Vince De Lange, General Manager
Brian Thomas, Deputy General Manager
Rebecca Hooley, District Counsel
Cecelia Nichols-Fritzler, Secretary to the Board

Jelani Killings, Board Member
Shanelle Scales-Preston, Board Vice Chair
Monica Wilson, Board Secretary

A CALIFORNIA SPECIAL DISTRICT

Delta Diablo Special Board of Directors Meeting

5:30 PM, Thursday, June 26, 2025

2500 Pittsburg-Antioch Highway, Antioch, CA 94509

Individuals who wish to address the Board during Public Comments or with respect to a specific agenda item will be limited to two minutes. the Board Chair may reduce the amount of time allotted per speaker for Public Comments or specific agenda item(s) depending on the number of speakers and available time.

Presentations will be made available at www.deltadiablo.org/board-meetings approximately one hour prior to the start of the Board meeting. A copy of the presentations will also be available for inspection at the meeting and at the District Administration Building, which is located at 2500 Pittsburg-Antioch Highway, Antioch, California. Disclosable public records related to an open session item on a regular meeting agenda and distributed by the District to a majority of the Board of Directors less than 72 hours prior to that meeting will be made available for public inspection on the District website at www.deltadiablo.org and at the District Administration Building during normal business hours.

The District will provide reasonable accommodations for individuals with disabilities who plan to participate in Board (or committee) meetings by contacting the Secretary to the Board at least 24 hours prior to the scheduled meeting at (925) 756-1927.

AGENDA

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

D. PUBLIC HEARINGS

1) **Conduct** Public Hearing on FY25/26-FY29/30 Capital Improvement Program; **Close** Public Hearing and **Consider** Any Testimony Received; **Adopt** Resolution Approving Program; and **Authorize** Filing of California Environmental Quality Act Notice of Exemption in Compliance with Public Resources Code Section 21152 (Murat Bozkurt)

2) **Conduct** Public Hearing on Sewer Service Charges, Delinquency Charges, Collection System Charges, and Surcharges for FY25/26 and Maximum Allowable Sewer Service Charges for FY26/27 through FY29/30; **Close** Public Hearing and Consider Any Testimony and Protests; **Determine** No Majority Protests Exists; **Adopt** Ordinance Establishing Sewer Service Charges, Delinquency Charges, Collection System Charges, and Surcharges for FY25/26 and Setting Maximum Allowable Sewer Service Charges for FY26/27 through FY29/30; and **Adopt** Resolution Approving Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on County Tax Roll for FY25/26 (Nitish Sharma)

E. RECOGNITION

Introduction of Andrew Hartrick, Utility Laborer, to the District (Trevor Simpson)

F. CONSENT CALENDAR

1) **Approve** Minutes of Board of Directors Meeting, June 11, 2025 (Cecelia Nichols-Fritzler)
2) **Adopt** Resolution Commending and Congratulating Dean Eckerson, Resource Recovery Services Director, on His Retirement from the District (Vince De Lange)
3) **Authorize** General Manager to Execute Amendment No. 8 to Agreement with City of Pittsburg for Street Sweeping Services, Extending Term from July 1, 2025 to October 30, 2025, and **Authorize** Payment in an Amount Not to Exceed $150,000 (Nitish Sharma)
4) **Authorize** General Manager to Execute Amendment No. 3 to Agreement for Biosolids Handling Services with Synagro West, LLC, Effective July 1, 2025, to Modify Contract Language, Extend Term for Two Years from July 1, 2025 through June 30, 2027, and **Authorize** Payment for Services in Amounts Specified in the Agreement, as Amended (Joaquin Gonzalez)
5) **Authorize** General Manager to Execute Amendment No. 2 to Agreement for Class A Biosolids Processing Services with Lystek International Limited, Effective July 1, 2025, to Extend the Term for Two Years, from July 1, 2025 through June 30, 2027, and **Authorize** Payment for Services in Amounts Specified in the Agreement, as Amended (Joaquin Gonzalez)
6) **Authorize** General Manager to Execute Amendment No. 2 to General Services Contract in the Amount of $105,000, for a New Total Contract Amount Not to Exceed $200,000, Liebert Cassidy Whitmore, Labor and Negotiation Services (Jamie Lyn Alfonso)

G. DELIBERATION ITEMS

Approve FY25/26-FY26/27 Budget and **Adopt** Resolution Approving FY25/26-FY26/27 Budget Appropriations (Nitish Sharma)

H. PRESENTATIONS AND REPORTS – None.

I. GENERAL MANAGER COMMENTS

J. BOARD MEMBER COMMENTS

K. CORRESPONDENCE – None.

L. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION (GOV. CODE, SECTION 54956.9(d)(1))

Pending administrative enforcement action by the San Francisco Bay Regional Water Quality Control Board

M. ADJOURNMENT

The next Board of Directors Meeting will be held at 4:30 pm on July 9, 2025.

Delta Diablo | 2500 Pittsburg-Antioch Hwy, Antioch, CA 94509 | Main 925.756.1900 | Fax 925.756.1961

CONDUCT PUBLIC HEARING ON FY25/26-FY29/30 CAPITAL IMPROVEMENT PROGRAM; CLOSE PUBLIC HEARING AND CONSIDER ANY TESTIMONY RECEIVED; ADOPT RESOLUTION APPROVING PROGRAM; AND AUTHORIZE FILING OF CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION IN COMPLIANCE WITH PUBLIC RESOURCES CODE SECTION 21152

Recommendations

1) Conduct a public hearing on the Fiscal Year 2025/2026-2029/2030 (FY25/26-FY29/30) Capital Improvement Program (CIP).
2) Close the public hearing and consider any testimony received.
3) Adopt a Resolution approving the FY25/26-FY29/30 CIP.
4) Authorize the General Manager to file a California Environmental Quality Act (CEQA) Notice of Exemption in compliance with Public Resources Code Section 21152.

Background Information

At its May 14, 2025 meeting, the Board received a report on the proposed FY25/26-FY29/30 CIP and set June 26, 2025, at 5:30 pm as the date and time of the associated public hearing. Staff has developed a 5-year CIP that reflects key changes to the current 5-year CIP (FY24/25-FY28/29), which totals $187.1 million and was approved by the Board in June 2024. Based on significant increases in cost estimates for multiple large-scale capital projects, potential loss of external funding at the federal level, and recent unplanned infrastructure renewal needs, the updated 5-year CIP totals $238.1 million, which represents a $51 million increase (27%) from the current 5-year CIP. In particular, the estimated cost for the Secondary Process Improvements Project, which is required to meet critical aging infrastructure needs, address growth in the service area, and comply with a nutrient removal regulatory mandate issued by the Regional Water Quality Control Board (RWB) in July 2024, has increased from $210 million to $261.5 million (+$51.5 million) over the next ten years.

The new 5-year CIP will guide the planning, design, construction, and financing of prioritized capital projects in the District's wastewater collection, conveyance, and treatment systems, and recycled water system. These critical projects are necessary to ensure the continued effective and reliable operation of existing infrastructure, address future service needs, and meet current and future regulatory requirements. Staff prepares an updated 5-year CIP each year to reflect current priorities, address new project needs, and adjust estimated project costs and implementation schedules. In addition, this process assists in identifying long-term financial and resource needs, and budget appropriations required to support project implementation at the start of each fiscal year. Supporting documentation used during CIP development includes city and county general plans, city collection system master plans, and detailed master plans prepared by the District for its wastewater treatment, recycled water, and conveyance system facilities. The District completed a Conveyance System Master Plan update in April 2010, a Recycled Water Master Plan in August 2013 (currently being updated with completion anticipated in June 2025), and a Resource Recovery Facility Master Plan (RRFMP) in December 2022.

As presented to the Board on March 12, 2025, April 9, 2025, April 23, 2025, and May 14, 2025, the significant increase in capital investment needs has directly impacted cash flow needs in the near and long term, which has resulted in a staff recommendation to increase Sewer Service Charges (SSCs) over

Prepared By:	Thanh Vo, Senior Engineer	**Attachments**	
Reviewed By:	Murat Bozkurt, Engineering Services Director/District Engineer	☐ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☒ As Listed

the next five years at a level that ensures sufficient revenue is generated to fund critical infrastructure renewal and regulatory compliance needs. Based on the updated District financial plan, which incorporated the proposed 5-year CIP and FY25/26-FY26/27 Operating Budget, the Board authorized distribution of Proposition 218 Notices for proposed FY25/26 SSC increases and maximum SSC increases for FY26/27-FY29/30 at the April 23, 2025 Board Meeting.

Analysis

Following the May 14, 2025 Board Meeting, staff made minor corrective adjustments to project cost estimates and associated cash flows. The updated FY25/26-FY29/30 CIP includes approximately $238.1 million in infrastructure investment needs. The required FY25/26 and FY26/27 CIP budget appropriations are $20.5 million and $46.4 million and estimated FY25/26 and FY26/27 CIP expenditures total $25.0 million and $46.4 million, respectively. Key CIP highlights include the following:

Secondary Process Improvements Project: As the District has progressed to completing 30% design for Phase 1, the estimated cost for Phase 1 and Phase 2 has increased from $110 million to $140.5 million (+$30.5 million) and from $100 million to $121 million (+$21 million), respectively. Because this project is expected to be implemented over the next 10 to 12 years, $145 million is included in the 5-year CIP with the remaining $116.5 million in Years 6 to 10.

