

ITEM #: 10  
DATE: 07-23-24  
DEPT: ELEC

**COUNCIL ACTION FORM**

**SUBJECT: FUEL OIL TANK REMOVAL AT THE COAL YARD - CHANGE ORDER NO.**

**1**

**BACKGROUND:**

Adjacent to the City's Power Plant, located on the West side of the existing coal yard, are two 42,000-gallon underground tanks that previously stored #2 fuel oil for Units 7 and 8. These tanks were installed during the construction of Unit #8 in 1982. Since the Power Plant converted to natural gas in 2016, the fuel tanks are no longer needed. On April 23, 2024, City Council awarded a contract to J. Pettiecord Inc, of Bondurant, IA, in the amount of \$110,600 (inclusive of sales tax) to remove the tanks.

The tanks were removed in June. During removal, contaminated soil was discovered. **The contamination was found above the tanks, which indicates the contamination is likely from small ground spills over decades of operation.** Leak testing was regularly performed on the tanks, with the most recent test completed in 2023. All testing showed the tanks were not leaking.

The contaminated soil was removed and stockpiled. After the tanks were removed, the remaining soil was tested for contamination. The test results indicated no further soil removal was necessary. **A change order is necessary to properly dispose of the contaminated material and the ground water that came in contact with the contaminated soil. Change Order No. 1, in the amount of \$189,500, is necessary to remove the contaminated soil and the ground water that was in contact with the contaminated soil, and properly dispose of both. This is a cost-not-to-exceed and will be billed on actual tonnage disposed.**

This change order brings the total project expenses to \$300,100. The project budget contains \$250,000 in available funding. The shortfall of \$50,100 will be taken from the Ash Pond Closure and RDF Ash Pond Reconstruction project budget. The ash pond closure project, after approval of a separate change order on the July 23 Council agenda, will contain \$2,434,046.06 in available funding.

**ALTERNATIVES:**

1. Approve Change Order No. 1 in the amount of \$189,500 to J. Pettiecord Inc, of Bondurant, IA, bringing the contract total to \$300,100 (inclusive of sales tax).
2. Do not approve the requested change order.

**CITY MANAGER'S RECOMMENDED ACTION:**

**This project is necessary to decommission fuel oil tanks that are no longer used by the Power Plant. All the contaminated soil and liquid encountered during the removal of the tanks must be properly disposed of according to environmental regulations.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.