HORRY COUNTY SOLID WASTE AUTHORITY, INC
BOARD WORKSHOP
February 10, 2026

A Board Workshop was held on February 10, 2026, at 2:00 P.M. at the SWA's Administrative Office, 1886 Highway 90, Conway, South Carolina. In accordance with the Solid Waste Authority's policy, notices setting forth the date, time, and place of the meeting were mailed to the news media.

Present were the following Board Members: Robert J. Kemp, Chairman; Pam J. Creech, Vice Chairman; W. Norfleet Jones, Secretary; Amos C. Berry, Sr., Treasurer and Board Members Bo Ives, Dr. Albert G. Hayward and Wayne Fox.

Horry County Administrator Barry Spivey, Wayne Beam and Tom Ballou of Beam Associates, Craig Fortner with Garrett & Moore Engineering, Attorney Henrietta Golden of Burr & Forman, Becky Ryon from Coastal Conservation League, Amelia Wood and several other attendees represented the public in attendance. Ruth Cronin from The Post and Courier Magazine, Nicole Blevins from The Sun News and Kara Risku from WPDE News 15 represented the media in attendance.

The following individuals were also in attendance: Danny Knight, Executive Director; Ed Marr, Assistant Executive Director; Esther Murphy, Director; Jan Bitting, Director; Stephanie Todd, Director; Richie Stetter, Director and staff members Chris Calhoun, Trina Cooke and Monica Collier.

CALL TO ORDER

Chairman Kemp called the meeting to order and asked Mr. Ives to render the invocation.

PLEDGE OF ALLEGIANCE

Mr. Jones led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mr. Berry moved to approve the Agenda as presented. There was a second by Mr. Jones and the Motion was carried.

LANDFILL EXPANSION PROJECT

Chairman Kemp opened the meeting with the first agenda item; the Landfill Expansion Project.

Mr. Knight informed the Board that this workshop was a pre-budget workshop. He said that the SWA held two previous workshops, and he believed they were beneficial to the budget process. Mr. Knight advised the Board that Mr. Fortner from Garrett & Moore Engineering would provide an update on the closure and post-closure accounts and the steps used to determine appropriate tipping fees. Mr. Knight asked Mr. Fortner to come forward.

Mr. Fortner presented a PowerPoint presentation outlining the relevant information for review. This presentation is attached to and made a part of these minutes.

Mr. Fortner informed the Board that he had worked with the SWA since approximately 2001, assisting with planning projections and landfill expansion projects.

Mr. Fortner stated that Mr. Knight asked him to review the projections, their purpose, and the methods used to develop them. Mr. Fortner said that he would also address long-term planning, landfill capacity, capital budgeting, and funding rate analysis.

Mr. Fortner explained that the tipping fee represented the entire funding structure and supported a number of SWA programs. He stated that this presentation focused solely on the capital reserve funding rate, which was only one portion of the overall tipping fee. Mr. Fortner added that while the SWA does not evaluate the full tipping fee each year, it does review the capital funding rate annually.

Mr. Fortner said that after the presentation, he hoped everyone would gain an overview of the disposal phases and associated capacity projections, the capital budget development process, and the capital planning and funding rate allocation methodology that was used as a planning tool.

Mr. Fortner explained that there were three types of disposal phase capacity. He stated that the first was the constructed phase, which was permitted, built, and presumably operational. He said that constructed phase capacity was highly reliable as well as tonnage associated with that disposal volume. He then described the second type as permitted but unconstructed future phase capacity, which also represented highly reliable disposal volume and associated tonnage.

Mr. Fortner said the final type was the conceptual phase, which reflects the SWA's effort to define a future phase that may meet regulatory approval. He explained that certain assumptions were made based on regulations and other factors and emphasized that no permits for this type of phase had been applied for or approved. Mr. Fortner stated that approval of the conceptual phase may require refinement, which could affect the projected disposal volume. Mr. Fortner reported that, while some uncertainties exist, the projected disposal volume and associated tonnage remain reasonably reliable.

Mr. Fortner stated that the process moved from volume to tonnage and then to a schedule projection. He explained that the first step was to determine the number of tons remaining in each phase. He said that each phase had a remaining airspace value, and that airspace was converted into volume using the airspace utilization factor. Mr. Fortner said that projected tonnage was then calculated based on historic tonnage and an applied growth rate for future years. He said by dividing the tons in place by the projected tons expected over the life of the landfill, the projected life of each phase was determined. Mr. Fortner said that this process produces the capital improvement schedule, which was used to determine the year in which each capital project must be completed to ensure uninterrupted disposal capacity.

Mr. Fortner informed the Board that the table shown in the presentation represented an example of a phase projection schedule. He clarified that the example used in the presentation was not based on the SWA landfill but was provided solely for illustration. Mr. Fortner said that the model calculated the percentage of capacity utilized, projects the year in which each phase would reach capacity and identified the corresponding year in which construction of the next phase must begin to ensure the SWA can continue providing uninterrupted disposal capacity.

