100	58,212,400	39,748,400	-	-	129,896,900
46		New Debt 2		NewDebt2	-	-	-	-	-	-	-
47		Total Allocated Funding Sources			<u>\$ 38,662,021</u>	<u>\$ 40,962,864</u>	<u>\$ 63,636,902</u>	<u>\$ 48,067,108</u>	<u>\$ 12,724,564</u>	<u>\$ 17,040,000</u>	<u>\$ 221,093,459</u>

Table 11
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Annual Debt Service Payments - Accrual Basis

Line No.	Fiscal Year	Total Debt Service - Existing and Proposed			Total Ending Principal Outstanding
		Principal	Interest	Total	
1	2023	\$ 7,065,000	\$ 1,524,000	\$ 8,589,000	\$ 154,615,000
2	2024	7,425,000	3,056,798	10,481,798	147,190,000
3	2025	7,795,000	5,712,593	13,507,593	139,395,000
4	2026	8,195,000	6,877,910	15,072,910	131,200,000
5	2027	3,997,272	6,468,160	10,465,432	127,202,728
6	2028	4,194,338	6,271,094	10,465,432	123,008,390
7	2029	4,401,118	6,064,314	10,465,432	118,607,272
8	2030	4,618,094	5,847,339	10,465,432	113,989,179
9	2031	4,845,766	5,619,667	10,465,432	109,143,413
10	2032	5,084,662	5,380,770	10,465,432	104,058,751
11	2033	5,335,336	5,130,096	10,465,432	98,723,416
12	2034	5,598,368	4,867,064	10,465,432	93,125,048
13	2035	5,874,367	4,591,065	10,465,432	87,250,681
14	2036	6,163,973	4,301,459	10,465,432	81,086,707
15	2037	6,467,857	3,997,575	10,465,432	74,618,850
16	2038	6,786,723	3,678,709	10,465,432	67,832,127
17	2039	7,121,308	3,344,124	10,465,432	60,710,819
18	2040	7,472,389	2,993,043	10,465,432	53,238,431
19	2041	7,840,777	2,624,655	10,465,432	45,397,653
20	2042	8,227,328	2,238,104	10,465,432	37,170,326
21	2043	8,632,935	1,832,497	10,465,432	28,537,391
22	2044	9,058,539	1,406,893	10,465,432	19,478,852
23	2045	9,505,125	960,307	10,465,432	9,973,727
24	2046	9,973,727	491,705	10,465,432	0
25	2047	-	-	-	0
26	2048	-	-	-	0
27	2049	-	-	-	0
28	2050	-	-	-	0
29	2051	-	-	-	0
30	2052	-	-	-	0
31	2053	-	-	-	0
32	2054	-	-	-	0
33	2055	-	-	-	-

Table 12
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
ENDING CASH BALANCE SUMMARY:							
1	OPERATIONS AND MAINTENANCE FUND	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253
2	DEBT SERVICE SINKING FUND	7,836,002	8,962,401	10,660,299	11,642,957	7,240,354	7,338,887
3	DEBT SERVICE FUND RESERVE ACCOUNT	7,727,547	7,727,547	7,727,547	7,727,547	0	0
4	RENEWAL AND REPLACEMENT FUND	7,334,257	7,334,257	7,334,257	7,334,257	7,334,257	7,334,257
5	SYSTEM RESERVE FUND	3,016,033	3,016,033	3,016,033	2,301,819	6,595,672	6,595,672
6	SYSTEM RESERVE FUND - SW MANAGEMENT	0	97,960,800	39,748,400	0	0	0
7	SYSTEM RESERVE FUND CIP	32,516,880	38,227,204	45,124,574	50,434,546	51,398,676	47,673,676
8	LANDFILL CLOSURE FUND	19,386,218	21,547,462	23,746,968	26,072,915	28,581,593	31,248,125
9	RATE STABILIZATION FUND	15,591,239	2,359,393	320,957	0	9,488,266	18,276,606
10	TOTAL PROJECTED END OF YEAR BALANCES	<u>\$124,106,254</u>	<u>\$217,833,174</u>	<u>\$168,377,113</u>	<u>\$136,212,119</u>	<u>\$141,336,896</u>	<u>\$149,165,301</u>
OPERATIONS AND MAINTENANCE FUND							
11	Beginning Balance	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253	\$30,670,253
	Transfers In - Rate Revenues for Reserve Balances	0	0	0	0	0	0
12	Transfers In - Rate Revenues for Operating Expenses	235,627,091	132,024,944	140,038,027	146,337,108	154,364,326	161,530,781
13	Transfers Out - Operating Expenses	235,627,091	132,024,944	140,038,027	146,337,108	154,364,326	161,530,781
14	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
15	Interest Income in Fund	460,100	460,100	460,100	460,100	460,100	460,100
16	Use of Interest Income to Fund Revenue Requirements	460,100	460,100	460,100	460,100	460,100	460,100
17	Ending Balance	<u>\$30,670,253</u>	<u>\$30,670,253</u>	<u>\$30,670,253</u>	<u>\$30,670,253</u>	<u>\$30,670,253</u>	<u>\$30,670,253</u>
DEBT SERVICE SINKING FUND							
18	Beginning Balance	\$7,653,877	\$7,836,002	\$8,962,401	\$10,660,299	\$11,642,957	\$7,240,354
19	Transfers In - Rate Revenues / Accrued Payments	8,589,000	10,481,798	13,507,593	15,072,910	10,465,432	10,465,432
20	Transfers Out - Debt Payments / Cash Basis	8,406,875	9,355,399	11,809,696	14,090,252	14,868,035	10,366,899
21	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
22	Interest Income in Fund	116,200	126,000	147,200	167,300	141,600	109,300
23	Use of Interest Income to Fund Revenue Requirements	116,200	126,000	147,200	167,300	141,600	109,300
24	Ending Balance	<u>\$7,836,002</u>	<u>\$8,962,401</u>	<u>\$10,660,299</u>	<u>\$11,642,957</u>	<u>\$7,240,354</u>	<u>\$7,338,887</u>

