



REQUEST FOR PROPOSALS

DATE: Friday, November 1, 2024
TO: Bank and Finance Partners
FROM: Cameron Arial, Municipal Advisor, on Behalf of the District
RE: \$36,585,000 USDA Interim Financing Request for Proposals

Dear Friend,

The Southern Idaho Solid Waste District (SISW or District) is in the process of improving its current landfill site and multiple transfer stations. The District has secured long-term financing with the United States Department of Agriculture-Rural Development (USDA-RD) and is seeking proposals for 30 months Interim/Construction Financing only.

Responses are due on or before 3:00 pm MDT on Friday, December 6, 2024. Responses must be emailed directly to info@clearwaterfinancial.biz. If you have any questions on any aspect of this bid, please email them by 3:00 pm MDT on Friday November 12, 2024. Questions and responses will be distributed to all parties that have identified themselves as interested parties by November 15, 2024. It is anticipated the District Board will make a selection at its December 18, 2024, Board meeting.

Included in this proposal are the submission criteria, list of questions, scoring metric, and response form for your response. Also included as attachments are other pieces of information to assist you in your credit review. This information and District background can be found at <https://www.sisw.org/>.

Thank you for your ongoing support of Idaho municipalities and the District.

Sincerely,

Cameron Arial, MAP, PhD
President

SUBMISSION CRITERIA

All proposals submitted for evaluation must include, but are not limited to, the following information. This information should be submitted in **5 pages or less**.

Proposals will be evaluated based on responses to the questions below. A recommendation will then be presented to the District for consideration and approval. A scoring metric with weighting is also provided below.

1. Assigned Professionals and Firm Description

- a. Please provide the name, title, address, telephone, and e-mail of the representative who will serve as your firm's lead contact. Please include a brief resume for this individual.
- b. Please provide the name, title, address, telephone, and e-mail of any other individuals who will be involved in the process.



- c. If applicable, disclose any conflicts of interest, as stated in MSRB Rule G-17, including finder's fees, fee splitting, or other contractual arrangements of the firm that could present a real or perceived conflict of interest.
- d. Additionally, the firm should disclose any pending investigations, enforcement or disciplinary actions imposed on the firm within the past three years by the SEC or other regulatory bodies.

2. Municipal Finance Experience and Banking Capability

- a. Provide a list of Idaho municipal financings your firm has assisted with since January 1, 2021. Include the total dollar amount of this list.
- b. Provide a list of municipal financings outside of Idaho your firm has assisted with since January 1, 2021. Include the total number of financings.
- c. Provide a list of USDA interim loans your firm has assisted with since January 1, 2021.

3. Timing, Structure, and Terms

- a. Par Amount. The District's Interim Financing will be approximately \$36,585,000 to fund construction of the project including contingency, engineering, interim interest and cost of issuance.
- b. Term. The Interim Financing will be a maximum of a 30-month term.
 - i. The District would like the option to extend the term, should unforeseen circumstances delay completion of the project.
- c. Payment Dates. The District would prefer that the principal and interest payment be made at maturity or upon redemption.
- d. Redemption. It is anticipated that the Interim Financing will be subject to redemption without penalty in whole or in part, at the discretion of the District at any time after 12 months from closing the financing at a price of 100% of the principal amount of the Interim Financing, plus accrued interest. The District is open to other standard redemption requirements.
- e. Structure. The District would prefer the Interim Financing in the form of a construction loan or rolling line of credit, where the District is only accruing interest on the funds it borrows. The District is open to other standard short-term financing structures and encourages the creativity of the respondent for structures that would meet the District's needs.
- f. The District would like to close this financing on or before 1/31/2025. Please discuss any concerns or suggestions you may have regarding the timing of this closing.

4. Interest Rate and Fees

- a. Provide proposed interest rate and structure.
- b. If any, provide a detailed breakdown of all fees and expenses.

5. Other

- a. Provide any insight into the Idaho and broader municipal finance market or any additional information the District should consider. This may include other financing options, retail banking services or reinvestment options.



WRITTEN AGREEMENT REQUIRED

The selected firm must be willing to enter into a written Purchase Agreement with the District. Such Agreement between the District and the selected responder will be dependent upon the successful closing of the financing.

CONTRACT AND PROPOSAL INFORMATION

Submitting a proposal acknowledges your firm has read, understands, and agrees to be bound by and fulfill the requirements and terms and conditions of this RFP and response.

