RAFTELIS

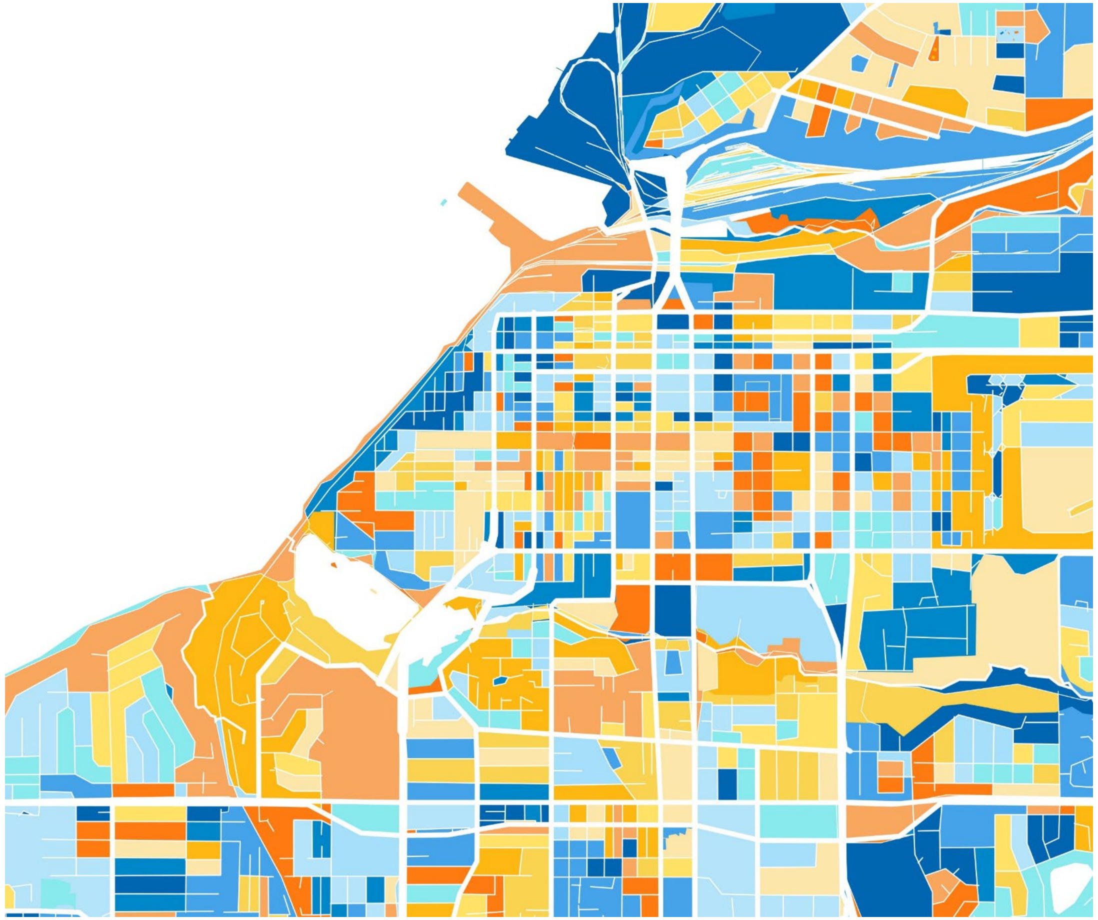
Municipality of Anchorage

2026 Solid Waste Rate Study Update

August 20, 2026

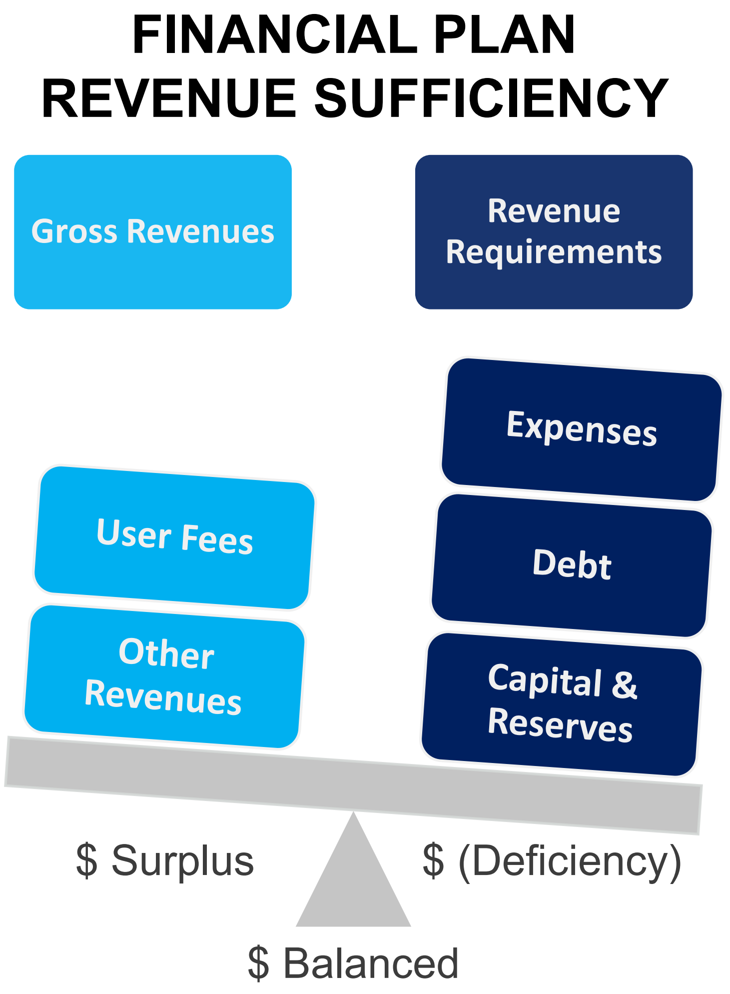
Background: Scope

- Raftelis Tasked with performing a Solid Waste Disposal and Collection Rate Study to:
  - Update the 10-year Forecasted Financial Models
  - Ensure we capture full cost-of-service based on best available data
  - Ensure operations are fiscally sustainable and achieve SWS and MOA financial objectives



Background: Methodology

- Data Driven Process:
  - Historical Billing and Operational Statistics
  - Historical & Budgeted Financial Data
  - Capital Improvement Plan
- Team Effort:
  - Worked closely with staff in development of the forecast

