



City of Grand Island

Tuesday, June 22, 2004

Council Session

Item G14

**#2004-149 - Approving Warranty Work for Burdick Station
Combustion Turbines 2 and 3 - Donaldson Company**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Doug Walker, City Attorney

Meeting: June 22, 2004

Subject: Warranty Work – Burdick Station Combustion
Turbines 2 and 3

Item #'s: G-14

Presenter(s): Gary R. Mader, Utilities Director

Background

Combustion turbines are very sensitive to water induction through the air system and are built with air intake structures specifically designed to prevent that. On the other hand, generating capacity can be increased by adding water vapor (not droplets) to the incoming air to lower incoming air temperature and increase density. This is particularly effective during the summer months when incoming air is often hot and dry. An evaporative intake air cooler is an integral part of turbine performance design and is part of the air intake structure.

The Utilities Department has received a Technical Information Letter (TIL 1399-1) from General Electric providing direction on inspection and maintenance of the air intake systems.

Discussion

The Donaldson Company, of Bloomington, Minnesota, provided the air intake structures for the two new combustion turbines at Burdick Station. General Electric has advised that the Donaldson supplied evaporative cooling systems require inspection and possibly correction of factory installed adhesive sealant. This work is to be done under warranty.

The use of contracts for the warranty work resulted from incidents occurring during the course of the warranty repair work at other power plants; where installation problems beyond the warranty repair were found. One hundred fifteen (115) units have been done so far. When these problems were found, disputes arose about who was responsible – GE, Donaldson, the owner or the erecting contractor. The warranty service agreements were developed to specifically define the scope of the warranty work. The Utilities and

Legal Departments have reviewed the Agreements and find them acceptable.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.
The Council may:

1. Approve the agreements for warranty repair of the Combustion Turbines.
2. Reject the Agreements.
3. Table the issue.

Recommendation

City Administration recommends that the Agreements governing warranty inspection and repair of Combustion Turbines #2 and #3 be approved.

Sample Motion

I move to approve the Agreements governing Combustion Turbines #2 and #3 warranty work.

R E S O L U T I O N 2004-149

WHEREAS, General Electric Company of Schenectady, New York was authorized to provide and install two combustion turbine generators at Burdick Station; and

WHEREAS, the combustion turbine project is now complete, and has been available for commercial operation since March 27, 2003; and

WHEREAS, General Electric has advised the City that the evaporative cooling systems in the turbines that were supplied by the Donaldson Company, Inc. will require inspection and possible correction of factory installed adhesive sealant; and

WHEREAS, such work will be performed by the Donaldson Company under the provisions of the warranty through General Electric; and

WHEREAS, an agreement has been prepared setting out the work to be performed by the Donaldson Company for such inspection and possible corrective action; and

WHEREAS, the City Attorney has reviewed and approved such agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Agreement by and between the City and the Donaldson Company, Inc. of Bloomington, Minnesota to perform corrective action on Donaldson's evaporative cooler systems in the combustion turbines at Burdick Station in accordance with the agreement is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, June 22, 2004.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
June 17, 2004	☐ City Attorney