



# Utilities Rate Study – Award of Consultant Contract

**Katie Hockett**

Assistant Director of Utilities

# The Ask...

---

Award a Contract  
to RDN for the  
Utility Rate Study  
Project



## Cost Drivers (FY18 to FY22)

- Inflationary Pressures are Having an Impact
- ▷ Electric costs increased 12%
  - ▷ Tier 1 raw water costs increased 23%\*
  - ▷ Chemical costs increased 36%
  - ▷ Energy purchase costs increased 11%
  - ▷ Staffing costs increased:
    - ▷ 10.1% in FY22
    - ▷ 11% in FY23
    - ▷ Estimated 12% in FY24

\*not including additional increases for ready to serve and capacity charges



## Anticipated Deliverables

1 Study Approach

2 Financial Plan

3 Cost of Service Analysis

4 Customer Budget and Rate Design

5 Finalize Rates

6 Public Outreach & Prop 218

7 Adopt Rates and Customer Budget

Updates for the deliverables may be individual or grouped.

## Background

- December 2022 – COTW
- April 2023 – Spring Financial Workshop
- October 2023 – CIP Discussion

# Top 10 Capital Projects by Fund

---

Rate Funded

# Top Ten Sewer Projects

	Project	Cost
1	WRF#1B Energy Efficiency Upgrades	\$25,000,000
2	WRF#2 Equalization Basin Replacement	\$11,985,989
3	Stagecoach Lift Station and Force Main Replacement	\$11,854,102
4	WRF#1 Lease	\$11,448,890
5	Sierra Del Oro Lift Station and Pipelines	\$10,498,640 Fund 572 \$3,098,400 Fund 440 - Developer
6	Sewer Line Infrastructure	\$8,849,453
7	WRF#1 Aeration Diffuser Replacement	\$5,533,893 (in progress)
8	Airport Lift Station Replacement	\$5,511,359
9	El Cerrito Sewer Main Construction	\$5,302,000
10	Digester Equipment Rehab and Electrical Upgrade	\$5,300,000
	<b>Total (not including grants)</b>	<b>\$101 Million</b>

# Top Ten Water Projects

	Project	Cost
1	Potable Waterline Replacement Project #3	\$27,000,000
2	Potable Waterline Replacement Project #2	\$23,000,000
3	Potable Waterline Replacement Project #1	\$19,000,000
4	Grand Quad Waterline Replacement	\$16,999,671
5	Citywide AMI Meter Replacement	\$16,789,965 Fund 570 \$2,000,000 Fund 571 Grant
6	Waterline Infrastructure	\$13,939,912
7	PFAS and 1,2,3-TCP Remediation	\$10,650,000
8	Emergency Generators at Various Locations	\$10,142,115
9	Well Rehabilitation at Various Locations	\$9,332,567
10	Water Pipe Replacement at Various Locations	\$8,000,000
	<b>Total (not including grants)</b>	<b>\$154 Million</b>

# Top Ten Recycled Water Projects

	Project	Cost
1	WRCRWA Booster Pump Station	\$5,225,000
2	Old Temescal Road Reclaimed Waterline	\$3,615,574 Fund 567 \$998,583 – Fund 571 Grant
3	WRCRWA Flow Control Improvements (Title XVI)	\$3,442,853 Fund 567 \$2,751,182 – Fund 571 Grant
4	WRCRWA North Pipeline Capacity Purchase	\$2,400,000
5	Ontario Avenue Widening at Lincoln Avenue	\$900,000
6	Reclaimed Waterline Infrastructure	\$618,501
7	SCADA Panel Replacement	\$600,000
8	WRCRWA Reclaimed Waterline	\$390,130 – Fund 567 \$4,161,524 – Fund 571 Grant \$1,436,886 – Fund 571 Grant
9	Booster Station Rehabilitation at Various Locations	\$200,000
10	Reclaimed Water Master Plan	\$150,000
	<b>Total (not including grants)</b>	<b>\$17.6 Million</b>

# Top Ten Electric Projects

	Project	Cost
1	Transformer Lifecycle Replacements	\$1,027,460
2	Pad Mounted Enclosure Switches Upgrade	\$652,395
3	Capacitor Bank Upgrade	\$600,000
4	Citywide Meter Replacement	\$326,354
5	WDAT Battery Energy Storage System Study for Peak Demand	\$315,000
6	Electrical Vaults Water Infiltration Mitigation	\$225,000
7	Burd Transformer Replacements	\$200,676
8	Plug in Vehicle (PEV) Readiness Plan	\$189,007
9	Arc Flash Study	\$110,000
10	Development Meters	\$12,816
	<b>Total</b>	<b>\$3.6 Million</b>



# Utilities Rate Study Approach

---

Proposed by RDN

# Timeline



## RDN's Scope of Work

Task	Total Price
Task 1. Kickoff & Data Collection	\$6,420
Task 2. Ten-Year Financial Plan	\$26,120
Task 3. Cost of Service Analysis	\$34,440
Task 4. Rate Design	\$30,920
Task 5. Reports, Models & Presentations	\$44,460
Estimated Expenses	\$1,000
<b>Total</b>	<b>\$143,360</b>

- ✓ Three study sessions with City Council
- ✓ Five community meetings: three in-person and two virtual
- ✓ Proposition 218 Hearing at City Council

## Optional Bid Items

- ✓ Staff included "optional bid items" in the Contract if additional engagement is needed
- ✓ Recommended action includes up to three additional meeting presentations if needed
- ✓ \$4,860 per presentation including preparation and delivery

**Total contract amount = \$157,940**

## Next Steps

- ✓ Award RFP and hold kick off meeting
- ✓ Staff begins data collection process
- ✓ First Council study session ~ August
  - ✓ Financial Plan
  - ✓ Set Rate Structure Policy Objectives

# The Ask...

---

Award a Contract  
to RDN for the  
Utility Rate Study  
Project



# Thank You

---