Shore Acres Forcemain Repair Project: Following identification of the Shore Acres Pump Station forcemain failure in December 2024, the District is proceeding with implementation of a permanent repair project to maintain effective wastewater flow conveyance. This unplanned project adds approximately $9.0 million to the 5-year CIP.

Cogeneration System Improvements Project: Based on meeting specific requirements (i.e., project must be in construction by December 2024), the District assumed receipt of $6.5 million in tax credits under the federal Inflation Reduction Act in the funding plan for the current 5-year CIP; however, based on funding concerns associated with the recent presidential election outcome, staff is recommending that receipt of federal tax credits be excluded going forward, which results in $17.3 million being included in the CIP for this project.

Construction Cost Escalation for Two Large CIP Projects: Based on updated construction schedules, staff has updated the cost estimate for the Antioch Pump Station and Conveyance System Improvements ($24 million, +$2.0 million) and the Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 Project ($14 million, +$3.0 million).

Addressing New Infrastructure Needs: The proposed 5-year CIP includes five new projects totaling $1.1 million, including $0.2 million for the PPS Automatic Transfer Switch Project and $0.4 million for the Pump Station Pump Replacement Project to address infrastructure renewal needs.

Ensuring Integrity of Bay Point Collection System: The District owns and operates 43 miles of gravity sewers in Bay Point. The CIP includes ~$6.0 million to support inspection, repair, and rehabilitation of prioritized segments over the next five years.

Planning for the Future: The proposed 5-year CIP includes $1.2 million for various master planning efforts to identify near- and long-term strategies, needs, and priorities associated with specific focus areas, including supervisory control and data acquisition (SCADA) systems ($0.3 million in FY25/26), electrical systems ($0.5 million in FY26/27), and biosolids management ($0.4 million in FY27/28).

The proposed 5-year CIP is provided in the CIP Program Summary (refer to Attachment 1), which includes a summary of capital projects by major fund.

It is requested that the Board open the public hearing on the CIP, receive testimony, close the public hearing, and, if no substantive comments are received, adopt a resolution (refer to Attachment 2) approving the CIP. The Board must also consider determining that the CIP is exempt from CEQA and authorize the General Manager to file a Notice of Exemption with the County Recorder. The attached Notice of Exemption (refer to Attachment 3) describes the justification for the exemption.

Financial Impact

The proposed FY25/26-FY29/30 CIP includes approximately $238.1 million in capital investment needs. Although staff is recommending that the majority of the District's capital spending be cash funded to provide the highest overall value to the District's customers, the District's current financial plan includes an assumption of $70.0 million in debt financing for the Secondary Process Improvements Phase 1 Project ($140.5 million). The proposed 5-year CIP has been incorporated into the current SSC analysis and proposed maximum SSC increases for FY25/26-FY29/30, which are required to generate sufficient revenue to support funding needs for critical capital infrastructure investment and operational needs.

Attachments

1) FY25/26-FY29/30 CIP Program Summary
2) Draft CIP Resolution
3) CEQA Notice of Exemption

DELTA DIABLO 5-YEAR CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2025/2026-2029/2030
PROGRAM SUMMARY

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Wastewater Capital Asset (Fund 120)																				
Asset Management Program	19109	ES	$ 1,000,000	224,035	0	224,035	200,000	24,035	0	24,035	0	0	0	0	0	0	0	0	$ -	$ 24,035
See Multi-Fund Projects for additional projects with WW CA funding													0							
Wastewater Capital Asset Replacement (Fund 130)																				
Treatment Plant Switchgear Replacement	17120	ES	$ 13,001,305	0	800,000	800,000	800,000	0	500,000	500,000	0	0	0	0	0	0	0	0	$ 500,000	$ 500,000
Emergency Retention Basin Improvements	19110	ES	$ 500,000	491,740	0	491,740	350,000	141,740	500,000	641,740	500,000	500,000	0	0	0	0	0	0	$ 1,000,000	$ 1,141,740
Triangle Pump Station and Force Main Replacement	19111	ES	$ -	0	0	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	$ 500,000	$ 500,000
Aboveground Fuel Storage Tank Rehabilitation	20113	ES	$ 400,000	100,000	0	100,000	0	100,000	200,000	300,000	0	0	0	0	0	0	0	0	$ 200,000	$ 300,000
Cogeneration System Improvements	22114	ES	$ 6,400,000	0	3,550,000	3,550,000	3,550,000	0	7,000,000	7,000,000	4,900,000	4,900,000	5,400,000	5,400,000	0	0	0	0	$ 17,300,000	$ 17,300,000
CCT Analyzer Building Improvements	22123	ES	$ 600,000	355,492	200,000	555,492	250,000	305,492	0	305,492	0	0	0	0	0	0	0	0	$ -	$ 305,492
Cathodic Protection and Manhole Monitoring Program	22124	ES	$ 200,000	200,000	0	200,000	50,000	150,000	0	150,000	0	0	100,000	100,000	0	0	100,000	100,000	$ 200,000	$ 350,000
CCT Assessment and Repair	24110	ES	$ 700,000	137,692	200,000	337,692	0	337,692	0	337,692	0	0	0	0	0	0	0	0	$ -	$ 337,692
Treatment Plant Outfall Pipeline Cleaning and Inspection	24115	ES	$ 700,000	378,594	100,000	478,594	250,000	228,594	100,000	500,000	0	0	0	0	0	0	0	0	$ 100,000	$ 500,000
Unanticipated WW Treatment and Conveyance Infrastructure Repairs	24209	RRS	$ 75,000	0	750,000	750,000	750,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Lab Equipment Replacement	24210	BS	$ 75,000	0	75,000	75,000	75,000	0	200,000	200,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 450,000	$ 450,000
IT Equipment Replacement	24211	RRS	$ 50,000	0	50,000	50,000	50,000	0	250,000	250,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 500,000	$ 500,000
Vehicle Replacements	24213	ES	$ 600,000	0	600,000	600,000	600,000	0	350,000	350,000	250,000	250,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 900,000	$ 900,000
SCADA Master Plan Update	25114	ES	$ 250,000	0	500,000	500,000	200,000	300,000	0	300,000	0	0	0	0	0	0	0	0	$ -	$ 300,000
Primary Clarifiers Controls System Improvements	25115	ES	$ 350,000	0	250,000	250,000	0	250,000	150,000	350,000	550,000	550,000	0	0	0	0	0	0	$ 700,000	$ 900,000
Digester Nos. 1 and 3 Rehabilitation	25116	ES	$ 250,000	0	350,000	350,000	200,000	150,000	1,000,000	1,150,000	1,250,000	1,250,000	500,000	500,000	0	0	0	0	$ 2,750,000	$ 2,900,000
Treatment Plant Structural Assessment and Rehabilitation	25117	ES	$ 450,000	200,000	250,000	450,000	0	450,000	0	450,000	900,000	900,000	0	0	0	0	0	0	$ 900,000	$ 1,350,000
POC HVAC System Improvements	25118	ES	$ 500,000	0	100,000	100,000	100,000	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Zero Emission Compliance	25119	ES	$ 200,000	0	200,000	200,000	90,000	110,000	0	110,000	0	0	0	0	0	0	0	0	$ -	$ 110,000
Server and PLC Backup Power	25120	ES	$ 50,000	0	50,000	50,000	0	50,000	0	50,000	0	0	0	0	0	0	0	0	$ -	$ 50,000
Headwork Overflow Improvements	25121	ES	$ 80,000	0	80,000	80,000	0	80,000	0	80,000	0	0	0	0	0	0	0	0	$ -	$ 80,000
Remote Site Diversion Pump Replacement	25122	RRS	$ 300,000	0	300,000	300,000	0	300,000	0	0	300,000	300,000	0	0	300,000	300,000	0	0	$ 600,000	$ 600,000
Shore Acres Forcemain Repair	25124	ES	$ 600,000	0	600,000	600,000	600,000	0	3,500,000	3,500,000	4,000,000	4,000,000	1,500,000	1,500,000	0	0	0	0	$ 9,000,000	$ 9,000,000
Biosolids Management Master Plan	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	$ 400,000	$ 400,000
Electrical System Master Plan and Arc Flash Study	TBA	ES	$ -	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	0	0	$ 500,000	$ 500,000
Primary Clarifier Nos. 1-4 Coating	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	500,000	500,000	500,000	500,000	0	0	$ 1,400,000	$ 1,400,000
RAS Pump Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	$ 300,000	$ 300,000
WAS Pump Station Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	50,000	50,000	0	0	0	0	0	0	$ 50,000	$ 50,000
RAS Meter Pit Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	0	0	$ 300,000	$ 300,000
Chemical Canopy Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	350,000	350,000	450,000	450,000	0	0	$ 800,000	$ 800,000
FEB Slide Gate Replacements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Centrifuge Platform Area Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	2,000,000	2,000,000	$ 3,500,000	$ 3,500,000
Improvements at Secondary Effluent Feed to RWF	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	150,000	150,000	150,000	150,000	$ 300,000	$ 300,000
CCT Sluice Gates and Chemical Mixer Replacements	TBA	RRS	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	1,100,000	1,100,000	0	0	$ 1,500,000	$ 1,500,000
Ops Control Room Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Broadway Diversion Facility Water Service Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	$ 250,000	$ 250,000
PPS Slide Gate and Wetwell Ventilation Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Portable Generator Procurement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	300,000	300,000	$ 300,000	$ 300,000
PLC Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	350,000	350,000	2,150,000	2,150,000	0	0	0	0	$ 2,500,000	$ 2,500,000
PPS Pump Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	500,000	500,000	2,500,000	2,500,000	$ 3,000,000	$ 3,000,000
Montezuma Interceptor Repair	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
PPS Automatic Transfer Switch Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	0	0	0	0	0	0	0	0	$ 200,000	$ 200,000
Dewat Polymer Separation Improvements	TBA	RRS	$ -	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	0	0	$ 150,000	$ 150,000
TP and BHPS Card Reader Repairs	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
Pump Station Pump Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
CCT Service Water Spray Bar and Header Replacement	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
See Multi-Fund Projects for additional projects with WW CAR funding																				
Wastewater Expansion (Fund 140)																				
			$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with WW Exp funding																				
Advanced Treatment (Fund 125)																				
See Multi-Fund Projects for additional projects with AT funding																				
Recycled Water Capital Asset (Fund 220)																				
Small RWF Capital Asset Project	25203	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF IPS, Process Line Modification, and Blowdown	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
TP Flow Equalization Improvements - ESB	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CA funding																				
Recycled Water Capital Asset Replacement (Fund 230)																				
RWF Sand Pump Piping Replacement	22127	RRS	$ 500,000	10,000	0	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Unanticipated Recycled Water Infrastructure Repairs	25104	RRS	$ 100,000	0	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Recycled Water Distribution System Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC and CCT Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Storage Tank Rehabilitation	TBA	ES	$ -	0	0	0	0	0	850,000	850,000	1,650,000	1,650,000	0	0	0	0	0	0	$ 2,500,000	$ 2,500,000
Sand Filter and Filter Cover Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Tank Isolation Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF Clarifier Liner Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CAR funding																				
Recycled Water Expansion (Fund 240)																				
Recycled Water Distribution System Expansion	18110	ES	$ -	0	0	0		0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW Exp funding																				