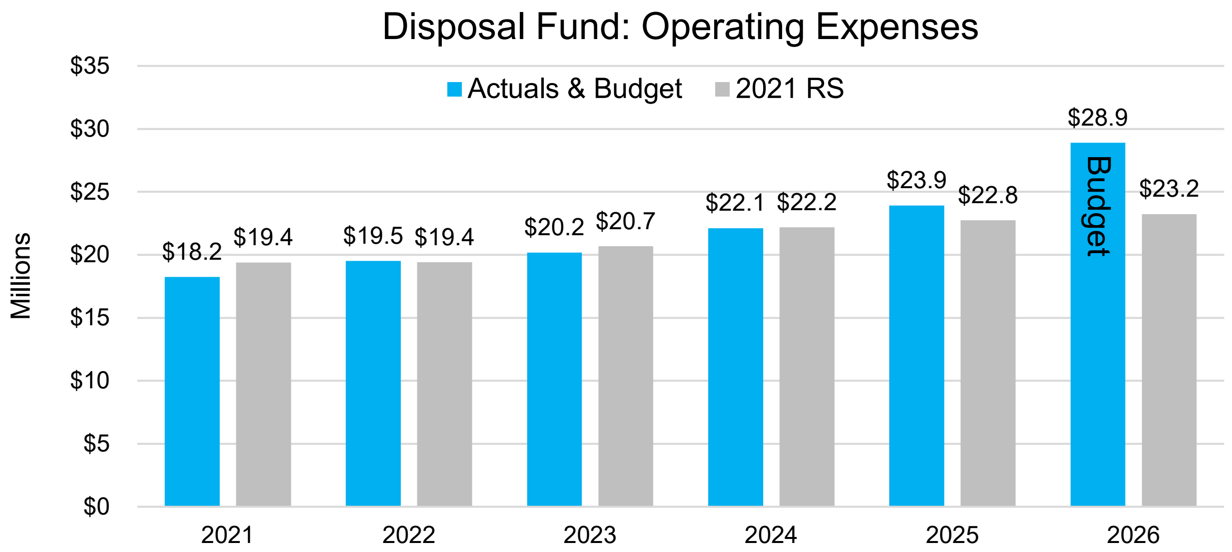


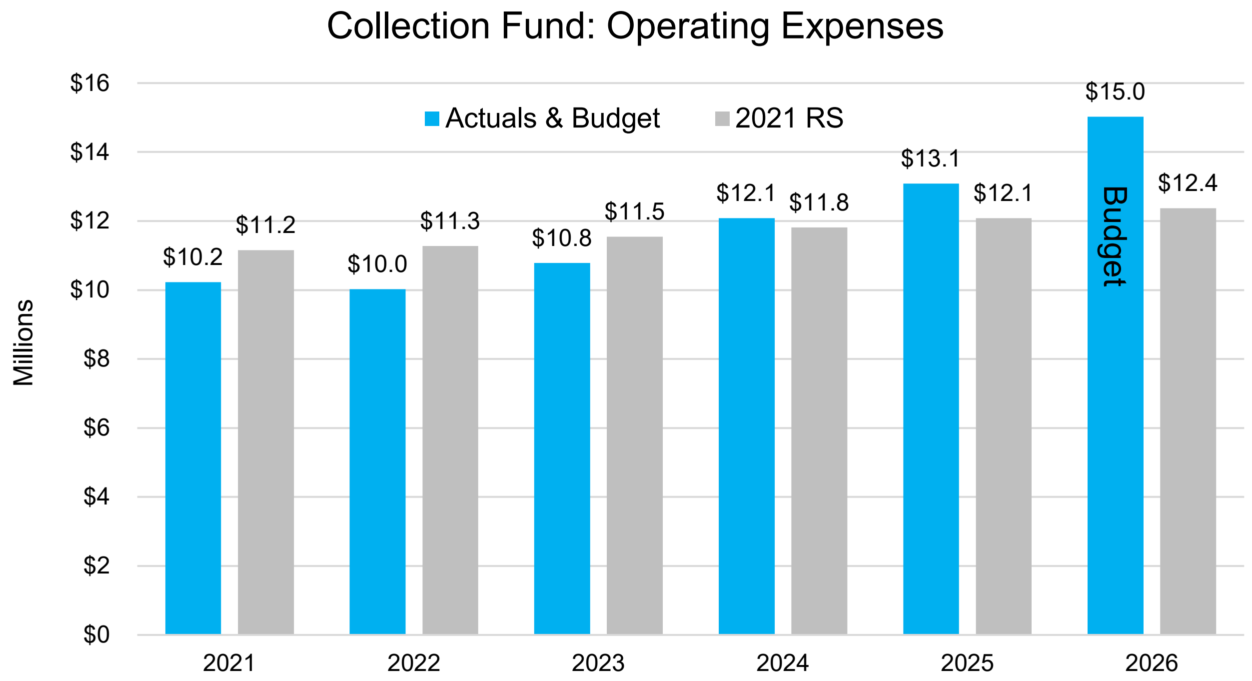
Background: Prior Study

- MOA commissioned initial Rate Study with Raftelis in 2021 (“2021 Rate Study”)
- Developed detailed 10-year financial forecast of Collection and Disposal Fund
  - Supported Transfer Station Funding Evaluation & Debt Issue
  - Resulted in Multi-year Rate Recommendations
- MOA commissioned an update to the 2021 Rate Study (“2026 Rate Study”)

Background: Changes Since Prior Study

- Disposal Fund Expenses Higher than Previously Forecasted
  - $5m shortfall
    - IGC - $900K
    - Salaries / Labor - $600K
    - Dividend / MUSA - $1.3M
    - Prof. Services - $3M
- Collection Fund Expenses Higher than Previously Forecasted
  - $2.6m shortfall
    - IGC - $600K
    - SWS Disposal - $1M
    - Dividend / MUSA - $1M





