

Napa Sanitation District 2022 Recycled Water Rate Study

Project Introduction



Agenda

- Team Introduction
- Study Goals and Objectives
- Study Approach
- Recycled Water Benefits and Cost Allocation
- Rate Design
- Next Steps and Schedule

// Team Members and Roles



Project Director
Jennifer Ivey



Project Manager
Mark Panny



Analyst
Karly Nocera



Quality Manager
Cody Berg



Study Objectives and Goals

Resilience

Develop a cost recovery structure and rates that promote the resiliency and sustainability of the recycled water program.

Proportionality

Develop rates that allocate costs in a reasonable manner to the recycled water and sewer systems.

Affordability

Achieve affordable recycled water rates to the greatest extent possible.

Optimization

Develop rates that optimize recycled water deliveries during the entire calendar year.

Collaboration

Employ an open and transparent public process to develop and adopt direct use and recharge rates.

Compliance

Build rates and other cost recovery mechanisms with relevant legal requirements in mind.

Our study approach includes multiple elements and analyses, and several opportunities for feedback



Communication will be completed throughout the process to provide transparency and collaboration.

The Recycled Water Program provides a general benefit to the region.

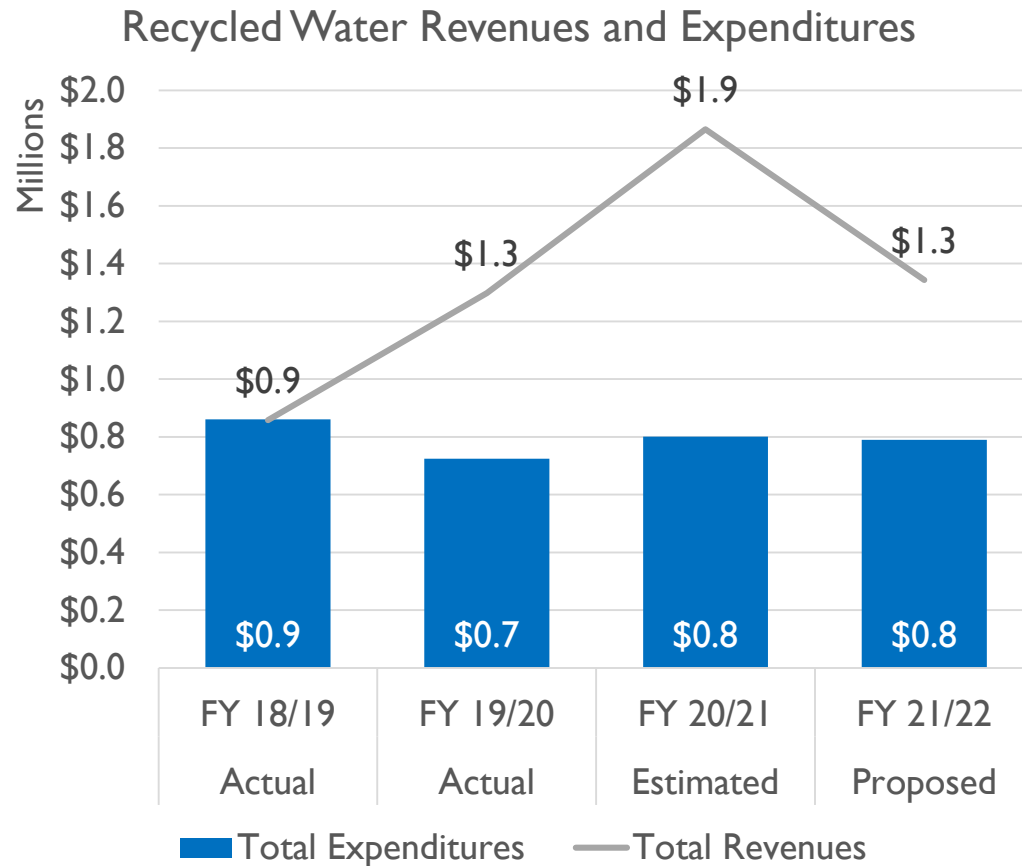
Direct benefits of the program for NapaSan include

- Serves as an option for beneficial reuse of treated wastewater
- Additional revenue stream
- Serves as a stepping-stone for enhanced wastewater treatment

Indirect benefits of the program include

- Decreased reliance on imported water and groundwater pumping for the region
- Decreased loading on Napa River

The Recycled Water Program currently recovers a significant portion of its allocated costs.



- As we begin our cost-of-service analysis, we will review the allocation of indirect costs and other expenses to the recycled water system.
- We will use the 2020-21 Sewer Service Charge Study as a starting point in our analysis.

Analysis Process: Comprehensive Evaluation of the Recycled Water Program

Identify full cost of recycled water activities

O&M, Debt, Capital, Indirect Costs

Quantify benefits to recycled water and sewer systems

Wastewater Discharge, NPDES Compliance

Apply funding sources based on identified benefits

Offset the costs to be recovered through recycled water rates.

Determine recycled water rates for each service type

Based on level of service provided and benefits of each use type.

Determine potential corresponding impacts on water and wastewater

Based on level of benefit.

The current rate structure is designed to promote recycled water deliveries during the off-peak months.

- The Study will explore and is likely to propose changes to the rate structure to match operational and cost of service drivers
- April – November
 - Peak demand season
 - Rates are highest to reflect limited supply and cost of storage
- December – February
 - Non-Peak
 - Rates are lower to reflect increased supply
- March
 - Rates are lowest to encourage large users to store recycled water before peak season.



Current Recycled Water Rate




Months	2022
April through November (Peak)	\$2.05 per 1,000 gallons
January, February, December (Non-Peak)	\$1.54 per 1,000 gallons
March	\$1.37 per 1,000 gallons
May through October	\$37.76 per month (Monthly Meter Charge)

Timeline and Milestones

Project Schedule

Task	Description	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
1	Financial Forecast and Revenut Requirements		[Task Bar]						
2	Cost of Service			[Task Bar]					
3	Rate Structure Design and Calculation				[Task Bar]				
4	Meetings and Workshops	[Dotted Line]	[Yellow Circle]	[Red Circle]	[Yellow Diamond]	[Red Circle]	[Red Circle]	[Grey Circle]	[Green Diamond]
5	Project Management	[Task Bar]							

-  Draft Report
-  Final Report

-  Kickoff Meeting
-  Stakeholder Workshop
-  Board Presentations