



Item Number: 11

City Council / Board of Directors

Written Communications

Meeting of: May 2, 2023

Submitted By:

Doug Mathews, Director of Public Works and Water

Subject:

Amendment No. 1 to the General Services Provider Standard Agreement with Univar Solutions USA, Inc. for the Annual Supply of Sodium Hypochlorite.

Recommendation:

That the Honorable Victorville Water District Board of Directors (Board) approve Amendment No. 1 to the General Services Provider Standard Agreement by and between Victorville Water District (District) and Univar Solutions USA, Inc. (Univar) for the annual supply of sodium hypochlorite, Project CC22-102.

Fiscal Impact:

Proposed Amendment No. 1 (Attachment A) will increase this fiscal year's agreement by \$100,000, updating the total compensation to \$316,587.84. An additional appropriation is not required. The account codes below have sufficient funds to cover the cost of the water treatment chemical for the District's wells and High Desert Power Plant's (HDPP) wells:

- 4100515 – 52110 – An additional \$75,000 (Total of \$256,587.84)
 - 4100515 – Water Fund, Quality Services
 - 52110 – Supplies
- 4100510 – 52110 – An additional \$25,000 (Total of \$60,000)
 - 4100510 – Water Fund, High Desert Power Plant
 - 52110 – Supplies

HDPP is a district customer and billed monthly for services, including the cost of chlorination for their wells. The increase in their chemical costs (\$25,000) will be offset by revenue generated through their monthly billing. Since other costs budgeted for HDPP have come in lower than anticipated, a budget amendment to account for this additional revenue is not required.

Strategic Plan Goal:

This item aligns with Goal E, Invest in Infrastructure, which focuses on creating a healthy and livable community by maintaining the City's assets through investment in infrastructure and innovations. By continuously maintaining the District's well sites through routine maintenance and chlorination, the District can continue to provide the highest quality of drinking water for a healthy and livable community.

Background:

On July 19, 2022, the Board awarded a General Services Provider Standard Agreement (Attachment B) for the annual supply of Sodium Hypochlorite, a water treatment chemical, to Univar for an amount not to exceed \$216,587.84. Sodium Hypochlorite, also known as chlorine, is purchased on a monthly basis to chlorinate the District's wells along with the High Desert Power Plant's (HDPP) wells.

HDPP is an 830-megawatt (MW) facility that helps supplement the California power grid. The District provides recycled water for HDPP's usage to cool the turbines that help produce power. Disinfecting the recycled water with Sodium Hypochlorite minimizes the growth of microorganisms as the water is recirculating in the cooling towers; this helps the turbines continue to run without any issues. Additionally, the District maintains HDPP's well sites through an Aquifer Storage and Recovery Agreement and HDPP reimburses the District on a monthly invoice. Part of the maintenance includes chlorination.

In addition, the District maintains thirty-four active wells which require Sodium Hypochlorite in order to be in compliance with the District's Domestic Water Supply Permit and the Environmental Protection Agency (EPA). The EPA issued the Ground Water Rule (GWR) on October 11, 2006. The GWR states that all ground water systems serving more than 3,300 residents must conduct compliance monitoring for the residual disinfectant concentration to meet the State specified minimum. The District conducts regular sampling by a certified water operator to verify the chlorine residual in the water system.

Discussion:

During this fiscal year, HDPP requested that the chlorine residual be increased from 0.50 parts per million (ppm) to 0.75 ppm. The amount of reclaimed water HDPP is using also increased this fiscal year. This increase in chlorine residual, along with an increase in recycled water demand, resulted in additional Sodium Hypochlorite use for HDPP. Determining the amount of reclaimed water HDPP will use is difficult since they can be requested by the State to generate power at any given time.

When the original agreement was approved, District staff did not expect HDPP to require additional chlorination. Additionally, staff had an open bid for water treatment chemicals during the budget period and bids were not received until after FY 2022/2023 budget figures had been submitted and approved by the Board. Once the bids came in, staff realized that although a 30 percent increase over the previous contract was used to estimate the cost of chemicals, it would be insufficient to cover the pricing provided by the lowest bidder.

The current price per gallon for Sodium Hypochlorite is \$3.14 and the District's estimated annual chlorine usage is 80,000 gallons, which brings the amount to \$251,200. HDPP's estimated annual chlorine usage is 18,000 gallons which brings the total to \$56,520. The total between both facilities is \$307,720. District staff is recommending rounding up the additional amount to an even \$100,000, for a total contract amount of \$316,587.84, to help cover chlorination costs for any unexpected summer demands.

Victorville Municipal Code §2.28.100(a)(6) states that the Board of Directors shall have the authority to award a contract for the purchase of supplies and equipment or general services with a cost in excess of one hundred twenty-five thousand dollars. For these reasons, staff is recommending that the Board approve Amendment No. 1 to the General Services Provider Standard Agreement by and between Victorville Water District and Univar for the annual supply of Sodium Hypochlorite water treatment chemicals.

Staff remains available for any questions the Board may have.

Attachments:

- A. Amendment No. 1
- B. General Services Provider Standard Agreement