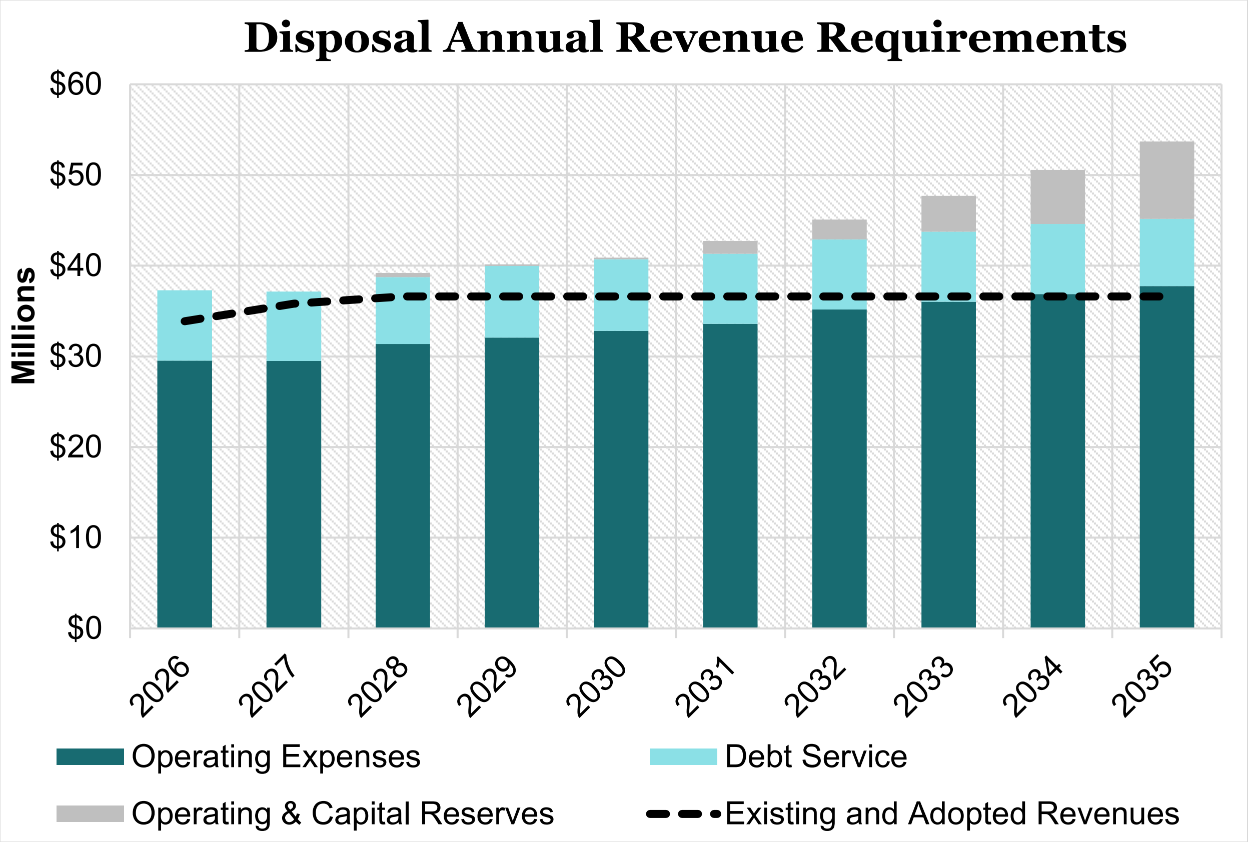
Please note that expenses shown are inclusive of MUSA + Dividends

Background:
Changes Since Prior Study

- Disposal Fund Capital Expenses
  - Merrill Field – $2.5M
  - Landfill Stormwater - $3M
  - Additional Equipment - $6M

