



## MEMORANDUM

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Date: July 29, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton  
Interim City Manager

From: Matthew Willman  
Interim Utilities Director

Subject: **Amendment of Resolution 24-051 authorizing necessary budget transfers and adjustments due to an increased volume of leachate generated from operations at the City's Transfer Station located on Rockland Key.**

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### Introduction

Request to increase the funding of the third-party leachate hauling and disposal portion of the City of Key West's contract with Waste Management, which was approved in Resolution 24-051, on March 14, 2024.

### Background

On February 19, 2004, the City Commission approved a 20-year contract establishing Waste Management (WM) to provide municipal solid waste hauling and disposal services for the City of Key West (Resolution 04-082). This contract governs the hauling of the City's solid waste from the Transfer Station on Rockland Key to approved disposal sites. On March 14, 2024, the contract was extended until December 31, 2025, and amended to include funding for third party hauling and disposal of leachate generated from facility operations.

Leachate is the liquid material that is collected from waste accepted at the facility as well as the wash down of the tipping floor. It is temporarily contained on-site in tanks and requires transportation to an off-site disposal facility. Per the Transfer Station operating permit with the Florida Department of Environmental Protection (FDEP), the leachate was directed to the City's wastewater treatment plant (WWTP) on Fleming Key. In December 2023, City staff directed WM not to dispose of the leachate into the City's wastewater system and they arranged for third-party transportation and disposal of the waste. The cost to haul and dispose of the leachate was negotiated to be \$550/ton and city staff estimated approximately 38.12 tons per month would be generated. The initial increase to the haul out contract was projected to be \$21,000 per month or approximately \$250,000 annually. The average leachate hauling

and disposal cost per month during the first six months of the amended contract has been calculated at \$39,250, yielding an annual cost to the City of \$471,000. Funding for the leachate hauling and disposal portion of the extended contract will require an additional \$100,000 through FY24. There is a projected surplus balance without the additional leachate hauling that should be utilized also.

City staff and WM are working with the City's WWTP to determine the feasibility of returning leachate disposal to the WWTP. Several samples have been submitted to the WWTP for analysis and evaluation.

**Procurement**

The additional increase in haul out costs due to the volume of leachate generated will require a budget transfer in the amount of \$100,000 from Account 403-4301-534-9900 (General Administration/Other Uses) to Account 4034305-5343400 (Hauling and Disposal/Other Contractual Service).

**Recommendation**

The Interim City Manager's Office recommends the Mayor and City Commission approve increasing the budget (4033504-5343400) by \$100,000 in additional funding from Reserves Account (4033401-5349900) due to an increased volume of leachate, authorize the Finance Director to accept a change order to the purchase order in the amount of the total increase, and authorize the Interim City Manager to execute any necessary documents and budget transfers upon the consent of the City Attorney.