Table 12
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
DEBT SERVICE FUND RESERVE ACCOUNT							
25	Beginning Balance	\$7,727,547	\$7,727,547	\$7,727,547	\$7,727,547	\$7,727,547	\$0
26	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
27	Interest Income in Fund	115,900	115,900	115,900	115,900	58,000	0
28	Use of Interest Income to Fund Revenue Requirements	115,900	115,900	115,900	115,900	58,000	0
29	Ending Balance	<u>\$7,727,547</u>	<u>\$7,727,547</u>	<u>\$7,727,547</u>	<u>\$7,727,547</u>	<u>\$0</u>	<u>\$0</u>
RENEWAL AND REPLACEMENT FUND							
30	Beginning Balance	\$7,334,257	\$7,334,257	\$7,334,257	\$7,334,257	\$7,334,257	\$7,334,257
31	Transfers In/(Out) - System Reserve Fund	6,283,269	4,652,088	2,176,872	3,428,680	3,433,694	3,000,000
32	Transfers Out - CIP	6,283,269	4,652,088	2,176,872	3,428,680	3,433,694	3,000,000
33	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
34	Interest Income in Fund	110,000	110,000	110,000	110,000	110,000	110,000
35	Use of Interest Income to Fund Revenue Requirements	110,000	110,000	110,000	110,000	110,000	110,000
36	Ending Balance	<u>\$7,334,257</u>	<u>\$7,334,257</u>	<u>\$7,334,257</u>	<u>\$7,334,257</u>	<u>\$7,334,257</u>	<u>\$7,334,257</u>
SYSTEM RESERVE FUND							
37	Beginning Balance	\$3,016,033	\$3,016,033	\$3,016,033	\$3,016,033	\$2,301,819	\$6,595,672
38	Transfers In - Revenue Requirements from Rate Revenues	0	0	0	0	0	0
39	Transfers In - Rate Stabilization	9,840,085	15,351,944	2,176,872	2,714,466	0	3,000,000
	Transfers In - Release Debt Service Reserve	0	0	0	0	7,727,547	0
40	Transfers Out - Renewal and Replacement Fund	6,283,269	4,652,088	2,176,872	3,428,680	3,433,694	3,000,000
41	Transfers Out - Construction Fund	0	0	0	0	0	0
42	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
43	Interest Income in Fund	71,900	125,500	45,200	39,900	66,700	98,900
44	Use of Interest Income to Fund Revenue Requirements	71,900	125,500	45,200	39,900	66,700	98,900
45	End of Year Surplus / (Deficiency)	(3,556,816)	(10,699,856)	0	0	0	0
46	Ending Balance	<u>\$3,016,033</u>	<u>\$3,016,033</u>	<u>\$3,016,033</u>	<u>\$2,301,819</u>	<u>\$6,595,672</u>	<u>\$6,595,672</u>