Mr. Fortner stated that the next step was determining the cost of each capital improvement project. He explained that he and staff begin working together each November to review the budgets, evaluate what was projected in the previous table, and start assigning dollar figures to the projected projects.

Mr. Fortner explained that two types of budgets were being prepared. He stated that permitted project budgets were typically based on detailed opinions of probable cost and when designs were permitted with a well-defined construction scope supported by recent construction data. He stated staff could develop a strong estimate for the next phase of construction or the upcoming capital project. He explained that the farther out you look in the planning horizon, the less precise the estimates become.

Mr. Fortner stated staff prepared conceptual budgets, which were planning-level costs typically based on cost-per-acre development. Mr. Fortner added that all improvement budgets incorporate inflation factors to project the cost for the year in which the capital budget will be needed. During his presentation, Mr. Fortner provided an overview of a typical five-year budget. He emphasized that again, the projected budgets were presented as an example, and not reflective of the SWA's program. He explained that the bold items represented the major landfill development projects projected in the earlier steps, while the non-bold items reflected additional projects that arise in between and must also be funded.

Mr. Fortner stated that, in the example, the next future phase of construction was needed in 2027. He explained that the cost estimate was prepared in 2026 and then inflated to reflect the projected cost in the year the work would be required. He stated that this approach becomes especially important for landfill closure and post-closure planning. Mr. Fortner added that the approved closure and post- closure estimates must be updated annually using an inflation factor specified by SCDES and projected forward to the anticipated year of closure, incorporating future value calculations based on an assumed interest rate.

Mr. Fortner stated once the landfill was filled, it was essential to ensure that sufficient funds were available to close the landfill and to provide the required minimum 30 years of post-closure care. He explained that this information was used to develop a funding rate, and that the model was designed to calculate a proposed rate in dollars per ton over the capital improvement schedule to support the capital improvement budgets. Mr. Fortner informed the Board that the proposed funding rate was expressed in today's dollars and increased annually based on an inflation factor applied throughout the schedule. Mr. Fortner explained that this funding may not fully cover all capital budgets in the improvement schedule, however, the model was designed to set a proposed funding rate that would fully fund closure and post-closure obligations before the landfill's remaining capacity was exhausted. He noted that once capacity was depleted, the landfill no longer collects tipping fees and therefore has no additional funding capability. Mr. Fortner said that by the time closure was reached, all necessary funds must already be in the bank to cover these costs

Mr. Fortner explained that the pie chart in the presentation reflected two distinct figures. He stated that the tipping fees represented the entire pie, while the required funding rate for capital projects represented only a portion of it. He stated when he and staff work together to recommend a funding rate, they are not recommending a tipping fee, rather, they are recommending the portion of the tipping fee that should be withheld to fund capital projects, with the tipping fee itself determined by other factors.

Mr. Knight asked Mr. Fortner to explain the terms footprint and airspace. Mr. Fortner responded that the footprint refers to the disposal area on the ground, while airspace was the volume of disposal capacity that the footprint provides. Mr. Knight stated that the more airspace you could create, the longer the landfill's lifespan.

Mr. Knight asked Mr. Fortner to explain closure and post-closure costs. In response to Mr. Knight's previous question, Mr. Fortner explained that disposal capacity was permitted based on both area and volume, and that landfill operations aim to maximize the number of pounds placed into each cubic yard of airspace. He stated that this airspace utilization factor (AUF) reflected how efficiently the landfill was compacting waste and said the higher the AUF, the more pounds per cubic yard, and ultimately the more tons that could be placed within the permitted capacity.

Mr. Fortner explained that, with respect to closure cost, once the final load of waste was received, the SWA or any landfill owner was obligated to close the landfill using a permitted closure system. He stated that cost estimates for the required financial assurance must be submitted to DES, evaluated annually, and adjusted for inflation to demonstrate that sufficient funds would be available at closure, when no additional revenue could be generated.

Mr. Fortner further explained that post-closure care included maintaining the closure system, conducting environmental monitoring, and performing miscellaneous repairs to landfill infrastructure, such as the gas collection system, for a minimum of 30 years after closure. He noted that these post-closure cost estimates must also be reviewed and updated each year to ensure the system remains adequately funded and functional.

Mr. Knight asked Mr. Fortner how long post closure activities must continue. Mr. Fortner responded that the requirement was 30 years.

Ms. Creech asked whether drainage and leachate were monitored. Mr. Fortner confirmed that they are. She then asked whether these systems were contained within the existing landfill footprints and continually inspected by DES. Mr. Fortner responded that was correct. He added that post-closure care included groundwater and surface-water monitoring for 30 years and potentially monitoring stormwater discharges depending on the activities occurring at the facility after landfill closure.

Ms. Creech asked whether these requirements were mandated by county, state, or federal regulations.

Mr. Fortner responded that they are.

Mr. Fox asked where the 30-year requirement originated. Mr. Fortner explained that it was a statutory requirement based on federal standards.

Mr. Ives asked whether the SWA must continue submitting status reports throughout the 30-year period and whether the requirement could be extended. Mr. Fortner confirmed that the 30 years was a minimum.

