

ITEM #:	31
DATE:	06-24-25
DEPT:	ELEC

COUNCIL ACTION FORM

**SUBJECT: ASH POND CLOSURE AND RDF ASH POND RECONSTRUCTION -
CHANGE ORDER NO. 4**

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, a substantial amount of coal ash remains 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. Three change orders have subsequently been approved for the project:

Change Order No. 1 was approved by City Council on July 23, 2024 in the amount of \$417,344.79 to incorporate a drying additive into the ash in response to encountering conditions that were wetter than anticipated. This change order also included items modified from the original scope of work to better accomplish the overall design of the project.

Change Order No. 2 was approved by City Council on October 8, 2024 in the amount of \$108,907 for additional ash removal, fill material, and gravel road restoration.

Change Order No. 3 was approved by the City Manager's office in the amount of \$45,345.60 for additional fill material.

The total amount of the original contract amount plus Change Orders 1-3 is \$3,177,690.54.

THIS ACTION:

Staff is requesting Council approval of Change Order #4 to add \$9,672.50 for two items, bringing the total contract amount to \$3,187,363.04. The contractor needs to install new conduit so Electric Services staff can provide electrical service to the site. The original conduit for the power supply was in an ash area and had to be removed. The cost for this work is \$9,502.50. The second item is for animal guarding over three pipe outlets. In order to prevent animals from nesting or creating other blockages in the outlets of the stormwater pipe, it was recommended to install animal guards on the ends of the pipes for a total of \$170. Staff has discussed the costs with the City's consultants and all agree it is a reasonable price.

There is \$578,260 remaining in the project budget available for this change order.

ALTERNATIVES:

1. Approve Change Order No. 4 in the amount of \$9,672.50 to JB Holland Construction Inc, of Decorah, IA, bringing the contract total to \$3,187,363.04 (inclusive of sales tax).
2. Do not approve the requested change order.

CITY MANAGER'S RECOMMENDED ACTION:

The overall project 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. The Electric Services staff believes that the two minor components of Change Order #4 are justified. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.