Table 12
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
SYSTEM RESERVE FUND - SW MANAGEMENT							
47	Beginning Balance	\$0	\$0	\$97,960,800	\$39,748,400	\$0	\$0
48	Transfers In - Reserves	0	0	0	0	0	0
49	Transfers Out - CIP	0	31,936,100	58,212,400	39,748,400	0	0
50	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
51	Interest Income in Fund	0	0	0	0	0	0
52	Use of Interest Income to Fund Revenue Requirements	0	0	0	0	0	0
53	Ending Balance	<u>\$0</u>	<u>\$97,960,800</u>	<u>\$39,748,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
SYSTEM RESERVE FUND CIP							
54	Beginning Balance	\$52,835,549	\$32,516,880	\$38,227,204	\$45,124,574	\$50,434,546	\$51,398,676
55	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
56	Interest Income in Fund	640,100	530,600	625,100	716,700	763,700	743,000
57	Use of Interest Income to Fund Revenue Requirements	640,100	530,600	625,100	716,700	763,700	743,000
58	Ending Balance	<u>\$32,516,880</u>	<u>\$38,227,204</u>	<u>\$45,124,574</u>	<u>\$50,434,546</u>	<u>\$51,398,676</u>	<u>\$47,673,676</u>
LANDFILL CLOSURE FUND							
59	Beginning Balance	\$12,318,835	\$19,386,218	\$21,547,462	\$23,746,968	\$26,072,915	\$28,581,593
60	Transfers In - Annual Operations / Rate Revenues	6,831,383	1,856,543	1,862,306	1,955,047	2,101,778	2,221,132
61	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
62	Interest Income in Fund	236,000	304,700	337,200	370,900	406,900	445,400
63	Use of Interest Income to Fund Revenue Requirements	0	0	0	0	0	0
64	Ending Balance	<u>\$19,386,218</u>	<u>\$21,547,462</u>	<u>\$23,746,968</u>	<u>\$26,072,915</u>	<u>\$28,581,593</u>	<u>\$31,248,125</u>

Table 12
Lee County, Florida
Solid Waste System
Fiscal Year 2023 Rate Study

Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
RATE STABILIZATION FUND							
65	Beginning Balance	\$25,431,323	\$15,591,239	\$2,359,393	\$320,957	\$0	\$9,488,266
66	Transfers Out - System Reserve Fund	9,840,085	15,351,944	2,176,872	2,714,466	0	3,000,000
67	Interest Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
68	Interest Income in Fund	307,700	134,600	20,100	2,400	71,200	208,200
69	Use of Interest Income to Fund Revenue Requirements	307,700	134,600	20,100	2,400	71,200	208,200
70	Ending Balance	<u>\$15,591,239</u>	<u>\$2,359,393</u>	<u>\$320,957</u>	<u>\$0</u>	<u>\$9,488,266</u>	<u>\$18,276,606</u>
INTEREST INCOME BY FUND							
71	Operations And Maintenance Fund	\$460,100	\$460,100	\$460,100	\$460,100	\$460,100	\$460,100
72	Debt Service Sinking Fund	116,200	126,000	147,200	167,300	141,600	109,300
73	Debt Service Fund Reserve Account	115,900	115,900	115,900	115,900	58,000	0
74	Renewal And Replacement Fund	110,000	110,000	110,000	110,000	110,000	110,000
75	System Reserve Fund	71,900	125,500	45,200	39,900	66,700	98,900
76	System Reserve Fund - Sw Management	0	0	0	0	0	0
77	System Reserve Fund Cip	640,100	530,600	625,100	716,700	763,700	743,000
78	Rate Stabilization Fund	307,700	134,600	20,100	2,400	71,200	208,200
79	Investment Earnings	<u>\$1,822,300</u>	<u>\$1,603,100</u>	<u>\$1,524,000</u>	<u>\$1,612,700</u>	<u>\$1,671,700</u>	<u>\$1,729,900</u>
80	Landfill Closure Fund	236,000	304,700	337,200	370,900	406,900	445,400
81	Total Interest Income	<u>\$2,058,300</u>	<u>\$1,907,800</u>	<u>\$1,861,200</u>	<u>\$1,983,600</u>	<u>\$2,078,600</u>	<u>\$2,175,300</u>

