

Staff Report

TO: Board of Directors

FROM: Chip Close, Director of Water Operations
Shad Chittock, Treated Water Superintendent

DATE: January 10, 2024

SUBJECT: Bulk Water Treatment Chemical Purchases 2024 (Consent)

WATER OPERATIONS

RECOMMENDATION:

Approve the purchase of up to \$470,500 in bulk water treatment chemicals for the 2024 calendar year and authorize the General Manager to execute the appropriate documents.

BACKGROUND:

The District produces over 3 billion gallons of potable water at its six drinking water treatment plants annually. A critical part of the treatment process includes the use of coagulant, disinfection, and corrosion control chemicals. In 2023, the District purchased 69 loads of chemicals at a cost of over \$400,000.

The acquisition of treatment chemicals is one of the more costly purchases throughout the year. In 2016, the District embarked on an effort to find ways to save money on these purchases. The solution was to join a consortium of other water utilities to combine purchasing power for better pricing. The District is now a member of the Bay Area Consortium, which combines the purchasing power of 59 agencies and provides a substantial discount compared to the District purchasing on its own.

Staff estimated a total need for chemicals in the 2024 calendar year at roughly \$470,500 and included that in the budget. Increased delivery costs and inflation were factored into the total. The purchases will be made through blanket purchase orders, based on a fiscal calendar, and will not exceed the budgeted amount without additional amendments. The estimated purchases for 2024 are detailed in the table below:

Chemical	Vendor	# of Loads	Estimated Cost
Aluminum Sulfate	Chemtrade	26	\$111,488
Bleach (12%)	Olin	5	\$72,250
Bleach (5.25%)	Olin	17	\$127,500
Sodium Hydroxide	Univar	27	\$159,138
		2024 Estimate	\$470,376

BUDGETARY IMPACT:

The 2024 Operating Budget includes \$470,500 for the purchase of chemicals. This represents a substantial increase over the 2023 budget and is due to inflationary pressure and supply constraints.

Attachments: (1)

- List of Consortium Participants

Bay Area Consortium Members

Central Valley

City of Lathrop
City of Merced
City of Modesto
City of Stockton
City of Turlock
Oakwood Lake Water District

East Bay

Alameda County Water District
City of Hayward
City of San Leandro
East Bay Dischargers Authority
Oro Loma Sanitary District
Union Sanitary District

Marin Sonoma Napa

City of Pinole
City of Pittsburg
Contra Costa Water District
Delta Diablo Sanitation District
Diablo Water District
Ironhouse Sanitary District
Mt. View Sanitary District
Pleasant Hill Recreation & Park District
Rodeo Sanitary District
Town of Discovery Bay CSD
West County Wastewater District

Peninsula

City of South San Francisco
City of Burlingame
City of Daly City/North San Mateo County
City of Milbrae
City of San Mateo
Sewer Authority Mid-Coastside

Sacramento

Carmichael Water District
City of Folsom
City of Roseville
City of Sacramento
City of Yuba City
El Dorado Irrigation District
Nevada Irrigation District
Rancho Murieta CSD
Sacramento County Water Agency

South Bay

City of Morgan Hill
City of San Jose
City of Santa Clara
City of Sunnyvale
City of Watsonville

Tri Valley

City of Livermore
Dublin San Ramon Services District
Zone 7 Water Agency