Mr. Ives asked if the SWA should be concerned about the facility continuing to produce gas and leachate in the future. Mr. Fortner said it was difficult to predict given the number of years between the current permitted operations and the projected closure date in 2051. He said, based on recent monitoring results, the level of concern was relatively low.

Mr. Ives asked Mr. Fortner about his experience with landfill closures and whether they are typically resolved within the 30-year period. Mr. Fortner responded that the landfills he had worked on had exceeded the 30-year requirement and continued to be monitored. He explained that this does not necessarily indicate a problem, rather, DES often continued monitoring because it had not determined

that monitoring can safely end. Mr. Fortner stated that it was rare for a facility to be released from groundwater monitoring or other post-closure obligations. He added that facilities extending beyond 30 years were not doing so because of specific issues but because monitoring was still required.

Mr. Ives then asked whether decomposition would continue beyond the 30-year period. Mr. Fortner confirmed that it would, saying that landfills would continue to settle over time.

Chairman Kemp asked Mr. Fortner how long he had been conducting this program. Mr. Fortner confirmed that Garrett & Moore staff, under various organizational names, had been performing the work for the SWA since 1998, including environmental monitoring, program planning, permitting, and related activities.

Chairman Kemp asked Mr. Fortner to confirm whether he had been responsible for that work and that the SWA had funded those efforts as required. Mr. Fortner explained that each year, as part of the budget process, they evaluated the upcoming five-year period while also considering what lies beyond that window.

Chairman Kemp asked whether the SWA's current projections were based on the landfill cells already approved. He also asked whether, once permission was granted for an expansion, could Mr. Fortner incorporate the expansion area into the model. Mr. Fortner confirmed that he would, adding that all fees associated with expansion of a new project could be integrated into the model, which provides significant flexibility.

Mr. Ives asked Mr. Fortner whether the closer the SWA gets to closure, the more deliberate his attention must be to the factors the SWA needed to consider. Mr. Fortner responded, that was correct.

Ms. Creech asked whether these requirements were mandated by county, state, or federal regulations. Mr. Fortner responded, they were.

Mr. Knight asked Mrs. Todd to discuss groundwater and surface water monitoring. Mrs. Todd stated that the SWA used a third-party contractor to conduct groundwater monitoring, and that this work was coordinated through Garrett & Moore. Mr. Knight informed the Board that the SWA was not involved in testing the groundwater. Mrs. Todd reported that if there were a qualifying event, the SWA collected stormwater samples when a discharge occurs at a particular outfall. She stated that the SWA had designated outfalls for which annual sampling was required, as well as additional outfalls with benchmark monitoring requirements, which are primarily associated with closed areas. Mrs. Todd explained that these benchmarks outfalls have a more limited set of parameters that must be sampled.

Chairman Kemp asked if the SWA received permission to expand, would the agency continue the same monitoring program in the expanded areas. Mr. Knight responded yes. Mr. Knight informed the Board that the SWA undergoes monthly inspections and must comply with all federal guidelines. General discussion ensued.

Mr. Knight asked Mrs. Bitting how much money the SWA has allocated for closure and post-closure. Mrs. Bitting reported that the amount was approximately $27 Million.

Mr. Knight asked Mr. Fortner how the SWA determined the compaction rate using the aerial flight. Mr. Fortner explained that each year an aerial survey was conducted over the active disposal area to determine how much volume had been consumed over the previous 12 months. He stated that by comparing this volume change with the tonnage records from the scale house reflecting how many tons were received and placed in the landfill during that period, the SWA could calculate the annual airspace utilization factor (AUF). Mr. Fortner added that this process also allowed the SWA to evaluate the remaining capacity in each phase.

Mr. Ives asked Mr. Fortner how the permit system works. Mr. Fortner advised the Board that the facility was covered under the NPDES stormwater general permit for industrial facilities. He explained that this permit allowed the discharge of clean, non-contaminated runoff from the facility, and compliance was demonstrated through quarterly benchmark sampling for certain parameters at designated outfalls, as well as annual analytical sampling at others.

Mr. Fortner stated that the SWA was permitted under this general permit to discharge stormwater runoff but not landfill leachate. He reported that leachate was the liquid that was collected at the bottom of the landfill and it could not be discharged under the general permit. Mr. Fortner stated that leachate was pretreated in onsite storage tanks and then discharged to Grand Strand Water and Sewer.

Mr. Ives stated that he was concerned about stormwater runoff from the SWA and asked whether each project the SWA undertakes must maintain the same standards. Mr. Fortner responded that the SWA's continued coverage under the industrial stormwater permit was contingent upon an annual review and update. He explained that any new expansion or operational changes were incorporated into that annual review, and the monitoring and reporting procedures are adjusted accordingly.

Mr. Knight asked Mr. Fortner to explain the difference between runoff and leachate. Mr. Fortner explained that runoff occurs when rainfall hits the facility and flows over areas that do not come into contact with Class 3 Waste such as areas with daily cover, intermediate cover, or final cover in the Class 3 landfill. He stated that this clean stormwater was permitted for discharge under the industrial stormwater permit.

