

Introduction to the Benicia Wastewater Utility

May 4, 2021 City Council Meeting

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Overview

- This presentation provides an overview of the Benicia Wastewater Utility
- The 2021-26 Water and Wastewater Utility Rate Study project started in 2020
- This is the third in a series of presentations provided by staff to provide Benicia property owners a foundation of knowledge before the rate study is publicly released in 2021



Background

- An “enterprise fund” is a governmental self-supporting fund that provides a good or service
- Enterprise funds are separate from the General Fund
- The Wastewater Fund is one of the City’s enterprise funds
- Funded mostly by ratepayers paying bi-monthly bills

Wastewater Enterprise Fund

People

- 24.1 Full Time Equivalent (FTE) positions spread among the Wastewater Treatment Plant (WWTP), collections, engineering, and administrative divisions

Infrastructure

- Secondary (activated sludge) WWTP staffed 7 days per week with a permitted dry weather capacity of 4.5 million gallons per day (MGD)
- 23 sewer lift stations
- 153 miles of sanitary sewer pipelines
- Over 400 major plant process equipment components that endure a severe duty cycle and continuous operation.
- 1,150 foot wastewater discharge outfall in the Carquinez Strait
- Water quality laboratory jointly funded with the water enterprise

2020 Condition Assessment

- Completed by Stantec Consulting on June 30, 2020
- Presented to Council August 18, 2020
- Independently assessed the remaining useful life of the City's water and wastewater infrastructure
- Updated the City's wastewater master plan
- Provided a suggested update to the wastewater CIP project list

