



# Municipality of Anchorage

## Anchorage Regional Landfill Closure & Post-Closure Care Investment Fund

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Infrastructure Enterprise and Utility Oversight Committee

May 21, 2026





# Purpose of Presentation

- Overview of Fund and Board
- Investment Performance Update

# ARL Closure & Post-Closure Care Investment Fund

## Board Members:

- Angela Astle, Chair
- Jeffrey Sinz, Vice Chair
- Ross Risvold, Secretary
- Kelli Toth, Member
- Chris Richardson, Member



# ARL Closure and Post-Closure Care Investment Fund Overview/Background

- Under accounting (GAAP) and regulatory (FCR's) rules, landfill operators are required to accrue liabilities and fully fund the present value of future closure and post-closure care costs during the useful life of the facility.
- In 2016, the Assembly amended AMC 26.80.060 and enacted a new AMC 26.80.065 to create and fund the ARL Closure and Post-Closure Care Restricted Cash and Investment Fund, and establish an Investment Board with responsibility and authority to manage Fund assets.
- The purpose of the Fund is to accumulate sufficient assets (funds) during the useful life of the landfill to pay the post-operational cost of the ARL's closure and post-closure care.
- The Board is responsible for ensuring that sufficient funds are set aside to pay future closure and post-closure care costs and for managing the assets of the Fund consistent with the provisions of the AMC and the Board approved Investment Policy.
- In 2020, the Assembly amended AMC 26.80.060 and 26.80.065 clarifying the responsibility of all users of the ARL (past and future) to proportionately contribute to future ARL closure and post-closure costs and providing that the funding amount required from past and future users of the ARL will be based on projections derived from the SWS Long-term Financial Forecasting Model, updated every five years.
- In 2021, the Assembly authorized transfer of more than \$25 million in excess funding from the ARL Closure & Post-Closure Care Fund back to SWS to support its Capital Improvement Program.
- In 2026, the Assembly authorized transfer of an additional \$5.2 million in excess funding following the first five-year update of the SWS Long-term Financial Forecasting Model as required by AMC 26.80.065.



## **AMC 26.80.060 (Highlights)**

- Title 40. CFR, Parts 257 and 258 EPA Rules require that Landfill Operators accumulate sufficient funds to pay the liability associated with future final closure of the landfill, and monitoring and maintenance costs for 30 years thereafter.
- SWS shall include in its annual budget the liability associated with future ARL closing and post-closing care costs based on utilization of expected landfill capacity.
- Each user of the ARL shall pay a proportionate share of the closure and post closure care costs through tipping fees charged during the useful life of the ARL.
- SWS shall set aside annual deposit amounts as specified in AMC 26.80.065.E.2.
- Deposits into the closure and post-closure care restricted cash and investments account can only be used for the specified purpose.
- Withdrawals from the Fund for purposes other than to pay ARL closure and post-closure care costs require Assembly approval.

A man with a beard and glasses, wearing a yellow safety vest over a green long-sleeved shirt, a dark cap, and brown work gloves, is working on a piece of heavy machinery. He is holding a chain and appears to be adjusting or securing a part of the machine. The background shows a dirt road and some hills under a clear sky.

## AMC 26.80.065 (Highlights)

- Establishes “ARL Closure and Post-Closure Care Investment Fund”
- Purpose of Fund is to accumulate, manage and safeguard Fund assets.
- Establishes Board to manage all investment activities of the Fund
  - Five Members (1+ SWS, 1+ PF&I, 2+ public)
  - Appointed by Mayor confirmed by Assembly
  - Staggered three-year terms
- Board shall manage all investment activities of the Fund.
- Board shall develop and adopt written investment policies.
- Investment objective of Fund is to achieve a long-term return on investment of Fund assets which in conjunction with annual deposits from SWD will be sufficient to satisfy the ARL closure and post-closure care liability.
- Board may engage services of financial/investment advisors, trustees, custodians, money managers, and others services deemed necessary to perform its duties.
- Administrative support provided by PF&I.

## **AMC 26.80.065 (Highlights continued)**

- Board shall monitor and ensure timely deposit of monies from SWD.
- Annual deposits from SWS determined prospectively for five-year periods based on projections derived from the SWS long-term financial forecasting model (Raftelis Model).
- Annual deposit amounts derived from the Model are subject to review by the Board.
- Annual deposit amounts for the initial five-year period will be effective January 1, 2021 and will be updated each five years thereafter.
- SWD customer deposits occur annually no later than June 30.
- Board shall engage an independent analyst or company to perform an estimate of the closure and post-closure care liability at least every ten years starting in 2020.
- The Board shall submit an annual report to the Assembly by June 30 each year.

# ARL Closure & Post-Closure Care Investment Fund

## Annual Investment Returns As of December 31, 2025 (Net of Fees)

|                        | <u>Actual</u> | <u>Benchmark</u> | <u>Diff</u> |
|------------------------|---------------|------------------|-------------|
| 1-Year (2025)          | 16.9%         | 16.8%            | 0.1%        |
| 5-Year (2021-2025)     | 6.3%          | 6.1%             | 0.2%        |
| Since Inception (2017) | 6.9%          | 7.0%             | -0.1%       |

5-Year (2026-2030) projection based on current asset allocation and Callan's Capital Market Forecast is: 6.7%



**QUESTIONS**