DELTA DIABLO 5-YEAR CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2025/2026-2029/2030
PROGRAM SUMMARY

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Bay Point Collection (Fund 520)																				
Bay Point Collection System Point Repairs	23119	ES	$ 650,000	316,363	200,000	516,363	516,363	0	250,000	250,000	0	0	0	0	0	0	0	0	$ 250,000	$ 250,000
Unanticipated Bay Point Repairs	25106	ES	$ 100,000	0	100,000	100,000	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Bay Point Overlay Manhole Adjustments	20116	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	0	0	$ -	$ -
Bay Point Sewer Repairs - Phase 5	TBA	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	500,000	500,000	$ 500,000	$ 500,000
See Multi-Fund Projects for additional projects with BP Coll funding																				
Household Hazardous Waste (Fund 310)																				
Household Hazardous Waste Improvements	25105	ES	$ 25,000	0	25,000	25,000	25,000	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000	300,000	$ 400,000	$ 400,000
See Multi-Fund Projects for additional projects with HHW funding																				
Multi-Fund Projects																				
Antioch Pump Station and Conveyance System Improvements	20121	ES	$ 2,650,000	120,000	1,300,000	1,420,000	450,000	970,000	0	970,000	3,500,000	3,500,000	7,000,000	7,000,000	9,000,000	9,000,000	1,850,000	1,850,000	$ 21,350,000	$ 22,320,000
Wastewater Capital Asset Replacement (80%)			$ 2,120,000	96,000	1,040,000	1,136,000	360,000	776,000	0	776,000	2,800,000	2,800,000	5,600,000	5,600,000	7,200,000	7,200,000	1,480,000	1,480,000	$ 17,080,000	$ 17,856,000
Wastewater Expansion (20%)			$ 530,000	24,000	260,000	284,000	90,000	194,000	0	194,000	700,000	700,000	1,400,000	1,400,000	1,800,000	1,800,000	370,000	370,000	$ 4,270,000	$ 4,464,000
Site Security Improvements	21113	ES	$ 586,503	233,773	350,000	583,773	100,000	483,773	350,000	486,503	500,000	500,000	0	0	0	0	0	0	$ 850,000	$ 986,503
Wastewater Capital Asset Replacement (70%)			$ 410,552	163,641	245,000	408,641	70,000	338,641	245,000	340,552	350,000	350,000	0	0	0	0	0	0	$ 595,000	$ 690,552
Bay Point Collection (20%)			$ 117,301	46,755	70,000	116,755	20,000	96,755	70,000	97,301	100,000	100,000	0	0	0	0	0	0	$ 170,000	$ 197,301
Household Hazardous Waste (10%)			$ 58,650	23,377	35,000	58,377	10,000	48,377	35,000	48,650	50,000	50,000	0	0	0	0	0	0	$ 85,000	$ 98,650
Manhole, Gravity Interceptor, and Easement Road Improvements, Phase 2	24112	ES	$ 1,000,000	500,000	500,000	1,000,000	350,000	650,000	150,000	800,000	3,000,000	3,000,000	7,000,000	7,000,000	2,850,000	2,850,000	0	0	$ 13,000,000	$ 13,650,000
Wastewater Capital Asset Replacement (67%)			$ 670,000	335,000	335,000	670,000	234,500	435,500	100,500	536,000	2,010,000	2,010,000	4,690,000	4,690,000	1,909,500	1,909,500	0	0	$ 8,710,000	$ 9,145,500
Bay Point Collection (33%)			$ 330,000	165,000	165,000	330,000	115,500	214,500	49,500	264,000	990,000	990,000	2,310,000	2,310,000	940,500	940,500	0	0	$ 4,290,000	$ 4,504,500
Secondary Process Improvements Phase 1	22126	ES	$ 6,350,000	0	3,500,000	3,500,000	3,500,000	0	4,000,000	4,000,000	22,000,000	22,000,000	41,000,000	41,000,000	37,000,000	37,000,000	31,750,000	31,750,000	$ 135,750,000	$ 135,750,000
Wastewater Capital Asset Replacement (69%)			$ 4,381,500	0	2,415,000	2,415,000	2,415,000	0	2,760,000	2,760,000	15,180,000	15,180,000	28,290,000	28,290,000	25,530,000	25,530,000	21,907,500	21,907,500	$ 93,667,500	$ 93,667,500
Wastewater Expansion (13%)			$ 825,500	0	455,000	455,000	455,000	0	520,000	520,000	2,860,000	2,860,000	5,330,000	5,330,000	4,810,000	4,810,000	4,127,500	4,127,500	$ 17,647,500	$ 17,647,500
Advanced Treatment (18%)			$ 1,143,000	0	630,000	630,000	630,000	0	720,000	720,000	3,960,000	3,960,000	7,380,000	7,380,000	6,660,000	6,660,000	5,715,000	5,715,000	$ 24,435,000	$ 24,435,000
Secondary Process Improvements Phase 2	22126	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	3,000,000	3,000,000	$ 4,500,000	$ 4,500,000
Wastewater Capital Asset Replacement (87%)			$ -	0	0	0	0	0	0	0	0	0	0	0	1,305,000	1,305,000	2,610,000	2,610,000	$ 3,915,000	$ 3,915,000
Wastewater Expansion (13%)			$ -	0	0	0	0	0	0	0	0	0	0	0	195,000	195,000	390,000	390,000	$ 585,000	$ 585,000
All Funds Total			**$ 75,810,713**	**$6,181,568**	**$17,030,000**	**$23,211,568**	**$17,005,102**	**$6,206,466**	**$20,475,000**	**$25,030,462**	**$46,425,000**	**$46,425,000**	**$67,525,000**	**$67,525,000**	**$55,275,000**	**$55,275,000**	**$43,900,000**	**$43,900,000**	**$ 233,600,000**	**$ 238,155,462**
Wastewater Capital Asset Fund Total			$1,050,000	$224,035	$50,000	$274,035	$250,000	$24,035	$0	$24,035	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ 24,035
Wastewater Capital Asset Replacement Fund Total			$68,014,262	$4,828,611	$14,608,000	$19,436,611	$14,116,710	$5,319,901	$17,855,500	$21,937,476	$35,990,000	$35,990,000	$50,980,000	$50,980,000	$40,744,500	$40,744,500	$32,397,500	$32,397,500	$ 177,967,500	$ 182,049,476
Wastewater Expansion Fund Total			$1,355,500	$24,000	$715,000	$739,000	$545,000	$194,000	$520,000	$714,000	$3,560,000	$3,560,000	$6,730,000	$6,730,000	$6,805,000	$6,805,000	$4,887,500	$4,887,500	$ 22,502,500	$ 22,696,500
Advanced Treatment Fund Total			$1,518,000	$204,449	$730,000	$934,449	$780,000	$154,449	$720,000	$720,000	$3,960,000	$3,960,000	$7,380,000	$7,380,000	$6,660,000	$6,660,000	$5,715,000	$5,715,000	$ 24,435,000	$ 24,435,000
Recycled Water Capital Asset Fund Total			$375,000	$204,449	$100,000	$304,449	$150,000	$154,449	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Recycled Water Capital Asset Replacement Fund Total			$600,000	$10,000	$100,000	$110,000	$110,000	$0	$850,000	$850,000	$1,650,000	$1,650,000	$0	$0	$0	$0	$0	$0	$ 2,500,000	$ 2,500,000
Recycled Water Expansion Fund Total			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Bay Point Collections Fund Total			$2,814,301	$662,646	$667,000	$1,329,646	$1,018,392	$311,255	$469,500	$711,301	$1,190,000	$1,190,000	$2,410,000	$2,410,000	$1,040,500	$1,040,500	$600,000	$600,000	$ 5,710,000	$ 5,951,801
Household Hazardous Waste Fund Total			$83,650	$23,377	$60,000	$83,377	$35,000	$48,377	$60,000	$73,650	$75,000	$75,000	$25,000	$25,000	$25,000	$25,000	$300,000	$300,000	$ 485,000	$ 498,650

