

FROM WASTE TO WORTH WORKSHOP

Financing Composting & Hauling in NC

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The Loading Dock
Raleigh, NC



Thank you!



WANU ORGANICS
Composting & Organics Consulting



CLAIRVEST



US Composting Council[®]





**COMPOST
CAPITAL
NETWORK**

**supporting the next generation of
composting infrastructure**

2025

- ✓ 1st In-Person Networking Event @ COMPOST2025
- ✓ BPI Compost Capital Panel
- ✓ USCC Webinar on Capital & Financing
- ✓ Composter Interviews

2026

- ✓ 2nd In-Person Networking Event @ COMPOST2026
- ✓ COMPOST2026 Financing Panels
- ✓ 1st Event with USCC State Chapter (NC Composting Council 3/24/26)
- ✓ Composting Ecosystem Directory
- ✓ Business Accelerator: Cohort 1
- ✓ 1st Annual Virtual Summit
- ✓ Fund USCC Compost Economic Assessment
- ✓ Interviews & Insights Reports


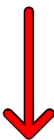
2027

- ✓ 3rd In-Person Networking Event @ COMPOST2027
- ✓ Business Accelerator: Cohort 2
- ✓ 2nd Annual Virtual Summit
- ✓ Interviews & Insights Reports
- ✓ Events with more USCC State Chapters

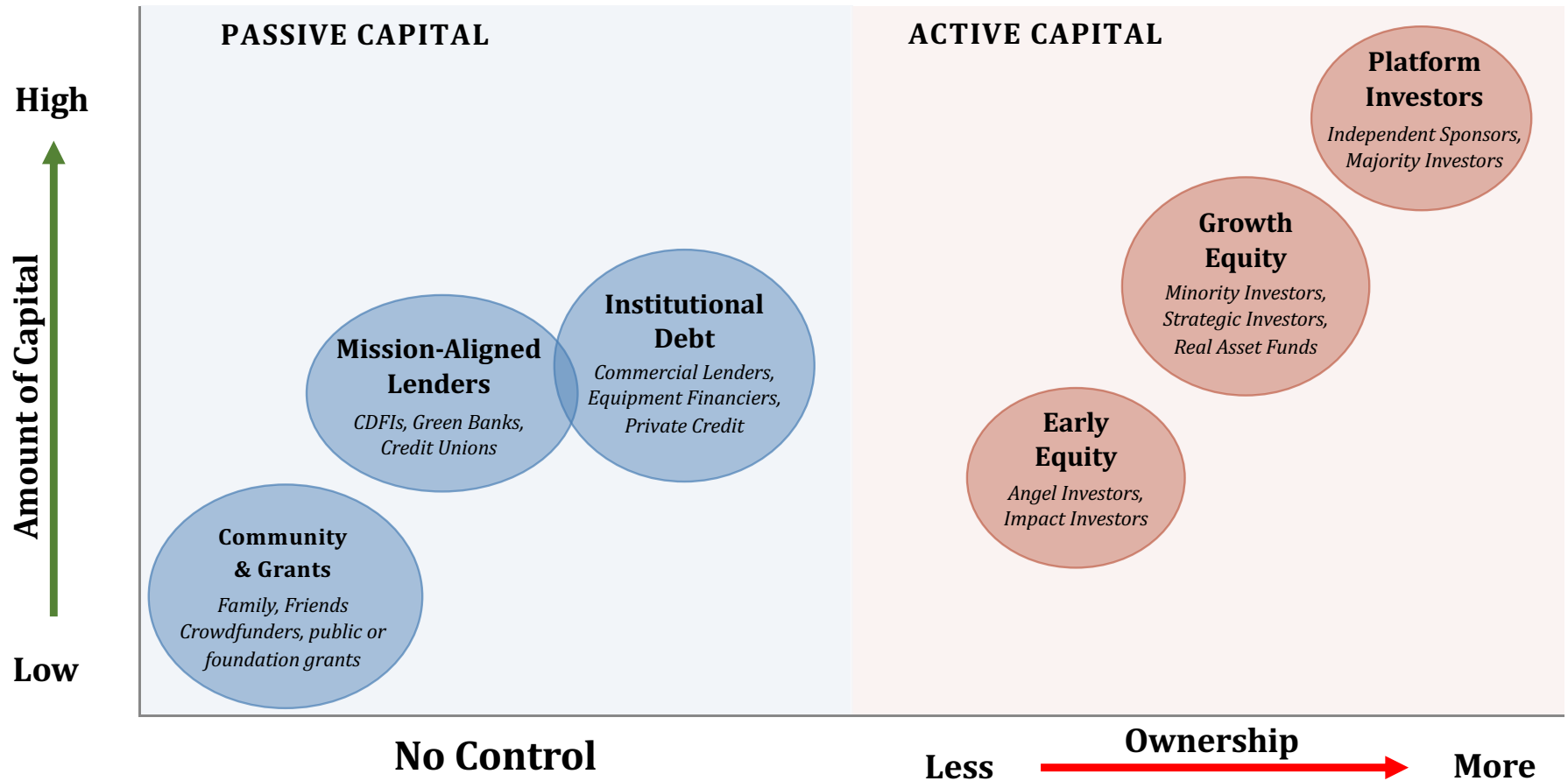
Financing 101

- Basic Business Models
- The Capital Spectrum
- The Capital Landscape & Examples
 - Philanthropic Grants
 - Catalytic Capital
 - Debt Financing
 - Private Equity
- Summary

