



Moody/Via

RESOLUTION NO. 6618

WHEREAS, the North Omaha Station Units 4 and 5 will be refueled to natural gas from coal at a future date based on OPPD Board of Directors' Resolution No. 6006 and OPPD had the Effluent Limit Guidelines and Standards (ELG) water handling options for North Omaha Station Units 4 and 5 evaluated for compliance with the United States Environmental Protection Agency's (EPA) ELG rule for the Steam Electric Power Generating Point Source Category; and

WHEREAS, the District needs to modify the bottom ash handling system for North Omaha Station Units 4 and 5 to achieve compliance with the EPA Effluent Limit Guidelines and Standards; and

WHEREAS, the District's Engineer has certified that the required equipment and services are technically complex and must be integrated with other North Omaha Station plant systems to optimize performance and obtain equipment performance guarantees and that UCC Environmental (UCC) is an industry leader in providing ELG compliance systems and as a supplier capable of providing performance guarantees not easily obtained through other vendors or EPC contracts; and

WHEREAS, management accordingly seeks approval of the Engineer's Certificate and authorization to negotiate and enter into a contract with UCC for the engineering services and equipment required to modify the bottom ash handling system; and

WHEREAS, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that:

1. The Engineer's Certification requesting that the Board waive the sealed bid requirements, in accordance with Nebraska Revised Statutes Sections 70-637 through 70-641, is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts for the engineering services and equipment required to modify the bottom ash handling system of North Omaha Station Units 4 and 5 with UCC Environmental, subject to review and approval of the final contract(s) by the District's General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



DATE: December 1, 2023

UO-2023-025

FROM: S.A. Eidem

TO: T.R. Via

SUBJECT: North Omaha Station Effluent Limit Guideline Compliance System Modification

1.0 GENERAL

Per Omaha Public Power District (OPPD) Board of Directors' Resolution No. 6006, North Omaha Station Units 4 and 5 will be refueled to natural gas (from coal) at a future date. In 2015, the United States Environmental Protection Agency (EPA) published new effluent limit guidelines and standards (ELG) for the Steam Electric Power Generating Point Source Category. The final reconsideration rule, issued on August 31, 2020, contained provisions for the cessation of the generation, treatment, and impoundment of bottom ash transport water.

A compliance deadline of no later than December 31, 2025 was included in the North Omaha Station (NOS) National Pollutant Discharge Elimination System (NPDES) permit, issued on March 13, 2023, for completion of the construction of upgrades to NOS that will result in either the elimination or reduction of bottom ash transport water discharge.

Burns & McDonnell (BMcD) has been retained to evaluate ELG compliance options and has recommended that OPPD solicit a proposal from UCC Environmental (UCC) for equipment supply and services since they are an industry leader in providing high recycle rate systems and are willing to provide performance guarantees which may not be easily obtained from other vendors or through EPC contracts.

This contracting approach will enable OPPD to achieve a more cost-effective solution and improve cooperation in resolving system design and operational challenges. Contract negotiations will allow more time to develop a detailed work plan while optimizing the project schedule and reducing risk by having a better understanding of the project scope. A negotiated contract provides the proper mechanism to develop optimal pricing, terms and conditions with acceptable risk mitigation including contract cancellation clauses.

Therefore, it is in the public's interest to forgo the sealed bidding process and negotiate a contract with UCC.

2.0 RECOMMENDATION

An Engineer's Certification for the above scope of work has been prepared. Approval of that Certification is recommended. We request the Board of Directors approve the Engineer's Certification and authorize management to negotiate and enter a contract with UCC Environmental for the supply of equipment and services for the modification of the

T.R. Via
Page 2 of 2
December 1, 2023

North Omaha Station bottom ash conveying systems to comply with current ELG requirements.

DocuSigned by:
Scott A. Eidem, P.E.
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S.A. Eidem, P.E.
Director, Engineering Services
Utility Operations

ENGINEER'S CERTIFICATION

Per Omaha Public Power District (OPPD) Board of Directors' Resolution No. 6006, North Omaha Station Units 4 and 5 will be refueled to natural gas (from coal), at a future date. At OPPD's request, Burns & McDonnell Engineering (BMcD) evaluated the Effluent Limit Guidelines and Standards (ELG) water handling options for Units 4 & 5 for compliance with the United States Environmental Protection Agency's (EPA) ELG rule for the Steam Electric Power Generating Point Source Category. BMcD recommended retrofitting the existing dewatering bins (Hydro-bins) serving the units with a high recycle rate system if OPPD is unable to commit to ceasing coal combustion by the date specified by the Nebraska Department of Environmental and Energy (NDEE). A compliance deadline of no later than December 31, 2025, was included in the North Omaha Station (NOS) National Pollutant Discharge Elimination System (NPDES) permit.

OPPD submitted a Title 132 permit modification to NDEE requesting early closure of the existing NOS fossil fuel combustion ash landfill. With this closure, OPPD needs to modify the boiler ash handling system to support off-site disposal of the dewatered boiler bottom ash. OPPD has identified UCC Environmental (UCC) as a qualified contractor to modify the existing system with equipment known as a Mobile-MAX Submerged Flight Conveyor (SFC).

OPPD desires to enter a separate contract with UCC for engineering services and equipment required to modify the bottom ash conveying equipment to incorporate a high recycle rate system. UCC's equipment will enable the bottom ash conveying system including the UCC Mobile-MAX SFC to capture and recirculate bottom ash transport water in accordance with ELG regulations. This new design requires enhanced water treatment equipment and integration with other plant systems for compliance with a maximum 10% discharge allowance and to sustain equipment guarantees. For these and other reasons as explained and certified in this Engineer's Certification, OPPD Management seeks approval from the Board of Directors to enter the necessary contract for this project without using the statutory sealed bid process.