Table 13
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Disposal Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
29	Contracted Sludge Disposal	2,787,760	2,832,369	2,877,701	2,923,753	2,970,525	3,018,060
30	Compost Sales	288,510	288,510	288,510	288,510	288,510	288,510
31	Ferrous/Non-Ferrous Revenues (County)	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137
32	Recycling Residue	863,440	897,978	933,897	971,253	1,010,103	1,050,507
33	Recycling Host Fees	540,000	540,000	540,000	540,000	540,000	540,000
33	FEMA Reimbursements (Ian)	39,109,712	-	-	-	-	-
34	Other Revenues	25,000	25,000	25,000	25,000	25,000	25,000
	Trasfer from General Fund - Hurricane Ian Reimbursement	75,318,887	-	-	-	-	-
	Total Income and Funds from Other Sources	\$ 145,969,281	\$ 28,839,587	\$ 29,016,135	\$ 29,274,852	\$ 29,655,527	\$ 29,943,830
35	Net Revenue Requirements from Rates	\$ 80,498,795	\$ 80,597,262	\$ 84,772,110	\$ 90,409,785	\$ 96,318,153	\$ 102,534,976
	<u>DISPOSAL FEE REVENUE:</u>						
	Revenues Under Existing & Adopted Rates:						
36	Residential Assessed Tip Fees	\$ 12,248,854	\$ 12,560,715	\$ 12,861,757	\$ 13,150,248	\$ 13,401,920	\$ 13,615,542
37	Disposal Facility Assessment	14,072,767	14,783,195	15,028,963	15,271,757	15,495,377	15,699,528
38	Recycling Fee	3,409,630	3,487,337	3,563,364	3,637,673	3,705,503	3,766,641
39	Assessment Billing Charge	936,684	957,244	977,252	996,659	1,001,426	1,016,137
40	Tipping Fees	48,514,719	45,854,457	45,344,632	45,942,113	46,549,178	47,165,847
41	Total Disposal Rate / Fee Revenue - Existing Rates	\$ 79,182,654	\$ 77,642,948	\$ 77,775,968	\$ 78,998,449	\$ 80,153,405	\$ 81,263,695
	Rate Adjustment Input (%):						
42	Residential Assessed Tip Fees	0.0%	3.81%	5.00%	5.00%	5.00%	5.00%
43	Disposal Facility Assessment	0.0%	3.81%	5.00%	5.00%	5.00%	5.00%
44	Recycling Fee	0.0%	3.81%	5.00%	5.00%	5.00%	5.00%
45	Assessment Billing Charge	0.0%	3.81%	5.00%	5.00%	5.00%	5.00%
46	Tipping Fees	0.0%	3.81%	5.00%	5.00%	5.00%	5.00%
	Calculated Prior Period Rate Adjustment Revenues:						
47	Residential Assessed Tip Fees	N/A	\$ -	\$ 489,390	\$ 1,182,898	\$ 1,935,909	\$ 2,745,882
48	Disposal Facility Assessment	N/A	-	571,852	1,373,733	2,238,309	3,166,165
49	Recycling Fee	N/A	-	135,586	327,218	535,260	759,628
50	Assessment Billing Charge	N/A	-	37,184	89,652	144,656	204,927
51	Tipping Fees	N/A	-	1,725,363	4,132,608	6,724,035	9,512,061
52	Total Disposal Rate / Fee Revenue - Prior Period Rate Adjustments	N/A	\$ -	\$ 2,959,376	\$ 7,106,108	\$ 11,578,169	\$ 16,388,663
	Calculated Current Period Rate Adjustment Revenues:						
53	Residential Assessed Tip Fees	\$ -	\$ 477,935	\$ 667,557	\$ 716,657	\$ 766,891	\$ 818,071
54	Disposal Facility Assessment	-	562,501	780,041	832,274	886,684	943,285

Table 13
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Disposal Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
55	Recycling Fee	-	132,693	184,948	198,245	212,038	226,313
56	Assessment Billing Charge	-	36,423	50,722	54,316	57,304	61,053
57	Tipping Fees	-	1,744,762	2,353,500	2,503,736	2,663,661	2,833,895
58	Total Disposal Rate / Fee Revenue - Current Period Rate Adjustments	\$ -	\$ 2,954,314	\$ 4,036,767	\$ 4,305,228	\$ 4,586,579	\$ 4,882,618
Adjusted Rate Revenues:							
59	Residential Assessed Tip Fees	\$ 12,248,854	\$ 13,038,651	\$ 14,018,704	\$ 15,049,803	\$ 16,104,721	\$ 17,179,496
60	Disposal Facility Assessment	14,072,767	15,345,695	16,380,855	17,477,764	18,620,370	19,808,978
61	Recycling Fee	3,409,630	3,620,030	3,883,898	4,163,136	4,452,802	4,752,582
62	Assessment Billing Charge	936,684	993,667	1,065,158	1,140,626	1,203,386	1,282,117
63	Tipping Fees	48,514,719	47,599,219	49,423,495	52,578,457	55,936,874	59,511,803
64	Total Disposal Rate / Fee Revenue - Current Period Rate Adjustments	\$ 79,182,654	\$ 80,597,262	\$ 84,772,110	\$ 90,409,785	\$ 96,318,153	\$ 102,534,976
Revenue Surplus / (Deficiency) Under Identified Rate Adjustments							
65	Amount of Surplus / (Deficiency)	\$ (1,316,141)	\$ -	\$ -	\$ -	\$ -	\$ -
66	As Percent of Existing Revenue	(1.66%)	0.00%	0.00%	0.00%	0.00%	0.00%

Table 14
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Collection Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
1	Operation and Maintenance Expenses	\$ 36,639,481	\$ 47,131,535	\$ 51,903,118	\$ 56,273,937	\$ 60,701,122	\$ 63,841,879
	Other Revenue Requirements						
	Annual Debt Service:						
2	Series 2016 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Transfers and Funding Requirements:						
4	Capital Funded From Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Transfer to Landfill Closure Fund	-	-	-	-	-	-
6	Transfer to System Reserves - Rate Stabilization	-	-	-	-	-	-
7	Total Other Transfers and Funding Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Other Revenue Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Gross Revenue Requirements	\$ 36,639,481	\$ 47,131,535	\$ 51,903,118	\$ 56,273,937	\$ 60,701,122	\$ 63,841,879
	Less Income and Funds from Other Sources:						
	Interest Income						
10	Contractual Fines Revenue	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
11	Net Revenue Requirements from Rates	\$ 36,614,481	\$ 47,106,535	\$ 51,878,118	\$ 56,248,937	\$ 60,676,122	\$ 63,816,879