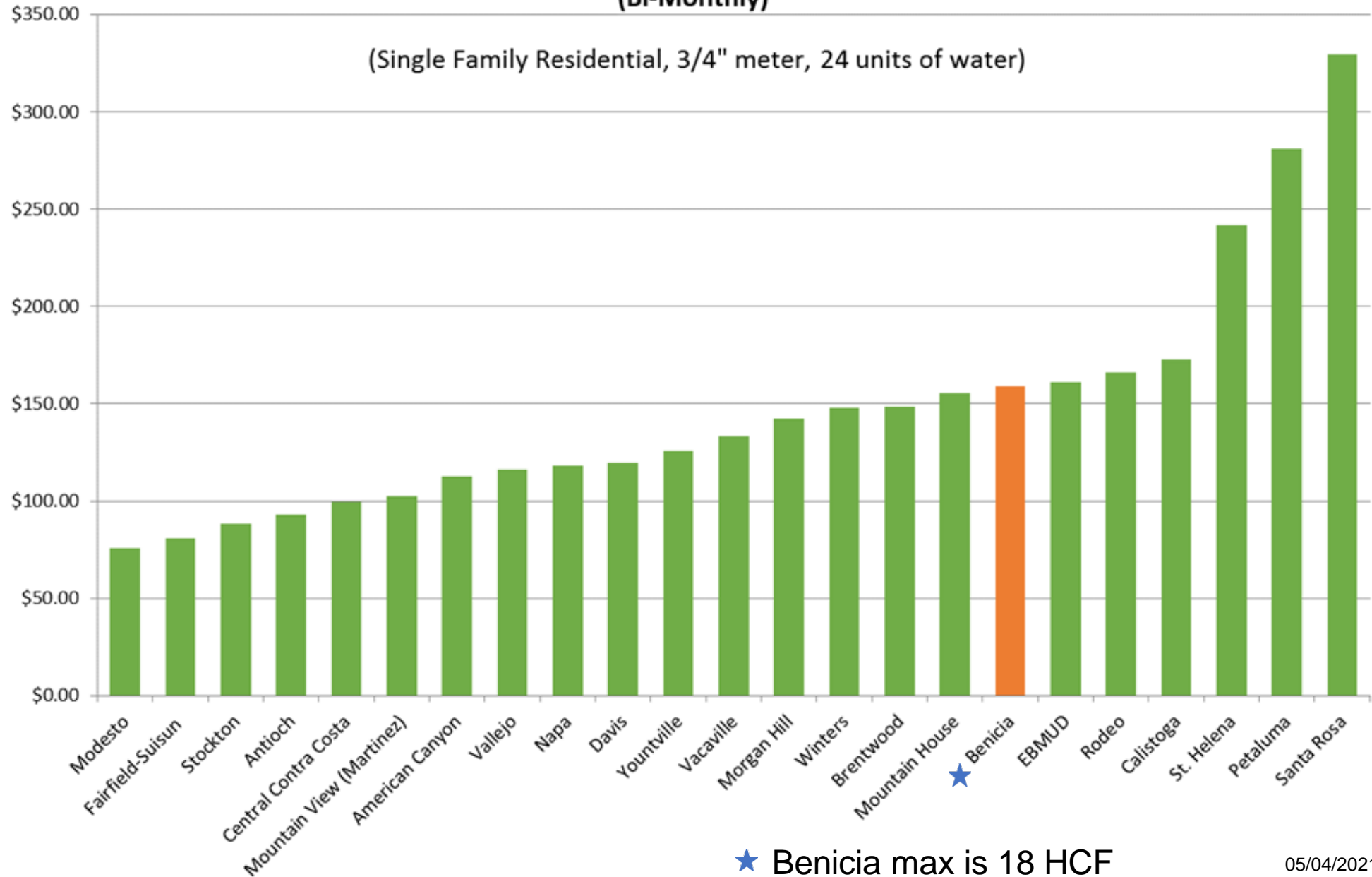
2016 – 2021 Wastewater Rate Study

- Current rate study (last increase January 1, 2021)
- Intended to:
 - Bring both utilities to financial solvency
 - Initiate small maintenance projects
 - Start saving for larger projects
- Did not meet revenue targets due to less water use and revisions to the rate structure (2018 and 2020)

Wastewater Bill Comparison

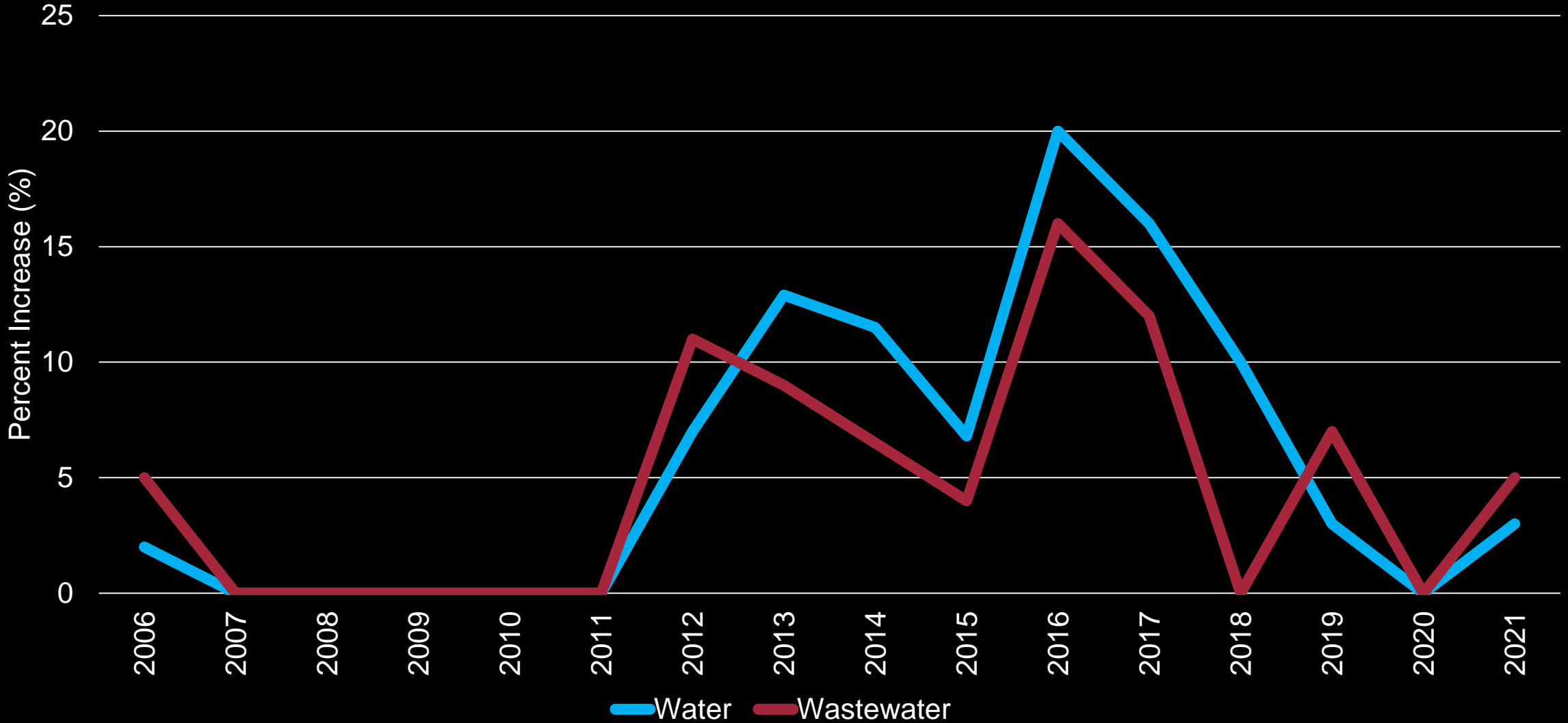
As of March 2020

(Bi-Monthly)