Basic Business Models

	COMPOSTING	HAULING
Revenues 	<ul style="list-style-type: none"> - Tip Fees - Product Sales - Hauling Product - Landscaping materials 	<ul style="list-style-type: none"> - Materials pickup - Compostable products - Hard to recycle item
Expenses 	<ul style="list-style-type: none"> - Land and site development - Utilities - Equipment - Maintenance, fuel - Labor - Regulatory compliance 	<ul style="list-style-type: none"> - Vehicles - Maintenance, fuel - Transfer/washing areas - Tip Fees - Labor

The Capital Spectrum v1



Philanthropic Grants

- Private and Community Foundations
- Environmental and Climate Funders
- Government, state, and municipal grants

Catalytic Capital

- Low-interest loans
- First-loss guarantees
- Program-related investments (PRIs)

The Capital Landscape

Debt Financing

- Traditional and community banks
- Community Development Financial Institutions (CDFIs)
- Equipment lenders

Private Equity

- Minority equity investors
- Majority equity investors

Philanthropic Grants

TL;DR: outcomes + community benefit

What is the money trying to achieve?

- **Impact:** waste diversion, climate mitigation, job creation, equity
- **Demonstration:** prove a model that others can replicate

How does it get paid back?

- “Payback” is non-financial: **results + reporting**

What control does it require?

- **No ownership**
- Sometimes visibility: credit, press, site visits

Common uses for this capital:

- **Predevelopment:** siting, permitting support
- **Pilots / Feasibility studies**
- Equipment or **facility upgrades** *when aligned with program goals*
- **Data systems:** tracking tonnage
- **Market development:** end-user education, local procurement

Philanthropic Grants (cont.)

Typical Expectations

- **Frequent reporting** (quarterly is common) + success metrics
- Strong community/municipal **partnerships**
- **Communications/visibility**: “tell the story”
- **Viability plan**: what happens after the grant ends (who pays then?)

Speak their language & present:

- Clear problem + target population + **why you're credible**
- A **simple workplan** + timeline + partners (municipality, haulers, food generators)
- **Budget** that matches the narrative
- **Measurement plan**: baseline → targets → how you'll track progress/impact

Philanthropic Grants



Outcomes + community benefit

What is it trying to achieve?

Fund impact, prove models others can replicate

How does it get repaid?

Non-financial: results & reporting

What control does it require?

No ownership

Sometimes visibility (credit, press, site visits)

Common Uses

- Predevelopment: siting, permitting
- Pilots & feasibility studies
- Equipment aligned with program goals
- Data systems & market development

Speak their language & present:

- Clear problem, target pop, credibility
- Simple workplan
- Budget matching narrative
- Measurement plan

Catalytic Capital

TL;DR: de-risking + “crowding in” other capital

What is the money trying to achieve?

- **Unlock bigger capital** by reducing risk
- Blend impact + financial discipline (i.e. often “patient” capital)

How does it get paid back?

- Often **repaid, but flexibly**
- Examples: low-interest loans, recoverable grants, PRIs, guarantees

What control does it require?

- Often **light governance** (reporting, milestones, or protective terms)

Common uses for this capital:

- Some predevelopment (engineering/permitting)
- **First loss guarantees** to help you qualify for senior bank debt
- **Matching funds** to unlock public dollars
- **De-risking improvements:** contamination controls, odor mitigation, monitoring

Catalytic Capital (cont.)

Typical Expectations

- **Flexible returns** (often below-market) but high accountability
- **Milestone-based disbursements**
- Evidence that their dollars **enable larger financing**
- **Transparency + learning**: what worked, what didn't, what scales

Speak their language & present:

- **Clear use-of-funds** tied to a risk reduction plan
- **Credible path to repayment** (read: cashflow), even if not fast
- **Strong operator track record** + realistic ramp up schedule
- **Who else is at the table** (municipality, lender, anchor customers)

Catalytic Capital



De-risking + "crowding in" other capital

What is it trying to achieve?

Unlock bigger capital by reducing risk
Often "patient" capital

How does it get repaid?

Often repaid flexibly: low-interest loans,
recoverable grants, program related investments

What control does it require?