Mr. Fortner further explained that any stormwater or rainwater that comes into contact with Class 3 Waste or MSW becomes leachate, which cannot be discharged into the environment. Mr. Fortner stated that leachate was collected through the landfill's leachate collection system, pumped to onsite storage tanks, pretreated, and then sent to Grand Strand Water & Sewer. He said that water contacting Class 3 Waste was classified as leachate and was handled entirely differently from stormwater which was allowed to be discharged under the IGP.

Mr. Knight asked how many gallons of leachate was pumped each day. Mrs. Todd reported that the amount was roughly 60,000 gallons per day.

Ms. Creech commented that the SWA must meet the same stormwater rules and regulations as any housing development in the county.

Mr. Knight asked Mr. Fox to speak about the new project in Marion County. Mr. Fox stated that they are in the process of constructing a new data center and were asked to install a new stormwater system

for the building, which was approximately 650,000 square feet. General discussion followed regarding stormwater runoff in Marion County.

BONDING OVERVIEW

Mr. Knight introduced Horry County Administrator Barry Spivey and asked him to provide an overview of bonding.

Mr. Spivey presented a PowerPoint presentation outlining the relevant information for review. He also indicated that a significant portion of his examples would be based on information carried out within Horry County. A copy of this presentation is attached to these minutes

Mr. Spivey explained that the County's capital planning process spans ten years; however, the SWA's planning horizon was longer because it must account for landfill closure and post-closure requirements.

Mr. Spivey stated that bonding was used as a mechanism to spread costs over an asset's useful life. He explained that there were several types of bonds, including general obligation bonds, revenue bonds, and installment purchase agreements. He said that there were multiple ways to structure potential financing to meet the needs of the SWA while ensuring cost efficiency.

Mr. Spivey further explained that infrastructure funding follows a similar approach. He referenced programs such as the capital project sales tax or transportation tax, which generated the revenue needed to address large-scale construction projects. Mr. Spivey informed the Board that even within those programs, financing was still necessary because projects of the magnitude of Highway 90 estimated at approximately $700–$800 Million could not be completed as a single cash-funded project. He stated that the normal cash flow could not be provided upfront to undertake a project of that size.

Mr. Spivey explained that, in most cases, a financing component was necessary to address larger capital needs and to spread costs over time. He stated that bonding provided the opportunity to distribute costs across future users and said that certain legal requirements must be followed. Mr. Spivey stated that bonding must serve a public purpose, must relate to a corporate purpose for which the entity was responsible, and must comply with general law. He added that the Board must take formal action to authorize the issuance of bonds in a tax-exempt manner.

Mr. Spivey then discussed revenue bonds, explaining that if the SWA chooses to borrow funds through this method, repayment was based on the fees collected. He informed the Board that this approach was typical for the SWA and for Grand Strand Water & Sewer, Authority, which used revenue bonds for major improvements such as line expansions and water and sewer treatment plant upgrades. He said these bonds were typically issued for 25 to 30 years and are secured by system revenues. Mr. Spivey indicated that this process required a rate model and noted that the SWA already had the necessary structure and processes in place to support such financing.

Mr. Spivey explained that, although the County does not have a legal debt limit, any such debt must remain consistent with state requirements and cannot exceed four years. He stated that this limitation was established under South Carolina law.

Mr. Spivey explained that there were three phases involved in the assurance of debt. He stated that the first phase was the planning phase, which he believed was the stage the SWA was currently considering.

He indicated that the SWA relied on its professional staff to determine what was needed and to develop preliminary cost estimates.

Mr. Spivey stated that the County hired financial advisors, who played a specific and important role in the financial community by helping to structure and prepare debt for issuance in the market. He stated that the County used a firm called PFM, selected through a competitive request-for-proposal process in which multiple firms responded. Mr. Spivey stated that PFM was chosen because it was determined to be the most favorable to the County based on performance and capability.

Mr. Spivey stated that the SWA would also need to engage bond counsel, an attorney who specialized in public finance. He explained that the financial analysis would include a review of historical revenues, the SWA's rate study, projected costs, and the repayment structure. He said that the SWA would need to establish an appropriate debt-service coverage ratio and determine which financing option would provide the most advantageous terms to meet its capital needs.

Mr. Spivey added that the issuance of debt required formal authorization and the Board would need to approve the financing, and, under the SWA's bylaws, County Council must also grant its consent. He said that one provision of the bylaws specifically requires County Council approval for any financing action. Mr. Spivey further explained that the SWA would need to adopt a reimbursement resolution, which allows the organization to recover eligible expenditures made prior to issuing the debt. This mechanism enables the SWA to incur necessary costs upfront and later reimburse itself once financing is secured through the market.

