

# WORK SESSION AGENDA ITEM SUMMARY

City Council



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## STAFF

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## SUBJECT FOR DISCUSSION

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**Regional Wasteshed Update: Intergovernmental Agreement and Immediate Next Steps.**

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## EXECUTIVE SUMMARY

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The purpose of this item is to provide context for Councilmembers to discuss approaches to regional collaboration supporting the Council Priority to Accelerate Zero Waste Infrastructure and Policy, including a request from Larimer County to suspend an Intergovernmental Agreement.

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## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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1. What feedback do Councilmembers have about whether to bring forward a Resolution placing the 2019 Intergovernmental Agreement into abeyance?
2. What are the areas of primary importance to Councilmembers as staff engage in finding regional solutions for missing infrastructure?
3. Do Councilmembers wish to hold a joint meeting with the Larimer County Board of Commissioners to discuss Regional Wasteshed collaboration?

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## BACKGROUND / DISCUSSION

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### Connection with Adopted Goals and Council Priorities

Development of community-scale, regional diversion facilities, especially for construction and demolition (C&D) materials and food scraps, is needed to advance future policy initiatives to align with the following adopted plans and is essential to meeting the Council-adopted goal of zero waste by 2030:

- Our Climate Future Big Moves 2 (Zero Waste Neighborhoods) and 10 (Zero Waste Economy)
- City Plan Principle ENV 5: Create a Zero Waste System
- 2024-25 City Strategic Plan ENV 1 (presumed to be adopted March 19, 2024)
- City Council 2024-25 Priority: Accelerate Zero Waste Policies and Infrastructure

## **Background**

For many years, the City has prioritized efforts to become a zero-waste community. With the pending closure of the Larimer County Landfill in mid-2025, there are decision points in the near term that may move our community along the path toward our goals. The recent adoption of Council Priorities further emphasized the need for C&D diversion and recycling, and the diversion of food waste from landfills. City staff have been working with the Regional Wasteshed Coalition to facilitate the development of the needed infrastructure.

This Work Session item is intended to prompt a discussion between Councilmembers about the City's approach to Regional Wasteshed collaboration and the Intergovernmental Agreement (IGA). Work Sessions specific to the Council Priority to *Accelerate Zero Waste Policies and Infrastructure* are being planned throughout 2024 to discuss options and opportunities for City Council action after additional research has been conducted and further staff collaboration with Larimer County, per Council guidance.

## **Regional Wasteshed Coalition and Solid Waste Infrastructure Master Plan**

The Regional Wasteshed Coalition (the Coalition) was formed nearly ten years ago to plan for the Larimer County Landfill reaching capacity around 2025 and includes Fort Collins, Larimer County, Loveland, Estes Park, and Wellington. The Coalition has been valuable for addressing and planning for future needs, however, the Coalition's recent ability to move toward agreed upon outcomes has been suboptimal regional waste issues through the development of the Solid Waste Infrastructure Master Plan (SWIMP). The Coalition has been unable to substantially advance policies, strategies and tactics that make headway on the work outlined in the SWIMP. There are a variety of factors that have contributed to the slowdown of progress, one being a lack of alignment on the approach to the Intergovernmental Agreement (IGA) that commits signatories to specific expectations for infrastructure and policy.

## **Intergovernmental Agreement (IGA)**

The 2019 IGA was developed and adopted by all members of the Coalition to create clear expectations for conditions needed to spur the County's construction of new diversion facilities concurrent with supportive policy development.

Larimer County has requested each member jurisdiction formally suspend the agreement and does not anticipate bringing the IGA back out of abeyance. Four out of five signatories in the Coalition have voted to place it in abeyance, Fort Collins being the sole organization that has not.

The reasons other jurisdictions have shared for putting the IGA into abeyance are varied and nuanced based on the needs of each individual community, but the overarching theme is that the agreement has outdated language, assumptions, costs for facilities, market assumptions, and timeframes that no longer reflect the current market within the Regional Wasteshed. This is especially true for the infrastructure cost estimates, over which the County expressed concerns, stating that the cost of the infrastructure was infeasible for the County to cover alone as stipulated in the IGA, given rapidly escalating costs and the County's perceived uncertainty in the market about volume of waste materials.

It is important to note that the IGA has meaningful content that commits to the tiered prioritization of infrastructure projects. This prioritization aligns with the waste hierarchy that guides policy decisions and the strategic approach to waste reduction and recycling in Fort Collins. Ensuring that these elements of the agreement are not lost in the process of advancing the work of the Regional Wasteshed Coalition is vitally important, as clarity of expectations provide the foundation for moving collaboratively toward a zero-waste community. The County is currently progressing cautiously on the landfill and transfer station, which is foundational infrastructure.