1. **Firm Pricing:** All fees and expenses as detailed in the proposal are to remain firm through the closing. Any proposal that does not offer to remain firm for the required period shall be non-responsive.
2. **Conflict of Interest:** Any officer, employee, agent, representative or member of the council, board, committee, or commission of the responder must disclose any interest or conflict they have in their proposal.
3. **Cover Letter:** The proposal shall have a cover letter indicating the firm's willingness to enter into an agreement with the District. An officer of the company who has the authority to commit the firm to the proposed engagement must sign this letter. Proposals will include the full name, legal status (corporation, state of incorporation, partnership, proprietorship, etc.), business address of the responder, and telephone number. The proposal must be signed by a principal of the business who is authorized to execute any subsequent contract.
4. **Costs:** All costs associated with the preparation of the proposal, as well as any other related materials and delivery will be borne by the responder. All proposals become the property of the District. The District is not responsible for said costs in any event, including but not limited to, termination of the project in whole or in part, rejection of a proposal as non-responsive, or rejection of the responder as unqualified. The entire response to this RFP shall be considered a public record as defined by chapter 1, title 74, Idaho Code.
5. **Changes or Modifications:** Any changes or modifications to the RFP will be accomplished in writing by addendum. Responders submitting a proposal based on any information other than that contained in this RFP, or any addendum thereto, do so at their own risk
6. **Modifying or Withdrawing Proposals:** Responders may modify or withdraw their proposals at any time prior to the submittal deadline mentioned above. The District requests that any desire to retrieve a proposal for the purpose of withdrawing or to modify a proposal must be submitted in a written request to the District. Responders may withdraw their offer if the District and the successful responder cannot agree on contract terms.
7. **Rejection of Proposals:** The District reserves the right to reject any or all proposals. The District may waive any minor irregularity or technical error in the form of a proposal or in compliance with the instructions of the bank. The District may alter the selection process at any time it is considered to be in the best interest of the District. Any proposal containing significant deviations from the specifications of the RFP shall be rejected as non-responsive. Responders claiming minor irregularities or technical errors must assume the burden of identifying them and justifying them to the District in order for the proposal to receive consideration.



8. Free and Competitive Selection: Any agreement or collusion among prospective responders to fix a price or limit competition shall render the proposal void, and such conduct may be unlawful and subject to further proceedings. By submitting a proposal, responders certify that neither the responder nor anyone in its firm or company has either directly or indirectly restrained free and competitive selection, participated in any collusion, or otherwise taken any action unauthorized by the District or applicable law.

9. Release and Waiver: Responses shall include the Release and Waiver signed by the representative of the responder authorized to bind the responder.



SCORING METRIC

SOUTHERN IDAHO SOLID WASTE DISTRICT					
S USDA Interim Financing, Series 2024					
Question		Possible	Weight	Raw Score	Weighted Score
1. Professionals/Firm Description					
a. Lead banker name and contact information		1-5	2%		0.00
b. Financial institution name		-	-		-
c. Disclosure of conflicts of interest		-	-		-
	Subtotal	5	2%		0.00
2. Experience/Capacity					
a. List of Idaho municipal financings (\$)		1-5	2%		0.00
b. List of Idaho municipal financings (#)		1-5	2%		0.00
c. List of USDA interim financings (\$)		1-5	2%		0.00
	Subtotal	15	6%		0.00
3. Timing/Structure/Terms					
a. Timely closing (November 2022 closing)		1-5	1%		0.00
b. Amortization (2-year)		1-5	3%		0.00
c. Prepayment (Callable at anytime without penalty)		1-5	15%		0.00
	Subtotal	15	19%		0.00
4. Interest Rate/Fees					
a. Rate (%)		1-5	60%		0.00
b. Fees and Expenses		1-5	10%		0.00
	Subtotal	10	70%		0.00
5. Other					
a. Municipal market insights and other considerations		1-5	3%		0.00
	Subtotal	5	3%		0.00
	TOTAL	50	100%		0.00

FORM OF PROPOSAL

SOUTHERN IDAHO SOLID WASTE DISTRICT				
Maturity Date	Principal	Rate	Interest*	Total P&I
*Please calculate interest based on a complete draw-down or delivery of proceeds at closing. This will be used for bid comparison only.				
Fees and Other Costs				
			\$	-
			\$	-
			\$	-
Terms**				
**Please describe any terms related to your proposal including but not limited to: interest calculations, prepayment provisions, draw-down provisions, security provisions, etc.				



EXECUTIVE SUMMARY

Southern Idaho Solid Waste (SISW) is a regional solid waste district that operates facilities in Blaine, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls Counties. SISW has utilized the Milner Butte Landfill and a network of fourteen waste transfer stations to provide environmentally friendly means of waste disposal since 1994. It offers municipal solid waste disposal, recycling, waste diversion, special waste disposal, and public education programs to maintain the beauty of Southern Idaho.

