



Solid Waste MRF Retrofit Project & Update to Financial Plan

November 15, 2022

BOCC Update



Mecklenburg County Solid Waste Materials Recycling Facility (MRF)

Background

Mecklenburg County owns the Materials Recycling Facility (MRF).

By contract, the County manages the processing of all recyclables for City and Towns.

Receives and processes recyclables from jurisdictions outside of Mecklenburg County.

Recycling Overview



WIPE OUT WASTE

Mecklenburg County

Solid Waste

Fiscal Year 2022

980-314-DUMP | WipeOutWaste.com



265,584

Total Tons Diverted

By directing materials to recycling, from Landfilling



86,168

Materials Recovery Facility Tons

Bottles, Cans, Paper, etc.



849,348

Total Customers

Compared to 840,501 customers in FY21

Tonnage

Electronics	437
Household Hazardous Waste	648
Yard Waste	130,028
Tires	23,216

Don't Just Recycle, Recycle Right!



PLASTIC BOTTLES



CARDBOARD (FLATTENED)



CANS



CARTONS



PAPER



GLASS BOTTLES



Why Retrofit the MRF?

- Existing MRF equipment is 15+ years old.
- Existing MRF is failing and unable to process consistently – needs replacement ASAP.
- No other area MRF's can process our recyclables.
- Help embrace new technology; will leverage cost savings.
- Optimize efficiencies using redundancies and automation.



MRF Retrofit Project Plan

Proposed Implementation Plan

- **Part 1** – Contractual process to implement retrofit of existing MRF – BOCC Approval Tonight
 - 14 to 18 months to complete
- **Part 2** – Construct interim MRF at Hickory Grove Facility
 - Next 3 to 6 months
- **Part 3** - Building modifications to existing MRF to accommodate new equipment
 - Next 8 to 10 months



MRF Retrofit RFP Update

<u>RESPONDENTS</u>	<u>EQUIPMENT COST</u>	<u>COST TO PROCESS</u>	<u>RANKING</u>
Bulk Handling Systems	\$33.6M	\$27.43/ton	2
Machinex Technologies, Inc.	\$19.9M	\$29.02/ton	3
Van Dyk Recycling Solutions	\$24.5M	\$20.08/ton	1

Van Dyk Recycling Solutions is the recommended vendor.

- Waste Management Advisory Board (WMAB) Chair served on Selection Committee
- WMAB and Selection Committee unanimously concurred with recommendation.
- RFP pricing will be held by vendor until December 20, 2022.



Financial Model Update



Financial Model Review

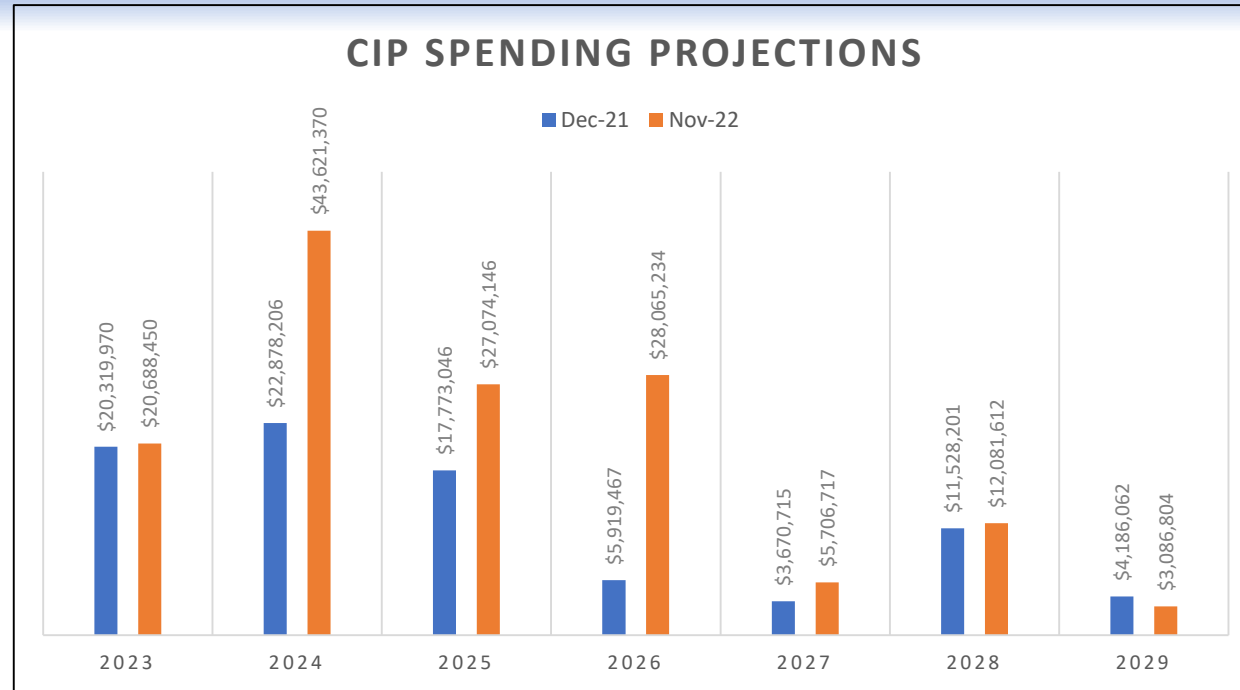
LUESA Solid Waste and County Financial Services reviewed financial capacity for short and long-term capital needs.

