



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager

DATE: May 31, 2013

SUBJECT: Critical Business Need for cleanup, remediation at Decker Creek Power Station

ACTION

As detailed below and in accordance with City Council approved Purchasing procedures, I am designating as a Critical Business Need of Austin Energy, the emergency response to and remediation of a diesel oil release at the Decker Creek Power Station. The estimated cost for work to date and to complete removal and disposal of saturated soil is \$260,000.

BACKGROUND

On May 23, 2013, Austin Energy staff discovered a diesel fuel leak below ground near a fuel storage tank at the Decker plant. Heavy rains were expected on Friday, May 24, and possibly throughout the weekend, considerably increasing the risk of surface water contamination, and a much larger remediation effort. Gruene Environmental Companies, currently under contract with Council authorization to respond to oil spills, was immediately dispatched to assess the extent of contamination and begin removing oil and oil-saturated soil. The existing contract did not have adequate funds remaining to cover the response and time-critical removal and disposal of soil, but due to the nature of the incident, moving forward with this qualified contractor was the least risk option.

The incident was reported to federal, state, and local authorities within the required timeframe. State environmental inspectors were onsite within hours to confirm that Austin Energy's response was appropriate and in accordance with applicable regulations.

Austin Energy intends to bring this item forward for ratification by the City Council in the near future. Please let me know if you have any questions.