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

(*a California Special District*)

RESOLUTION NO. 08/2025

MATTER: Approving Fiscal Year 2025/2026-2029/2030 Capital Improvement Program

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, the District finds that it is in its best interest to prepare a 5-year Capital Improvement Program that conforms with Government Code Section 65403 regarding preparation of programs by special districts and other government agencies; and

WHEREAS, Government Code Section 65403 requires an annual review and revision of the program to include an extension of the program for an additional year; and

WHEREAS, the Board of Directors of Delta Diablo was presented with a proposed Fiscal Year 2025/2026-2029/2030 (FY25/26-FY29/30) Capital Improvement Program on May 14, 2025; and

WHEREAS, the District did, on June 26, 2025, conduct a public hearing for purposes of receiving input with regard to the revised program, and did consider the direct inclusion of appropriate changes.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER** that it approves the FY25/26-FY29/30 Capital Improvement Program (refer to Exhibit).

PASSED AND ADOPTED on June 26, 2025, by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 26, 2026.

ATTEST: _____
Monica Wilson
Board Secretary

EXHIBIT: FY25/26-FY29/30 CIP Program Summary

DRAFT

DELTA DIABLO 5-YEAR CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2025/2026-2029/2030
PROGRAM SUMMARY

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Wastewater Capital Asset (Fund 120)																				
Asset Management Program	19109	ES	$ 1,000,000	224,035	0	224,035	200,000	24,035	0	24,035	0	0	0	0	0	0	0	0	$ -	$ 24,035
See Multi-Fund Projects for additional projects with WW CA funding													0							
Wastewater Capital Asset Replacement (Fund 130)																				
Treatment Plant Switchgear Replacement	17120	ES	$ 13,001,305	0	800,000	800,000	800,000	0	500,000	500,000	0	0	0	0	0	0	0	0	$ 500,000	$ 500,000
Emergency Retention Basin Improvements	19110	ES	$ 500,000	491,740	0	491,740	350,000	141,740	500,000	641,740	500,000	500,000	0	0	0	0	0	0	$ 1,000,000	$ 1,141,740
Triangle Pump Station and Force Main Replacement	19111	ES	$ -	0	0	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	$ 500,000	$ 500,000
Aboveground Fuel Storage Tank Rehabilitation	20113	ES	$ 400,000	100,000	0	100,000	0	100,000	200,000	300,000	0	0	0	0	0	0	0	0	$ 200,000	$ 300,000
Cogeneration System Improvements	22114	ES	$ 6,400,000	0	3,550,000	3,550,000	3,550,000	0	7,000,000	7,000,000	4,900,000	4,900,000	5,400,000	5,400,000	0	0	0	0	$ 17,300,000	$ 17,300,000
CCT Analyzer Building Improvements	22123	ES	$ 600,000	355,492	200,000	555,492	250,000	305,492	0	305,492	0	0	0	0	0	0	0	0	$ -	$ 305,492
Cathodic Protection and Manhole Monitoring Program	22124	ES	$ 200,000	200,000	0	200,000	50,000	150,000	0	150,000	0	0	100,000	100,000	0	0	100,000	100,000	$ 200,000	$ 350,000
CCT Assessment and Repair	24110	ES	$ 700,000	137,692	200,000	337,692	0	337,692	0	337,692	0	0	0	0	0	0	0	0	$ -	$ 337,692
Treatment Plant Outfall Pipeline Cleaning and Inspection	24115	ES	$ 700,000	378,594	100,000	478,594	250,000	228,594	100,000	500,000	0	0	0	0	0	0	0	0	$ 100,000	$ 500,000
Unanticipated WW Treatment and Conveyance Infrastructure Repairs	24209	RRS	$ 75,000	0	750,000	750,000	750,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Lab Equipment Replacement	24210	BS	$ 75,000	0	75,000	75,000	75,000	0	200,000	200,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 450,000	$ 450,000
IT Equipment Replacement	24211	RRS	$ 50,000	0	50,000	50,000	50,000	0	250,000	250,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 500,000	$ 500,000
Vehicle Replacements	24213	ES	$ 600,000	0	600,000	600,000	600,000	0	350,000	350,000	250,000	250,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 900,000	$ 900,000
SCADA Master Plan Update	25114	ES	$ 250,000	0	500,000	500,000	200,000	300,000	0	300,000	0	0	0	0	0	0	0	0	$ -	$ 300,000
Primary Clarifiers Controls System Improvements	25115	ES	$ 350,000	0	250,000	250,000	0	250,000	150,000	350,000	550,000	550,000	0	0	0	0	0	0	$ 700,000	$ 900,000
Digester Nos. 1 and 3 Rehabilitation	25116	ES	$ 250,000	0	350,000	350,000	200,000	150,000	1,000,000	1,150,000	1,250,000	1,250,000	500,000	500,000	0	0	0	0	$ 2,750,000	$ 2,900,000
Treatment Plant Structural Assessment and Rehabilitation	25117	ES	$ 450,000	200,000	250,000	450,000	0	450,000	0	450,000	900,000	900,000	0	0	0	0	0	0	$ 900,000	$ 1,350,000
POC HVAC System Improvements	25118	ES	$ 500,000	0	100,000	100,000	100,000	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Zero Emission Compliance	25119	ES	$ 200,000	0	200,000	200,000	90,000	110,000	0	110,000	0	0	0	0	0	0	0	0	$ -	$ 110,000
Server and PLC Backup Power	25120	ES	$ 50,000	0	50,000	50,000	0	50,000	0	50,000	0	0	0	0	0	0	0	0	$ -	$ 50,000
Headwork Overflow Improvements	25121	ES	$ 80,000	0	80,000	80,000	0	80,000	0	80,000	0	0	0	0	0	0	0	0	$ -	$ 80,000
Remote Site Diversion Pump Replacement	25122	RRS	$ 300,000	0	300,000	300,000	0	300,000	0	0	300,000	300,000	0	0	300,000	300,000	0	0	$ 600,000	$ 600,000
Shore Acres Forcemain Repair	25124	ES	$ 600,000	0	600,000	600,000	600,000	0	3,500,000	3,500,000	4,000,000	4,000,000	1,500,000	1,500,000	0	0	0	0	$ 9,000,000	$ 9,000,000
Biosolids Management Master Plan	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	$ 400,000	$ 400,000
Electrical System Master Plan and Arc Flash Study	TBA	ES	$ -	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	0	0	$ 500,000	$ 500,000
Primary Clarifier Nos. 1-4 Coating	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	500,000	500,000	500,000	500,000	0	0	$ 1,400,000	$ 1,400,000
RAS Pump Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	$ 300,000	$ 300,000
WAS Pump Station Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	50,000	50,000	0	0	0	0	0	0	$ 50,000	$ 50,000
RAS Meter Pit Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	0	0	$ 300,000	$ 300,000
Chemical Canopy Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	350,000	350,000	450,000	450,000	0	0	$ 800,000	$ 800,000
FEB Slide Gate Replacements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Centrifuge Platform Area Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	2,000,000	2,000,000	$ 3,500,000	$ 3,500,000
Improvements at Secondary Effluent Feed to RWF	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	150,000	150,000	150,000	150,000	$ 300,000	$ 300,000
CCT Sluice Gates and Chemical Mixer Replacements	TBA	RRS	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	1,100,000	1,100,000	0	0	$ 1,500,000	$ 1,500,000
Ops Control Room Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Broadway Diversion Facility Water Service Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	$ 250,000	$ 250,000
PPS Slide Gate and Wetwell Ventilation Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Portable Generator Procurement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	300,000	300,000	$ 300,000	$ 300,000
PLC Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	350,000	350,000	2,150,000	2,150,000	0	0	0	0	$ 2,500,000	$ 2,500,000
PPS Pump Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	500,000	500,000	2,500,000	2,500,000	$ 3,000,000	$ 3,000,000
Montezuma Interceptor Repair	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
PPS Automatic Transfer Switch Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	0	0	0	0	0	0	0	0	$ 200,000	$ 200,000
Dewat Polymer Separation Improvements	TBA	RRS	$ -	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	0	0	$ 150,000	$ 150,000
TP and BHPS Card Reader Repairs	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
Pump Station Pump Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
CCT Service Water Spray Bar and Header Replacement	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
See Multi-Fund Projects for additional projects with WW CAR funding																				
Wastewater Expansion (Fund 140)																				
			$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with WW Exp funding																				
Advanced Treatment (Fund 125)																				
See Multi-Fund Projects for additional projects with AT funding																				
Recycled Water Capital Asset (Fund 220)																				
Small RWF Capital Asset Project	25203	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF IPS, Process Line Modification, and Blowdown	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
TP Flow Equalization Improvements - ESB	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CA funding																				
Recycled Water Capital Asset Replacement (Fund 230)																				
RWF Sand Pump Piping Replacement	22127	RRS	$ 500,000	10,000	0	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Unanticipated Recycled Water Infrastructure Repairs	25104	RRS	$ 100,000	0	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Recycled Water Distribution System Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC and CCT Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Storage Tank Rehabilitation	TBA	ES	$ -	0	0	0	0	0	850,000	850,000	1,650,000	1,650,000	0	0	0	0	0	0	$ 2,500,000	$ 2,500,000
Sand Filter and Filter Cover Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Tank Isolation Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF Clarifier Liner Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CAR funding																				
Recycled Water Expansion (Fund 240)																				
Recycled Water Distribution System Expansion	18110	ES	$ -	0	0	0		0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW Exp funding																				

