



Wastewater  
Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled  
Water



Energy  
Production



Biosolids  
Reuse

# Proposed Recycled Water Service Charge Adjustments

Board of Directors Meeting  
October 9, 2024

# Background

## *Transforming Wastewater to Resources*



- District provides recycled water treatment and distribution services via its Recycled Water Facility (RWF)
  - In FY23/24, 6.5 million gallons per day (MGD) produced (47% of 13.8 MGD of WWTP influent flow)
  - **93-95% provided for industrial purposes** (Calpine, two large power plants—Delta Energy Center, Los Medanos Energy Center)
  - **5-7% for irrigation purposes** (City of Antioch golf course/parks/medians, City of Pittsburg parks/medians, PUSD, MDRRP, Caltrans)
- District utilizes voluntary user service agreements
  - **Calpine has first right to RW; service to other customers is “interruptible”**
  - Agreements require RWSCs to be set by Board (last approved in September 2023)

# Key Drivers for Adjustments to Recycled Water Service Charges



- In June 2024, Board adopted FY24/25 Budget and approved 5-year CIP
  - RW Operating Budget: FY24/25 = \$3.97M (3.1% increase)  
FY25/26 (forecast) = \$4.23M (6.5% increase)
  - **Increases in chemicals and utilities costs** due to distribution issues and inflationary pressure
    - Chemicals: FY24/25 Budget = \$1.63M
    - Utilities: FY24/25 Budget = \$0.77M
  - RW Projects in 5-year CIP
    - \$1.4M in RW Capital Asset Fund
    - \$4.0M in RW Capital Asset Replacement Fund
- RWSC adjustment is **necessary to cover additional District costs** (+\$109k, +6%)

# Key RWSC Financial Modeling Assumptions



- Rate model includes FY24/25 Budget and forecasted FY25/26 Budget amounts with 10-year planning horizon
- Revenue projection based on FY23/24 RW consumption

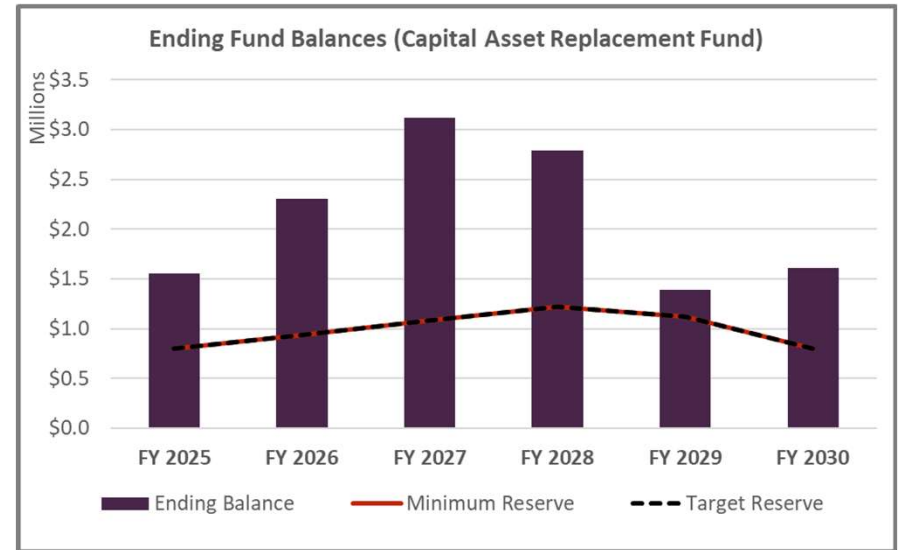
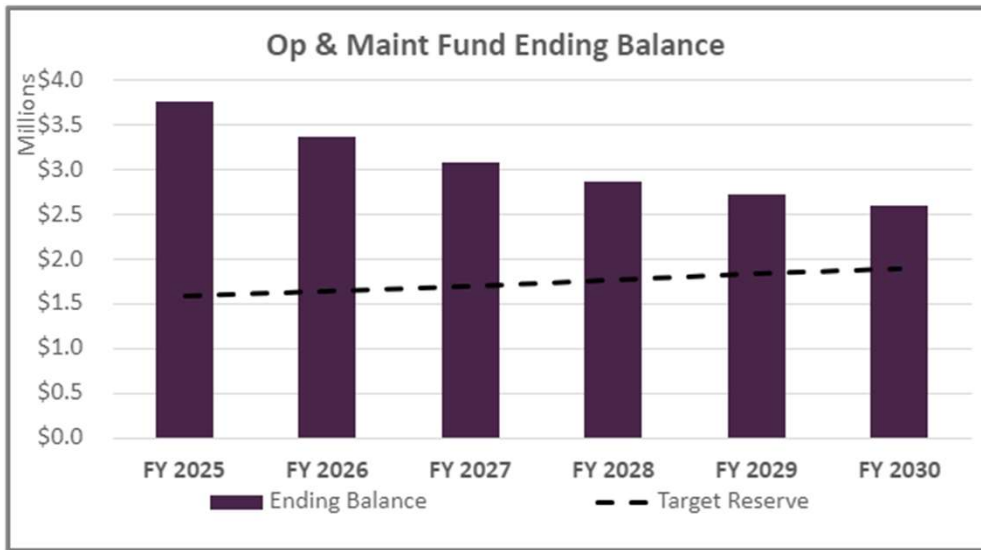
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Total RW Consumption (Tgal)	2,223,826	2,623,373	2,756,413	2,638,248	2,353,111