The prioritization of projects in the IGA is of particular importance since Larimer County is currently considering multiple partners and technological solutions, some of which may be aligned with the goals of the City and other, like waste-to-energy projects, that are not necessarily aligned with the City's preferred approach and were assigned a low priority in both the SWIMP and the IGA. Furthermore, without an IGA in place, there is not a clear process to determine prioritization of potential infrastructure. See the section below for details of the current state of Larimer County's plan for infrastructure.

Fort Collins' members of the Regional Wasteshed Policy Advisory Committee (PAC) have expressed interest during past discussions in an approach that would develop a replacement IGA prior to suspending the current IGA. Larimer County has proposed recrafting an agreement in the future that could take the form of multiple IGAs with individual partners or possibly one regional IGA. At this juncture, the current IGA is not being followed and the County has suspended meetings of the PAC until all partners place the IGA into abeyance. The following table includes potential actions councilmembers may consider in relation to the IGA.

<b>Potential options for next steps for the IGA</b>	
<b>Option</b>	<b>Considerations</b>
1) Place IGA into abeyance	<ul style="list-style-type: none"> <li>• Ends commitment to tiered prioritization of infrastructure elements</li> <li>• Meets Larimer County request and aligns with partner actions</li> <li>• Unclear timeline, roles and process to create next IGA               <ul style="list-style-type: none"> <li>○ Unclear if next IGA would be shared regional IGA or if distinct IGAs between Larimer County and each community would be developed</li> </ul> </li> </ul>
2) Place IGA into abeyance with conditions	<ul style="list-style-type: none"> <li>• Could place current IGA into abeyance for a certain amount of time and have it come back into effect unless specific actions (e.g. creating a new IGA) have been completed</li> <li>• Many of the same considerations as Option 1</li> </ul>
3) Replace and repeal IGA	<ul style="list-style-type: none"> <li>• Develop new IGA and repeal prior at the same time as adopting new</li> <li>• Would have clarity on next agreement prior to exiting existing</li> <li>• Unclear timeline or pathway</li> </ul>
4) Terminate IGA	<ul style="list-style-type: none"> <li>• Would likely have same impact as putting IGA into abeyance, as Larimer County does not intend to bring the IGA out of abeyance</li> <li>• Requires notification and goes into effect 18 months after notice is given               <ul style="list-style-type: none"> <li>○ Could place IGA into abeyance for the 18 months until it is terminated</li> </ul> </li> <li>• May be clearer than unending abeyance</li> </ul>
5) No action	<ul style="list-style-type: none"> <li>• Current IGA would remain in place but commitments unlikely to be met</li> <li>• Next steps unclear</li> </ul>

**Planned Infrastructure and Status**

The SWIMP identifies and prioritizes infrastructure to be constructed with regional partner policy support. In 2022, Larimer County issued a request for proposals (RFP) for potential diversion partners which yielded additional potential infrastructure. Larimer County is in negotiations with four potential private partners, some of which propose waste-to-energy or mixed waste processing, which are not categories of infrastructure prioritized in the SWIMP. Details are included in the following table.

## Status of infrastructure identified in the SWIMP and Larimer County RFP

Infrastructure element	Material processed	Tier in SWIMP	Status	Notes
<b>Infrastructure elements from SWIMP and in IGA</b>				
Landfill	Waste	1	Under construction	Market risk of landfill not receiving enough material if Fort Collins does not adopt flow control.
Transfer station	Waste	1	Planned	
C&D Recycling	Construction & Demolition material	1	Dependent on receiving state grant (notification anticipated Q2 2024)	Addresses barrier of having to separate all materials at C&D sites – could make C&D materials “single stream” recyclable
Yard trimmings composting	Yard trimmings	1	Under consideration	Could move forward via A1 Organics proposal to Larimer County
Food scraps composting	Food scraps	1	Unclear	<ul style="list-style-type: none"> <li>Residential food scraps are often collected mixed with yard waste and composted                             <ul style="list-style-type: none"> <li>No identified path for this material</li> </ul> </li> <li>Commercial food scraps are often collected separately and composted or anaerobically digested</li> </ul>
Anaerobic digestion	Food scraps, nutrient-rich liquids	2	Under consideration	Could move forward via Anaergia proposal to Larimer County
Expand recycle center	Curbside recyclables	2	Not being considered	Requires more recyclables than facility currently receives
Waste-to-Energy	Mixed waste or specific materials	3	Under consideration	EPA waste hierarchy supports this only for materials that can't be reused, recycled or composted
<b>Specific companies that submitted proposals to Larimer County RFP</b>				
Anaergia	Mixed waste or food scraps	2 or 3	Under consideration	<ul style="list-style-type: none"> <li>Processing of food scraps consistent with EPA waste hierarchy</li> <li>Mixed waste processing can be more expensive and can generate materials that are hard to market</li> </ul>
Biochar	Wood	N/A	Under consideration	<ul style="list-style-type: none"> <li>May process treated / painted wood or clean wood</li> <li>Uncertainty around potential air quality impacts</li> </ul>
A1 Organics	Yard trimmings	1	Under consideration	Largest composter in Colorado, currently owns and operates sites in Eaton, Keenesburg
Plasma Development	Unclear	3	Under consideration	Waste to Energy company