DELTA DIABLO 5-YEAR CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2025/2026-2029/2030
PROGRAM SUMMARY

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Bay Point Collection (Fund 520)																				
Bay Point Collection System Point Repairs	23119	ES	$ 650,000	316,363	200,000	516,363	516,363	0	250,000	250,000	0	0	0	0	0	0	0	0	$ 250,000	$ 250,000
Unanticipated Bay Point Repairs	25106	ES	$ 100,000	0	100,000	100,000	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Bay Point Overlay Manhole Adjustments	20116	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	0	0	$ -	$ -
Bay Point Sewer Repairs - Phase 5	TBA	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	500,000	500,000	$ 500,000	$ 500,000
See Multi-Fund Projects for additional projects with BP Coll funding																				
Household Hazardous Waste (Fund 310)																				
Household Hazardous Waste Improvements	25105	ES	$ 25,000	0	25,000	25,000	25,000	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000	300,000	$ 400,000	$ 400,000
See Multi-Fund Projects for additional projects with HHW funding																				
Multi-Fund Projects																				
Antioch Pump Station and Conveyance System Improvements	20121	ES	$ 2,650,000	120,000	1,300,000	1,420,000	450,000	970,000	0	970,000	3,500,000	3,500,000	7,000,000	7,000,000	9,000,000	9,000,000	1,850,000	1,850,000	$ 21,350,000	$ 22,320,000
Wastewater Capital Asset Replacement (80%)			$ 2,120,000	96,000	1,040,000	1,136,000	360,000	776,000	0	776,000	2,800,000	2,800,000	5,600,000	5,600,000	7,200,000	7,200,000	1,480,000	1,480,000	$ 17,080,000	$ 17,856,000
Wastewater Expansion (20%)			$ 530,000	24,000	260,000	284,000	90,000	194,000	0	194,000	700,000	700,000	1,400,000	1,400,000	1,800,000	1,800,000	370,000	370,000	$ 4,270,000	$ 4,464,000
Site Security Improvements	21113	ES	$ 586,503	233,773	350,000	583,773	100,000	483,773	350,000	486,503	500,000	500,000	0	0	0	0	0	0	$ 850,000	$ 986,503
Wastewater Capital Asset Replacement (70%)			$ 410,552	163,641	245,000	408,641	70,000	338,641	245,000	340,552	350,000	350,000	0	0	0	0	0	0	$ 595,000	$ 690,552
Bay Point Collection (20%)			$ 117,301	46,755	70,000	116,755	20,000	96,755	70,000	97,301	100,000	100,000	0	0	0	0	0	0	$ 170,000	$ 197,301
Household Hazardous Waste (10%)			$ 58,650	23,377	35,000	58,377	10,000	48,377	35,000	48,650	50,000	50,000	0	0	0	0	0	0	$ 85,000	$ 98,650
Manhole, Gravity Interceptor, and Easement Road Improvements, Phase 2	24112	ES	$ 1,000,000	500,000	500,000	1,000,000	350,000	650,000	150,000	800,000	3,000,000	3,000,000	7,000,000	7,000,000	2,850,000	2,850,000	0	0	$ 13,000,000	$ 13,650,000
Wastewater Capital Asset Replacement (67%)			$ 670,000	335,000	335,000	670,000	234,500	435,500	100,500	536,000	2,010,000	2,010,000	4,690,000	4,690,000	1,909,500	1,909,500	0	0	$ 8,710,000	$ 9,145,500
Bay Point Collection (33%)			$ 330,000	165,000	165,000	330,000	115,500	214,500	49,500	264,000	990,000	990,000	2,310,000	2,310,000	940,500	940,500	0	0	$ 4,290,000	$ 4,504,500
Secondary Process Improvements Phase 1	22126	ES	$ 6,350,000	0	3,500,000	3,500,000	3,500,000	0	4,000,000	4,000,000	22,000,000	22,000,000	41,000,000	41,000,000	37,000,000	37,000,000	31,750,000	31,750,000	$ 135,750,000	$ 135,750,000
Wastewater Capital Asset Replacement (69%)			$ 4,381,500	0	2,415,000	2,415,000	2,415,000	0	2,760,000	2,760,000	15,180,000	15,180,000	28,290,000	28,290,000	25,530,000	25,530,000	21,907,500	21,907,500	$ 93,667,500	$ 93,667,500
Wastewater Expansion (13%)			$ 825,500	0	455,000	455,000	455,000	0	520,000	520,000	2,860,000	2,860,000	5,330,000	5,330,000	4,810,000	4,810,000	4,127,500	4,127,500	$ 17,647,500	$ 17,647,500
Advanced Treatment (18%)			$ 1,143,000	0	630,000	630,000	630,000	0	720,000	720,000	3,960,000	3,960,000	7,380,000	7,380,000	6,660,000	6,660,000	5,715,000	5,715,000	$ 24,435,000	$ 24,435,000
Secondary Process Improvements Phase 2	22126	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	3,000,000	3,000,000	$ 4,500,000	$ 4,500,000
Wastewater Capital Asset Replacement (87%)			$ -	0	0	0	0	0	0	0	0	0	0	0	1,305,000	1,305,000	2,610,000	2,610,000	$ 3,915,000	$ 3,915,000
Wastewater Expansion (13%)			$ -	0	0	0	0	0	0	0	0	0	0	0	195,000	195,000	390,000	390,000	$ 585,000	$ 585,000
All Funds Total			**$ 75,810,713**	**$6,181,568**	**$17,030,000**	**$23,211,568**	**$17,005,102**	**$6,206,466**	**$20,475,000**	**$25,030,462**	**$46,425,000**	**$46,425,000**	**$67,525,000**	**$67,525,000**	**$55,275,000**	**$55,275,000**	**$43,900,000**	**$43,900,000**	**$ 233,600,000**	**$ 238,155,462**
Wastewater Capital Asset Fund Total			$1,050,000	$224,035	$50,000	$274,035	$250,000	$24,035	$0	$24,035	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ 24,035
Wastewater Capital Asset Replacement Fund Total			$68,014,262	$4,828,611	$14,608,000	$19,436,611	$14,116,710	$5,319,901	$17,855,500	$21,937,476	$35,990,000	$35,990,000	$50,980,000	$50,980,000	$40,744,500	$40,744,500	$32,397,500	$32,397,500	$ 177,967,500	$ 182,049,476
Wastewater Expansion Fund Total			$1,355,500	$24,000	$715,000	$739,000	$545,000	$194,000	$520,000	$714,000	$3,560,000	$3,560,000	$6,730,000	$6,730,000	$6,805,000	$6,805,000	$4,887,500	$4,887,500	$ 22,502,500	$ 22,696,500
Advanced Treatment Fund Total			$1,518,000	$204,449	$730,000	$934,449	$780,000	$154,449	$720,000	$720,000	$3,960,000	$3,960,000	$7,380,000	$7,380,000	$6,660,000	$6,660,000	$5,715,000	$5,715,000	$ 24,435,000	$ 24,435,000
Recycled Water Capital Asset Fund Total			$375,000	$204,449	$100,000	$304,449	$150,000	$154,449	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Recycled Water Capital Asset Replacement Fund Total			$600,000	$10,000	$100,000	$110,000	$110,000	$0	$850,000	$850,000	$1,650,000	$1,650,000	$0	$0	$0	$0	$0	$0	$ 2,500,000	$ 2,500,000
Recycled Water Expansion Fund Total			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Bay Point Collections Fund Total			$2,814,301	$662,646	$667,000	$1,329,646	$1,018,392	$311,255	$469,500	$711,301	$1,190,000	$1,190,000	$2,410,000	$2,410,000	$1,040,500	$1,040,500	$600,000	$600,000	$ 5,710,000	$ 5,951,801
Household Hazardous Waste Fund Total			$83,650	$23,377	$60,000	$83,377	$35,000	$48,377	$60,000	$73,650	$75,000	$75,000	$25,000	$25,000	$25,000	$25,000	$300,000	$300,000	$ 485,000	$ 498,650

NOTICE OF EXEMPTION

TO: County Clerk
County of Contra Costa
555 Escobar Street
Martinez, CA 94553

PROJECT APPLICANT: Vincent P. De Lange, General Manager
Delta Diablo, Local Public Agency
2500 Pittsburg-Antioch Highway
Antioch, CA 94509-1373
Telephone: (925) 756-1900

_____
Vincent P. De Lange, General Manager

_____
Date

SUBJECT: FILING OF NOTICE OF EXEMPTION, CALIFORNIA ENVIRONMENTAL QUALITY ACT IN COMPLIANCE WITH PUBLIC RESOURCES CODE 21152

PROJECT TITLE: 5-year Capital Improvement Program, FY25/26-FY29/30

DATE ON WHICH AGENCY APPROVED THE PROJECT: June 26, 2025

STATE CLEARINGHOUSE NUMBER: N/A

PROJECT LOCATION: 2500 Pittsburg-Antioch Highway, Antioch, CA

PROJECT DESCRIPTION: The new 5-year Capital Improvement Program will guide planning, design, construction, and financing of prioritized capital projects in the District's wastewater conveyance, collection, and treatment systems and recycled water system.

