



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Discussion and Possible Feedback to Approve the Fifth Contract Amendment as an Interim Bridge Extension and the Sixth Contract Amendment and Renewal of Veolia's Water and Wastewater Operations & Maintenance Contract.

Meeting Date: May 6, 2026

Prepared By: Aaron Goldsworthy, Water & Wastewater Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Committee take the following action:

- Recommend that the Board of Directors Approve the Fifth Contract Amendment Interim Bridge Extension and the Sixth Contract Amendment and Renewal of Veolia's Water and Wastewater Operations & Maintenance Contract and Authorize the General Manager to execute all associated contract documents.

EXECUTIVE SUMMARY:

On April 6, 2011, the Town of Discovery Bay entered into an agreement with Veolia Water West Operating Services for the operation and maintenance of the Town's water and wastewater treatment facilities. Since its original execution, the agreement has been modified and renewed through a series of amendments to reflect changing regulatory requirements, infrastructure improvements, and evolving operational needs.

On March 16, 2016, the First amendment and renewal extended the agreement for an additional 60-month term, ensuring continuity of service and operational stability. On April 19, 2017, the second amendment was approved, authorizing the incorporation of SL-RAT (Sewer Line Rapid Assessment Tool) technology to enhance sewer system inspection and maintenance capabilities. On August 16, 2017, the third amendment and subsequent 60-month renewal were executed, further extending the contractual relationship and maintaining operational continuity.

Most recently, on May 15, 2024, the fourth contract amendment was approved in response to increased inflationary pressures following the COVID-19 pandemic, as well as the expansion of treatment processes and infrastructure at Wastewater Treatment Plant No. 2. These improvements included the addition of three denitrification basins, a new oxidation ditch, upgraded high-efficiency rotors, recycle pump stations, and an enhanced bar screen system.

In 2026, following the completion and commissioning of Well 8 and Lift Station P, additional operational responsibilities were added to the system, necessitating further revision of the existing agreement. A new amendment and renewal were therefore initiated to properly reflect the expanded asset base and updated service requirements. These negotiations have been ongoing for more than one year between District staff, consulting engineers, and legal counsel to ensure appropriate scope, pricing, and contractual protections.

Also, due to the extended duration of negotiations, the existing agreement with Veolia expired on April 30, 2026, prior to a final amended agreement being presented to the Board of Directors for consideration. To ensure

continuity of essential water and wastewater operations and to avoid any interruption in service, District staff, in coordination with legal counsel, prepared and executed an interim bridge extension agreement (the “fifth amendment”) on April 29, 2026.

This interim extension maintains all existing operational and maintenance services on a temporary basis while a long-term agreement is finalized. The bridge agreement became effective May 1, 2026, and will remain in effect through the earlier of: (a) execution of a new or amended agreement approved by the Board of Directors at a duly noticed public meeting; or (b) May 30, 2026, unless further extended by mutual written agreement of the parties.

FISCAL IMPACT:

- Current Contract Amount FY25-26: **\$2,493,539.04**
 - Proposed Amendment & Renewal Increase: 13% (3% for operational contract, 10% for additional new assets)
 - Proposed New Contract Amount FY26-27: Estimated \$2,817,700.
 - Funds are budgeted for in the proposed FY26-27 Operating Budget
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PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

1. Initial Contract Authorized - April 6, 2011
 2. First Contract Amendment & Renewal Authorized - March 16, 2016
 3. Second Contract Amendment Authorized - April 19, 2017
 4. Third Contract Amendment and Renewal Authorized – August 16, 2017
 5. Fourth Contract Amendment Authorized – May 15, 2024
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ATTACHMENTS:

1. Fifth Contract Amendment Interim Bridge Extension Fully Executed.