

**COUNCIL ACTION FORM**

**SUBJECT: WATER POLLUTION CONTROL FACILITY (WPCF) DIGESTER COVER REPAIRS**

**BACKGROUND:**

The Water Pollution Control Facility (WPCF) utilizes two primary digesters and one secondary digester to treat and store biosolids prior to disposal by land application.

On August 30, 2019, an incident occurred that resulted in damage to the cover of Primary Digester Number Two (PD#2). With the Secondary Digester out of service for improvements, staff was utilizing PD#2 as a Primary Digester and PD#1 as a Secondary Digester. The overflow line used to transfer sludge between the two digesters plugged, causing pressure to build up in PD#2. The pressure in PD#2 caused the cover to rise, breaking welds and bending steel plates that hold the cover in place.

On October 2-4, 2019, an inspection was performed by Walker Process Equipment, the digester cover manufacturer. Walker Process Equipment provided a detailed report of the damage to the digester cover and recommendations for repairs.

During the time this incident occurred, the Digester Improvements Phase II Project was taking place. City staff worked with the prime contractor on-site (Shank Constructors), the project consulting engineer (Strand Engineering), and Walker Process Equipment to develop a solution to restore the digester cover to its original condition. Shank Constructors provided a Time and Materials Not to Exceed cost of \$244,138 for the work.

On January 9, 2020, a representative with Chubb Insurance visited the WPCF to evaluate the incident. Following the site visit, Chubb Insurance confirmed coverage for \$224,057 of the \$244,138 cost proposal provided by Shank Constructors, subject to a \$100,000 deductible. Chubb Insurance will not cover \$20,081 associated with the digester level indicator replacement. These level indicators are critical to plant operation and replacement was essential.

On April 28, 2020, City Council awarded a contract to Shank Constructors, Inc. of Minneapolis, Minnesota, for an amount not to exceed \$244,138. All work, in accordance with the contract, has been completed, and the work is ready for final acceptance. A copy of the Engineer's Statement of Completion is attached.

The total amount billed for the work completed was \$203,411. The City has paid for all the completed work, less retainage, and will be reimbursed by Chubb Insurance. **The insurance reimbursement will be for the final billed amount less the \$100,000 deductible and the \$20,081 associated with the digester level indicator replacement**

**for a total reimbursement of \$83,330. The insurance reimbursement is credited as a revenue to the Sewer Fund.**

The WPCF Digester Improvements Phase II Project expense summary shown below reflects the cost of the repairs.

Engineering fees	515,700
Original Contract	2,165,200
Change Order #1	23,063
Change Order #2	49,933
Change Order #3	42,318
<b><u>Digester Cover Repairs (This CAF)</u></b>	<b><u>203,411</u></b>
Total Project Cost	2,999,625

These repairs were paid out of the Digester Improvements CIP account. The current year (FY 20/21) budget includes \$643,108 in this account. After subtracting all year-to-date expenses and paying the retainage to Shank for the digester cover repairs, there will be \$365,741 remaining in the project account that is unspent. Those remaining funds are earmarked for the WPC Sludge Pumping Building Improvements Project.

**ALTERNATIVES:**

1. Approve completion of the Water Pollution Control Facility Digester Cover Repairs and authorize final payment, in accordance with the contract, to Shank Constructors, Inc. of Minneapolis, Minnesota.
2. Do not accept completion of the Water Pollution Control Facility Digester Cover Repairs at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

A contract to repair the Water Pollution Control Facility Digester Cover was awarded by Council on April 28, 2020. All work for the project has been completed in accordance with the terms of the contract. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.