



Folsom City Council Staff Report

MEETING DATE:	6/23/2026
AGENDA SECTION:	Consent Calendar
ITEM TITLE:	Resolution No. 11660 – A Resolution Authorizing the City Manager to Execute an Agreement with USALCO, LLC for \$407,750 from the Water Operating Fund (Fund 520) for the Purchase of Chemicals for the Water Treatment Plant and Approval of the Associated Waiver of Bid
FROM:	Utilities Department

RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends the City Council pass and adopt Resolution No. 11660 – A Resolution Authorizing the City Manager to Execute an Agreement with USALCO, LLC for \$407,750 from the Water Operating Fund (Fund 520) for the Purchase of Chemicals for the Water Treatment Plant and Approval of the Associated Waiver of Bid.

BACKGROUND / ISSUE

The City of Folsom's Water Treatment Plant (WTP) utilizes surface water from Folsom Lake for water supply. The WTP is designed to produce 50 million gallon per day (mgd) of potable water. The treatment processes include rapid mix, pretreatment with a conventional flocculation and sedimentation basin, and an Actiflo system for high rate clarification, a conventional sand/antracite dual media filter, and solids handling facilities. In order to be consistent with State regulatory requirements and industry best management practices, the City uses a variety of chemicals to aid in the treatment process listed above. These chemicals are vital to these treatment processes.

Several of the chemicals used at the WTP have specific and proprietary properties that necessitate the City to contract directly with a company that can provide these chemicals to meet the City's water treatment requirements. These chemicals include:

- Aluminum Chlorohydrate (ACH) Primary Coagulant
- Dry Anionic Polymer
- Dry Non-ionic Polymer
- Liquid Cationic Polymer

- Liquid Anionic Polymer
- Phos Acid (orthophosphate)

This resolution will authorize the City Manager to approve a waiver of bid and execute an agreement with USALCO, LLC for the purchase of chemicals for use at the Water Treatment Plant.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$77,426 or greater shall be awarded by City Council.

Section 2.36.140 of the Folsom Municipal Code states, in part, that when the requesting department determines there is only 1 source for the required supply, with approval of the City Manager, the requesting department shall prepare a waiver of bid and a contract shall be awarded without competition.

ANALYSIS

When using coagulants, raw water properties can have a significant effect on the type of coagulant to use in the treatment process. These properties include alkalinity, water temperature, turbidity and filterability. These raw water quality properties are very different depending on the time of year, weather events such as storms and snow melt, and Folsom Lake turnover. Changes in the incoming raw water quality will affect settling rates in filters, sludge production, required chemical dosages, and pretreatment turbidity which can all impact the water quality of the treated water. In addition, City staff operates a conventional flocculation and sedimentation basin, a high rate Actiflo flocculation system, and a solids handling system that require specific chemical additions to properly treat the water. Using a polymer that can handle the wide range of water properties entering the WTP is important to the treatment operators to maintain consistent water quality.

The current chemicals used by the City in the treatment process are very successful in providing high water quality for the City's water customers. In order to maintain current water quality standards, any new chemicals must also meet these standards. In order to ensure any new chemicals would be able to meet these standards, the City would have to perform various analytical tests to confirm the new polymer's ability to perform in a variety of conditions. The process for testing in all seasons of the year, after storm events, during snow melt, and high alkalinity water would be at least a year long process.

In addition to the analytical testing, the City operators would need to inform and follow the State Water Resources Control Board, Division of Drinking Water (DDW) requirements to confirm that changing chemicals would not adversely affect the water quality produced. A year long trial period to confirm the polymer performance, as well as a contingency plan, would be required by DDW.

Furthermore, the City has used specific proprietary chemicals from NTU Technologies, Inc. (NTU) at the WTP for many years, and consistently received quality product and good customer service. In November 2025, NTU officially merged with USALCO, LLC. With the change in organization, USALCO, LLC brought the whole staff from NTU to their company and so continues to supply the same quality of product, customer service, and quick 24 hour response to any problems, as previously experienced.

WTP staff contacted five water providers in the area, including San Juan Water District, Placer County Water Agency, El Dorado Irrigation District, City of Roseville and City of West Sacramento to discuss chemical purchasing and usage. Through these discussions with other water providers in the area, it became clear that treatment process, water supply, quantity of chemicals purchased, chemical equipment, storage available, and chemical dose all affected which polymer was used at a specific plant. There was no correlation to directly compare polymer usage and pricing.

The table below shows costs for chemicals that Utilities Department staff estimate will be used during fiscal year 2026-27:

Chemical	FY 24-25 \$/lb	FY25-26 \$/lb	FY26-27 \$/lb	Est. cost for FY 26-27
Aluminum Chlorohydrate, ACH (Primary)	\$0.64	\$0.69	\$0.73	\$250,000
Dry Anionic Polymer	\$3.56	\$3.61	\$3.68	\$60,000
Dry Non-Ionic Polymer	\$4.30	\$4.36	\$4.41	\$7,750
Liquid Cationic Polymer	\$2.33	\$2.39	\$2.44	\$10,200
Liquid Anionic Polymer	\$2.13	\$2.16	\$2.20	\$44,800
Phosphoric Acid	\$0.78	\$0.78	\$0.78	\$35,000
Fiscal Year Total				\$ 407,750

The Utilities Department recommends approval of a waiver of bid and requests that the City Council authorize the City Manager to execute an agreement with USALCO, LLC for the purchase of chemicals for the Water Treatment Plant for an amount not to exceed \$407,750.

