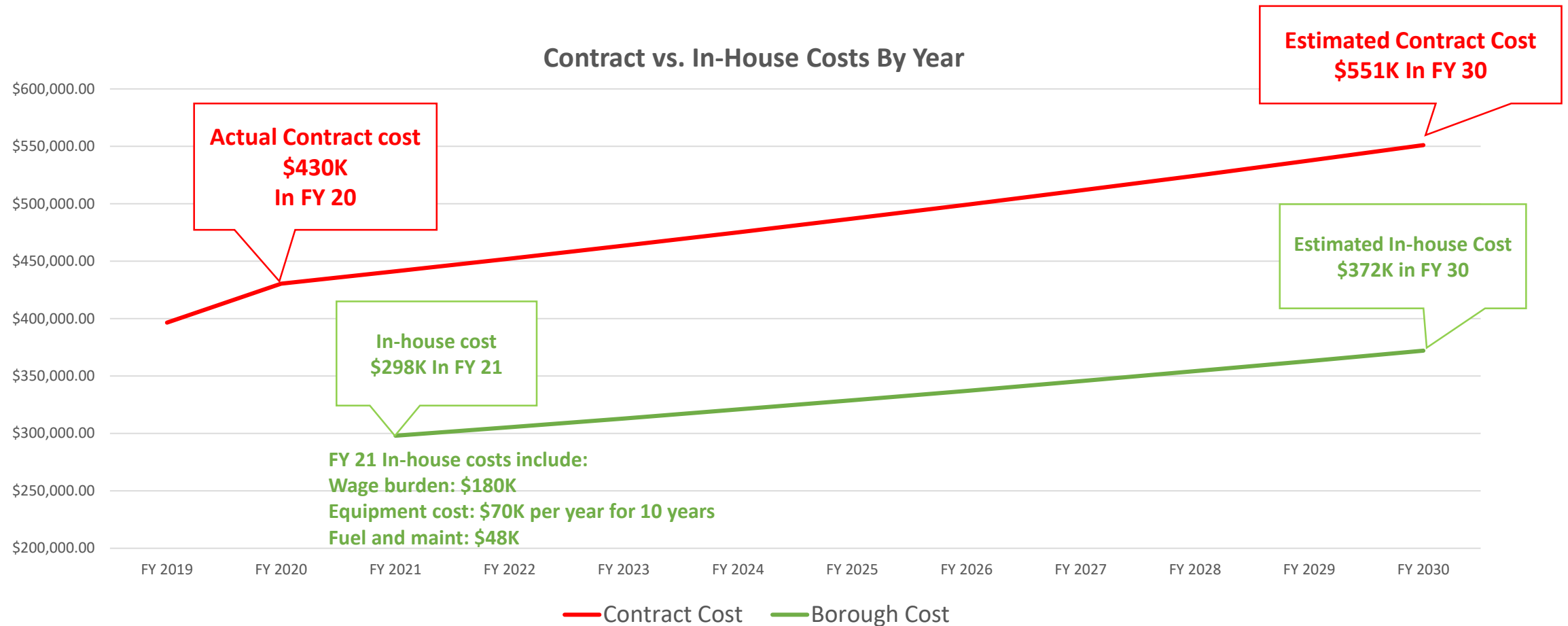


Waste Hauling Cost Comparison

In-house hauling **saves \$2.4 million** over 10 years



2019 – 2020 contracts costs are actual
Out year costs assume 2.5% growth

Return on Investment (ROI)