**Table 14
Lee County, Florida
Solid Waste System**

Fiscal Year 2023 Rate Study

Development of Solid Waste Collection Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
COLLECTION FEE REVENUE:							
Revenues Under Existing & Adopted Rates:							
12	Collection Assessment	\$ 34,373,806	\$ 35,260,706	\$ 36,114,161	\$ 36,931,326	\$ 37,643,472	\$ 38,247,105
13	Total Collection Revenues Under Existing Rates	\$ 34,373,806	\$ 35,260,706	\$ 36,114,161	\$ 36,931,326	\$ 37,643,472	\$ 38,247,105
Rate Adjustment Input (%):							
14	Collection Assessment	0.00%	3.25%	39.13%	6.03%	5.83%	3.52%
Calculated Prior Period Rate Adjustment Revenues:							
15	Collection Assessment	N/A	\$ -	\$ 1,173,710	\$ 16,120,653	\$ 19,690,113	\$ 23,401,990
16	Residential Credit for Recycling	N/A	-	-	-	-	-
17	Assessment Billing Charge	N/A	-	-	-	-	-
18	Total Collection Rate / Fee Revenue - Prior Period Rate Adjustments	N/A	\$ -	\$ 1,173,710	\$ 16,120,653	\$ 19,690,113	\$ 23,401,990
Calculated Current Period Rate Adjustment Revenues:							
19	Collection Assessment	\$ -	\$ 1,145,973	\$ 14,590,247	\$ 3,196,958	\$ 3,342,537	\$ 2,167,785
20	Residential Credit for Recycling	-	-	-	-	-	-
21	Assessment Billing Charge	-	-	-	-	-	-
22	Total Collection Rate / Fee Revenue - Current Period Rate Adjustments	\$ -	\$ 1,145,973	\$ 14,590,247	\$ 3,196,958	\$ 3,342,537	\$ 2,167,785
Adjusted Rate Revenues:							
23	Collection Assessment	\$ 34,373,806	\$ 36,406,679	\$ 51,878,118	\$ 56,248,937	\$ 60,676,122	\$ 63,816,879
24	Residential Credit for Recycling	-	-	-	-	-	-
25	Assessment Billing Charge	-	-	-	-	-	-
26	Total Collection Rate / Fee Revenue - Current Period Rate Adjustments	\$ 34,373,806	\$ 36,406,679	\$ 51,878,118	\$ 56,248,937	\$ 60,676,122	\$ 63,816,879
Revenue Surplus / (Deficiency) Under Identified Rate Adjustments							
27	Amount of Surplus / (Deficiency)	\$ (2,240,675)	\$ (10,699,856)	\$ -	\$ -	\$ -	\$ -
28	As Percent of Existing Revenue	(6.52%)	(30.34%)	0.00%	0.00%	0.00%	0.00%

Table 15
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Collection and Disposal Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
1	Operation and Maintenance Expenses	\$235,627,091	\$132,024,944	\$140,038,027	\$146,337,108	\$154,364,326	\$161,530,781
	Other Revenue Requirements						
	Annual Debt Service:						
2	Series 2016 Bonds	\$ 8,589,000	\$ 8,595,750	\$ 8,594,500	\$ 8,604,750	\$ -	\$ -
3	New Debt 1	-	1,886,048	4,913,093	6,468,160	10,465,432	10,465,432
	New Debt 2	-	-	-	-	-	-
4	Total Annual Debt Service	\$ 8,589,000	\$ 10,481,798	\$ 13,507,593	\$ 15,072,910	\$ 10,465,432	\$ 10,465,432
	Other Transfers and Funding Requirements:						
5	Capital Funded From Rates	\$ 5,560,083	\$ 2,585,000	\$ 2,645,000	\$ 2,700,000	\$ 2,755,000	\$ 2,815,000
6	Transfer to Landfill Closure Fund	6,831,383	1,856,543	1,862,306	1,955,047	2,101,778	2,221,132
7	Transfer to SW Management Fund (Capital)	6,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
	Transfer to System Reserves	-	-	-	-	-	-
8	Transfer to System Reserves - Rate Stabilization	-	2,120,098	138,437	2,393,509	9,488,266	11,788,340
9	Total Other Transfers and Funding Requirements	\$ 18,891,466	\$ 14,061,641	\$ 12,145,743	\$ 14,548,556	\$ 21,845,044	\$ 24,324,472
10	Total Other Revenue Requirements	27,480,466	24,543,440	25,653,336	29,621,466	32,310,476	34,789,904
11	Gross Revenue Requirements	\$263,107,557	\$156,568,383	\$165,691,364	\$175,958,574	\$186,674,802	\$196,320,685
	Income and Funds from Other Sources:						
	Interest Income						
12	Operations And Maintenance Fund	\$ 460,100	\$ 460,100	\$ 460,100	\$ 460,100	\$ 460,100	\$ 460,100
13	System Reserve Fund Cip	640,100	530,600	625,100	716,700	763,700	743,000
14	Debt Service Sinking Fund	116,200	126,000	147,200	167,300	141,600	109,300
15	Debt Service Fund Reserve Account	115,900	115,900	115,900	115,900	58,000	-
16	Renewal And Replacement Fund	110,000	110,000	110,000	110,000	110,000	110,000
17	Landfill Closure Fund	-	-	-	-	-	-
18	Debt Proceeds	-	-	-	-	-	-
19	System Reserve Fund	71,900	125,500	45,200	39,900	66,700	98,900