Mr. Spivey explained the issuance phase, noting that it was more detailed and specific than the planning phase, which can take a considerable amount of time. He stated that during the issuance phase, the organization enters the process of marketing the bonds. In the case of the SWA, revenue bonds are typically taken to market with the assistance of an underwriter, who helps market the bonds and was compensated for that service. Mr. Spivey provided Wells Fargo Securities as an example of an underwriter.

Mr. Spivey stated that underwriters were selected through a solicitation process, and the SWA would choose the firm deemed most capable of handling the issuance. Mr. Spivey added that the next step involved drafting a preliminary official statement, which provided detailed information about the SWA. He also stated that the bonds must be rated, typically by agencies such as Standard & Poor's, (S&P) or Fitch. He said the SWA would select one or more of these agencies, which would review the financing plan and assign a rating.

Mr. Spivey stated that, following the rating process, the next step was to sell the bonds. He explained that a preliminary offering statement was prepared and then finalized to include the debt-service covenant, continuing disclosure requirements, and the selection of a trustee, if one was required. He noted that the bonds were then offered for public sale through a competitive bid process. Mr. Spivey added that the financial markets now provide an electronic platform for this process, allowing participants to view bids in real time. He also stated that filings with the SEC were required when issuing debt in the public market.

Mr. Spivey informed the Board that there was a third phase post-issuance compliance which required the SWA to provide annual reports and make audits publicly available, particularly for bondholders. He

explained that rating agencies would continue to request information periodically to ensure the organization was adhering to its financial plan, and that any significant events must be reported to the market. He also stated that IRS arbitrage requirements apply.

Mr. Spivey added that an important consideration when pursuing financing was whether to fund 100 percent of a project's cost through debt. He said while this was possible in some cases, he indicated it was not always the most advisable approach.

Mr. Spivey stated that this was the standard process utilized by most entities and informed the Board that the SWA was in a particularly strong and enviable position compared to many organizations. He explained that, given the size of the construction projects the SWA was considering, it was reasonable to explore financing options that would allow the costs to be spread over time and allocated to the future users who would ultimately benefit from those improvements.

Mr. Ives asked Mr. Spivey how the SWA should proceed in order to obtain a strong credit rating. Mr. Spivey responded that the financial advisor was responsible for preparing the necessary materials and coordinating calls with the rating agencies.

Mr. Fox asked about the expected timeframe for obtaining the rating. Mr. Spivey responded that the middle phase of marketing the bonds and completing the necessary preparations typically takes four to six months, stating that the process does not occur overnight. Mr. Spivey stated that the process involved several steps, stating that it required Council approval through a three-reading ordinance. He explained that each of those actions must be completed as part of preparing the preliminary offering statement and conducting the credit analysis, a process that typically spans approximately six months.

Mr. Fox asked whether the SWA would need County approval to obtain a loan or issue a bond, and whether that approval would require three readings. Mr. Spivey responded that he was not certain of the exact process but did not believe the bylaws specify a particular method of approval only that approval was required. He added that, in theory, the approval could be granted through a resolution. Mr. Fox asked Mr. Spivey if he could get that question answered.

Ms. Creech asked Mr. Spivey, as County Administrator, whether he was aware that the SWA was meeting stormwater requirements and all related regulations, noting that the County would not allow otherwise. Mr. Spivey responded affirmatively.

Mr. Ives commented to Mr. Spivey that the information he presented demonstrated the significant amount of work that had gone into building the system the SWA has today, as well as the financing structure he had developed for bonding.

Mr. Ives asked Mr. Spivey whether legislation placed a cap on the amount Horry County can bond. Mr. Spivey explained that the limit was set at 80% of the County's assessed value. He added that County Council had chosen to further reduce that limit to 75%, reserving the remaining 25% as protection in the event of a major storm or other significant impact. He said that this reflected a long-term, disciplined financial approach.

Chairman Kemp expressed his appreciation to Mr. Spivey for his time.

MOTION FOR EXCUTIVE SESSION

Motion for an Executive Session for the purpose of receiving a legal briefing was made by Mr. Jones. Ms. Creech gave a second, and the Motion was carried unanimously.

The Board went into Executive Session at 3:00 P.M.

MOTION TO COME BACK OUT OF EXCUTIVE SESSION AND BACK INTO OPEN SESSION

At 3:42 P.M. a Motion was made, seconded, and carried that the Board come out of Executive Session and back into open session.

STATEMENT FOR THE RECORD

Chairman Kemp asked for the record to reflect that the Executive Session was held for the purpose of receiving a legal briefing. He informed the group that no votes or action was taken in the Executive Session.

MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Berry moved, seconded by Mr. Fox, to adjourn the meeting. The Motion was carried** and the SWA Board Workshop was adjourned at 3:47 P.M.

Minutes approved on February 24, 2026.