- Customer-specific surcharges
  - Calpine Revenue Stability Surcharge
    - Stabilizes revenue when RW use declines (i.e., major plant disruptions)
    - No change proposed to current surcharge (\$35,000/month)
  - Antioch RW Project Surcharge
    - Covers Antioch’s \$1.1M share of Antioch RW Project costs that exceeded \$5M SRF loan cap (~\$6,826/month)

# RWSC Revenue Need



- District needs to **increase total annual revenue by \$109k (6.0%)** (effective in January 2025) to cover District costs
  - Projecting similar increases in revenue requirements in subsequent four years (6.0% for FY25/26-FY28/29, 7.75% after FY29/30)
- Actual costs and revenues are highly dependent on usage



# Proposed RWSC Adjustments: Monthly Fixed Cost by Customer



	Existing (\$/month)	Proposed (\$/month)	Difference (\$)	Difference (%)
<b>Calpine – DEC and LMEC</b>	\$159,858	<b>\$146,905</b>	(\$12,953)	-8.1%
City of Antioch (Parks, Medians, Golf Course)	\$10,057	\$10,409	\$352	3.5%
City of Pittsburg (Parks, Medians)	\$1,684	\$1,652	(\$32)	-1.9%
Pittsburg Unified School District	\$972	\$937	(\$35)	-3.6%
MDRRP	\$344	\$342	(\$2)	-0.6%
Caltrans	\$116	\$120	\$4	3.4%
Pittsburg Data Hub*	\$0	\$945	\$945	-

\*Potential recycled water customer expected to be added in the future

- Fixed component varies by customer (labor, office expenses, outside services, repairs and maintenance, and distribution system O&M)

# Proposed RWSC Adjustments: Total Revenue by Customer



	Existing Revenue	Proposed Variable	Proposed Fixed	Proposed Revenue	Difference (\$)	Difference (%)
Calpine – DEC and LMEC	<b>\$3,785,761</b>	\$2,219,604	\$1,762,862	<b>\$3,982,466</b>	\$196,705	5.20%
City of Antioch*	<b>\$107,957</b>	\$82,220	\$42,998	<b>\$125,218</b>	\$17,261	15.99%
City of Pittsburg	<b>\$57,110</b>	\$43,857	\$19,822	<b>\$63,679</b>	\$6,569	11.50%
PUSD	<b>\$28,862</b>	\$20,441	\$11,249	<b>\$31,690</b>	\$2,828	9.80%
MDRRP	<b>\$10,704</b>	\$7,812	\$4,099	<b>\$11,911</b>	\$1,207	11.28%
Caltrans	<b>\$3,530</b>	\$2,545	\$1,436	<b>\$3,981</b>	\$451	12.80%
Pittsburg Data Hub**	-	\$21,811	\$11,335	<b>\$33,146</b>	\$33,146	-

\* Excludes City of Antioch surcharge

\*\* Potential recycled water customer expected to be added in the future

- RWSCs include variable (56%) + fixed (44%) cost components
- Variable (RW CAR, chemicals/utilities) component = +18.9%

# Recycled Water Master Plan and RWF Condition Assessment Project



- Board awarded consultant contract on December 13, 2023

## RWF Condition Assessment

- District obligation to provide Calpine with facilities assessment and costs by 6/13/25
- Calpine to inform District of future intentions by 6/13/26
- 30-year agreement ends 6/13/31
- **No significant change in historic level of capital investment**

## RW Expansion Opportunities

- Identify potential new customers and associated RW distribution needs
- Significant capacity for irrigation customers in CCWD agreement
- City of Pittsburg interest
- Nutrient reduction benefits
- **Limited opportunities to add new recycled water customers**

## RW Quality Improvements

- Identify, evaluate, and recommend potential water quality capital upgrades (high \$\$\$)
- Engage w/CCWD on water supply augmentation
- Nutrient reduction benefits
- ECWMA connection
- **No preliminary findings to date**



# Recommendations/Next Steps

- Set Public Hearing for November 6, 2024, at 4:30 pm to consider adopting ordinance establishing RWSC adjustments
- If Board approves RWSC adjustments after Public Hearing, RWSCs would be effective January 2025