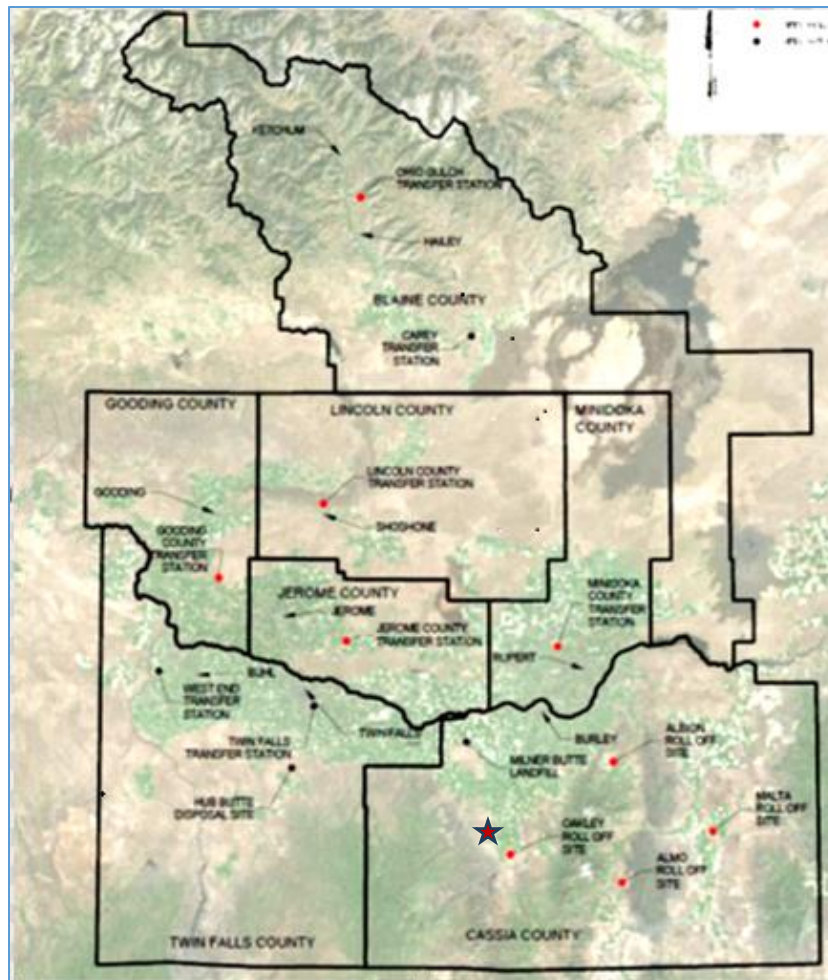
The SISW system currently features a state-of-the-art municipal solid waste landfill, fourteen waste transfer stations, a waste transportation system, a 3.9 MW landfill-gas-to-energy facility, an effective waste diversion system, a public information and education network, and a special waste management system for problem waste streams.

THE DISTRICT

The District, a political subdivision duly organized and existing under and by virtue of the Laws of the State of Idaho (State), has a combined population of 212,277. The following map provides some definition of the District.

The District's designated function is to provide solid waste disposal services, facilities and equipment to those residing and conducting business in the Member Counties. The services provided by the District include, but are not limited to: waste reduction, transfer, recycling, storage, and other solid waste treatment programs.

REGION MAP





SERVICE AREA

The Member Counties are located in South Central Idaho and incorporate approximately 10,474 square miles. A brief description of each County is discussed below.

Blaine County, Idaho. Formed in 1895, Blaine County holds the county-seat in the City of Hailey. The County is home to a major ski resort, the Craters of the Moon national monument, and the Sawtooth National Forest and Recreation area. As of 2020, Blaine County had an estimated population of 24,272 people and contains an area of 2,661 square miles.

Cassia County, Idaho. Formed in 1879, Cassia County holds the county-seat in the City of Burley. It is adjacent to eight counties: Minidoka, Blaine, Power, Oneida, Box Elder (Utah), Elko (Nevada), Twin Falls, and Jerome. The northern half of the County is part of the Magic Valley region of the Snake River Plain. As of 2020, Cassia County had an estimated population of 24,655 people and contains an area of 2,580 square miles.

Gooding County, Idaho. Formed in 1913, Gooding County holds the county-seat in the City of Gooding. It is adjacent to five counties: Elmore, Twin Falls, Jerome, Lincoln, and Camas. It is named for Frank R. Gooding, the 7th governor and a United States Senator from Idaho. As of 2020, Gooding County had an estimated population of 15,598 people and contains an area of 734 square miles.

Jerome County, Idaho. Formed in 1919, Jerome County holds the county-seat in the City of Jerome. It is adjacent to five counties: Lincoln, Gooding, Twin Falls, Cassia, and Minidoka. Jerome County is divided from the Oregon Trail by the 500ft deep Snake River Canyon. As of 2020, Jerome County had an estimated population of 24,237 people and contains an area of 602 square miles.

Lincoln County, Idaho. Formed in 1895, Lincoln County holds the county-seat in the City of Shoshone. It is adjacent to five counties: Camas, Blaine, Minidoka, Jerome, and Gooding. Lincoln County is named after President Abraham Lincoln. As of 2020, Lincoln County had an estimated population of 5,127 people and contains an area of 1,206 square miles.

Minidoka County, Idaho. Formed in 1913, Minidoka County holds the county-seat in the City of Rupert. It is adjacent to four counties: Cassia, Jerome, Lincoln, and Blaine. Minidoka County is named for the Dakota Sioux word meaning “a fountain or spring of water”. As of 2020, Minidoka County had an estimated population of 21,613 people and contains an area of 763 square miles.

Twin Falls County, Idaho. Formed in 1907, Twin Falls County holds the county-seat in the City of Twin Falls. It is adjacent to six counties: Gooding, Jerome, Cassia, Elko (Nevada), Owyhee, and Elmore. The County is named for a split waterfall on the Snake River of the same name. The Snake River is the county’s northern border. As of 2020, Twin Falls County had an estimated population of 90,046 people and contains an area of 1,928 square miles.