HORRY COUNTY SOLID WASTE AUTHORITY, INC

BY: _____ (L. S.)
Robert J. Kemp, Chairman

ATTEST:

_____ (L. S.)
W. Norfleet Jones, Secretary

_____ (L. S.)
Amos C. Berry, Sr.

_____ (L. S.)
Pam J. Creech

_____ (L. S.)
Wayne Fox

_____ (L. S.)
Dr. Albert G. Hayward

_____ (L. S.)
Bo Ives

Landfill Projection

Planning Ahead: Landfill Capacity, Capital Budgeting, and Funding Rate Analysis

Presented to:
Horry County Solid Waste Authority, Inc.
Board of Directors

February 10, 2026

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Definitions

- Disposal Phase: A distinct unit of landfill development.
- Capacity: Maximum amount of airspace, typically expressed in cubic yards (CY), that a disposal phase can hold.
- Airspace Utilization Factor (AUF): The observed weight of waste per unit volume of landfill airspace consumed, typically expressed in lb/CY. Used to convert airspace to tonnage.
- Tipping Fee: The dollar amount charged per ton to place waste in the disposal phase, typically expressed in $/ton.
- Capital Reserve Funding Rate: The dollar amount per ton from Tipping Fees designated to fund capital reserve projects, $/ton.

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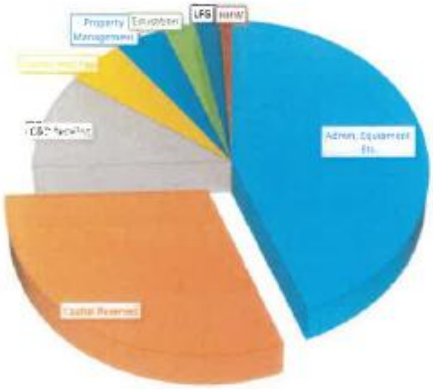
Tipping Fee vs Capital Reserve Funding Rate



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Presentation Goals

OVERVIEW OF DISPOSAL PHASES AND ASSOCIATED CAPACITY PROJECTIONS

OVERVIEW OF CAPITAL BUDGET DEVELOPMENT PROCESS

OVERVIEW OF CAPITAL PLANNING AND FUNDING RATE ALLOCATION METHODOLOGY

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Disposal Phase Capacity

- Three Types of Disposal Phase Capacity
  - Constructed Phase Capacity
    - Highly Reliable Disposal Volume and Associated Tonnage
  - Permitted Unconstructed Future Phase Capacity
    - Highly Reliable Disposal Volume and Associated Tonnage
  - Conceptual Phase Capacity
    - Best Attempt to Define a Phase that will Meet Future Approval
    - No Permits Applied for or Approved
    - Approval of Conceptual Phase May Require Refinement
    - Phase Refinement Could Impact Disposal Volume
    - Reasonably Reliable Disposal Volume and Associated Tonnage

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Capital Improvement Schedule Projection

- Determine Tons Remaining by Phase
  - Each Phase Has Remaining Airspace
  - Remaining Airspace Converted to Tons Using Airspace Utilization Factor (AUF)
- Project Tonnage to be Received Over Planning Period
  - Based on historic tonnage and a growth rate applied to future years
- Determine Projected Remaining Life of Each Phase
- Capital Improvement Schedule Projection is used to determine the year each capital project is required to provide uninterrupted, ongoing capacity.

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Capital Improvement Schedule Projection Example

Phase	Acres	Total Phase Capacity [CY]	Remaining Phase Capacity [July 1, 2025] [TN]	Accumulated Remaining Capacity [July 1, 2025] [TN]	% Airspace Utilized	Projected Construction Year	Projected Full Capacity Year
Permitted and Constructed Phase(s)	24.5	4,000,000	335,775	335,775	86.3%		2026
Permitted Future Phase 5	15.0	2,400,000	1,465,200	1,800,975	0.0%	2027	2037
Permitted Future Phase 6	10.0	2,980,000	1,770,450	3,571,425	0.0%	2036	2046
Conceptual Phase 1	20.0	2,000,000	1,221,000	4,792,425	0.0%	2046	2052
Conceptual Phase 2	20.0	2,500,000	1,526,250	6,318,675	0.0%	2051	2058
Conceptual Phase 3	20.0	2,500,000	1,526,250	7,844,925	0.0%	2057	2063
Conceptual Phase 4	20.0	3,000,000	1,831,500	9,676,425	0.0%	2062	2069
Closure	105.0	19,300,000	9,676,425		17.9%	2070	
Annual Post Closure						2071	

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Capital Improvement Budget Development

- Capital Improvement Budgets reviewed annually with Staff
- Capital Improvement Budgets predicted in today's dollars
  - Permitted Project Budgets are typically based on detailed Opinions of Probable Costs (OPCs)
    - Permitted design
    - Defined scope of construction
    - Recent observed construction costs
  - Conceptual Project Budgets are planning-level costs and typically based on per-acre development costs
- All Capital Improvement Budgets utilize an inflation factor to predict future cost for the year the Capital Improvement Budget is required.

