

## MEMORANDUM OF UNDERSTANDING

Between North Texas Municipal Water District, Cities of Allen, Frisco, McKinney, Plano, and Richardson Regarding Amended and Restated Regional Composting Program Interlocal Agreement

WHEREAS, the North Texas Municipal Water District (“**NTMWD**”) and the City of Plano (“**Plano**”) entered into an “Interlocal Cooperation Agreement Between North Texas Municipal Water District and the City of Plano, Texas for Regional Composting Program”, (the “**Base Agreement**”) effective October 24, 2003;

WHEREAS, pursuant to Section II of the Base Agreement, the initial term of the Base Agreement was ten (10) years (the “**Initial Term**”);

WHEREAS, also pursuant to Section II of the Base Agreement, the Base Agreement may be renewed for two additional five (5) year terms unless terminated earlier by either party;

WHEREAS, the Initial Term was to expire on October 23, 2013;

WHEREAS, a “First Amendment to Interlocal Cooperation Agreement Between North Texas Municipal Water District and the City of Plano, Texas for Regional Composting Program” (the “**First Amendment**”) was executed which renewed the Base Agreement from October 24, 2013 through October 23, 2015.

WHEREAS, a “Second Amendment to Interlocal Cooperation Agreement Between North Texas Municipal Water District and The City of Plano, Texas for Regional Composting Program” (the “**Second Amendment**”) was executed and renewed the Base Agreement from October 24, 2015 through January 22, 2016.

WHEREAS, a “Third Amendment to Interlocal Cooperation Agreement Between North Texas Municipal Water District and The City of Plano, Texas for Regional Composting Program” (the “**Third Amendment**”) was executed which renewed the Base Agreement through April 30, 2016.

WHEREAS, the NTMWD and Solid Waste Member Cities consisting of the cities of Allen, Frisco, McKinney, Plano, and Richardson (the “**Member Cities**”) have agreed to have Plano prepare and propose an Interlocal Cooperation Agreement Between North Texas Municipal Water District And The City of Plano, Texas For Amended and Restated Regional Compost Program (the “**Amended Agreement**”) for purposes of continuing to serve as the NTMWD’s composting contractor.

WHEREAS, the purpose of this Memorandum of Understanding (the “**MOU**”) is to improve efficiency, and the coordination of enhanced program support between the NTMWD and Member Cities through established operating guidelines and supporting strategies throughout the Amended Agreement term.

WHEREAS, this MOU defines specific actions that are required by NTMWD and each of the Member Cities to achieve the objectives of the regional compost program and in support of executing the Amended Agreement.

WHEREAS, NTMWD and the Member Cities desire to enhance the existing long-term regional composting program with continued, cost effective composting services that provide for efficient processing and transport of yard trimming materials from the point of collection to the composting site and back to market as finished products (currently branded Texas Pure Products, but subject to re-branding at Plano's discretion) ("**Products**").

WHEREAS, the Member Cities desire to increase awareness, participation and support toward recycling of yard trimmings material and beneficial applications (residential and commercial) of Products as a soil amendment, thereby increasing water conservation and water quality in local creeks, streams and lakes through reducing storm water impacts.

**NOW, THEREFORE**, NTMWD and the Member Cities hereto agree as follows:

### **I. NTMWD Responsibilities**

1. NTMWD will execute the Amended Agreement contemporaneously with this MOU prior to the expiration of the Third Amendment. In addition, NTMWD will continue developing facility improvements (as specified in the Amended Agreement) at the Custer grinding and 121 RDF compost sites in accordance with the NTMWD's Regional Solid Waste Disposal System, Capital Improvement Program ("CIP"). NTMWD shall not amend the Amended Agreement without providing notice to the Member Cities a minimum thirty (30) days prior to executing an amendment to the Amended Agreement.
2. To enhance the marketing of Products, and to increase awareness of the regional partnership and beneficial use of the related compost and mulch products, NTMWD will evaluate incorporating the branding of the Products into appropriate future public awareness and educational campaigns where practicable.
3. Each quarter, NTMWD will distribute the Texas Commission on Environmental Quality ("**TCEQ**") compost rebate, if any, to the Member Cities based upon each Member Cities' quarterly percentage (by weight per the monthly compost invoice) delivered to one of NTMWD's compost program facilities, such facilities being set forth in the Amended Agreement, of "Acceptable Material" as that term is defined in the Amended Agreement.

