

## Committee Report

*Business Item No. 2014-116*

### Environment Committee

For the Metropolitan Council meeting of May 28, 2014

**Subject:** Authorization to Amend Contract 12P213 with SKB Rosemount Industrial Waste for Transport and Disposal of Stabilized Biosolids

#### Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to amend Contract 12P213 with SKB Environmental, Inc. for transport and disposal of alkaline stabilized material from \$3,000,000 to \$4,500,000.

#### Summary of Committee Discussion/Questions

Staff indicated a contract had been authorized by this Committee in 2012 with SKB. The contract is set to expire in 2015. Due to anticipation of extended equipment shutdowns for necessary incinerator upgrades, a provision was included in the contract for unplanned interruptions at Metro Plant, Blue Lake, and Empire Plants. There are presently three planned construction shutdowns, two unplanned shutdowns occurred and a wet spring has placed a strain on the need to transport and dispose of stabilized biosolids from the sight because of volume placed on the remaining incinerators. Increased cost could occur and a request of an additional \$1.5 million has been requested on a contingent basis to cover costs should the need arise. Discussion occurred asking if the biosolids could be offered to landscapers rather than disposed of in a landfill. Staff responded it is not currently allowed because of the limitations for a Class B sludge.

**Motion to approve the proposed action was made, seconded, and passed unanimously.**

## Environment Committee

Meeting date: May 13, 2014

For the Metropolitan Council meeting of May 28, 2014

**Subject:** Authorization to Amend Contract 12P213 with SKB Rosemount Industrial Waste for Transport and Disposal of Stabilized Biosolids

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-3 (Expenditures); MS 473.517 subd. 1 (contingency reserve)

**Staff Prepared/Presented:** Larry Rogacki, 651-602-8225

**Division/Department:** MCES c/o Leisa Thompson, 651-602-8101

### Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to amend Contract 12P213 with SKB Environmental, Inc. for transport and disposal of alkaline stabilized material from \$3,000,000 to \$4,500,000.

### Background

Biosolids (sludge) at the Metro Plant is normally disposed of by incineration. In the event the incineration process capacity is reduced, the contingency plan is an alkaline stabilization process which processes the sludge for disposal in a landfill.

A major upgrade of the incinerators is currently in progress and has resulted in extended periods of reduced equipment availability. This contract allows for transport and disposal of biosolids exceeding process capacity during these extended periods. In addition, this contract provides a contingency disposal method in the event of unplanned down time at Metro, Blue Lake or Empire plants. Due to the wet soil conditions in spring 2013 and 2014 resulting limitations of the land-application program, a portion of the biosolids from the Empire plant were disposed under this contract.

This contract covers the period January 2013 through December 2015 and was originally authorized in an amount not to exceed \$3,000,000. Due to more and longer shutdown periods at Metro and the need to landfill sludge from Empire, additional funding is required for the remainder of the contract period.

### Rationale

Contract amendments exceeding 10% over the Regional Administrator's signature authority require Council action.

### Funding

Funds are available through the annual operating budget of each facility. However, due to the unplanned nature of this contingency process and to the extent that other offsetting operations cost reductions are not available, MCES is reviewing the need for a budget amendment to make Contingency Reserve funding available, and if needed will be presented as a separate business item.

### Known Support / Opposition

None known