FINANCIAL IMPACT

If approved, the agreement with USALCO, LLC for the purchase of chemicals for the Water Treatment Plant for the not to exceed amount of \$407,750 would be funded through the Water Operating Fund (Fund 520). Sufficient funds are budgeted and available in the Water Operating Fund (Fund 520) in Fiscal Year 2026-27 for this agreement.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 11660 – A Resolution Authorizing the City Manager to Execute an Agreement with USALCO, LLC for \$407,750 from the Water Operating Fund (Fund 520) for the Purchase of Chemicals for the Water Treatment Plant and Approval of the Associated Waiver of Bid
2. Quote from USALCO, LLC

3. Waiver of Bid for USALCO, LLC

Submitted,

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

RESOLUTION NO. 11660

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH USALCO, LLC FOR \$407,750 FROM THE WATER OPERATING FUND (FUND 520) FOR THE PURCHASE OF CHEMICALS FOR THE WATER TREATMENT PLANT AND APPROVAL OF THE ASSOCIATED WAIVER OF BID

WHEREAS, the City identifies that the purchase is critical to ensuring the treatment of high quality water to be delivered to all customers; and

WHEREAS, the City of Folsom has identified this purchase as a priority to maintain the integrity and operation of the water treatment system; and

WHEREAS, for many years, the City of Folsom has purchased chemicals from NTU Technologies, Inc. that are specific and proprietary with unique chemical blends optimal for the City's treatment process, requiring the City purchase these chemicals through a sole source procurement process; and

WHEREAS, the chemicals have proven to provide high water quality with the City's unique treatment process and variety of incoming water properties; and

WHEREAS, in November 2025, NTU Technologies, Inc. officially merged with USALCO, LLC and continued to supply the same quality of product and customer service previously experienced; and

WHEREAS, the Utilities Department has prepared a sole source waiver of bid for USALCO, LLC; and

WHEREAS, sufficient funds have been budgeted and are available in the Water Operating Fund (Fund 520); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with USALCO, LLC for the purchase of chemicals for the water treatment plant for an amount not-to-exceed \$407,750 and approve the associated waiver of bid.

PASSED AND ADOPTED this 23rd day of June, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithal, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

PRICE QUOTE

City of Folsom

194 Randall Dr
Folsom, CA 95630

June 11, 2026

PRICE QUOTE

Prices Valid July 1, 2026 – June 30, 2027

PRODUCT	PACKAGING	PRICE	QUANTITY	AVAILABILITY
932	Bulk Tanker Truck	\$0.71/lb/del ¹ [Not to exceed \$0.75/lb/del]	4500 Gallons ¹ (50,000 Pounds)	ARO 7 – 15 Business Days
AE 212P	55-Gallon Drums (450 Lbs Net)	\$2.18/lb/del [Not to exceed \$2.22/lb/del]	2 DRUM MINIMUM	ARO 7 – 15 Business Days
CE 212P	55-Gallon Drums (450 Lbs Net)	\$2.41/lb/del [Not to exceed \$2.46/lb/del]	2 DRUM MINIMUM	ARO 7 – 15 Business Days
AD 212P	1,000 Lb Super Sack	\$3.63/lb/del [Not to exceed \$3.70/lb/del]	2 SACK MINIMUM	ARO 7 – 15 Business Days
AD 101P	55-Lb Bags	\$4.38/lb/del [Not to exceed \$4.43/lb/del]	6 Bags Minimum	ARO 7 – 15 Business Days
Phosphoric Acid 75%	Bulk Tanker Truck	\$1.45/lb/del	3,000 Gallons Minimum	ARO 10 – 20 business days

¹ 932 weighs 10.84 lbs/gal

Please call to place all orders at (800) 453-2586

- or -

EMAIL: orders@usalco.com



Attachment 3

Memo



CITY OF
FOLSOM

To: Christa Freemantle, City Clerk

From: Marcus Yasutake, Utilities Director

Date: June 10, 2026

Subject: **Sole Source Waiver of Bid – USALCO, LLC**

This shall serve as a “Waiver of Bid Notification” for Sole Source Procurement for the purchase of supplies, as required by Section 2.36.140 of the Folsom Municipal Code.

A variety of chemicals are used at the City of Folsom Water Treatment Plant in the processes to produce potable water for the citizens of Folsom. These chemicals are vital to the treatment processes and facilitate compliance with State regulatory requirements and industry best management practices.

The City currently uses specific proprietary chemicals in the treatment process, supplied by USALCO LLC (formerly NTU Technologies, Inc.). For many years, these chemicals have been successful in providing high water quality for the City’s water customers. In addition to providing a consistent standard product, USALCO LLC provides good customer service, and a quick 24 hour response to any problems.

Any change in the chemicals used in the water treatment process would require analytical tests to confirm performance in various conditions throughout the year. City operators would also need to inform and follow the State Water Resources Control Board, Division of Drinking Water (DDW) requirements requiring, in part, a year long trial period.

The Utilities Department requests approval of this waiver of bid for sole source procurement of chemicals from USALCO, LLC for use at the Water Treatment Plant. Funds are approved and available in the Fiscal Year 2026-27 budget for this purchase.

Marcus Yasutake, Utilities Director

Date

Memo



CITY OF
FOLSOM

Stacey Tamagni, Finance Director

Date

Sari Dierking, Interim City Attorney

Date

cc: City Clerk, Original
City Manager
Chron File