★ Benicia max is 18 HCF

Utility Rate Increases 2006 - 2021



Rates vs. Capacity Fees

- Rates are assessed on current users; capacity fees are charges for future users.
- Most revenue for each utility comes from rates (bi-monthly bills).
- Capacity fees are one-time fees to recover the costs to provide facility capacity to new users, without burdening existing users, and cannot be used for any other use.

Wastewater Expense Categories Explained



Operations

Contracted Services
Supplies/Equipment
Chemicals
Material Disposal
Permits/Fees
Maintenance/Repairs
Utilities
Salaries and Benefits



Rate-Funded Capital Projects and Preventative Maintenance

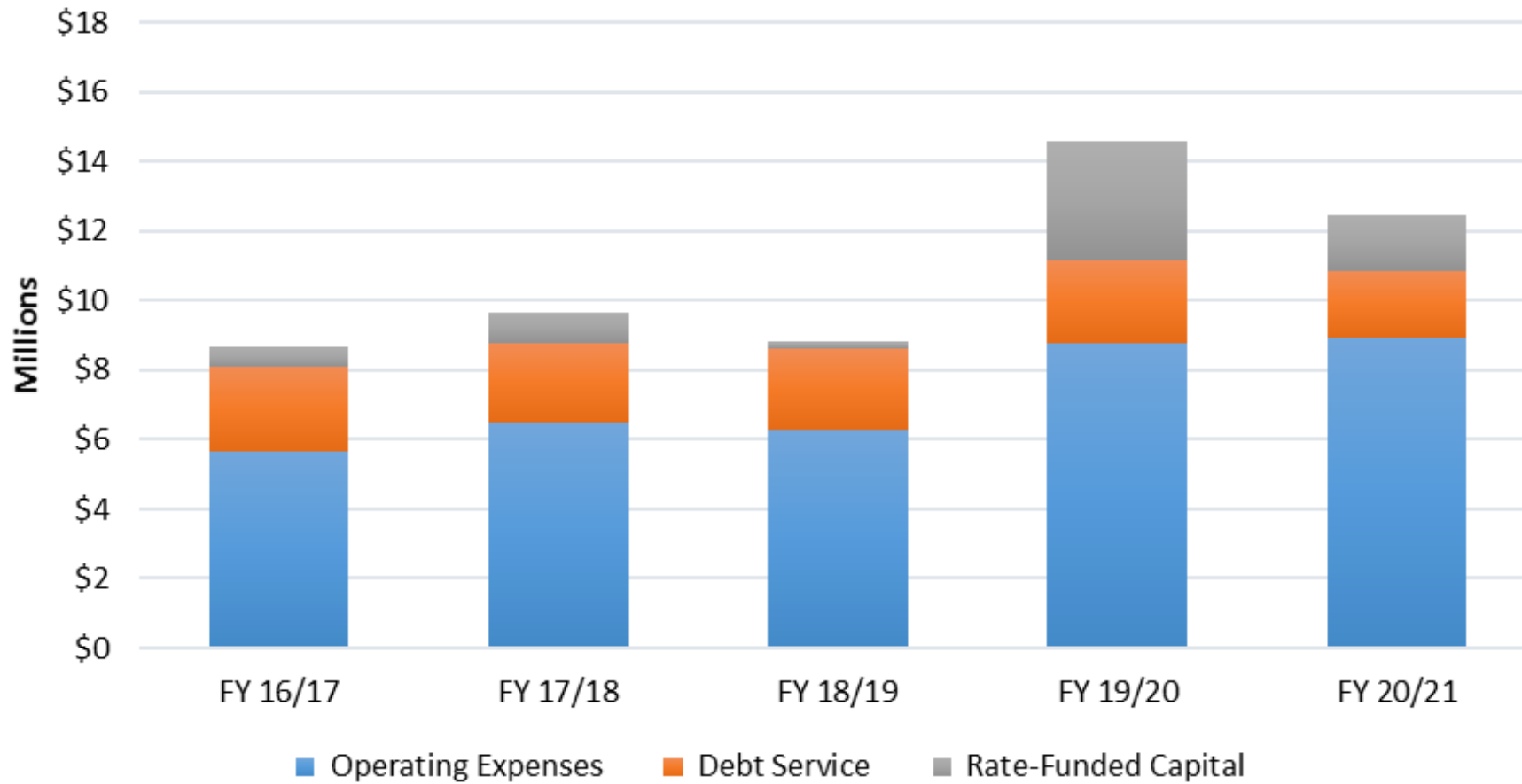
Projects in the City's approved 5-
Year Capital Improvement Program
Preventive Maintenance Projects for
the WWTP
Preventive Maintenance Projects for
the Wastewater Collection System