Table 15
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Collection and Disposal Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
20	Rate Stabilization Fund	307,700	134,600	20,100	2,400	71,200	208,200
21	O&M Fund Customer Deposits	400	400	400	400	400	400
22	Gross Energy Revenues	11,994,609	9,237,517	9,235,981	9,234,486	9,233,122	9,231,894
23	Comm. Electronics Revenue	10,000	10,000	10,000	10,000	10,000	10,000
24	MRF Recycling Revenues & Recycling Residual Revenues	5,777,333	5,880,642	5,981,472	5,994,475	6,169,100	6,249,705
25	Sale of Equipment	200,000	217,640	217,640	217,640	217,640	217,640
26	Contractual Fines Revenue	25,000	25,000	25,000	25,000	25,000	25,000
27	Miscellaneous Revenues (Sale of Metals)	380,000	380,000	380,000	380,000	380,000	380,000
28	Franchise Fees (County)	2,776,245	2,834,690	2,893,136	2,951,581	3,000,446	3,049,307
29	Franchise Fees (Municipalities)	791,210	807,867	824,524	841,180	855,106	869,031
30	Advanced Disposal Fees	350,000	350,000	350,000	350,000	350,000	350,000
31	Contracted Sludge Disposal	2,787,760	2,832,369	2,877,701	2,923,753	2,970,525	3,018,060
32	Compost Sales	288,510	288,510	288,510	288,510	288,510	288,510
33	Ferrous/Non-Ferrous Revenues (County)	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137
34	Ferrous/Non-Ferrous Revenues (Covanta)	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137	1,467,137
35	Recycling Residue	863,440	897,978	933,897	971,253	1,010,103	1,050,507
36	Recycling Host Fees	540,000	540,000	540,000	540,000	540,000	540,000
37	FEMA Reimbursements (Ian)	39,109,712	-	-	-	-	-
38	Other Revenues	25,000	25,000	25,000	25,000	25,000	25,000
39	Transfer from General Fund - Hurricane Ian Reimbursement	75,318,887	-	-	-	-	-
40	Subtotal Income and Funds from Other Sources	\$145,994,281	\$ 28,864,587	\$ 29,041,135	\$ 29,299,852	\$ 29,680,527	\$ 29,968,830
41	Net Revenue Requirements from Rates	\$117,113,276	\$127,703,797	\$136,650,229	\$146,658,722	\$156,994,275	\$166,351,855

Table 15
Lee County, Florida
Solid Waste System

Fiscal Year 2023 Rate Study

Development of Solid Waste Collection and Disposal Net Revenue Requirements From Rates

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
	<u>DISPOSAL FEE REVENUE:</u>						
42	Disposal Assessment	\$ 12,248,854	\$ 12,560,715	\$ 12,861,757	\$ 13,150,248	\$ 13,401,920	\$ 13,615,542
43	Disposal Facility Charge	14,072,767	14,783,195	15,028,963	15,271,757	15,495,377	15,699,528
44	Recycling Fee	3,409,630	3,487,337	3,563,364	3,637,673	3,705,503	3,766,641
45	Assessment Billing Charge	936,684	957,244	977,252	996,659	1,001,426	1,016,137
46	Tipping Fees	48,514,719	45,854,457	45,344,632	45,942,113	46,549,178	47,165,847
47	Disposal Rate Adjustments	-	2,954,314	6,996,143	11,411,336	16,164,748	21,271,281
48	Total Disposal Fee Revenue Received	\$ 79,182,654	\$ 80,597,262	\$ 84,772,110	\$ 90,409,785	\$ 96,318,153	\$102,534,976
49	Percent Change	N/A	1.79%	5.18%	6.65%	6.54%	6.45%
	<u>COLLECTION FEE REVENUE:</u>						
50	Collection Assessment	\$ 34,373,806	\$ 35,260,706	\$ 36,114,161	\$ 36,931,326	\$ 37,643,472	\$ 38,247,105
51	Collection Rate Adjustments	-	1,145,973	15,763,958	19,317,611	23,032,649	25,569,775
52	Total Collection Fee Revenue Received	\$ 34,373,806	\$ 36,406,679	\$ 51,878,118	\$ 56,248,937	\$ 60,676,122	\$ 63,816,879
53	Percent Change	N/A	5.91%	42.50%	8.43%	7.87%	5.18%
54	COMBINED DISPOSAL AND COLLECTION RATE REVENUE:	\$113,556,460	\$117,003,940	\$136,650,229	\$146,658,722	\$156,994,275	\$166,351,855
	Revenue Surplus / (Deficiency) Under Identified Rate Adjustments						
55	Amount of Surplus / (Deficiency)	\$ (3,556,816)	\$ (10,699,856)	\$ -	\$ -	\$ -	\$ -
56	As Percent of Existing Revenue	(3.13%)	(9.14%)	0.00%	0.00%	0.00%	0.00%

