

ITEM#: 16  
DATE: 10-10-23  
DEPT: ELECTRIC

**COUNCIL ACTION FORM**

**SUBJECT: CONTAMINATED SOIL AND WATER AT COMBUSTION TURBINE OIL LINE REPLACEMENT PROJECT- CHANGE ORDER NO. 2**

**BACKGROUND:**

Electric staff has been performing a Capital Improvement project at the Combustion Turbine site to replace two existing fuel oil lines that run underground between the fuel oil supply tank and the fuel forwarding pump house. The existing lines are old and are being replaced to avoid any issues that may arise because of their age.

The project requires digging an 8-foot pit next to the pump house so the contractor can install a new line while the existing line is still able to be used. The pit has presented some challenges since: 1) this site is part of the old city landfill, 2) there is a lot of ground water, and 3) the soil stability is not very good. **A few days after digging the pit, an oily substance started slowly seeping from the surrounding soil into the pit. Staff does not yet know where the oily substance is coming from, but has confirmed the two existing lines are not leaking and there is no evidence of any oil substance discharging from the site.**

**Because the pit was constantly taking on ground water and the oil substance continued to contaminate the water, daily pumping of the water was required. The water was put into containers where it was hauled off and properly disposed of.**

**When staff first found the oil substance, a PO in the amount of \$9,500 was issued for J Pettiecord to dispose of the water properly. After better understanding the rate the ground water was going into the pit, additional funds were needed to cover the proper disposal of the pumped water and Change Order #1 was requested. The City Manager's office approved an additional \$35,500, bringing the contract to a total of \$45,000.**

On September 12, the City received an invoice from J Pettiecord for services provided from 8/24/23 to 8/31/23 for a total of \$16,272.01. This included administrative costs for three site visits, soil and water sample testing costs, delivery and rental costs of frac tanks, delivery of small equipment used for remediation, and pumping and disposal of 12,668 gallons of oil contaminated ground water. This invoice was received a few weeks late, as the point of contact at J Pettiecord was dealing with a personal situation.

When the September 12 invoice was received, staff consulted with J Pettiecord about the project and anticipated future costs. From this discussion, it was thought the \$45,000 of funding available on the Purchase Order after Change Order #1 would be enough to cover

the costs to complete remediation. However, on September 20, the City received three additional invoices from J Pettiecord. These invoices included costs for the pumping and disposal of oil-contaminated ground water as well as the transportation and disposal of contaminated soil. **The total of the invoices received to date is \$76,367.13. Another \$6,000 is estimated to be billed to the City for the retrieval and final cleanout of the frac tanks, which puts the current total obligation at \$82,367.13.**

Additionally, last week, work crews found additional contaminated soil while digging at the other end of the buried pipe. The contaminated soil appears to have been from a spill that occurred many years ago inside the spill containment around the fuel oil storage tank. The soil has been removed and contained in plastic wrap on site where it will sit until it can be properly disposed of. **Staff estimates another \$9,000 to dispose of this soil and liquid.**

Finally, it is necessary to track the contamination down to the source in order to prevent additional spread. **Staff believes approximately \$28,000 of additional funding will be necessary to properly dispose of any contaminated soil and liquid gathered from this process.**

**Therefore, the work completed to date, the disposal of contaminated materials already encountered, and the remaining work to stop the source of the contamination is estimated to result in another \$75,000 of work, bringing the total contract cost to \$120,000. Change Order #2, in the amount of \$75,000, has been prepared to accomplish this work.**

Funding for this project will be taken from the FY 2023/24 Power Plant Operations and Maintenance Budget where there is \$90,000 for miscellaneous repairs of the building that can be used for this clean-up project.

**ALTERNATIVES:**

1. Approve Change Order No. 2 in the amount of \$75,000 to J. Pettiecord Inc, of Bondurant, Iowa, to contain and remove the contaminated soil and water at the Combustion Turbine oil line replacement site.
2. Do not approve the requested change order.

**CITY MANAGER'S RECOMMENDED ACTION:**

All the contaminated soil and liquid must be removed from the ground and properly disposed of to ensure the soil is clean and will not have the potential of affecting surrounding soil and waters. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.