HISTORY

The Idaho Legislature determined that the disposal of solid waste and domestic septage within the State of Idaho is an important public purpose, and that the creation of independent regional districts to administer solid waste disposal is an efficient and cost-effective method of meeting the State’s solid waste disposal needs. Title 31, Chapter 49 of Idaho Code enables counties to establish regional solid waste districts for the purpose of providing a regional solution to solid waste disposal through the operation and maintenance of a regional solid waste system.

A regional solid waste district is formed when any two or more counties elect, by resolution of the commissioners of such counties, to become participating counties of such district. The boundaries of the



regional solid waste district are coterminous with the boundaries of the participating counties. Counties within a district need not be contiguous to each other.

The District was formed to operate all solid waste infrastructure currently provided by each of the Member Counties, which will include all solid waste collection, transportation, and disposal operations. All of these facilities are currently permitted to accept municipal as well as construction and demolition waste streams for transportation or disposal.

DISTRICT BOARD OF DIRECTORS

The Board of Directors (Board) sets the policies and procedures of the District, which are implemented by the Executive Director and CEO of the District under the direction of the Board. Following is a list of current Board members, their occupations, and terms of office.

Name	Position	Occupation	Service Began
Brent Reinke	President	Former Director, Juvenile & Adult Corrections, State of Idaho	January 2019
Lindsay Mollineaux	Member	Former Executive Director, Environmental Resource Center	April 2023
Charlie Howell	Member	Electrician	January 2019
Wayne Schenk	Member	Farmer	January 2019
Leonard Beck	Member	Owner, B & L Beck Farms	January 2019
Nathan Schutte	Member	Landscape Architect / Drone Pilot	January 2023
Ron Buhler	Member	President, R & M Welding, Inc.	January 2020

Source: The District

KEY ADMINISTRATIVE OFFICIALS

Nate Francisco, Executive Director & CEO, SISW

Nate is the Executive Director and CEO of the District and has been employed for approximately twelve years. He has been a part of many major milestones of the District, held the positions of Environmental Specialist, Environmental Manger, and is now Chief Executive Officer. Nate holds the certifications of Manager of Landfill Operations, Integrated Solid Waste Management, and Solid Waste Management and Operations. He is a graduate of the Solid Waste Association of North America’s (SWANA) Leadership Academy and was recently named the 2023-2024 Health Hero by the Idaho South-Central Public Health District. He is a past president and legislative committee chair for the Idaho Solid Waste Association. He currently serves as Board Member/Treasurer for the SWANA Beaver Chapter, commissioner for the Cassia County Planning and Zoning Commission, and board member of the Idaho Cleanup Project Citizens Advisory Board for the United States Department of Energy.



Stephanie Kelley, Business Manager, SISW

Stephanie is the Business Manager of the District and has been a District employee since it was formed 31 years ago. Stephanie oversees financial planning and budgeting and monitors the budget performance. Stephanie tracks revenue, expenditure and cash flows, and oversees internal audits and coordinates annual audits with independent auditors.

Stephanie has served on the Idaho Solid Waste Association Board of Directors for over two years and was recently appointed Treasurer.

In 2013, Stephanie received the Rosie the Riveter Award. This award was given to the top twelve women working in the solid waste industry in the United States.

Stephanie enjoys volunteering for her church, especially with the children and youth organizations. She has spent many hours volunteering at elementary schools, helping first graders learn to read.

Paul Sterner, Operations Manager, SISW

With 24 years of experience at Southern Idaho Solid Waste (SISW), Paul Sterner has a solid foundation in operations management, planning, and large-scale project execution. As a former Landfill Manager for seven years, he supervised daily operations at the Milner Butte Landfill and led major construction projects, demonstrating his expertise in project management and site development. As the current Operations Manager, Paul oversees all district departments, including the Milner Butte Landfill, Maintenance, Transportation, and Health and Safety programs, as well as the LFGE (Landfill Gas to Energy) Facility. Paul is a certified Manager of Landfill Operations and Manager of Integrated Waste Systems through the Solid Waste Association of North America. His hands-on experience and certifications reinforce his capability to manage large capital projects and complex operations while ensuring regulatory compliance. Additionally, Paul's commitment to community service shines through his work with Camp River Run, where he has served on the Board of Directors since 2022 and was elected as Board President in January of 2024, personally spearheading the camp's growth and outreach into new parts of Idaho.

Municipal Advisor. The District relies upon the financial advisory services of its Municipal Advisor, Clearwater Financial, LLC.

PROJECT AND SOLUTION

Current condition: With the development of the landfill, each Member County constructed its own waste collection/transfer site to collect waste and consolidate it to be hauled to the Milner Butte Landfill. The transfer sites have been operating over the last 30+ years with limited improvements or maintenance. Tipping floors and push walls are heavily worn and in varying states of disrepair with exposed aggregate and rebar. The leading edges of the floors at the pits are also worn, and metal armoring/deflector plates are damaged or no longer exist. Some waste transfer buildings are too small to accommodate the transfer trailers, while others are too short to allow safe unloading and operations. Several buildings also have damaged center columns where vehicles have backed into them. Many sites have safety concerns and grading and drainage issues that cause water to pool outside buildings. Dirt and gravel tracks into the buildings clog the drains and damage the floors. In addition, the Milner Butte Landfill lacks covered storage areas.



