

ITEM #: 11
DATE: 11-28-23
DEPT: ELEC

COUNCIL ACTION FORM

SUBJECT: ASH POND CLOSURE

BACKGROUND:

The City's Power Plant operated for over a century by combusting coal to generate electricity. The combustion of coal (and since the mid-1970s refuse-derived fuel, or RDF) generated ash as a byproduct. Although the Power Plant no longer burns coal, the combustion of RDF still results in ash being generated. The ash from the Power Plant is conveyed from the boilers to an ash impoundment pond several hundred yards to the east of the Power Plant.

On April 17, 2015, a Final Rule entitled "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals (CCR) From Electric Utilities": was published in the *Federal Register*, which regulated the disposal of ash in surface impoundments and landfills resulting from the burning of coal in electric utility boilers. **Compliance with the CCR rule requires a major project to reconfigure the existing ash site in which approximately one-half of the site with coal ash will become a closed-in-place impoundment. The remaining half will be reconstructed as a new lagoon to continue to receive ash from the Power Plant as it continues to burn RDF.**

The design for reconfiguring the existing ash site into the closed-in-place impoundment and the construction of the lagoon is complete. The plans for the impoundment and construction have also been approved by the Iowa Department of Natural Resources. **The base bid includes the work necessary to comply with the Environmental Protection Agency (EPA) regulations by constructing the close-in-place impoundment. Reconstruction of the lagoon will be an alternate bid item. If the Power Plant continues to burn RDF long term, this lagoon construction will be required to ensure the proper handling of future RDF ash. Separating the bid into a base bid and an alternative provides staff options when considering waste-to energy options in the future.**

The Engineer's estimate for the base bid is \$5.1 million. The engineer's estimate for the bid alternate is an additional \$2.1 million. The approved FY 2022/23 CIP includes \$5.6 million for construction.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the Ash Pond Closure, set January 24, 2024 as the due date for bids, and set February 13, 2024 as the date of public hearing and award of contract.
2. Direct staff to modify the project as proposed.
3. Do not proceed with the project at this time.

CITY MANAGER'S RECOMMENDED ACTION:

This work is necessary for the Power Plant to comply with the U.S. EPA's Coal Combustion Residuals rule. The project has been planned for the past several years and funding has been included in the Capital Improvements Plan to carry out the construction. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.