

ITEM #: 24
DATE: 10-08-24
DEPT: ELEC

COUNCIL ACTION FORM

SUBJECT: ASH POND CLOSURE AND RDF ASH POND RECONSTRUCTION - CHANGE ORDER NO. 2

BACKGROUND:

The City's Power Plant operated for over a century by combusting coal to generate electricity. The combustion of coal generated ash as a byproduct which was conveyed from the boilers to an ash impoundment pond several hundred yards to the East of the Power Plant. Although the Power Plant no longer burns coal, the existing coal ash still sits at the ash pond.

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 at the City's ash pond to reconfigure the existing ash site, where one-half of the site will become a closed-in-place impoundment.** Ahead of the CCR pond closure, in April 2021, the Power Plant stopped discharging ash and water into the area of the pond that contained CCR. This allowed the pond to dry for closer inspection. Soil samples suggested favorable conditions to work with the ash.

On March 12, 2024, a contract in the amount of \$2,606,093.15 was awarded to JB Holland Construction Inc, of Decorah, IA, to perform the closure project.

Change Order No. 1 was approved by City Council on July 23, 2024 in the amount of \$417,344.79 for drying additive for the ash and other items modified from the original scope of work to better accomplish the overall design of the project.

THIS ACTION:

It was discovered that there is ash outside of the expected pond boundaries. The identified ash is close to the existing access road. The contractor has been asked to remove all ash, put fill material back to stabilize the slope and reconstruct the gravel road surface. **Staff is requesting Council approval of a change order to add \$108,907 to the contract for additional ash removal, fill material, and road restoration. Estimates of material are provided in the change order and will be paid on actual amounts verified by survey.**

The original contract amount plus Change Order #1 totals \$3,023,437.94. There is \$1,810,664 in the project budget available for this change order.

ALTERNATIVES:

1. Approve Change Order No. 2 in the amount of \$108,907 to JB Holland Construction Inc, of Decorah, IA, bringing the contract total to \$3,132,344.94 (inclusive of sales tax).
2. Do not approve the requested change order.

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. It is the City's intent to remove all ash and place it in the closure area to comply with the U.S. EPA. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.