SISW staff have been doing a commendable job operating the solid waste system. However, due to the age of the infrastructure, staff's ability to manage solid waste safely and efficiently is impeded. These limitations have created a significant need for the recommended improvements, meet best practice standards, and protect public health and safety going forward. See Chapter 3 of the SISW Preliminary Engineering Report in the linked documents on page 17.

Solution: SISW will construct two equipment storage buildings, each with an area of approximately 6,600 sf. Each will be fully enclosed with large overhead doors. The project will also build a 7,000-sf employee facility building at the landfill. It will have locker room space, including showers for both men and women, and office and conference space for meetings and professional development. The employee facility building will have a new fitness room and surface space for staff parking in front of the building. The project also includes upgrading the public drop-off site at Milner Butte and constructing new scales and a scale house. A new 25-ton excavator and an equipment transport trailer will be purchased, and a well will be drilled. A water truck will also be bought for dust suppression purposes. The fleet will also be expanded with 30 new 53-ft aluminum trailers to increase capacity, reliability, and safety. Furthermore, the project includes asphalt pavement that can withstand heavy vehicle traffic at the landfill. The Carey Transfer Station will have waste transfer building upgrades, entrance scale installation, and site grading improvements. The Ohio Gulch Transfer Station will have improvements to both waste transfer buildings and site grading and drainage improvements. The four Cassia County Roll-Off Sites will have safety improvements, while the Gooding County Transfer Station will have waste transfer building upgrades, site grading, and draining improvements. The Jerome Transfer Station will have a new waste transfer building, tunnel wall removal, tunnel cover extension, new metal armored concrete push walls, and a free-span front opening. The Lincoln Transfer Station will receive building upgrades & site improvements, while the Minidoka Transfer Station will have improvements to the existing waste transfer building, including back tunnel wall removal and cover extension.

Budgeted Project Costs

Project Costs:	Total Budgeted:
Construction	\$19,070,000
Contingency	\$ 5,121,000
Engineering Fees	\$ 4,701,000
Engineering Fees	\$4,148,000
BABAA (Engineering Allowance 2%)	\$553,000
Interest - Interim	\$4,163,000
Legal Fees - Local Attorney	\$20,000
Legal Fees - Bond Counsel	\$50,000
BABAA (Construction Allowance 5%)	\$1,280,000
Sales Tax 6%	\$768,000
Time of Expenditure Cost Add	<u>\$1,412,000</u>
TOTAL	\$36,585,000
<i>Source:</i> The District	

Security of District Facilities. The District controls access to the landfill site and all transfer stations. The general public is directed to and serviced at the local landfill facilities and waste is then transferred by the District to the regional landfill.



DISTRICT FINANCIAL HISTORY

The District has been operating since 1994 and has a long history of financial sustainability. The most recent three years of operating results are outlined below. In 2023 the district earned \$510,155 in investment income, which was an increase from a \$29,992 loss in 2022.

	Financial Performance		
	2021	2022	2023
Operating Revenues	11,675,354	11,675,354	13,849,852
Operating Expenses	10,728,033	10,728,033	12,618,663
Net Operating Income	947,321	947,321	1,231,189
Non-Operating Revenues and Expenses	(462,783)	(462,783)	93,877
Change in Net Position	484,538	484,538	1,325,066

The District maintains multiple reserve funds used for future capital needs, closure needs, and operating shortfalls. Below is a breakdown of the anticipated contributions and uses of the equipment reserve funds over the next five years.

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	Deposits	Withdraw	Balance	Notes
FY-24			\$ 607,000.00	
FY-25	\$ 1,000,000.00	\$ 770,000.00	\$ 837,000.00	
FY-26	\$ 1,100,000.00	\$ 385,750.00	\$ 1,551,250.00	
FY-27	\$ 1,200,000.00	\$ 1,905,310.00	\$ 845,940.00	
FY-28	\$ 1,400,000.00	\$ 1,388,130.00	\$ 857,810.00	
FY-29	\$ 1,600,000.00	\$ 2,410,602.00	\$ 47,208.00	

Next Cell Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ 1,515,200.00	
FY-25	\$ 1,100,000.00	\$ 320,000.00	\$ 2,295,200.00	
FY-26	\$ 1,200,000.00	\$ 336,000.00	\$ 3,159,200.00	
FY-27	\$ 1,300,000.00	\$ 4,410,000.00	\$ 49,200.00	
FY-28	\$ 1,000,000.00	\$ -	\$ 1,049,200.00	
FY-29	\$ 1,000,000.00	\$ -	\$ 2,049,200.00	



General Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24	\$ -	\$ -	\$ 200,000.00	
FY-25	\$ 75,000.00	\$ -	\$ 275,000.00	
FY-26	\$ 75,000.00	\$ -	\$ 350,000.00	
FY-27	\$ 75,000.00	\$ -	\$ 425,000.00	
FY-28	\$ 75,000.00	\$ -	\$ 500,000.00	
FY-29	\$ 75,000.00	\$ -	\$ 575,000.00	

