



Legislation Text

File #: 2025-122, Version: 1

Requisition No. REQ-0001735
Ferric Chloride
O&M

Agenda of: April 23, 2025
Item No.: **2025-122**
Amount: \$23,356,200.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: March 30, 2025

RE: **Requisition No. REQ-0001735**
Ferric Chloride
Vendor: Kemira Water Solutions
Status: New Contract/PO

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Requisition No. REQ-0001735, "Ferric Chloride" with Kemira Water Solutions, at a cost not to exceed \$7,590,000.00 for a duration of one (1) year with two (2) one (1) year renewal options at a cost not to exceed \$7,790,775.00 for renewal one (1) and a cost not to exceed \$7,975,425.00 for renewal two (2) for a total amount not to exceed \$23,356,200.00;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Resource Recovery Facility (WRRF) at GLWA is required to remove phosphorus to meet effluent limits required in the plant's National Pollutant Discharge Elimination System (NPDES)

permit. The primary method for removing phosphorus at the WRRF is by adding iron salts (ferric chloride) to the wastewater stream, which reacts with the phosphorus and precipitates out of the flow stream. Phosphorus removal is desired to reduce the impact of higher nutrient loadings (eutrophication) on the receiving waters.

JUSTIFICATION

The WRRF is required to remove phosphorus to meet effluent limits required in the WRRF's NPDES permit. Ferric chloride is an essential chemical necessary for the treatment of phosphorus at the WRRF to ensure compliance with its permit. The usage of the chemical is weather dependent and exact usage is difficult to predict.

FINANCIAL PLAN IMPACT

Summary: The use of ferric chloride is anticipated as an ongoing component of the wastewater financial plan. The pricing for the proposed ferric chloride procurement is in excess of what was anticipated and therefore the maximum value of the contract exceeds the current financial plan for this chemical. Quantities used under this agreement may vary by year, which may exceed the annual financial plan. Should this occur, a budget amendment would be needed. First, offsetting other chemical treatment costs that may be reduced, then from other areas, and finally from the unallocated reserve.

Funding Source: Operations and Maintenance Budget (5960)

Cost Center: Wastewater Primary Processing (892223)

Expense Type: Chemicals - Ferric Chloride

Estimated Cost by Year and Related Forecast Variance:

<u>Fiscal Year</u>	<u>Amount</u>
FY 2025 Budget (Prorated)	\$436,500.00
FY 2026 Budget	\$7,498,000.00
FY 2027 Forecast	\$7,535,500.00
FY 2028 Forecast (Prorated)	<u>\$6,907,542.00</u>
Total Financial Plan	\$22,377,542.00
Maximum Requisitions	<u>\$23,356,200.00</u>
Forecast Variance (Negative)/Positive	<u>(\$978,658.00)</u>

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on April 10, 2025. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.