LEAD AGENCY APPROVING AND CARRYING OUT PROJECT: Delta Diablo

CONTACT PERSON: Murat Bozkurt, District Engineer, (925) 756-1948

EXEMPT STATUS: The Board of Directors of the District finds that this project qualifies for categorical and statutory exemptions from the provisions of CEQA under California Code of Regulations, Title 14, Section 15061(b)(3) and Section 15262.

REASONS WHY PROJECT IS EXEMPT: This project is a planning study, which does not approve or adopt the specific projects, and preparation of this document has no adverse environmental impacts.

AFFIDAVIT OF POSTING

I declare that on _____, I received and posted this Notice as required by Public Resources Code 21152(c). It will remain posted for 30 days.

_____ _____
Signature Title

DRAFT

CONDUCT PUBLIC HEARING ON SEWER SERVICE CHARGES, DELINQUENCY CHARGES, COLLECTION SYSTEM CHARGES, AND SURCHARGES FOR FY25/26 AND MAXIMUM ALLOWABLE SEWER SERVICE CHARGES FOR FY26/27 THROUGH FY29/30; CLOSE PUBLIC HEARING AND CONSIDER ANY TESTIMONY AND PROTESTS; DETERMINE NO MAJORITY PROTEST EXISTS; ADOPT ORDINANCE ESTABLISHING SEWER SERVICE CHARGES, DELINQUENCY CHARGES, COLLECTION SYSTEM CHARGES, AND SURCHARGES FOR FY25/26 AND SETTING MAXIMUM ALLOWABLE SEWER SERVICE CHARGE INCREASES FOR FY26/27 THOUGH FY29/30; AND ADOPT RESOLUTION APPROVING FINAL WRITTEN REPORT AND DIRECTING COLLECTION OF CERTAIN SEWER SERVICE AND DELINQUENCY CHARGES ON COUNTY TAX ROLL FOR FY25/26

Recommendations

1. Conduct a public hearing on Sewer Service Charges (SSCs), Delinquency Charges, Collection System Charges, and Surcharges for Fiscal Year 2025/2026 (FY25/26) and maximum allowable SSC increases for FY26/27 through FY29/30;
2. Close the public hearing and consider any testimony and protests received;
3. Determine that no majority protest exists within the meaning of Article XIII D, Section 6 of the California Health and Safety Code Section 5473.2;
4. Adopt an Ordinance (Attachment 1) establishing SSCs, Delinquency Charges, Collection System Charges, and Surcharges for FY25/26 and setting maximum allowable SSC increases for FY26/27 through FY29/30; and
5. Adopt a Resolution (Attachment 2) approving final Written Report and directing collection of certain Sewer Service and Delinquency Charges on the County Tax Roll for FY25/26.

Background

The District's proposed 5-year Capital Improvement Program (CIP) for FY25/26-FY29/30 totals $238.1 million, which represents a $51.0 million increase from the current $187.1 million 5-year CIP. On March 12, 2025, and April 9, 2025, staff presented SSC increase projection scenarios for various cash versus debt CIP funding ratios to address this significant increase in the District's infrastructure investment needs. In addition, staff highlighted the benefits associated with issuing a Proposition 218 notice that includes *maximum* SSC increases for the next five years, including directly supporting an upcoming public bond issuance by providing increase revenue collection certainty. On April 23, 2025, the Board authorized distribution of Proposition 218 Hearing Notices notifying property owners of proposed maximum SSC increases and the associated public hearing on June 26, 2025. Staff is seeking approval of an ordinance that establishes SSC increases for FY25/26, while also establishing maximum SSC increases for FY26/27 through FY29/30, which will require Board consideration of approval and authorization to be placed on the tax roll in each of those subsequent years.

Delta Diablo is a California special district that provides wastewater conveyance and treatment, recycled water production and distribution, renewable energy production, pollution prevention, street sweeping, and household hazardous waste (HHW) collection services to over 218,000 customers in Antioch, Pittsburg, and the unincorporated community of Bay Point. As a progressive "Utility of the Future," the District embraces innovative approaches, sustainable solutions, and community engagement in

Prepared By:	Nitish Sharma, Business Services Director	**Attachments**	
Reviewed By:	Vince De Lange, General Manager	☐ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☒ As Listed

achieving its core mission of protecting public health and the environment, while maintaining reasonable rates and serving as responsible stewards of the public's resources and trust. For Bay Point, the District also provides wastewater collection services, and only Bay Point customers are charged for those additional services through a separate SSC component to recover wastewater collection system operating, maintenance, and rehabilitation costs (Bay Point Collections). SSC revenues are not used to pay for any capital costs related to growth, which is funded through Capital Facilities Capacity Charges (CFCCs). The District's SSC revenue is allocated to several key funds to support ongoing operations, as well as capital investment in existing and future infrastructure, as described below.

1. Regional Treatment and Conveyance (Wastewater O&M): Funds facility operation and maintenance (O&M) costs associated with regional wastewater conveyance and treatment, as well as the District's share of the Delta HHW facility expenses.
2. Capital Asset: Funds new wastewater capital projects that are not related to new growth (the District charges separate CFCCs for growth-related capital costs).
3. Capital Asset Replacement: Funds capital infrastructure renewal and replacement projects.
4. Advanced Treatment Reserve: This fund is designed to minimize significant future rate increases by providing dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment (i.e., removal of nutrients from treated wastewater prior to discharge).
5. Bay Point Collections: This SSC rate component is only collected for Bay Point customers and funds operation and maintenance/rehabilitation of the Bay Point collection system.

Each year, the District submits required information to Contra Costa County to place SSCs on the property tax roll for most customers. At this public hearing, staff is requesting the Board consider placing increased SSCs on the tax roll for FY25/26 with future Board actions for consideration to place increased SSCs on the tax roll for FY26/27-FY29/30.

Analysis

The wastewater sector is heavily regulated with new and emerging issues competing with aging infrastructure needs, operating budget challenges (e.g., chemical, energy, hauling costs), regulatory compliance obligations, and limited state and federal funding support. The District endeavors to meet these challenges while ensuring SSCs remain near average when compared to peer agencies in the San Francisco Bay Area. The following key actions are associated with the proposed 5-year maximum SSC increases for FY25/26 through FY29/30:

- Capital Improvement Program (CIP): The significant increase in the 5-year CIP is largely driven by the need to comply with a regulatory mandate to remove nutrients at the District's Wastewater Treatment Plant via the Secondary Process Improvements Project, which includes two distinct phases. Phase 1 ($140.5 million) addresses aging infrastructure, meets future service area growth needs, and provides foundational improvements for future nutrient removal, while Phase 2 ($121 million) includes significant WWTP upgrades to achieve nutrient removal. In addition, the District has incorporated cost increases for multiple large-scale capital projects, including addition of the Shore Acres Forcemain Repair Project ($9.5 million), Cogeneration System Improvements ($20.0 million), Antioch Pump Station and Conveyance System Improvements ($24.0 million), and Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 Project ($14.0 million).
- FY25/26 SSC Revenue Increase: Generate an additional $3.7 million in SSC revenue in FY25/26 to support the District's near-term capital investment financial needs. In addition, the Proposition 218 notice includes maximum SSC increases for FY26/27-FY29/30 to meet ongoing capital investment

and debt service coverage needs. If the District were to implement the maximum SSC increases over the next five years, an additional $58.6 million in SSC revenue would be generated to support critical infrastructure investment and operational needs.