Waste Haul Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ 1,200,000.00	
FY-25	\$ 800,000.00	\$ 1,144,162.00	\$ 855,838.00	
FY-26	\$ 1,000,000.00	\$ 1,244,162.00	\$ 611,676.00	
FY-27	\$ 1,200,000.00	\$ 1,207,150.00	\$ 604,526.00	
FY-28	\$ 1,300,000.00	\$ 1,552,784.00	\$ 351,742.00	
FY-29	\$ 1,400,000.00	\$ 1,668,507.00	\$ 83,235.00	

Closure Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ 3,728,184.00	
FY-25	\$ 350,000.00	\$ 350,000.00	\$ 3,728,184.00	
FY-26	\$ 400,000.00	\$ -	\$ 4,128,184.00	
FY-27	\$ 400,000.00	\$ -	\$ 4,528,184.00	
FY-28	\$ 400,000.00	\$ -	\$ 4,928,184.00	

Land Trust Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ 215,000.00	
FY-25	\$ 35,000.00	\$ -	\$ 250,000.00	
FY-26	\$ 35,000.00	\$ -	\$ 285,000.00	
FY-27	\$ 35,000.00	\$ -	\$ 320,000.00	
FY-28	\$ 35,000.00	\$ -	\$ 355,000.00	
FY-29	\$ 35,000.00	\$ -	\$ 390,000.00	

Recycling Reserve Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ 70,000.00	
FY-25	\$ 35,000.00	\$ -	\$ 105,000.00	
FY-26	\$ 35,000.00	\$ 137,813.00	\$ 2,187.00	
FY-27	\$ 35,000.00	\$ -	\$ 37,187.00	
FY-28	\$ 35,000.00	\$ -	\$ 72,187.00	
FY-29	\$ 35,000.00	\$ -	\$ 107,187.00	



LFGE Fund 5-year Plan				
	Deposits	Withdraw	Balance	Notes
FY-24			\$ -	
FY-25	\$ 125,000.00	\$ 75,000.00	\$ 50,000.00	
FY-26	\$ 150,000.00	\$ -	\$ 200,000.00	
FY-27	\$ 175,000.00	\$ 325,000.00	\$ 50,000.00	
FY-28	\$ 200,000.00	\$ -	\$ 250,000.00	
FY-29	\$ 250,000.00	\$ 360,000.00	\$ 140,000.00	

BUDGETARY PROCESS

The District’s fiscal year (Fiscal Year) begins October 1 and ends September 30 of the following year. After reviewing service levels from the previous Fiscal Year and a forecast of revenues is conducted, the Board analyzes draft budget requests during June. The Executive Director is responsible for preparing a draft budget for the Board. The budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next Fiscal Year. Prior to the first Monday in August, the Executive Director submits the proposed budget to the Board for review. The Board holds a public hearing and may change the proposed budget. On or before August 15, the budget is approved by the Board and certified by each Member County. Such approvals and certifications are binding upon all Member Counties and on the District itself.

The allocation of costs to each Member County will be determined by allocating the actual costs incurred, net of revenue received by the District within each individual Member County to that Member County, along with a proportional share of the cost of the regional landfill as determined by the weight of the solid waste generated within each Member County, together with a proportional share of the debt service and all other District-wide costs.

REVENUE SOURCES

The revenues of the District include all earnings, revenues, and moneys received by the District from or on account of the operations of the District. The District's revenue comes primarily from the 7-member counties. The District assesses each Member County's pro-rata share of District costs and the entirety of each County's waste transfer costs on its annual budget. The Member Counties collect funds through tipping and solid waste fees on property taxes and place them in the individual solid waste funds. The Member Counties use these funds to make quarterly payments to the District each year. The District also receives funds directly from commercial and special waste disposal at the Milner Butte Landfill that contributes to the increased revenue. Rates have been and will continue to be incrementally raised to increase revenue. A separate ad valorem tax levy is not authorized for principal and interest payments on the Interim Financing as the District does not have taxing authority. While it is anticipated the District will receive sufficient revenues from the operation of its solid waste facilities, Member Counties are also responsible for their pro rata share of the District’s annual expenses including debt service.

FINANCING SUMMARY

The District plans to finance approximately \$36.585MM to fund the improvements and projects identified above. The landfill site lacks adequate entrance facilities such as scales and scale house to service customers, has inadequate accommodations and amenities for staff, onsite storage facilities are



needed, landfill fleet equipment needs replacement and additional water is required for dust mitigation and fire protection. The transfer site improvements are directly related to aging infrastructure.

The interim financing will be paid off with the USDA-RD loan for \$36.585MM (Loan). The Loan is approved (See Attachment 1). The District is seeking a 30-month Interim Financing to fund the construction of the project and procure the necessary equipment. This Interim Financing will be taken out by the USDA Loan upon the completion of the project.

The District has the legal authority to issue bonds based on Idaho Code 31-4910. Per Idaho Code 31-4908, the costs for operation of the District are allocated to the Member Counties on a per capita, weight or volume basis, or any combination thereof. Each Member County can choose to finance its share of the costs through property taxes, user fees, current revenues, or other means as outlined in 31-4404 of Idaho Code. The Member Counties are obligated to pay their share of the District's annual budget, including debt service. If the District's tipping fee and hauling fee revenues are insufficient to pay for its operations including debt service, the Member Counties are obligated to pay their pro rata share of these remaining expenses.