## **II. Member City Responsibilities**

### **A. Plano**

1. Plano will execute the Amended Agreement contemporaneously with this MOU prior to the expiration of the Third Amendment. In addition, Plano will cooperate with NTMWD's efforts in developing facility improvements (as specified in the Amended Agreement) at the Custer grinding and 121 RDF compost sites in accordance with the CIP.
2. Plano will maintain and advance operational efficiencies during the term of the Amendment to insure long-term financial sustainability while maintaining a tipping fee of less than or equal to 85% of the solid waste per ton cost charged by NTMWD to Member Cities as calculated from the annual cost per ton. In addition, Plano will provide to the Member Cities the "Profit-Revenue Share" component as set forth in the Amended Agreement to provide additional financial benefits to the Member Cities.
3. Plano will coordinate a minimum of twice yearly Steering Committee meetings to ensure awareness and transparency of the regional compost program's operational and financial performance, financial benefits, potential enhancements, necessary improvements and to evaluate areas of concerns by NTMWD and Member Cities.

### **B. All Member Cities (including Plano)**

1. Except as described in this section, the Member Cities agree to ensure all Acceptable Material, as defined in the Amended Agreement, will be collected as part of each Member City's municipal collection program and will be delivered to an NTMWD compost program facility, said facilities being as set forth in the Amended Agreement. In addition, the Member Cities agree to ensure all collected Acceptable Material delivered to an NTMWD compost program facility are free of all non-compostable materials including but not limited to: plastic, glass, metal, tape, nylon twine/cord, rock, brick or dirt. The Member Cities shall not be required to deliver all Acceptable Material to an NTMWD compost program facility in the following circumstances:
  - a. During and immediately following Emergency Surges. "Emergency Surges" are defined as short periods of excessive generation of compostable material following unusual events, such as, by way of example only, large storms, such that it is impracticable to timely accept or process the compostable material and impracticable for the Member Cities to store the compostable material until Plano can accept the material. In the event that a Member City is affected by an Emergency Surge, the Member City affected shall notify NTMWD and Plano as soon as practicable, and shall provide to NTMWD and Plano within three (3) business days following said notice, a plan for disposing of the excess compostable material, which may include delivering the excess compostable material to a non-NTMWD facility, and for returning to regular delivery of Acceptable Material as soon as practicable.
  - b. When Plano is not able to accept Acceptable Material at the NTMWD compost program facility nearest the Member City because that NTMWD

compost program facility has reached its maximum daily waste acceptance rate, as determined by NTMWD, for that day.

2. Not less than once per quarter, the Member Cities agree to include educational messages regarding the Products and the program partnership through city-wide outlets. In addition, where feasible, the Member Cities will incorporate branding the Products into water efficiency, drought-tolerant landscaping and storm water related community outreach communications.
3. The Member Cities agree to support the CIP to fund the facility improvements set forth in the Amended Agreement.

This Memorandum of Understanding will be effective the date of the last signature or the effective date of the Amended Agreement, whichever is later.





CITY OF PLANO

\_\_\_\_\_  
Bruce D. Glasscock  
City Manager

\_\_\_\_\_  
Date

**ACKNOWLEDGMENTS**

**STATE OF TEXAS**           §  
  §  
**COUNTY OF COLLIN**       §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2016 by Bruce D. Glasscock, City Manager of the City of Plano, a home-rule municipal corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

CITY OF RICHARDSON

\_\_\_\_\_  
Dan Johnson  
City Manager

\_\_\_\_\_  
Date

**ACKNOWLEDGMENTS**

**STATE OF TEXAS**           §  
  §  
**COUNTY OF COLLIN**       §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2016 by Dan Johnson, City Manager of the City of Richardson, a home-rule municipal corporation, on behalf of said corporation.

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Notary Public, State of Texas