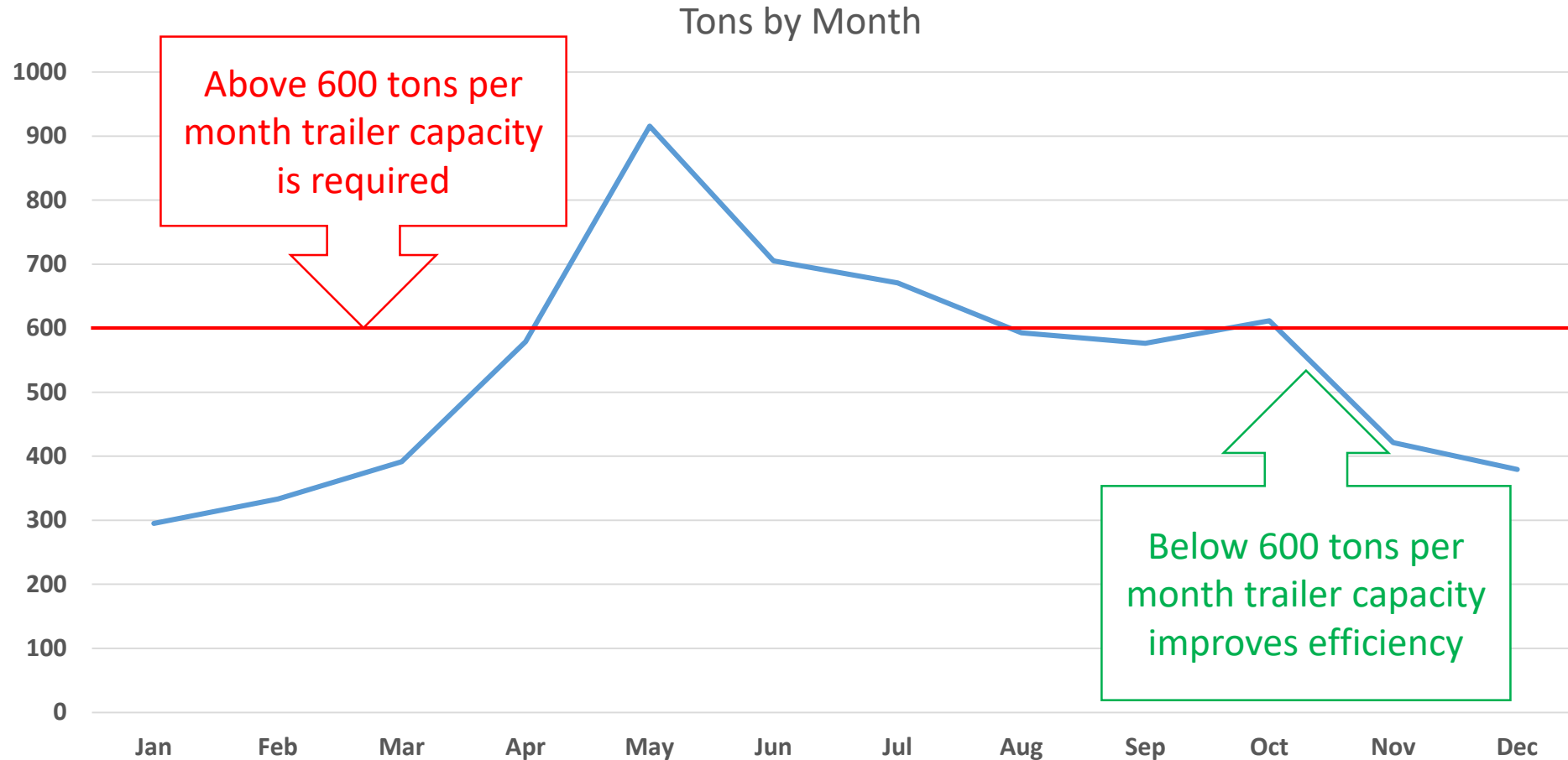
- Estimated contract cost over 10 years: \$5,770,222
- Estimated in-house cost over 10 years: \$3,338,608
- Net return: \$2,431,614
- ROI: 72.8%
- Actual equipment useful life is greater than 10 years
- ROI increases after depreciation is complete

Increased Efficiency and Capacity

- Use of a second pup trailer increases efficiency
 - 33% efficiency increase when 4 containers must be moved
 - 4 boxes can be moved simultaneously vs 3 boxes
 - Without additional trailer approx. 204 single pulls using roll off truck
- Peak demand occurs during spring and summer
 - Additional capacity is required to prevent transfer station closures
- Long trips to Denali Highway and Lake Louise Consume Capacity
 - Denali Highway is a 14 hour round trip
 - Lake Louise is 5.5 hour round trip
 - Servicing these sites leaves inadequate capacity for other transfer stations

Typical Monthly Waste Tons

Data from Fiscal Year 2020



Alternatives to Purchasing a Pup Trailer

- Add personnel and roll off truck needed to haul single containers
 - 1 employee
 - Cost per year: \$118K
 - Wage burden: \$90K
 - Additional truck and fuel cost: \$28K
- Contract for hauling service
 - Estimated cost: \$48.5K based on previous contract
 - Actual number may be higher because overhead is spread over fewer trips
- Close transfer stations until hauling can be accomplished
 - Reduced level of service to residents

Waste and Recycle Tons by Location Serviced with Pup Trailer

| | FY 2020 | | FY 2019 | | FY 2018 | | FY 2017 | | FY 2016 | |
|----------------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| <u>Transfer Site</u> | <u>MSW</u> | <u>Recycle</u> | <u>MSW</u> | <u>Recycle</u> | <u>MSW</u> | <u>Recycle</u> | <u>MSW</u> | <u>Recycle</u> | <u>MSW</u> | <u>Recycle</u> |
| Butte | 645.8 | | 812.3 | | 852.6 | | 838.7 | | 793.9 | |
| Clearwater MT | 20.1 | | 26.0 | | 22.3 | | 32.9 | | 15.3 | |
| Eureka | 58.9 | | 63.4 | | 92.4 | | 104.3 | | 74.0 | |
| Lake Lousie | 96.3 | | 77.4 | | 96.1 | | 82.8 | | 59.7 | |
| Long Rifle | 138.7 | | 176.2 | | 151.3 | | 141.1 | | 100.6 | |
| McLaren River | 15.7 | | 13.9 | | 16.2 | | 16.5 | | 9.9 | |
| PT McKenzie | 82.8 | | 78.0 | | 74.2 | | 52.1 | | 47.2 | |
| Sutton Transfer | 272.6 | 6.1 | 284.7 | 10.6 | 282.1 | 7.0 | 305.9 | | 254.3 | |
| Talkeetna | 703.8 | 32.6 | 738.0 | 34.0 | 602.2 | 30.8 | 571.5 | 24.2 | 412.9 | 13.9 |
| Trapper Creek | 194.7 | | 195.1 | | 167.1 | | 159.4 | | 122.7 | |
| Willow | 655.0 | 10.9 | 707.9 | 19.2 | 687.1 | 21.7 | 691.9 | 16.2 | 547.3 | 5.1 |