

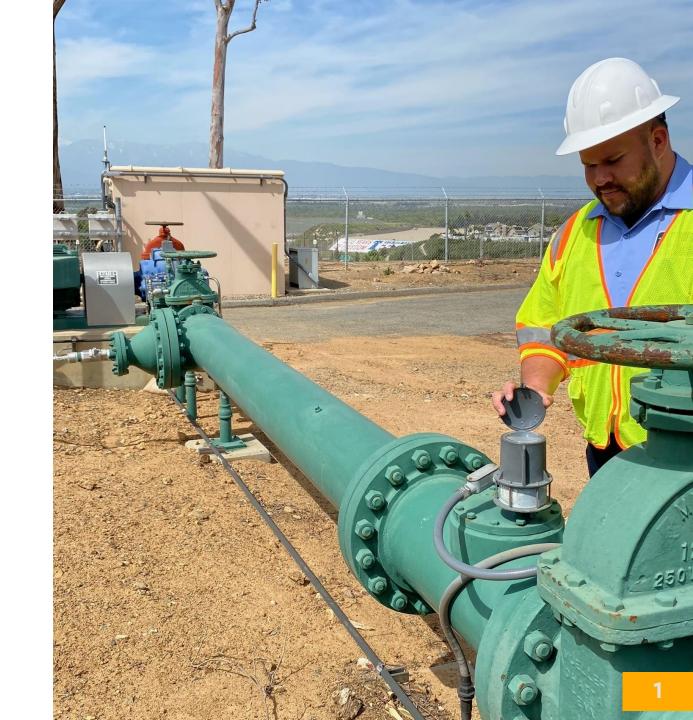
### Utilities Rate Study – Award of Consultant Contract

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

- → Tier 1 raw water costs increased 23%\*
- Chemical costs increased 36%
- Staffing costs increased:

  - ▷ Estimated 12% in FY24

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



#### Anticipated Deliverables

- **Study Approach**
- Financial Plan
- **Cost of Service Analysis**
- **Customer Budget** and Rate Design

- **Finalize Rates**
- Public Outreach & **Prop 218**
- 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	ce Main Replacement \$11,854,102	
4 WRF#1 Lease \$11,		\$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	
	Total (not including grants)	\$101 Million	

#### **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	
	Total (not including grants)	\$154 Million	

#### **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
	Total (not including grants)	\$17.6 Million

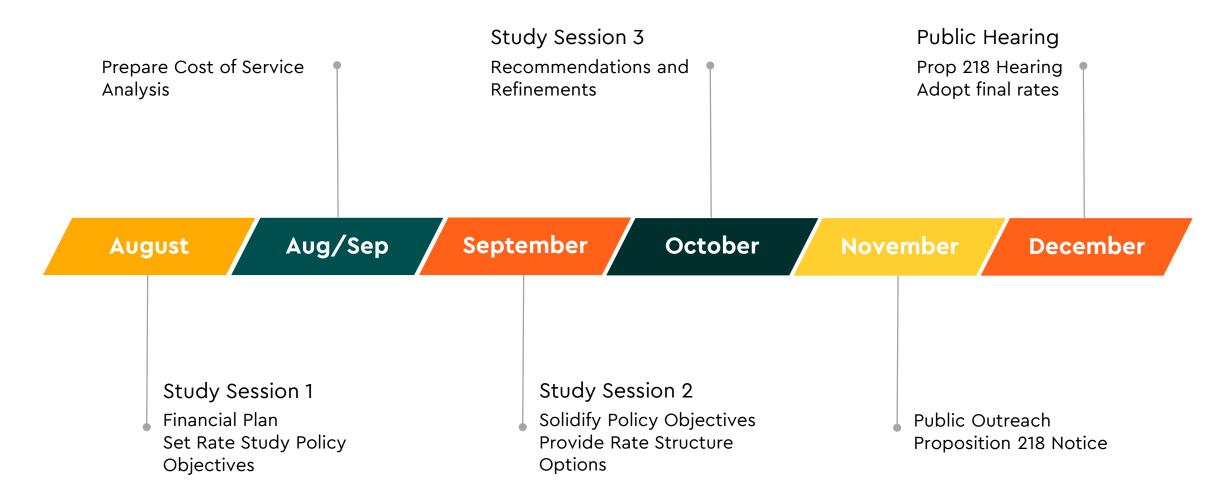
#### **Top Ten Electric Projects**

	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
	Total	\$3.6 Million

# 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
Total	\$143,360

- ✓ 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

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## Thank You

