



Wastewater Treatment



TRANSFORMING
WASTEWATER
TO RESOURCES



Recycled Water



Energy Production



Biosolids Reuse

Proposed Recycled Water Service Charge Adjustments

Special Board of Directors Meeting
November 6, 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 (2.35 billion gallons)
 - Actual costs and revenues are dependent on usage
- 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)
- Staff has confirmed sufficient fund balances in RW O&M and RW CAR funds for long-term financial planning horizon

Proposed RWSC Adjustments: Monthly Fixed Cost by Customer



	Existing (\$/month)	Proposed (\$/month)	Difference (\$)	Difference (%)
Calpine – DEC and LMEC	\$159,858	\$146,905	(\$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	\$3,785,761	\$2,219,604	\$1,762,862	\$3,982,466	\$196,705	5.20%
City of Antioch*	\$107,957	\$82,220	\$42,998	\$125,218	\$17,261	15.99%
City of Pittsburg	\$57,110	\$43,857	\$19,822	\$63,679	\$6,569	11.50%
PUSD	\$28,862	\$20,441	\$11,249	\$31,690	\$2,828	9.80%
MDRRP	\$10,704	\$7,812	\$4,099	\$11,911	\$1,207	11.28%
Caltrans	\$3,530	\$2,545	\$1,436	\$3,981	\$451	12.80%
Pittsburg Data Hub**	-	\$21,811	\$11,335	\$33,146	\$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%
- Staff presented RWSC adjustments to RW customers (no concerns)

Recommendations/Next Steps

- Conduct and close Public Hearing to consider adopting ordinance establishing RWSC adjustments and consider testimony received
- Adopt Ordinance No. 126 Establishing RWSCs and Surcharges
 - Notice of ordinance would be published as required
- If Board approves RWSC adjustments after Public Hearing, RWSCs would become effective on January 1, 2025 for all RW customers