AUTHORIZATION FOR ISSUANCE

The Interim Financing will be entered into pursuant to a resolution of the District adopted by the Board of Directors of the District and under and in accordance with the laws and provisions of the State, including Chapters 44, 45, and 49, Title 31, and Chapter 2 and Chapter 9, Title 57, Idaho Code.

SECURITY FOR THE INTERIM FINANCING

The Interim Financing represents a revenue obligation of the District. The District will also pledge proceeds from the long-term USDA-RD Loan to secure the Interim Financing. All revenues and fees collected by the District are pledged to the payment of the Interim Financing. The revenues include all earnings, revenue and moneys received by the District from or on account of the operation of the District, including revenue received from its Member Counties. A separate ad valorem tax levy is not authorized for the payment of the principal and interest on the Interim Financing as the District does not have separate taxing authority. The Interim Financing is not an obligation of the State or any political subdivision thereof other than the District.

SECURITY INFORMATION

The Interim Financing is secured by a pledge payable solely from the Net Revenues of the District. Net Revenues are defined as the Gross Earnings and Revenues of the District less Operating Expenses. Gross Earnings and Revenue include all earnings and revenues received by the District, including but not limited to disposal fees, tipping fees, and other fees. The Interim Financing is not a general obligation of the District, nor the full faith and credit of the District, the Counties, or the State of Idaho.

APPOINTMENT OF ANNUAL COSTS TO MEMBER COUNTIES

Pursuant to Idaho Code 31-4908, annual costs of the District shall be allocated to the Member Counties in accordance with the annual budget approved by the District Board not later than August 15 of each Fiscal Year. Any Member County is authorized to finance its share of costs in accordance with Idaho Code 31-4404. It is the duty of each Member County to remit its apportioned amount not later than September 30 of each Fiscal Year to the District as specified in the annual budget approved by the District Board.



The allocations of costs to each Member County will be determined by allocating the costs incurred for the previous Fiscal Year within each individual Member County to that Member County, along with a proportional share of the cost of the regional landfill for the previous Fiscal Year as determined by the weight of the solid waste generated (tonnage) within each Member County, together with a proportional share of the debt service and all other District-wide costs. Accordingly, the payment from each Member County at the beginning of each Fiscal Year will reimburse the District for the costs incurred by that Member County for the previous Fiscal Year. The District covenants to collect the allocation of costs from each Member County for each Fiscal Year.

As set forth in Idaho Code 31-4918, each Member County is liable for the payment of its allocated costs from all legally available and unrestricted revenue. Member Counties are prohibited by Idaho Code 31-4920 from withdrawing from the District unless the withdrawal is approved by two-thirds of the remaining Member Counties. Idaho Code 31-4921 prohibits the District from dissolving if the District has outstanding indebtedness unless provision for the payment of all such indebtedness is made.

SOURCE OF PAYMENT

In connection with the issuance of the Interim Financing, the District has the power to pledge all of its fees and revenues from any source for the repayment of the Interim Financing. Currently, the primary source of revenue for the District is tipping fee and hauling revenues. The District plans to use the loan proceeds from the USDA loan as the primary source of funds to repay the interim financing.

ADDITIONAL COVENANTS

For the protection and security of the Interim Financing, the District is open to performing the following covenants:

- A. Annual Budget and Collection of Apportionment. The District shall complete its budget no later than August 15 of each year and shall apportion amounts of the budget to each Member County. The District covenants to collect from each Member County its apportioned share of the budget no later than September 30 of each year.
- B. Complete Project. The District will complete the construction of the Project, with all practical dispatch and in a sound and economical manner.
- C. Operate System. The District will operate the system in an efficient and economical manner and prescribe, revise, and collect such charges in connection therewith so that the services, facilities, and properties of the System may be furnished at the lowest possible cost consistent with sound economy and prudent management.
- D. Good Repair. The District will operate, maintain, preserve, and keep the System and every part thereof in good repair, working order, and condition.
- E. Preserve Security. The District will preserve and protect the security of the Interim Financing.
- F. Service Interim Financing. The District will pay and cause to be paid punctually the principal of the Interim Financing and the interest thereon on the date or dates and at the place or places and in the manner mentioned in the Interim Financing.
- G. Pay Claims. The District will pay and discharge any and all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon the revenue of the system, or any part of said revenue, prior or superior to the lien of the Interim Financing or which might impair the security of the Interim Financing, to the end that the priority and security of the Interim Financing shall be fully preserved and protected.