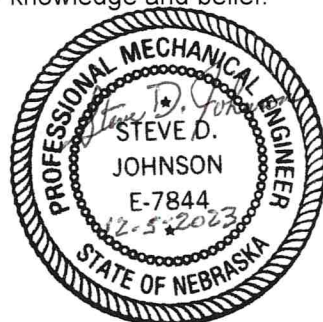
The undersigned, a Nebraska professional engineer employed by OPPD, certifies that compliance with the sealed bidding requirements of Nebraska statutes, Neb. Rev. Stat. 70-637 to 70-641, is impractical and not in the public interest for the following reasons:

- The bottom ash transport water high recycle rate system is technically complex and must be integrated with other NOS plant systems to optimize performance and obtain equipment performance guarantees.
- UCC, the supplier of the Mobile-MAX Submerged Flight Conveyor, is an industry leader in providing high recycle rate systems, and possesses proprietary nature needed to integrate the Mobile-MAX SFC to allow capture, recirculation, and minimal discharge of bottom ash transport water.
- A negotiated contract provides the proper mechanism to develop optimal pricing, schedule and contract terms and conditions with acceptable risk mitigation.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, as amended, the Board of Directors is requested to approve this Engineer's Certification and authorize Management to negotiate and enter a contract with UCC Environmental for the supply of equipment and services to modify the North Omaha Station bottom ash conveying system to a high recycle rate system, without using the sealed bidding approach in Sections 70-637 to 74-641 of the Revised Statutes of Nebraska.

I, Steve D. Johnson (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.


Steve D. Johnson, P.E.



12-5-2023
Date

November 29, 2023

Omaha Public Power District
444 South 16th Street
Omaha, NE 68102

RE: North Omaha Station - Engineer's Certification for Bottom Ash Handling Services and Equipment

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Steven D. Johnson, a registered professional engineer in the State of Nebraska employed by the District. Mr. Johnson's certification explains that the District needs to modify its bottom ash handling system for North Omaha Station Units 4 and 5 to achieve compliance with EPA Effluent Limit Guidelines. To this end, the District has identified UCC Environmental (UCC) as a qualified contractor to modify the existing system with equipment known as a Mobile-MAX Submerged Flight Conveyor. OPPD desires to enter a separate contract with UCC for engineering services and equipment required to modify the bottom ash conveying equipment to incorporate a high recycle rate system. UCC's equipment will enable the bottom ash conveying system, including the UCC Mobile-MAX equipment, to capture and recirculate bottom ash transport water in compliance with EPA regulations. Mr. Johnson explains that the required equipment and services are technically complex and must be integrated with other NOS plant systems to optimize performance and obtain equipment performance guarantees. He states that UCC possesses proprietary information needed to integrate the necessary equipment into the existing equipment, and that a negotiated contract provides the proper mechanism to develop optimal pricing, schedule and contract terms and conditions with acceptable risk mitigation. For these reasons, Mr. Johnson certifies that it would be impractical and not in the public interest to utilize the statutory sealed bid process for this project.

Section 70-637 of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-thirds vote, to approve an Engineer's Certification for technologically complex projects for which sealed bidding would be impractical and not in the public interest, and to authorize the District to enter into a contract to complete the project. The District is required to advertise its intention to enter into any such contract in three (3) issues of a newspaper of general circulation within the District's service area, with not less than seven (7) days between issues. The contract cannot be entered into sooner than twenty (20) days after the last advertisement.

It is our opinion that Mr. Johnson's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into

November 29, 2023

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the necessary contract with UCC Environmental in connection with the North Omaha Station bottom ash system. We recommend that any such contract be subject to review and approval by the District's general counsel.

Very truly yours,



Stephen M. Bruckner
FOR THE FIRM

3103643



Board Action

BOARD OF DIRECTORS

December 19, 2023

ITEM

North Omaha Station Effluent Limit Guideline Compliance System Modification

PURPOSE

Supply material and services to modify the North Omaha Station (NOS) bottom ash conveying system for high recycle rate operation.

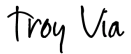
FACTS

- a. On August 31, 2020, the Environmental Protection Agency (EPA) issued the final reconsideration rule for revised Effluent Limit Guidelines and Standards (ELG), for facilities which generate bottom ash transport water, including NOS Units 4 and 5.
- b. On March 13, 2023, the Nebraska Department of Environment and Energy (NDEE) issued the North Omaha Station National Pollutant Discharge Elimination System permit, which included a compliance deadline of December 31, 2025, for the completion of upgrades to eliminate or reduce discharge of bottom ash transport water. The EPA rule and NDEE permit necessitate modifications to the existing NOS bottom ash system.
- c. The District's engineer has certified the complex nature of the work and that use of the sealed bid process is impractical and not in the public's interest.
- d. The District proposes to enter a contract with UCC Environmental for the work. A negotiated contract process will enable the District to develop a detailed work plan with optimized project schedule, pricing, cancellation clauses, and other risk mitigation.
- e. Installation labor will be provided separate from this contract.


ACTION

Approval of the Engineer's Certification and authorization to negotiate and enter a contract with UCC Environmental for the supply of equipment and services for modification of the North Omaha Station bottom ash conveying system to comply with ELG requirements.

RECOMMENDED:

DocuSigned by:

 181187221FA24AE...
 Troy R. Via
 Vice President – Utility Operations
 and Chief Operating Officer

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

 AC399FDCE38247E...
 L. Javier Fernandez
 President and Chief Executive Officer

TRV:sae

Attachments: Letter of Recommendation
Engineer's Certificate
Legal Opinion
Resolution