Table 16
Lee County, Florida
Fiscal Year 2023 Rate Study

Projected Rate Covenant Compliance Under Adopted and Identified Rates [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
Gross Revenues							
1	Collection Revenues	\$ 34,373,806	\$ 36,406,679	\$ 51,878,118	\$ 56,248,937	\$ 60,676,122	\$ 63,816,879
2	Disposal & Other Charges	82,608,924	84,068,141	88,288,321	93,972,048	99,927,188	106,191,546
3	Total Rate Revenues [2]	116,982,730	120,474,819	140,166,440	150,220,985	160,603,309	170,008,425
Other Revenue and Income							
4	WTE Facility - Gross Electric Sales [3]	\$ 11,994,609	\$ 9,237,517	\$ 9,235,981	\$ 9,234,486	\$ 9,233,122	\$ 9,231,894
5	Gross Ferrous and Non-Ferrous Revenues [4]	2,934,275	2,934,275	2,934,275	2,934,275	2,934,275	2,934,275
6	Gross Franchise Fee Revenues	3,567,455	3,642,557	3,717,659	3,792,762	3,855,552	3,918,339
7	Other Miscellaneous Revenues	415,000	415,000	415,000	415,000	415,000	415,000
8	Interest Income	1,822,300	1,603,100	1,524,000	1,612,700	1,671,700	1,729,900
9	Recycling Revenues [5]	5,777,333	5,880,642	5,981,472	5,994,475	6,169,100	6,249,705
10	Recycling Residue	863,440	897,978	933,897	971,253	1,010,103	1,050,507
11	Recycling Host Fees	540,000	540,000	540,000	540,000	540,000	540,000
12	Other Revenues	25,000	25,000	25,000	25,000	25,000	25,000
13	Hurricane Irma Reimbursements - FEMA	39,109,712	-	-	-	-	-
14	Hurricane Irma Reimbursements - General Fund	75,318,887	-	-	-	-	-
15	Transfers From / (To) Rate Stabilization Fund [6]	-	(2,120,098)	(138,437)	(2,393,509)	-	-
16	Total Other Revenue and Income	\$ 142,368,011	\$ 23,055,970	\$ 25,168,847	\$ 23,126,441	\$ 25,853,852	\$ 26,094,620
17	Total Gross Revenues	\$ 259,350,741	\$ 143,530,789	\$ 165,335,287	\$ 173,347,425	\$ 186,457,162	\$ 196,103,045
Operating Expenses [7]							
18	ROW Clean Up	\$ -	\$ 96,000	\$ 197,760	\$ 305,539	\$ 419,607	\$ 540,244
19	Facilities	\$ 616,194	\$ 734,090	\$ 854,581	\$ 980,944	\$ 1,113,797	\$ 1,254,562
20	Operations/SW MGMT	40,283,327	50,968,941	55,936,710	60,510,012	65,129,901	68,482,508
21	Recycling	11,872,809	12,540,628	13,067,588	13,431,933	14,095,729	14,993,672
22	Disposal / WTE / Yard Waste	53,055,439	52,379,684	54,292,698	54,664,763	56,338,629	58,182,443
23	Buckingham Transfer Station / Diversion Transport	95,611	194,862	298,896	408,799	524,932	647,886
24	Hazardous Waste	1,135,694	1,172,436	1,205,727	1,239,123	1,273,038	1,308,826
25	C&D Facility	1,992,804	2,056,475	2,114,094	2,171,854	2,230,476	2,292,310
26	Transfer Stations	826,666	852,519	878,250	904,591	931,646	959,705
27	LHLF	6,348,505	5,861,702	5,824,545	6,145,788	6,518,552	6,857,114
28	Solid Waste Fleet	4,971,444	5,167,607	5,367,181	5,573,762	5,788,019	6,011,510
29	Hurricane Ian Expenditures	114,428,599	-	-	-	-	-
30	Total Operating Expenses	\$ 235,627,091	\$ 132,024,944	\$ 140,038,027	\$ 146,337,108	\$ 154,364,326	\$ 161,530,781
31	Net Revenues	\$ 23,723,651	\$ 11,505,845	\$ 25,297,260	\$ 27,010,317	\$ 32,092,836	\$ 34,572,264
32	Fund Balance [8]	35,560,737	139,231,861	87,916,831	52,764,190	58,022,173	54,297,173
33	Net Revenues and Fund Balance	\$ 59,284,388	\$ 150,737,707	\$ 113,214,091	\$ 79,774,507	\$ 90,115,009	\$ 88,869,437
Annual Debt Service [9]							
34	Existing Bonds	8,589,000	8,595,750	8,594,500	8,604,750	-	-
35	Additional Bonds	-	1,886,048	4,913,093	6,468,160	10,465,432	10,465,432
36	Total Annual Debt Service	\$ 8,589,000	\$ 10,481,798	\$ 13,507,593	\$ 15,072,910	\$ 10,465,432	\$ 10,465,432

