



TITLE

Veolia Water Technologies and Solutions Contract Amendment

RECOMMENDATION

Adopt a Resolution authorizing Amendment No. 1 to Agreement No. 2024-A151 with Veolia Water Technologies and Solutions, increasing the contract amount by \$46,396 for a total amount not to exceed \$670,662 for Fiscal Year 25/26 and amending the Fiscal Year 2025/26 budget to increase Wastewater Operations Fund 540 by \$233,285 and Wastewater Capacity Fund 550 by \$23,198.

CONTACT

Norman Woods, Assistant Public Works Director - Utilities and Environmental Services

Erica Ahmann Smithies, P.E., Public Works Director

Juan Gomez, Assistant City Manager

BACKGROUND & ANALYSIS

The wastewater treatment process at the City's Water Reclamation Facility (WRF), also known as the Wastewater Treatment Plant, involves two primary methods: biochemical treatment and physical screening. Wastewater inflows fluctuate significantly in volume and composition throughout the day, month, and year. Despite this variability, the city is mandated to maintain consistently high effluent quality at all times. Therefore, it is essential to ensure that the WRF has sufficient hydraulic and biochemical treatment capacity to protect the environment and supply a reliable, continuous source of recycled water to customers.

There are financial risks associated with maintaining a plant at less than the needed capacity, in addition to procuring the required materials to maintain operational/strategic equipment control. If we cannot produce a reliable stream of recycled water, we would have to acquire potable or raw water at a much higher cost. Additionally, in a high storm event, we risk spilling stored influent into the wetlands and associated fines. Finally, we risk being unable to keep up with the requirements of future growth in the community.

On October 15, 2024, the City of American Canyon adopted a Resolution authorizing the City Manager to execute a purchase agreement with Veolia Water Technologies and Solutions for the procurement of eight hundred ninety-six (896) "ZW500D RX12 430 ft²" membrane modules, twelve (12) ZW500D LEAPmbr 16M cassette frames, and associated materials for existing cassette

refurbishment and LEAPmbr upgrade, for use at the Water Reclamation Facility for a total cost of \$3,121,330 and amending the Fiscal Year 2024/25 budget to increase Wastewater Operations Fund 540 to \$422,087 and Wastewater Capacity Fee Fund 550 to \$202,179 to account for the current Year 1 membrane cost of \$624,266.

A national administration change has led to policies and implementation of tariffs that have led to an increase in for the membranes, cassettes, and associated materials required for the membrane refurbishment.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

The cost of purchasing new membranes (\$3,121,330) is proposed to be paid over a period of five years. The existing membrane replacements were included in the recently adopted wastewater user fee structure and will utilize operating budget (\$2,110,433), the cost for membranes that increase the plant's hydraulic capacity will utilize wastewater capacity fee budget (\$1,010,897). The annual cost of the replacements (\$670,662) will be included in the Wastewater Operations Fund 540 (\$445,285) and Wastewater Capacity Fee Fund 550 (\$225,377) FY2026-2027 Budget and each successive year thereafter for five years. The Fiscal Year 2025/26 budget was approved with \$212,000 earmarked for membranes in Fund 540 and \$207,179 in Fund 550. To account for the current Year 2 membrane cost of \$670,662, Wastewater Operations line item 540-50-570-46130 will be increased by \$233,285 and Wastewater Capacity Fee line item 550-85-450-46130 will be increased by \$23,198.

With the volatile nature of the tariffs being implemented, the need to adjust the budget annually may be required.

ENVIRONMENTAL REVIEW

15301 - The Project is exempt from review under the California Environmental Quality Act ("CEQA") under the Class 1 exemption of existing facilities of Section 15301 of Title 14 of the California Code of Regulations and said exemption is not negated by any exception under Section 15300.2 of said Regulations.

ATTACHMENTS:

- [1. Resolution WRF Membranes Year 2](#)
- [2. American Canyon - Tariff Letter](#)
- [3. Agreement 2024-A151 - Veolia Water Technologies](#)