

COUNCIL ACTION FORM

**SUBJECT: GEOTUBE BAGS FOR POWER PLANT ASH POND – CHANGE
ORDER NO. 2**

BACKGROUND:

In an effort comply with EPA Coal Combustion Residue regulation, the Power Plant has elected to inactivate its ash pond, which normally stores its boiler bottom ash. Electric Services has discontinued sending bottom ash to the ash pond to meet the EPA standard and, as an alternative, collect it in geotube filter bags for disposal at the landfill. By discontinuing the use of the Ash Pond, the City will be exempt from future ash pond maintenance and environmental monitoring requirements regulated by the guideline. It should be noted that this provision of the regulation is currently under review at the DC District court.

On November 10, 2015, City Council approved of waiving the purchasing policy requirement for competitive bidding for the Geotube Bags for Power Plant Ash Pond and awarding a contract to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$193,803.75 (inclusive of Iowa sales tax). This was for the purchase of 525 bags priced at \$345 each.

The Power Plant needs to purchase up to an additional 300 bags to continue ash disposal operations through the summer of 2016 as the City awaits EPA confirmation on a decision regarding the future use of the ash ponds. It is anticipated that the EPA will allow the re-use of the ash ponds under a revision to the CCR ruling. If this decision is accepted by the EPA, the Power Plant intends to re-use the ash ponds for ash disposal and the need to purchase bags will no longer be required.

One change order, totaling \$38,015, was issued previously for the purchase of an additional 100 bags. **Change Order #2 will add an additional \$113,595 to this contract, and will bring the total contract amount to \$345,413.75.**

Funding is available from the approved FY2016/17 Electric Production operating budget from the Unit #8 & #7 line items which currently contain \$175,000 for ash disposal.

ALTERNATIVES:

1. Approve Change Order No. 2 to Geo-Synthetics LLC, Waukesha, WI, in the amount of \$113,595 (inclusive of Iowa sales tax) for the purchase of an additional 300 geotube bags for Power Plant Ash Pond. This will bring the total contract amount not to exceed \$345,413.75.
2. Reject Change Order No. 2.

MANAGER'S RECOMMENDED ACTION:

Purchase of additional geotube bags is critical since they are used to capture bottom ash from the Power Plant boilers before emptying into the Ash Ponds in violation of the EPA Coal Combustion Residue mandate.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.