

Agenda Item 8C

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STAFF REPORT

TO: Board of Directors

PREPARED BY: Jim King, Chief Plant Operator

REVIEWED BY: Steven Palmer, PE, CSDM, General Manager *SP*

SUBJECT: Adopt a Resolution Approving Sludge Dewatering Equipment Rental and Increasing the Fiscal Year 2026/2027 Operating Budget

RECOMMENDATION

Adopt a resolution waiving formal bidding and approving the rental of a solids handling centrifuge and increasing the operating budget by \$53,000.

BACKGROUND

To empty the winter sludge storage tank, staff, as standard procedure, dries sludge on the District's drying beds. This form of sludge processing takes time and good consistent dry warm weather. In recent years, poor weather patterns have made this increasingly difficult, resulting in staff not being able to empty the tank for inspection and cleaning. An empty tank is also essential for winter plant operations and sludge storage once weather eliminates drying bed use. This year has been colder and wetter than usual, causing staff to fall behind in the sludge drying process.

DISCUSSION

Given current weather conditions and the resulting time constraints, staff needs to bring in alternative drying equipment as soon as possible. Following the formal bid process in order to rent this equipment would cause delays the District cannot afford.

Chief Plant Operator Jim King has looked for companies that rent a solids handling centrifuge and has only been able to find one in the nearby area. This is the same company the District has rented from previously, Karl Needham Enterprises, Inc. (KNE) out of Stockton, California, and the equipment worked well and efficiently. KNE has provided a quote (Attachment 1) of \$48,000 for one-month rental of the centrifuge and poly pump, including mobilization and demobilization. In addition, the District will need to rent a crane and steel plate to set up the centrifuge. The cost to rent the crane and steel plate is estimated at \$5,000.

ANALYSIS

The Procurement and Purchasing Policy states that the Board can approve a sole source purchase for this amount if it makes the findings that formal bidding would not provide an advantage and would therefore be undesirable, impractical, or impossible. Staff requests that the Board waive formal bidding and approve rental of the centrifuge from KNE.

This is an unexpected expense and the adopted Fiscal Year 2026/2027 Operating Budget does not include funding for this effort. A budget increase of \$53,000 is needed and a budget amendment is included as Attachment 2.

The attached resolution (Attachment 3) waives formal bidding, approves rental of the centrifuge, and increases the Fiscal Year 2026/2027 Operating Budget by \$53,000.

FISCAL IMPACT

This expense is not included in the adopted Fiscal Year 2026/2027 Operating Budget. A budget amendment is proposed to increase expenses by \$53,000 (Attachment 2).

This will reduce the projected wastewater unrestricted fund balance at the end of Fiscal Year 2026/2027 by \$53,000 to \$280,206, and reduce the projected total unrestricted fund balance to \$328,626.

CEQA ASSESSMENT

This action is not a project under CEQA.

ATTACHMENTS

1. Centrifuge Rental Quote
2. Budget Amendment No. 1
3. Resolution 2026-14

Attachment 1

Jim King

From: Brandon Cruz <solidsmanagement@aol.com>
Sent: Tuesday, July 7, 2026 11:48 AM
To: Jim King
Subject: KNE Centrifuge Quote.

Good morning, Jim.

The following quote is for a one (1) month rental of a centrifuge and a poly pump, no polymer is supplied by KNE and is the responsibility of the renter, as well as mobilization in and out billed as one lump, Mob is due upon set up completion. The quote contains no operator for the centrifuge, and is just for the rental of the equipment, Mob includes labor for both delivery and removal. A crane for placement of equipment is to be provided by the renter.

One (1) month rental of centrifuge and poly pump: \$26,000

Mob for equipment in and out: \$22,000

Total rental amount for one (1) month is \$48,000.

All invoices for rental are due Net 30 from Issue date, and will be subject to a late fee of 1.5% for every day missed after the 30 day due date.

If there are any questions please feel free to reach out to my cell, number in signature below, or reply to this email.

Kind regards,

Brandon Cruz
CFO/Secretary

Karl Needham Enterprises, Inc.
4901 E. Mariposa Road
Stockton, CA 95215
209-304-1015 Cell
209-462-9600 Office
209-462-9800 fax

CSLB # 1038766 A Eng.
WA Lic # KARLNNE817DM

Attachment 2

Donner Summit Public Utility District
 Budget Amendment Form
 Fiscal Year 2026/2027
 Amendment No. 1

Date: 7/21/2026
 Requested by: Steven Palmer
 Source: Operating Fund

Department	Account	Description	Amount	Current Budget	Revised Budget
Expenses					
<i>Water Capital Improvement Projects</i>					
	42	5975 Rent solids centrifuge, crane, etc.	\$ 53,000.00	\$ 22,350.00	\$ 75,350
			\$ 53,000.00		
<i>Subtotal Expenses</i>			\$ 53,000.00		
Revenue					
				\$ -	\$ -
				\$ -	\$ -
<i>Subtotal Revenue</i>			\$ -		
Total			\$ (53,000.00)		

Board Approval Date: _____

Signature: _____
 General Manager

Attachment 3

RESOLUTION NO. 2026-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONNER SUMMIT PUBLIC UTILITY DISTRICT WAIVING FORMAL BIDDING, APPROVING THE RENTAL AGREEMENT WITH KARL NEEDHAM ENTERPRICES, INC. FOR THE AMOUNT OF \$48,000, AND APPROVING THE RELATED OPERATING BUDGET INCREASE

WHEREAS, the District Purchasing Policy allows the Board to waive formal bidding for equipment purchases under certain circumstances; and

WHEREAS, sludge processing is necessary to ensure the sludge storage tank has adequate storage during winter; and

WHEREAS, weather conditions so far this year have prevented staff from drying enough sludge and emptying the storage tank and a solids centrifuge is needed to dry the remaining sludge; and

WHEREAS, Karl Needham Enterprises, Inc. (KNE) is the only rental company within reasonable distance to the District that has the equipment for rent; and

WHEREAS, the total cost to rent the centrifuge and other necessary setup equipment is \$53,000, which is not included in the Fiscal Year 2026/2027 Operating Budget.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF DONNER SUMMIT PUBLIC UTILITY DISTRICT DOES HEREBY RESOLVE that renting a solids centrifuge is necessary to ensure the sludge storage tank will have adequate storage during winter; and

BE IT FURTHER RESOLVED that formal bidding would not provide an advantage; and

BE IT FURTHER RESOLVED that formal bidding would be undesirable and impractical for this purchase; and

BE IT FURTHER RESOLVED that the rental agreement with KNE in the amount of \$48,000 is approved; and

BE IT FURTHER RESOLVED that the attached Amendment Number 1 to the Fiscal Year 2026/2027 Operating Budget, increasing wastewater treatment plant operating expenses by \$53,000, is approved.

PASSED AND ADOPTED by the Board of Directors of Donner Summit Public Utility District, this 21st day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: _____
Cathy Preis
President, Board of Directors

ATTEST:

By: _____
Dawn Parkhurst
Secretary of the Board