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Capital Improvement Budget Development Example

Reserve Account Project Descriptio	2026 $'s Amount	Year Needed	Future Value
Project 2027-1	$ 1,200,000	2027	$ 1,224,000
Project 2027-2	$ 500,000	2027	$ 510,000
Project 2027-3	$ 250,000	2027	$ 255,000
Project 2027-4	$ 1,000,000	2027	$ 1,020,000
Permitted Future Phase 5 Construction	$ 6,843,000	2027	$ 6,979,860
Project 2028-1	$ 2,100,000	2028	$ 2,184,840
Project 2028-2	$ 650,000	2028	$ 676,250
Project 2028-3	$ 200,000	2028	$ 208,080
Project 2028-4	$ 150,000	2028	$ 156,060
Project 2029-1	$ 925,000	2029	$ 981,617
Project 2029-2	$ 2,850,000	2029	$ 3,024,443
Project 2029-3	$ 225,000	2029	$ 238,772
Project 2030-1	$ 250,000	2030	$ 270,000
Project 2030-2	$ 1,400,000	2030	$ 1,512,000
Project 2030-3	$ 2,000,000	2030	$ 2,160,000
Project 2031-1	$ 2,000,001	2031	$ 2,200,163
Project 2031-2	$ 1,230,000	2031	$ 1,353,151
Permitted Future Phase 6 Construction	$ 4,860,000	2036	$ 5,924,313
Conceptual Phase 1 Expansion Construction	$ 5,725,000	2045	$ 14,158,205
Conceptual Phase 2 Expansion Construction	$ 5,725,000	2045	$ 14,158,205
Conceptual Phase 3 Expansion Construction	$ 5,725,000	2051	$ 15,944,936
Landfill Closure	$ 28,480,000	2070	$ 70,267,962
Landfill Post-Closure (Annual Cost, 30-Yr	$ 210,000	2071	$ 965,143

9

Funding Rate Allocation Modeling

- Model is designed to determine a proposed funding rate ($/ton) over the projected Capital Improvement Schedule to fund Capital Improvement Budgets
  - Proposed funding rate is determined in today's dollars and increases annually with inflation factor over the Capital Improvement Schedule
- The proposed funding rate may not fully fund capital budgets on the Capital Improvement Schedule
- Model is designed to set the proposed funding rate to fully fund Closure and Post-Closure prior to all capacity being exhausted

10


Questions?

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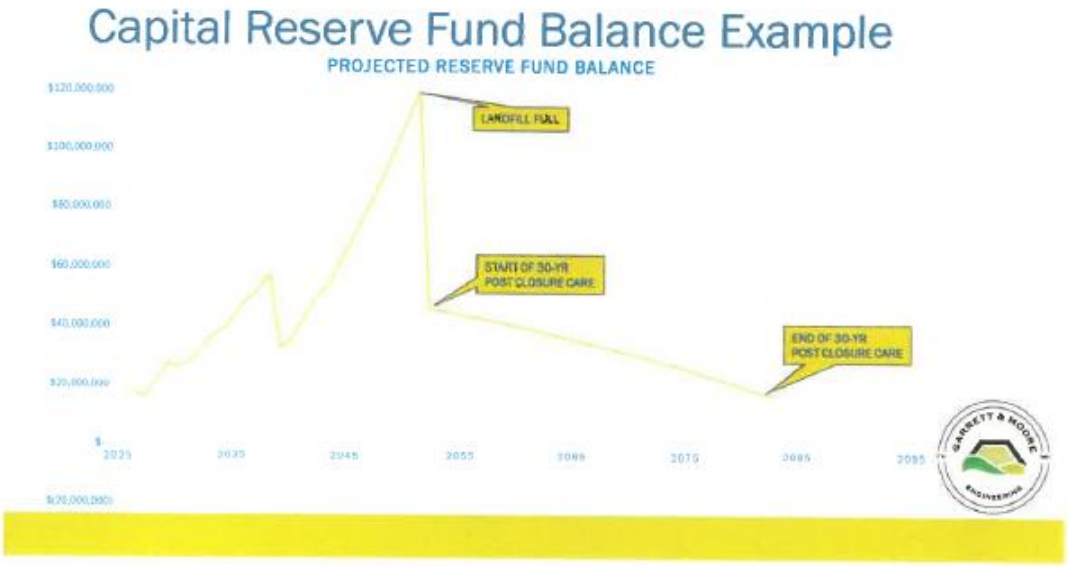
Capital Reserve Fund Balance Example
PROJECTED RESERVE FUND BALANCE
LANDFILL FULL
START OF 30-YR POST CLOSURE CARE
END OF 30-YR POST CLOSURE CARE