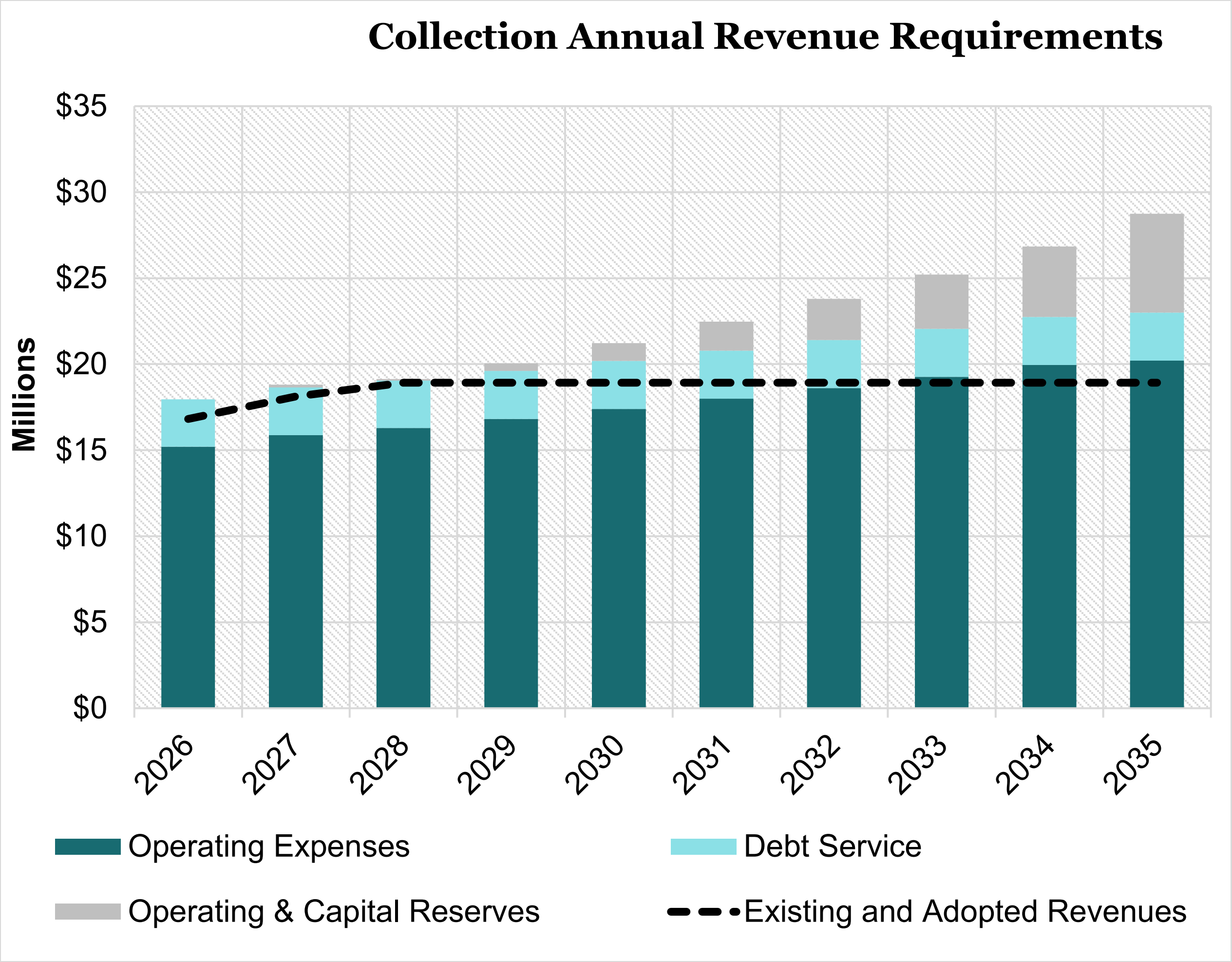
Findings: Disposal Fund Preliminary Forecasts

- SWS has approximately $50m in short term debt
  - Once refinanced it will increase the Disposal Fund Debt Service
- Near Term Capital Needs
  - Landfill Stormwater Diversion Project
  - Landfill Gas Piping Improvements
  - Landfill Leachate Evaporators
  - Merrill Field Leachate Collection Improvements
- Disposal Fund likely requires additional increases



Findings: Collection Fund Preliminary Forecasts

- Collection Fund is strong, likely can lower rate increases



Recommendations:

Reassess Rate Needs in 2027 & Consider Surcharge Change

- 2025 Audited Financials in Process
  - Unsure of actual cash position
- SWS new reporting systems to provide better tonnage data necessary for revenue and expense forecasting
- Adj. recycling and healthy spaces surcharge to be more equitable to small volume residential customers