- Residential Customers
  - Implement an SSC increase of 8.5% (+$40.25 per year) in FY25/26 for residential customers in Antioch (Zone 3) and Pittsburg (Zone 2). The proposed SSC increase does not include wastewater collection services, which are provided by the respective cities. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board consideration for approval (refer to Attachment 3, Table 1).
  - Implement an SSC increase of 8.8% (+$57.11 per year) in FY25/26 for residential customers in Bay Point (Zone 1). The proposed SSC increase includes wastewater collection services provided by the District. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board consideration for approval (refer to Attachment 3, Table 1).
- Non-residential Customers: Implement an average SSC increase of 7.75% in FY25/26 to specific business classes. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board approval (refer to Attachment 3, Tables 2 and 3).
- 2025 Cost-of-Service (CoS) Study: As part of the 2025 CoS Study (refer to Attachment 4), the District updated its current total number of residential and non-residential customers and influent flow to the District's WWTP to ensure the proposed SSCs accurately reflect the District's cost of providing services to different customer classes.
- Street Sweeping Charges: No proposed changes (service level varies by community)
  - Annual single-family residential: $4.58 for Bay Point, $10.26 for Pittsburg, $5.60 for Antioch
  - Annual non-residential unit: $45.80 for Bay Point, $51.35 for Pittsburg, $56.00 for Antioch

In developing proposed SSC increases to meet revenue requirements each year, staff utilizes the following guiding principles to ensure long-term financial sustainability, as highlighted under the Fiscal Responsibility goal area in the District's Strategic Plan (dated August 2021):

- Critically review operating budget each year to identify budget adjustment needs and business process optimization opportunities
- Ensure effective risk-based prioritization of a CIP that addresses critical infrastructure needs
- Utilize a 5-year rate model with a 10-year planning horizon to identify SSC revenue needed to meet cost projections without sharp rate increases
- Maximize cash funding of CIP (vs. debt financing) to ensure lowest overall costs for customers
- Meet District policy to maintain a minimum reserve balance of 40% of annual budgeted operating expenses in the Wastewater Operations & Maintenance (WW O&M) Fund
- Effectively utilize available debt capacity to address aging infrastructure renewal, capacity expansion, and nutrient management regulations
- Meet District policy requirement to meet a minimum debt service coverage ratio of 1.40
- Maintain SSCs near average relative to peer agencies
- Comply with legal requirements for revenue collection

Staff has developed a 5-year financial plan (with a 10-year planning horizon) to effectively identify the District's capital investment and operational financial needs, while meeting District fiscal policy requirements. This financial planning approach ensures the District is setting appropriate rates to recover costs of providing service in compliance with California law, including Proposition 218. In response to

the significant increase in CIP funding needs, staff has also identified key financial planning strategies to ensure long-term financial sustainability and ratepayer affordability. Staff has determined that the proposed 5-year maximum SSC increases (FY25/26 through FY29/30) are necessary and meet the following requirements:

- Collect sufficient revenue to meet current and long-term projected costs of operations and maintenance, and fund capital investments in aging infrastructure and debt service obligations necessary to maintain effective and reliable services and maintain overall financial stability.
- Comply with state-mandated regulatory requirements.
- Meet and comply with annual debt service requirements and loan agreements.
- Avoid generating operational deficits and depleting reserves.
- Cash fund the majority of CIP projects, except for significant debt funding of the Secondary Process Improvements Project; align the long-term debt funding approach with the extended project completion timeline (10-12 years) to meet the regulatory mandate issued by San Francisco Bay Regional Water Quality Control Board (RWB); and stagger public bond issuances to align with major construction phases.
- Shift the long-term debt funding source from the federal Water Infrastructure Finance and Innovation Act (WIFIA) to a public bond offering—a bond issuance is expected to offer a 0.5-1.0% lower borrowing rate.
- Develop a 5-year Proposition 218 notice to support the anticipated public bond offering (i.e., provides increased revenue collection certainty).
- Ensure appropriate CIP project cost allocation to the Wastewater Expansion Fund (funded by Capital Facilities Capacity Charges [CFCCs]). The District updated CFCCs in FY24/25 and expects to recommend CFCC adjustments in FY25/26 based on increased costs for projects that directly support growth in the District's service area.
- Comply with California Constitution Article XIII D, Section 6, which includes the following requirements:
  - An agency cannot collect revenue beyond what is necessary to provide service.
  - No charge may be imposed for a service unless that service is actually used or immediately available to property owners.
  - Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed.
  - The amount of the charge is proportional to the cost of the service, and the apportionment of total costs among ratepayer classes must be reasonable (e.g., avoidance of subsidization across customer classes).

Key assumptions in developing the updated 5-year financial plan and associated 5-year (FY25/26-FY29/30) SSC revenue increases include:

- Proposed FY25/26 and FY26/27 Operating Budget: $31.3M funded by SSCs ($35.8M total) in FY25/26, $32.3M ($37.1M in total) funded in FY26/27 with planned escalations in subsequent years to address increased costs associated with labor, energy, biosolids, chemicals, and outside services.
- Proposed 5-year CIP: $202.7M funded by SSCs ($238.1M total). Staff highlighted major factors impacting capital investment needs at the March 12, April 9, and May 14, 2025 Board Meetings.
- Compliance with Nutrient Removal Regulatory Mandate: In July 2024, RWB implemented a regulatory mandate for all 37 Bay Area wastewater facilities to meet new nutrient removal requirements to reduce the potential for algae blooms in San Francisco Bay. The District has identified $145 million in capital projects to meet this regulatory mandate over the next ten years.

- Financing Assumptions: The proposed 5-year maximum SSC increases assume the District will utilize a combination of cash (71%) and debt (29%) funding of the $238.1M 5-year CIP to ensure the lowest cost of capital for customers, which includes a planned public debt offering of $70M in FY26/27 and $50M in FY31/32. Based on the significance of the planned debt issuances, it is critical that the District demonstrate SSC revenue certainty and increase SSC revenue over time to support meeting debt service payment obligations.
- 2025 Cost-of-Service Study (CoS) and Growth Projection: The CoS Study has been updated to incorporate growth within the service area (488 equivalent residential units [ERUs]) and the associated additional flow to the District's WWTP. The financial plan assumes an additional 367 ERUs will be added to the District's service area in FY25/26, resulting in $187,000 in additional annual SSC revenue.
- Ad Valorem Taxes: The annual Ad Valorem Tax revenue assumption of $4.2M increased by $0.5M from prior financial planning activities. Ad Valorem Tax revenue is assumed to increase by 2.0% per year in subsequent years.
- Advanced Treatment (AT) Fund: The 5-year financial plan allocates $25.5M in cash to the Secondary Process Improvements Phase 1 Project, which includes foundational infrastructure improvements to meet the regulatory mandate to remove nutrients at the District's WWTP.
- Street Sweeping Service Charges: Staff intends to develop updated Street Sweeping Service Charge in FY25/26 to address increased labor costs due to prevailing wages and expanded scope of services for consideration of implementation in FY26/27.

On June 12, 2024, the Board adopted an FY24/25 SSC increase of 5.5% for Antioch (District Zone 3) and Pittsburg (District Zone 2) residential customers, and 5.4% for Bay Point (District Zone 1) residential customers.

Public Communication and Outreach

Pursuant to Proposition 218, a California law since 1996, notices on proposed rate increases were sent to all utility customer accounts prior to May 12, 2025 (meets minimum of 45 days prior to the June 26, 2025 Public Hearing) (refer to Attachment 3). Proposition 218 provides the opportunity for District customers to protest proposed rate adjustments. In the event protests are received representing more than 50% of parcel owners, adjustments could not be implemented. To date, 18 written protests have been received and are provided in Attachment 5. Protests may be received until the closing of the public hearing by the Board of Directors.

A public notice announcing the date and time of this public hearing was published on June 11, 2025, and June 19, 2025, in the East County Times newspaper, in accordance with state law. At the close of the public hearing, the Secretary to the Board will announce the total number of protests received.

In addition to distributing Proposition 218 Notices, the District also prepared three fact sheets—"Proposed Sewer Service Charge Increases" (Attachment 6) and "Investing in Critical Wastewater Infrastructure" (Attachment 7)—as well as a "Meeting the Nutrient Removal Regulatory Mandate Challenge" (Attachment 8) document to enhance public communications regarding the proposed SSC increases

Financial Impact

If the Board approves the proposed SSC increases at the June 26, 2025 public hearing, Pittsburg and Antioch residential customers would experience an estimated increase of $40.25 per year or

approximately $3.35 per month, an approximate increase of 8.5%. Bay Point residential customers would experience an estimated annual increase of $57.11 or approximately $4.76 per month, an approximate increase of 8.8%. Non-residential customer rates would increase 7.75% on average according to the table provided in the attached Prop. 218 Notice (Attachment 3).

The proposed FY25/26 SSC increase would generate an additional $3.7 million in SSC revenue in FY25/26 to support the District's near-term capital investment financial needs. In addition, the Proposition 218 notice includes maximum SSC increases for FY26/27-FY29/30 to meet ongoing capital investment and debt service coverage needs. If the District were to implement the maximum SSC increases over the next five years, an additional $58.6 million in SSC revenue would be generated to support critical infrastructure investment and operational needs.

Following implementation of the proposed SSC increases, the District's cost for providing wastewater collection, conveyance, and treatment services would remain near the average when compared to peer agencies in the San Francisco Bay Area region. A comparison of District SSCs to regional peer agencies will be highlighted during the Board meeting.

