



# City of Grand Island

Tuesday, May 22, 2012

Council Session

## Item G14

**#2012-134 - Approving Statement of Intent for Financial Assurance for Radio Active Material License**

Staff Contact: Tim Luchsinger, Utilities Director

# **Council Agenda Memo**

**From:** Timothy Luchsinger, Utilities Director

**Meeting:** May 22, 2012

**Subject:** Statement of Intent for Financial Assurance for Radio  
Active Material License

**Item #'s:** G-14

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

The City's municipal water system is supplied primarily from its Platte River Well Field. This well field is comprised of 21 wells and a pumping station. Testing for State regulatory requirements indicated composite uranium levels to be approaching the Maximum Containment Level (MCL) established by the EPA. Uranium is not an acute concern but rather is a chronic concern over a lifetime of exposure, and sampling and testing of the Grand Island water system thus far show full compliance with the EPA regulation. Testing of individual wells for uranium has indicated most wells exceed this MCL. To allow use of these wells during high water system demand periods, additional piping was installed in the past year for blending with lower uranium concentration wells.

Recent testing of uranium concentrations in the wells indicated a trend towards increasing levels, reducing the effectiveness of well blending to reduce overall levels, therefore, based on Department recommendations, the Utilities Department was authorized by Council on February 22, 2011, to proceed with the procurement and installation of the large-scale pilot uranium removal system.

Based on the multiple phase structure of the uranium engineering services RFP, HDR, the City's consultant on this project, was requested to provide a proposal for preparing specifications to issue for bids for an adsorptive media pilot plant. On June 28, 2011, Council awarded the contract for the Uranium Removal System – Equipment Procurement to Water Remediation Technology.

## **Discussion**

As a condition of issuing WRT a radioactive material license for the operation of the uranium removal system, the Nebraska Department of Health and Human Services is requiring the City to provide financial assurance for decommissioning activities of the system in the event that WRT should default in its contractual obligations. This will require submitting a Statement of Intent for Financial Assurance to NDHHS indicating that the City will make these funds available if required.

The Department proposes to place \$225,000 into a restricted cash account in the Water Enterprise Fund to meet this requirement, similar to an account for an ash storage site closure account in the Electric Enterprise Fund. The Department recommends that the Statement of Financial Assurance for Water Remediation Technology LLC Radioactive Material License be executed and submitted to NDHHS.

## **Alternatives**

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

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve execution of the Statement of Financial Assurance for Water Remediation Technology, LLC Radioactive Material License.

## **Sample Motion**

Move to approve execution of the Statement of Financial Assurance for Water Remediation Technology, LLC Radioactive Material License.

To: Nebraska Department of Health and Human Services  
Radiation Control Program  
P.O. Box 95007  
301 Centennial Mall South  
Lincoln NE 68509

**STATEMENT OF INTENT FOR FINANCIAL ASSURANCE FOR  
WATER REMEDIATION TECHNOLOGY LLC  
RADIOACTIVE MATERIAL LICENSE NO. 99-66-01**

As Utilities Director of the City of Grand Island, Nebraska ("City"), I exercise express authority and responsibility to request from Water Department Enterprise Fund 525 funds for decommissioning activities associated with activities and operations authorized by the State of Nebraska Radioactive Material License No. 99-66-01 ("License"), issued by the Nebraska Department of Health and Human Services/Radiation Control Program, to be performed by Water Remediation Technology LLC ("WRT"), the non-governmental licensee. This License applies to WRT's radionuclide water treatment activities at the City's water treatment facility at the following location.

Platte River Well Field Treatment Facility  
Water Wells 6, 7, and 8 (PWS ID No. NE3107902)  
2700 Well Field Road  
Grand Island NE 68801

This authority for providing these funds is established by Resolution 2012-134 dated May 22, 2012. Within this authority, and in accordance with the statement-of-intent method of providing financial assurance presented in 180 NAC 3-018.06.4., and with the "*Table of required amounts of financial assurance for decommissioning by quantity of material.*" presented in 180 NAC 3-018.04, I intend to request that funds be made available, if and when necessary, in the amount of \$225,000 (TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS) to decommission the water treatment facility identified above. I intend to request and obtain these funds sufficiently in advance of decommissioning to prevent delay of required activities. At this time, the City conceptually intends to make these funds available by way of a restricted account for financial assurance of uranium removal system decommissioning activities.

Further, I intend to revise this Statement of Intent to reflect any changes in funds required for decommissioning as required by the License. Moreover, I agree that such funds will be requested and made available in accordance with the provisions of the commercial water-treatment contract dated August 11, 2011, by and between WRT and the City of Grand Island, Nebraska and pursuant to WRT's License.

A copy of Resolution #2012-134 is attached as evidence that I am authorized to represent the City of Grand Island Nebraska in this transaction.

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FOR THE CITY OF GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

RESOLUTION 2012-134

WHEREAS, on June 28, 2011, Council awarded the contract for the Uranium Removal System – Equipment Procurement to Water Remediation Technology (WRT); and

WHEREAS, as a condition of issuing WRT a radioactive material license for the operation of the uranium removal system, the Nebraska Department of Health and Human Services (NDHHS) is requiring the City to provide financial assurance for decommissioning activities of the system in the event that WRT should default in its contractual obligations; and

WHEREAS, a Statement of Intent for Financial Assurance will need to be submitted to NDHHS indicating that the City will make these funds available if required; and

WHEREAS, the Utilities Department proposes to place \$225,000 into a restricted cash account in the Water Enterprise Fund to meet this requirement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Statement of Financial Assurance for Water Remediation Technology, LLC, Radioactive Material License be executed and submitted to the Nebraska Department of Health and Human Services.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 22, 2012.

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Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	by _____
May 21, 2012	City Attorney