Debt Service Repayments

Zero debt as of January 2021!
SRF Loan for the 1998 WWTP
Improvement Project – final
payment Dec 2020
(\$1.2M/year)
SRF Loan for the 2004 Inflow
and Infiltration Improvement
Project – paid off early
May 2020 (\$3.4M)

Wastewater Expenses



Wastewater Operations Data



- Zero violations in the last decade
- Treat approximately 2,200 acre-feet of wastewater per year
- 23 miles of wastewater lines cleaned in 2020
- 1,131 preventative and corrective maintenance activities performed in 2020

Wastewater Infrastructure Project Status

Complete Projects

- Wastewater Master Plan Update and Major Facilities Condition Assessment
- WWTP Wireless System and Integration
- Bayshore Road/East J & K Street Sewer Improvements (Phase I)
- WWTP Emergency Generator Control System Upgrade
- Emergency Collection System and Road Repair at Industrial/Park Road

Projects in Design

- Bayshore Road Sanitary Sewer Crossovers
- West H and I Street Sewer Shoreline Project
- WWTP Solids Building Platform Replacement/Recoat Concrete Channels
- El Bonito Way Sewer Force Main Replacement
- Lift Stations Upgrades
- Cathodic Protection Improvements

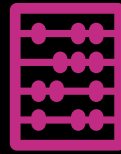
Projects in Planning

- Bayshore Road/East J & K Street Sewer Improvements (Phase II)

Types of Reserves

- Operations Reserve
 - 20% of annual revenues (industry standard is 25%)
- Rehabilitation and Replacement Fund
 - 3% of net depreciable assets
- Rate Stabilization Fund
 - 30 days of the budgeted annual operating expenses
- Debt Service Coverage
 - Equal to the required principal and interest payments on outstanding debt during the fiscal year (as of January 2021, zero debt!)

Timeline & Outreach



Spring 2021

Presentation on utilities and budgets



Summer 2021

Draft Utilities Rate Study Report Study Session

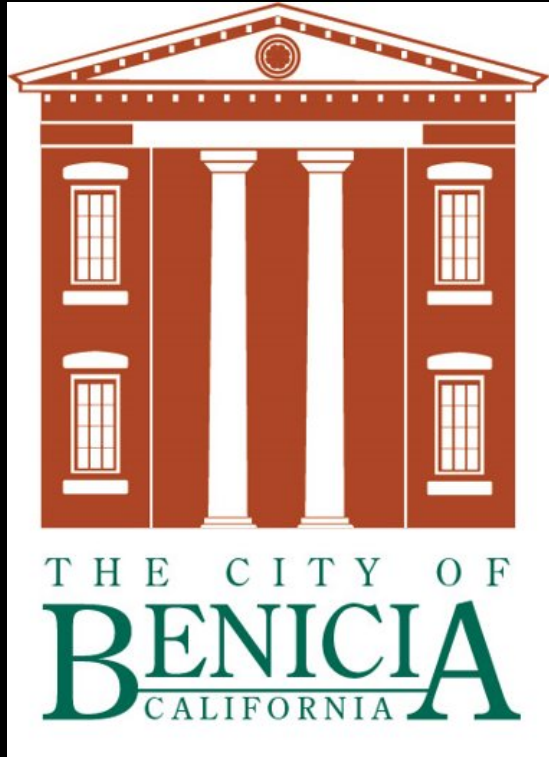


Fall 2021

Final Utilities Rate Study Report



Email questions to PW@ci.benicia.ca.us for inclusion in FAQ document



Questions?

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