Light governance: milestones, reporting,
protective terms

Common Uses

- First-loss guarantees to unlock bank debt
- Matching funds for public dollars
- Predevelopment (eng/permitting)
- De-risking: odor mitigation, contamination controls, monitoring

Speak their language & present:

- Clear use of funds
- Credit path to repayment
- Strong operator track record, realistic ramp up
- Partnerships

Debt Financing

TL;DR: cash flow + risk + collateral

What is the money trying to achieve?

- Predictable **repayment with interest**

How does it get paid back?

- **Monthly payments** (principal + interest) on a schedule
- **Collateral-backed** whenever possible

What control does it require?

- No ownership, but usually **covenants (rules)**: maintain insurance, limit new debt
- Collateral/**security interest in equipment** and sometimes real estate

Common uses for this capital:

- **Equipment:** grinders, screens, loaders, turners, trucks
- **Site infrastructure:** pads, aeration, stormwater controls
- **Facility expansions** once you have stable throughput + contracts
- **Working capital lines** (best when you have reliable receivables)

Debt Financing (cont.)

Typical Expectations

- **Debt service coverage** often around ~1.2x+ (more cushion = better)
- Down payment/equity contribution is common
- **Loan term matched to asset life** (equipment vs real estate differ)
- **Strong contracts** + insurance + contingency planning
- **Regular reporting** (quarterly or annually) + covenant compliance

Speak their language & present:

- **Clean financials** (P&L, balance sheet, cash flow) + forecasts
- **Coverage:** Do you generate enough cash to comfortably make payments?
- **Collateral list** + condition + replacement plan
- **Permits/compliance plan + risk controls** (odor, stormwater, contamination)

Debt Financing



Cash flow + risk + collateral

What is it trying to achieve?

Predictable repayment with interest

How does it get repaid?

Monthly principal + interest on a schedule
Collateral-backed

What control does it require?

No ownership, covenants (insurance, debt limits)
Security interest in equipment/real estate

Common Uses

- Yellow iron, vehicles
- Pads, aeration, stormwater, etc
- Facility expansions
- Working capital lines

Speak their language & present:

- Clean financials
- Payment coverage
- Collateral
- Permits, compliance plan, risk control

Private Equity

TL;DR: growth + margins + repeatability

What is the money trying to achieve?

- High returns by growing enterprise value (scale + efficiency)

How does it get paid back?

- They get paid when they sell their ownership (exit)

What control does it require?

- **Minority investment (<50%):** influence + protections (board seat, veto on major decisions)
- **Majority investment (<50%):** control (they can drive strategy, hires, acquisitions)

Common uses for this capital:

- **Rapid expansion:** build multiple sites/ add capacity
- **M&A / consolidation:** buy competitors, vertical integration
- **Professionalization:** systems, leadership hires, ERP
- **New lines:** AD integration, branded products, bagging, **Market capture:** long-term municipal contracts + large commercial generators

Private Equity (cont.)

Typical Expectations (varies by fund & stage)

- Target return often **~20%+ IRR** over ~3–7 years (sometimes higher)
- **Clear “exit story”** (sell to strategic, larger fund, roll-up)
- **Governance:** board, budgets, hiring, capex approval
- **Aggressive growth targets** + timeline accountability
- Will push for **“institutional” systems:** safety, compliance, finance, data

Speak their language & present:

- **Strong unit economics** (margin per ton / per route / per facility)
- **Scalable playbook:** siting, permitting, ops SOPs, contamination control
- **Differentiation:** feedstock security + offtake/end-market strategy
- **Leadership bench + reporting discipline** (monthly close, KPIs, forecasts)

Private Equity



Growth + margins + repeatability

What is it trying to achieve?

High returns by growing enterprise value
(scale + efficiency)

How does it get repaid?

Paid at exit: when they sell their ownership stake

What control does it require?

Minority (<50%): board seat + veto rights
Majority: control strategy, hires, acquisitions

Common Uses

- Rapid expansion: multiple sites, capacity
- M&A / consolidation: buy competitors
- Professionalization: systems, leadership
- New product/service lines

Speak their language & present:

- Strong unit economics
- Scalable playbook
- Differentiation
- Leadership bench + reporting discipline

Summary

“Grants and catalytic capital help you get started. Debt helps you grow. Equity helps you scale—but only if it aligns with your goals.”

– Paula Luu, BioCycle

- Various types of capital available
- Do your research
- Engage early and develop relationships
- Determine your goals
- Wants/needs change over time

Resources

- USCC Draft Bank Loan Kit
- CompostBuilder.com Pad Planner
- A Roadmap for Local Governments to Build Community Prosperity with Composting (ILSR)
- A Guide for Investment in Composting Infrastructure (Composting Consortium)
- BioCycle Magazine
- Links at CompostCapital.com

I thank you!

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