## **Flow Control – Context for Future Discussion**

Flow control is a requirement that waste is directed for disposal to a specific facility. The location that receives the material must be owned and operated by a public entity and there must be a public benefit to sending the material to that facility.

Larimer County would like Fort Collins to consider instituting flow control for solid waste to ensure the County has enough material to operate the new landfill and transfer station, and potentially support development of future diversion facilities. The IGA states the partners will not adopt flow control for waste. However, there have been significant market changes since the adoption of the IGA that change the assumptions and further examination may be warranted on the impacts flow control would have on the City, the County, and customers in the regional watershed.

Consistent with the commitments in the IGA, the City has already conditionally required that mixed C&D waste be deposited at the County processing facility if and when it is constructed. However, for waste, flow control has not been adopted, meaning haulers can decide where to take it. If haulers opt to take more waste to other landfills, the County is at risk of not having enough material to cover the costs of landfill operations.

To address this risk, Larimer County is requesting Fort Collins consider adopting flow control to Larimer County for the residential waste collected via the City's single hauler contract. The adoption of flow control has a pricing impact on customers.

Staff propose making this topic a central consideration at future Work Sessions as councilmembers consider ways to advance the priority to accelerate zero waste infrastructure and policies. In the meantime, staff from both organizations will continue to meet regularly to seek clarity and discuss viable options.

## **Grant-supported Research and Development**

The City has recently been awarded a Technical Assistance Grant (TASP) by the State of Colorado to identify specific options and implementable solutions for greater C&D diversion and recycling, and community-scale food scraps composting. This staff work will begin in the spring of 2024 and should yield clear actions that the City, on its own or in partnership with regional collaborators, can take to advance its zero waste goals. The research conducted will be central to future Work Sessions on the Council Priority to *Accelerate Zero Waste Policies and Infrastructure*. Concurrently, Larimer County is pursuing State grant funds to construct a C&D processing facility that is aligned with the City's diversion objectives. Ongoing collaboration and cooperation with partners is critical to identifying the path forward on local and regional waste solutions.

## **Data and Supporting Information**

In 2021 – the most recent year for which data is available – the City of Fort Collins produced 350,000 tons of waste; 52% of it, or 182,000 tons, was diverted from the landfill.

The Community Diversion Rate includes material from the residential, commercial, and industrial sectors and is calculated based on weights. Per recent discussions regarding the use of weight-based measurement rather than volume, Fort Collins uses weight-based measurements as they are the industry standard and are the most accurate available approach to measuring waste. Fort Collins also tracks diversion rates by sector (in 2021, they were: single-unit residential: 29%, commercial / multi-unit residential: 32%, industrial: 66%). In order to capture the impacts of source reduction, Fort Collins also tracks the pounds per capita of material landfilled. Conducting more regular and smaller scale waste sorts is also a potential future source of additional data about materials disposal in the community.

More information can be found in the 2021 Waste Reduction and Recycling Annual Report (included as an attachment).

## **NEXT STEPS**

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- Staff will bring forward a Resolution relating to the IGA, if desired, consistent with feedback.
- If Councilmembers desire a joint Work Session with the Larimer County Commissioners, an off-cycle meeting time will be set.
- City staff will work with the TASP grant consultants to further identify and vet potential pathways to food scrap and C&D materials infrastructure, including analysis and collaboration regarding flow control informed by Councilmember feedback.
- City staff will propose next steps for the Council Priority to Accelerate Zero Waste Policies and Infrastructure at a work session on May 14.

## **ATTACHMENTS**

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1. Solid Waste Infrastructure Master Plan (SWIMP) Executive Summary
2. 2019 Regional Wasteshed Intergovernmental Agreement
3. 2021 Waste Reduction and Recycling Annual Report (most recent available)
4. Presentation

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