12

Capital Budget Development Example

Phase	Acres	Total Phase Capacity [CY]	Remaining Phase Capacity [July 1, 2025] [TN]	Accumulated Remaining Capacity [July 1, 2025] [TN]	% Airspace Utilized	Projected Construction Year	Projected Full Capacity Year	Construction Costs [2026 $'s]
Permitted and Constructed Phase(s)	24.5	4,000,000	335,775	335,775	86.3%		2028	NA
Permitted Future Phase 5	15.0	2,400,000	1,465,200	1,800,975	0.0%	2027	2037	$6,843,000
Permitted Future Phase 6	10.0	2,900,000	1,770,450	3,571,425	0.0%	2036	2046	$4,860,000
Conceptual Phase 1	20.0	2,000,000	1,221,000	4,792,425	0.0%	2045	2052	$9,720,000
Conceptual Phase 2	20.0	2,500,000	1,526,250	6,318,675	0.0%	2051	2058	$9,720,000
Conceptual Phase 3	20.0	2,500,000	1,526,250	7,844,926	0.0%	2057	2063	$9,720,000
Conceptual Phase 4	20.0	3,000,000	1,831,500	9,676,425	0.0%	2062	2069	$9,720,000
Closure	105.0	19,300,000	9,676,425		17.9%	2070		$29,400,000
Annual Post Closure						2071		$210,000

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Capital Budget Development

- Major Capital Projects (i.e., Landfill Expansions) Projected Over Life of All Phases of Capacity
- Additional Projects (i.e., Non-Landfill Expansion Capital Projects) Projected in 5-Year Budgets and Beyond, If Known

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Landfill Projection Model Summary

- Allows flexibility to evaluate
  - Capital Reserve Funding Rate
  - Loss of Waste Stream
  - Capital Project Funding Options
    - Pay-As-You-Go
    - Financing and Debt Service
- Updated annually

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SWA Workshop

Horry County Solid Waste Authority
Protecting Tomorrow's Environment Today.

Bonding Discussion

February 10, 2026

1

Capital Planning – Funding Options

- Equipment – Vehicles, Computers, Motor graders, backhoe, trackhoe, bulldozer, trucks, trailers, radios, utility vehicles, etc.
  - Cash Purchases
    - Annual Appropriations
    - Cost Recovery Programs
  - Lease Purchase Financing
- Buildings
  - Cash
    - Onetime funding for smaller items
    - Annual Appropriations (not desirable)
  - Bonding
    - General Obligation Bond
    - Revenue Bond
    - Installment Purchase and Use Financing
- Decisions based on size/cost of purchase and estimated life of asset

2

Capital Planning – Funding Options

- Infrastructure (County)
  - Construction
    - Cash (Dedicated Revenues)
    - Sales Tax
    - Hospitality Debt (Revenue Bonds)
    - State Infrastructure Debt and Grants
    - GSATS
    - Federal Grants
    - Special Tax Districts
  - Maintenance
    - Road User Fee
    - Special Tax Districts
    - Sales Tax
  - Decisions based on size/cost of purchase and estimated life of asset

3

Public Finance – Tax Exempt Bonds

- Key Finance Principals – **Matching**
  - Matching of cost of service or project to users or beneficiaries
  - Recurring Revenues pay for Recurring Expenditures
  - Longer life assets can and should utilize a cost allocation approach that allocates cost to those users benefiting
    - A building lasting 20 to 30 years can be financed over a period of 15, 20, 25 years (financing should never exceed life of asset)
    - The debt service is factored into the millage or fee structure for each year which allocates the fixed upfront cost to the users benefiting from the use of the building
  - Matching does on charge a current resident for the benefit a future resident will enjoy

4

Public Finance – Tax Exempt Bonds

- Uses for Public Bonds
  - All borrowings must serve a "public purpose" and also serve a "corporate purpose" of the issuer.
  - All debt must be issued pursuant to a "general law."
- Revenue Bonds (secured by revenues from a revenue-producing project)
  - Typical uses for counties include water and sewer and solid waste
  - Secured by revenues of a "System"
  - The revenues of the System are applied to repay the revenue bonds
  - No legal debt limit; strength of revenue stream and bond covenants drive ability to borrow
  - No limitations on payment structure, except 40-year maturity limitation.

5

Debt Issuance Process

- **Planning Phase**
  - Engagement of Professionals
    - Master/Concept Plan for Project (varies based on project)
    - Financial Advisor (County uses PFM Financial Advisors)
    - Bond Council (County uses Parker Poe)
  - Financial Analysis to estimate cost and projected repayment options
    - Historical revenue trend analysis
    - Rate study (Engineer Study)
    - Debt service coverage analysis to structure most advantages pricing
  - Authorization Approvals
    - Authorizing Documents as determined by Bond Council
      - SWA Board Approval
      - Horry County Council
    - Public Hearings
    - Reimbursement Resolution for Project

6

Debt Issuance Process

- **Issuance Phase** (Allow 4 to 6 months)
  - Marketing of Bonds
    - Engagement of Underwriter to Market Bonds
    - Drafting of Preliminary Offering Statement
    - Rating Agency Review
  - Sale of Bonds
    - Offering Statement
      - Debt Service Covenants
      - Continuing Disclosure Obligations
    - Selection of Trustee (if required)
    - Public Sale through bid process
    - Filing of required SEC EMMA (County use DAC Bond) and South Carolina State Reports

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Debt Issuance Process

- **Post Issuance Compliance**
  - Annual Reporting
  - Rating Agency Surveillance
  - Event Disclosures (if required)
  - IRS Arbitrage Calculation (County uses AMTEC Corp)

8


Questions?