- H. Encumbrances. The District will not mortgage or otherwise encumber, sell, lease, or dispose of the site, system or any part thereof, nor enter into any lease or agreement which would impair or impede the operation of the system or any part thereof necessary to secure adequate revenues for the payment of the principal of and interest on the Interim Financing, nor which would otherwise impair or impede the rights of the financier of the Interim Financing with respect to the revenues of the operation of the system without provisions for the retirement or defeasance of the Interim Financing then outstanding from the proceeds thereof.
- I. Insurance. The District will procure and keep in force insurance upon all buildings and structures of the system and the machinery and equipment therein, which are usually insured by entities operating like property, in good and responsible insurance companies. The amount of the insurance shall be such as may be required to adequately protect it and the financier from loss due to any casualty, and in the event of any such loss, the proceeds shall be used to repair or restore the system, or the payment of the Interim Financing issued in the future Interim Financing resolution.
- J. Fidelity Bonds. The District will procure suitable fidelity bonds covering all of its officers and other employees charged with the operation of the system and the collection and disbursement of revenues therefrom.
- K. Engineers. The District will employ consulting engineers of acknowledged reputation, skill, and experience in the improvement and operation of the system for any unusual or extraordinary items of maintenance, repair, or betterments as shall be required from time to time. All reports, estimates, and recommendations of such consulting engineers will be filed with the District and furnished to the financier upon request.
- L. Accounts. The District will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the system and will furnish financial audits in accordance with a future Information Reporting Agreement.

TAX-EXEMPT STATUS OF THE INTERIM FINANCING; QUALIFIED TAX-EXEMPT OBLIGATIONS

In the opinion of MSBT, LLC, District and Bond Counsel, assuming continuous compliance with certain covenants, interest on the Interim Financing is not included in gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Interim Financing may not be included in alternative minimum taxable income, as defined in Section 55(b)(2) of the Code. Interest on the Interim Financing is not included in Idaho taxable income under present Idaho income tax laws.

OUTSTANDING INDEBTEDNESS

The District has outstanding capital leases that were used for the purchase of equipment. Below is a summary of outstanding debt:



Year	Make	Model	Lienholder	Term	Start Date	End Date	Schedule Value	Annual Payment
2023	John Deere	444 P-Tier Wheel Loader	Deere Credit, Inc	7 year	2/26/2024	2/26/2031	\$ 215,969.16	\$ 31,624.20
2023	Caterpillar	623K Wheel Tractor-Scraper	Caterpillar Financial Services Corporation	5 year	3/4/2024	3/3/2029	\$ 1,079,915.28	\$ 159,830.30
2023	John Deere Financial	544 P-Tier Wheel Loader	John Deere Financial	5 year	6/19/2023	6/19/2028	\$ 236,438.65	\$ 45,138.36
2024	Caterpillar	950-14 Wheel Loader	Caterpillar Financial Services Corporation	5 year	5/22/2024	6/16/2029	\$ 459,270.29	\$ 79,923.57
2024	Kenworth	T-880	Paccar Financial	5 year	7/1/2023	7/1/2028	\$ 172,555.26	\$ 29,962.16
2024	Kenworth	T-880	Paccar Financial	5 year	7/1/2023	7/1/2028	\$ 172,555.26	\$ 29,962.16
2024	Kenworth	T-880	Paccar Financial	5 year	10/8/2023	10/8/2028	\$ 175,725.26	\$ 28,326.88
2024	Kenworth	T-880	Paccar Financial	5 year	12/6/2023	12/6/2028	\$ 181,676.59	\$ 30,053.07
2024	Kenworth	T-880	Paccar Financial	5 year	12/6/2023	12/6/2028	\$ 181,676.60	\$ 30,053.07
2025	Kenworth	T-880	Paccar Financial	5 year	3/11/2024	3/11/2029	\$ 189,800.00	\$ 39,471.47
2025	Kenworth	T-880	Paccar Financial	5 year	3/11/2024	3/11/2029	\$ 189,800.00	\$ 39,471.41
2025	Kenworth	T-880	Paccar Financial	5 year	3/11/2024	3/11/2029	\$ 201,200.00	\$ 39,471.47
2025	Kenworth	T-880	Zion	5 year	6/1/2024	6/1/2028	\$ 199,589.80	\$ 87,717.62
2025	Kenworth	T-880	Zion	5 year	6/1/2024	6/1/2028	\$ 199,589.80	\$ 87,717.62

The District is in the process of finalizing the following leases:

Year	Make	Model	Lienholder	Term	Start Date	End Date	Schedule Value	Annual Payment
2024	John Deere	444 P-Tier Wheel Loader	Zions	7 year	TBD		\$ 217,346.84	\$ 38,000.00
2025	Kenworth	T-880	Zions	5 year	TBD		\$ 202,571.61	\$ 92,000.00
2025	Kenworth	T-880	Zions	5 year	TBD		\$ 202,571.61	\$ 92,000.00

NO DEFAULTED OBLIGATIONS

The District has never failed to pay any of its financial obligations.

COMMUNITY REINVESTMENT ACT

Given the rural nature of the District, it is likely the Interim Financing qualifies for Community Reinvestment Act credit, which may be of value to a Bank or potential investors.

SUPPORTING DOCUMENT LINKS

1. [USDA Approval](#)
 - a. [USDA Letter of Conditions](#)
 - b. [RD 1442-46 and 1440-1](#)
2. [District FY2025 Budget](#)
 - a. Including five year estimated budget look forward
3. District Audited Financial Statements
 - a. [FY2023](#)
 - b. [FY2022](#)
 - c. [FY2021](#)
4. [Preliminary Engineering Report](#)