Table 16
Lee County, Florida
Fiscal Year 2023 Rate Study

Projected Rate Covenant Compliance Under Adopted and Identified Rates [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2023	2024	2025	2026	2027	2028
Rate Covenant (Section 5.04):							
Test A: Net Revenues + Fund Balance							
37	Calculated Coverage	6.90	14.38	8.38	5.29	8.61	8.49
38	Minimum Required Coverage	1.20	1.20	1.20	1.20	1.20	1.20
AND							
Test B: Net Revenues Only							
39	Calculated Coverage	2.76	1.10	1.87	1.79	3.07	3.30
40	Minimum Required Coverage	1.00	1.00	1.00	1.00	1.00	1.00
41	Net Available After Debt + Coverage	\$ 15,134,651	\$ 1,024,047	\$ 11,789,666	\$ 11,937,407	\$ 21,627,404	\$ 24,106,832
Other Required Transfers							
42	Subordinate Debt Service	-	-	-	-	-	-
43	Debt Service Reserve Requirement	-	-	-	-	-	-
44	Renewal and Replacement Fund Requirement	-	-	-	-	-	-
45	Net Amount After Required Transfers	\$ 15,134,651	\$ 1,024,047	\$ 11,789,666	\$ 11,937,407	\$ 21,627,404	\$ 24,106,832
46	Net Revenues After Debt Service	\$ 15,134,651	\$ 1,024,047	\$ 11,789,666	\$ 11,937,407	\$ 21,627,404	\$ 24,106,832
Other Funding Requirements							
47	Landfill Closure Fund	\$3,707,339	\$3,343,253	\$3,369,348	\$3,567,727	\$3,860,814	\$4,088,295
48	Capital Acquisitions / Capital Outlay Funded from Rates	5,560,083	2,585,000	2,645,000	2,700,000	2,755,000	2,815,000
49	Net Available for Other System Purposes	\$ 24,402,073	\$ 6,952,300	\$ 17,804,014	\$ 18,205,134	\$ 28,243,218	\$ 31,010,127

Footnotes:

- [1] Unless otherwise noted, amounts shown are calculated pursuant to the definitions and provisions of rate covenant pursuant to the draft of the Bond Resolution (the "Bond Resolution").
- [2] Amounts shown represent Assessments, Tipping Fees and Surcharges calculated based on the reported and forecasted customer and tonnage billing statistics applied to the adopted and/or assumed rate adjustments recognized during the Forecast Period.
- [3] Amounts shown reflect the gross electric revenues. Pursuant to the agreement with the County's contract operator for the Waste-to-Energy (the "WTE") facility, the County remits 10% of electric revenues to the operator. The remission of revenues is reported as an operating expense for the WTE facility.
- [4] Ferrous and non-ferrous revenues are shown gross, of which fifty percent (50%) is shared with the contract operator for the facility and reflected as a cost of operation.
- [5] Pursuant to the Bond Resolution, the County may recognize recycling revenues associated with shared revenues produced from operation of the Materials Recovery Facility (the "MRF").
- [6] Pursuant to the Bond Resolution, moneys deposited from / (to) the Rate Stabilization Fund may either be recognized as an increase/(reduction) to Gross Revenues for purposes of calculating compliance with the Bond Resolution. It should be noted that deposits from the Rate Stabilization (i.e., increasing Gross Revenues) may not be greater than 25% of Net Revenues (referred to as the "Rate Stabilization Amount").
- [7] Amounts shown are net of depreciation, amortization of capital costs and preparation and closures of landfill, among other things, pursuant to the definition of Operating Expenses for the Trust Indenture.
- [8] The Bond Resolution defines "Fund Balance" as "...an amount of money equal to the unencumbered moneys on deposit in the Solid Waste System Reserve Fund as of September 30 of the immediately preceding Fiscal Year. Moneys shall be considered unencumbered to the extent such moneys are unrestricted and may be used for any lawful purpose relating to the Solid Waste System."
- [9] Amounts shown reflect the accrued payments for Annual Debt Service or when the payments must be deposited to the sinking fund in advance of when the actual payment is due.