

Memorandum

SUBJECT: **Executive Summary** for the Resolution Request to Extend by One Year the Composting Agreement between the City and County of Denver and Waste Management of Colorado, Inc.

This amendment extends by one year the compost agreement between the City and County of Denver (City) and Waste Management of Colorado (WMC).

For background, in 2016 the City and WMC entered in to a three-year contract with the option to renew the contract if both parties agree to do so. This contract allows WM, who currently operates the Denver Arapahoe Disposal Site (DADS) landfill on the City's behalf, to also offer composting services. WM obtained State approvals, constructed the composting pad and monitoring well, and met State requirements for operations. They receive food and green material including wood material, generate compost, and sell compostable material and sometimes wood chips. In return for leasing land to WM for the compost operations, the City receives a) an 8 percent(%) royalty on the revenue that WMC generates from the incoming material, b) details on the type and volume of incoming material, and c) information on WMC's operating costs.

Based on the 8% royalty received by the City from 2016 to present, the City has received \$178,626.77 in payment. From WMC's operating costs, we know that the income generated from their compost operations minimally covers the costs of their operations. Both parties continue to be optimistic that the need for composting will increase.

Both the City and WMC want to continue offering compost as an alternative to disposal and request this one-year extension.