



## **Memorandum**

**To:** Honorable Mayor Maso and Members of the Frisco City Council

**cc:** George Purefoy, City Manager  
Henry J. Hill, Deputy City Manager  
Gary Hartwell, Director of Public Works

**From:** Jeremy Starritt, Environmental Services Manager

**Date:** February 10, 2016

**Subject:** Authorization of Memorandum of Understanding (MOU) for Regional Composting Program

---

**Action Requested:** Authorize the City Manager to sign a Memorandum of Understanding between the North Texas Municipal Water District (NTMWD), Cities of Allen, Frisco, McKinney, Plano, and Richardson (the Member Cities of the NTMWD's Regional Solid Waste efforts) regarding an Amended and Restated Regional Composting Program Interlocal Agreement.

**Background Information:** A 2002 North Texas Municipal Water District (NTMWD) study, the "Regional Solid Waste Management Plan", recommended a regional composting program. Composting of yard waste, tree trimmings, and organic wastes yields a beneficial use stream of various composted products. Composting is cheaper than placing compostable materials in the landfill and is viewed as a beneficial "green" initiative. The practice also significantly extends the landfill life. Given the costs, and the regulatory/environmental issues to permit the site for a new landfill, waste diversion where feasible is crucial economical handling of Frisco's solid waste.

The City of Plano has successfully operated a compost operation to reduce their waste disposal costs and create a marketable "green" product. With agreement of the other four NTMWD solid waste member cities, the initial contract for composting all of the Member City materials was awarded to the City of Plano. Plano has now operated the NTMWD Member City Compost Program since 2003.

A small percentage of compostable materials arrive directly at the District's Landfill, the 121 Regional Disposal Facility (RDF) in Melissa. However, almost all compostable materials are delivered by member cities to the Custer Road Transfer Station site in

Plano for volume reduction by grinding. Plano's equipment reduces the materials and transports the materials to the regional compost site. Since opening of the 121 Regional Disposal Facility (RDF), the compost site has been located at the 121 RDF. Plano is responsible for receiving, reducing, processing, and marketing of the various materials produced. Plano effectively pays the same disposal cost for dropping off materials as any other Member City. However, under their NTMWD contract they remain solely responsible for the profit (or loss) of the overall compost operation.

Improvements of the Custer Road Transfer Station grind area and development of the 121 RDF composting site infrastructure has been undertaken by NTMWD as a member city project funded from solid waste disposal fees paid by all five member cities. There are budgeted upcoming site improvements at both sites that will increase program efficiency and productivity.

NTMWD has recently agreed to a new Interlocal Cooperation Agreement (ILA) with the City of Plano to continue as contractor for composting operations. The other Member Cities have enjoyed a positive working relationship with Plano's management of the program since inception. They support the renewal of Plano's original contract by the NTMWD Board of Directors. A copy of the current NTMWD ILA with Plano is provided in your Agenda materials. The NTMWD Board has approved the Executive Director signing the ILA and MOU after all five solid waste member cities sign the Proposed Composting Memorandum of Understanding. (MOU)

The MOU includes the following key provisions:

- Cities will deliver all their compostables to either the Custer Road Transfer Station or the 121 RDF for composting
- Cities may divert to other disposal sites or composting operations their compostable waste typically stemming from ice or wind storms that cause a short but dramatic rise in compostable materials that cannot be managed at the NTMWD composting site.
- Cities will assist in marketing of the Plano's "Texas Pure" composting products by advertising to residents in some form at least quarterly. This may be done by efforts such as: the City website, providing free material to residents when available, or through Heard from the Curb newsletter.
- The contractor may adjust composting drop off charges by the consumer price index annually, however, the cost for composting operations shall never exceed 85% of the overall NTMWD per ton cost charged to the member cities. The current 2016 composting cost is \$21.38 per ton for materials dropped off at the Custer Road Transfer Station versus the \$38.25 per ton for other materials going into the landfill; about a 46 percent reduction in cost over "landfilling" the compostables.
- Cities will support the composting infrastructure improvements at the Custer Road Transfer station and the 121 RDF Capital Improvement Program. This is largely concrete hard surface and road improvements to increase the efficiency of composting. These improvements are already factored into the current NTMWD long-range rate projections.

Both the Plano-NTMWD ILA for the Custer Road Transfer Station and the Member City-NTMWD MOU for Composting are straightforward agreements preserving currently working relationships related to the NTMWD Member City composting program. Staff believes the participation with the NTMWD and the other cities is in the best interests of the residents of Frisco.

**Financial Considerations:** The agreement does not put any additional cost requirements on the City of Frisco which it does not presently have in supporting the system. Funding for the Regional Solid Waste Services is included in the Environmental Services Fund.

**Supporting Documents:** Proposed Memorandum of Understanding between the NTMWD and the Cities of Allen, Frisco, McKinney, Plano and Richardson for Regional Composting Program, Memorandum of Understanding between the NTMWD and City of Plano for Regional Composting Program, Map of Custer Road Transfer Station.

**Recommendation:** That the City Council approve the Proposed Memorandum of Understanding between the NTMWD and the Cities of Allen, Frisco, McKinney, Plano and Richardson for Regional Composting Program contract revisions and authorize the City Manager to sign the agreement.