



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Patti McLauchlin, City Manager
CC: Todd Stoughton, Asst. City Manager

FROM: Kimberley Frazier, Project Manager Utilities Department

DATE: April 6, 2022

SUBJECT: Approving additional services proposal from CH2M HILL, Engineers, Inc. under task order # 3-21 SWR Amendment 1 “Scope of Services” for market and consumer analysis of compost sales and demand within the City of Key West in the amount of \$ 46,745.00.

Action Statement:

This is a request to approve Amendment 1 to task order 3-21 SWR from CH2M HILL, Engineers, Inc. to provide market value research and potential consumer analysis for the soil amendment product expected to be produced by our proposed compost facility on Fleming Key. Prior to moving forward with the compost project, the utilities department feels it is prudent to be provided estimated demand and potential revenues to offset costs to build, manage and maintain the proposed compost facility. The task order amendment is \$46,745.00, pursuant to resolution # 21-142.

Background:

The City of Key West sewer rate payers are expected to pay \$500,000 in 2023 to haul compostable biosolid waste from our Wastewater Treatment plant located on Fleming Key to a landfill 200 miles away. Solid waste rate payers will pay over \$250,000 per year on average to haul yard waste from Rockland Key to a compost facility located 200 miles away.

The City of Key West Utilities department has engaged Jacobs Engineering to develop and run a pilot study to demonstrate the quality and safety of the soil amendment product that can be produced by composting our biosolids with City created yard waste. The Utilities Department would like to engage a professional market analysis team to assess the successful application and sale of this product within City limits. The research should provide an estimated resale value and/or marketability, estimate volume demand, and identify potential repeat consumers. This will allow our team to better plan for and estimate our ability to minimize dependence on landfills and long-distance hauling. Reducing our reliance on landfills will reduce our carbon footprint

Key to the Caribbean – Average yearly temperature 77° F.

MEMORANDUM

and allow the island to be more self-sufficient.

Purpose and Justification:

The Key West Wastewater Facility currently produces about 6,000 tons of biosolids per year. The waste is hauled by a third-party contractor to landfill disposal at a current cost of ~\$75 per ton. In addition, the City of Key West also produces over 3,200 tons of yard waste and pays a third-party to haul and dump this refuse at a compost site at a rate of ~\$69 per ton.

The City of Key West engaged CH2M HILL to run a test pilot program in the production of Class AA biosolids compost product for local landscaping and horticultural uses. Given the current successful outlook of this study the Utilities Department finds it prudent to engage a third-party analyst to analyze our compost market potential within and surrounding the city. This market analysis may also be useful in proving a positive or net neutral cost benefit should future potential sources of grant funding become available during this project's planning phase.

Our hope is to reduce the number of trucks on the road each day hauling our waste products to landfills thus, creating a smaller carbon footprint of the city by reducing reliance on fossil fuels and landfill disposal.

Strategic Plan:

Task order 3-21 Amendment is consistent with the Key West Forward Strategic Plan, Priority 4: Environmental Protection, Goal 2: Recycling and Composting. This study will allow the city to better estimate the net costs in establishing our first composting program.

Options:

1. Approve the task order from CH2M HILL, Engineers, Inc. to perform the market analysis for the financial viability and product demand of a compost program aimed to reduce the City's reliance on landfills and the use of multiple dump trucks that make 400-mile round trips to dump our refuse, thus reducing our carbon footprint.
2. Do not approve the task order from CH2M HILL, Engineers, Inc. to perform the market analysis for the financial viability of the compost program and one of the following scenarios may occur; the City may build a compost program that is not self-sustaining within our current refuse fee structure, or the City does not build out the compost program and rate payers will likely experience exponentially increasing hauling and dumping fees once our contract with Waste Management expires in just over 7 years, and we may miss an opportunity to reduce our carbon footprint.

Financial Impact:

The \$46,745.00 cost will be charged to budget account Sewer/Treatment Plant Operations/Construction in Progress 401-3504-535-6500, project number SE35042103.

Recommendation:

Staff recommends option #1, approving the amendment to task order 3-21 SWR from CH2M HILL, Engineers, Inc. for the market study and analysis in the estimated amount of \$46,745.00.