Key Findings:

- Inflation affecting large equipment and industrial projects (30% - 50%)
- Lead times for equipment has increased
- **Multiple Solid Waste Capital Projects in next 3 Fiscal Years**
 - MRF Retrofit
 - Interim MRF
 - Steele Creek Full-Service Center
 - North Meck Enhancements
 - Hickory Grove Enhancements
 - Foxhole Leachate Treatment
 - Monroe Road Center
 - William R. Davies Center



Solid Waste CIP



Projects with Major Cost Differences in FY23-25

<u>Project</u>	<u>Anticipated Cost (Dec 21)</u>	<u>Revised Costs (Nov 22)</u>
MRF Retrofit	\$11M	\$23.3M
Interim MRF	\$5.5M	\$6.6M
Steele Creek Center	\$12M	\$15.5M
North Meck Center	\$5M	\$5.5M
Hickory Grove Transfer	\$8.3M	\$12.6M
Foxhole Leachate Treatment	\$2.4M	\$5.7M
	\$44.2M	\$69.2M

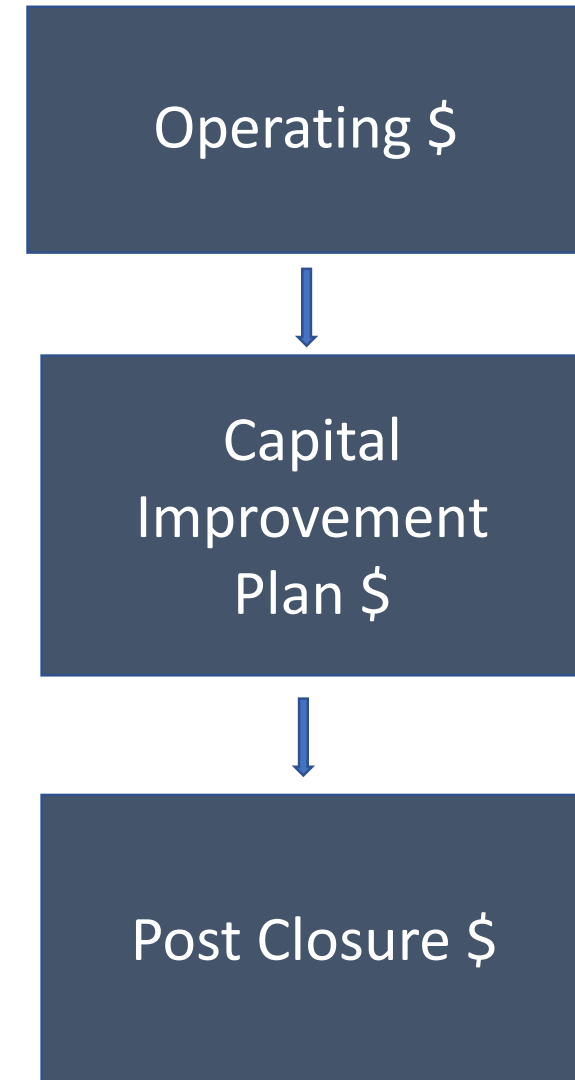
Total project costs are spread over multiple Fiscal Years



Solid Waste Financing Model Overview

Cash Flow Modeled and Monitored in Three “Buckets”

- Operating
- Capital Improvement
- Post-Closure



Solid Waste Financial Plan Update

Current Plan (December 2021)

- Increase Residential Availability Fee \$2.00 yearly.
- \$10.2M Loan from Post Closure Fund (Repaying in FY25-29)
- \$45M in Total Debt - \$30M in FY24 & \$15M in FY26

Residential Availability Fee (Current Plan)	
FY23	41.50
FY24	43.50
FY25	45.50
FY26	47.50
FY27	49.50
FY28	51.50
FY29	53.50

Proposed Plan (November 2022)

- Increase Residential Availability Fee \$5.00 FY24-27.
(No anticipated Availability Fee increase in FY28– onward)
- \$12.5M Loan from Post Closure Fund. (Repaying in FY28-30)
- \$65M in Total Debt - \$20M in FY24, \$25M in FY25 & \$20M in FY26

Residential Availability Fee (Proposed Plan)	
FY23	39.50
FY24	44.50
FY25	49.50
FY26	54.50
FY27	59.50
FY28	59.50
FY29	59.50



Historical and Proposed Solid Waste Residential Availability Fees

	Availability Fee	\$ Increase
FY27*	\$ 59.50	\$ 5.00
FY26*	\$ 54.50	\$ 5.00
FY25*	\$ 49.50	\$ 5.00
FY24*	\$ 44.50	\$ 5.00
FY23	\$ 39.50	\$ -
FY22	\$ 39.50	\$ -
FY21	\$ 39.50	\$ 6.00
FY20	\$ 33.50	\$ 6.00
FY19	\$ 27.50	\$ 3.50
FY18	\$ 24.00	\$ 3.50
FY17	\$ 20.50	\$ 3.50
FY16	\$ 17.00	\$ 2.00

* Proposed



BOCC Request

Request for Board Action:

- Authorize the County Manager to negotiate and execute a contract with Van Dyk Recycling Solutions in the amount of \$25,679,087.
- Approve a Capital Project Ordinance creating a loan from the Landfill Closure/Post Closure Fund to the Solid Waste Capital Fund in the amount of \$12,500,000.
- Amend the FY23 Solid Waste Operating Budget to include repayment of \$2,000,000 for an interfund loan authorized on 2/21/2017 (#17-3817).
- Receive update to financial model to accommodate projected capital expenses. Adjustments to Residential Availability Fee will be included in County Manager's FY24 Recommended Budget.