Attachments

1) Proposed Ordinance
2) Proposed Resolution
3) Proposition 218 Notice
4) FY25/26 Wastewater Rate Study (2025 Cost-of-Service Study)
5) Written Protests Received
6) "Proposed Sewer Service Charge Increases" Fact Sheet
7) "Investing in Critical Wastewater Infrastructure" Fact Sheet
8) "Meeting the Nutrient Removal Regulatory Mandate Challenge" Fact Sheet

ORDINANCE NO. 128

BEFORE THE BOARD OF DIRECTORS
OF DELTA DIABLO

**AN ORDINANCE ESTABLISHING
SEWER SERVICE AND DELINQUENCY CHARGES
AND COLLECTION SYSTEM CHARGES AND SURCHARGES AND
SETTING FIVE-YEAR MAXIMUM SEWER SERVICE CHARGES**

The Board of Directors of DELTA DIABLO (District) ordains as follows:

SECTION 1. The District's Board of Directors hereby establishes the annual sewer service charges applicable to Zone 1 (Bay Point), Zone 2 (Pittsburg), and Zone 3 (Antioch), and the Zone 1 Surcharge and Collection System Charges for Fiscal Year 2025/2026, and each fiscal year thereafter, until lawfully modified by action of the Board of Directors: and sets the maximum allowable sewer service charges for Fiscal Year 2026/2027 through Fiscal Year 2029/2030:

A. All the above charges and surcharges are established as set forth in the SCHEDULE OF USER CHARGES, attached hereto as Exhibit A (Residential User Charges) and Exhibit B (Non-Residential User Charges) and incorporated herein by this reference.

SECTION 2. Residential User Charges

A. Exhibit A (Residential User Charges) of this Ordinance specifies the fees and charges imposed on residential properties. The residential user fees and charges identified in Exhibit A for Fiscal Year 2025/2026 shall be the Annual Residential User Charges adopted for Fiscal Year 2025/2026.

B. The maximum allowable residential user sewer service charges for Fiscal Year 2026/2027 through FY2029/2030 are identified in Exhibit A. Sewer service charges for Fiscal Year 2026/2027 through FY2029/2030 will be set each year pursuant to Board action.

SECTION 3. Non-Residential User Charges

A. Exhibit B (Non-Residential User Charges) of this Ordinance specifies the fees and charges imposed on non-residential properties.

B. The non-residential user fees and charges identified in Exhibit B for Fiscal Year 2025/2026 shall be the Non-Residential User Charges adopted for Fiscal Year 2025/2026. For Fiscal Year 2025/2026, the formula identified in Exhibit B shall be used to calculate non-residential user charges. The total sewer service charge for a property in a given year, not including street sweeping, is calculated by first identifying the zone in which the Property is located (i.e., Zone 1 Bay Point; Zone 2 Pittsburg; Zone 3 Antioch) and the Business Class for the Property and then finding the applicable Non-Residential Total Rate for that Business Class. The Non-Residential Total Rate for that Business Class is

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then multiplied by the annual water consumed by the property, measured in hundred cubic feet (hcf), and the resulting amount is the annual sewer service charge for that property. If the annual water consumed is less than 80 hcf, the designated minimum annual charge is calculated by multiplying 80 hcf per year by the applicable sewer service charge per hcf per year for the zone in which the property is located.

C. The maximum allowable non-residential user sewer service charges for Fiscal Year 2026/2027 through Fiscal Year 2029/2030 are identified in Exhibit B. Sewer service charges for Fiscal Year 2026/2027 through Fiscal Year 2029/2030 will be set each year pursuant to Board action.

SECTION 4. The charges and surcharges set forth in Exhibit A and Exhibit B shall remain in effect until changed by Ordinance adopted by the District's Board of Directors.

SECTION 5. EFFECTIVE DATE. This Ordinance becomes effective 30 days after passage, and within 15 days of passage shall be published once with the names of Directors voting for and against it in the East County Times, a newspaper published in this county and circulated in the District.

PASSED AND ADOPTED on June 26, 2025 by the following vote:

AYES:	ABSENT:
NOES:	ABSTAIN:

_____
Board Chair

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Directors on the date shown.

ATTESTED: June 26, 2025

_____
Cecelia Nichols-Fritzler
Secretary to the Board of Directors

Attachments: Exhibit A, Residential User Charges
Exhibit B, Non-Residential User Charges

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DELTA DIABLO
SCHEDULE OF USER CHARGES

EXHIBIT A: Residential User Charges (Sewer Service Charge Component)
Beginning Fiscal Year 2025/2026 - Fiscal Year 2029/2030

Total Residential User Charges shown are annual rates per Equivalent Residential Unit (Multi-Family Properties Multiply No. of Units times Total Residential User Charge).

	Fiscal Year 2025/2026 Tax Bill Levy			Maximum Allowable SSC Charges by Fiscal Year			
Residential Zone	**SSC Fiscal Year 2025/2026**	**Street Sweeping* (per parcel)**	**INFO ONLY TOTAL TAX BILL LEVY**	**Fiscal Year 2026/2027**	**Fiscal Year 2027/2028**	**Fiscal Year 2028/2029**	**Fiscal Year 2029/2030**
Zone 1 - Bay Point	$ 706.28	$ 4.58	**$ 710.86**	$ 766.32	$ 831.46	$ 901.14	$ 978.84
Zone 2 - Pittsburg	$ 513.80	$ 10.26	**$ 524.06**	$ 557.48	$ 604.88	$ 656.30	$ 712.10
Zone 3 - Antioch	$ 513.80	$ 5.60	**$ 519.40**	$ 557.48	$ 604.88	$ 656.30	$ 712.10

* Note: Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no changes have been incorporated since that time other than a reduction of $0.01 per parcel within the City of Pittsburg. In order to collect these fees in an efficient manner, Street Sweeping fees are consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill. The combined levy is shown in the "INFO ONLY" column.

EXHIBIT B: Non-Residential User Charges (Sewer Service Charge Component)
Beginning Fiscal Year 2025/2026- Fiscal Year 2029/2030

Total Non-Residential User Charges are per hundred cubic feet of annual potable water consumption.

	Non-Residential Total Rate (SSC)	Maximum Allowable SSC Charges by Fiscal Year				
BUSINESS CLASS Commercial / Industrial	**Fiscal Year 2025/2026**	**Fiscal Year 2026/2027**	**Fiscal Year 2027/2028**	**Fiscal Year 2028/2029**	**Fiscal Year 2029/2030**	**Street Sweeping*** (per parcel)**
Zone 1 - Bay Point						
Bakeries/Restaurants	$ 10.60	$ 11.52	$ 12.50	$ 13.58	$ 14.74	$ 45.80
Hotels/Motels*	$ 5.46	$ 5.94	$ 6.46	$ 7.02	$ 7.62	$ 45.80
Institutional	$ 7.14	$ 7.76	$ 8.42	$ 9.14	$ 9.92	$ 45.80
Light Industrial	$ 6.94	$ 7.54	$ 8.20	$ 8.90	$ 9.66	$ 45.80
Marinas*	$ 7.24	$ 7.86	$ 8.54	$ 9.28	$ 10.08	$ 45.80
Misc. Commercial	$ 7.40	$ 8.04	$ 8.74	$ 9.50	$ 10.32	$ 45.80
Mortuaries*	$ 6.88	$ 7.48	$ 8.12	$ 8.82	$ 9.58	$ 45.80
Signode Industrial Group LLP	$ 7.10	$ 7.72	$ 8.38	$ 9.10	$ 9.88	$ 45.80
U.S. Army	$ 6.40	$ 6.96	$ 7.56	$ 8.22	$ 8.92	$ 45.80
Zone 2 - Pittsburg						
Bakeries/Restaurants	$ 8.54	$ 9.28	$ 10.08	$ 10.94	$ 11.88	$ 51.35
Hotels/Motels	$ 5.46	$ 5.94	$ 6.46	$ 7.02	$ 7.62	$ 51.35
Institutional	$ 5.08	$ 5.52	$ 6.00	$ 6.52	$ 7.08	$ 51.35
Light Industrial	$ 4.90	$ 5.32	$ 5.78	$ 6.28	$ 6.82	$ 51.35
Marinas	$ 7.24	$ 7.86	$ 8.54	$ 9.28	$ 10.08	$ 51.35
Misc. Commercial	$ 5.28	$ 5.74	$ 6.24	$ 6.78	$ 7.36	$ 51.35
Mortuaries	$ 6.88	$ 7.48	$ 8.12	$ 8.82	$ 9.58	$ 51.35
Corteva Agriscience	$ 4.50	$ 4.90	$ 5.32	$ 5.78	$ 6.28	$ 51.35
Cintas	$ 5.98	$ 6.50	$ 7.06	$ 7.68	$ 8.34	$ 51.35
Generon IGS	$ 5.92	$ 6.44	$ 7.00	$ 7.60	$ 8.26	$ 51.35
Linde Inc.	$ 4.36	$ 4.74	$ 5.16	$ 5.60	$ 6.08	$ 51.35
Zone 3 - Antioch						
Bakeries/Restaurants	$ 8.54	$ 9.28	$ 10.08	$ 10.94	$ 11.88	$ 56.00
Hotels/Motels	$ 5.46	$ 5.94	$ 6.46	$ 7.02	$ 7.62	$ 56.00
Institutional	$ 5.08	$ 5.52	$ 6.00	$ 6.52	$ 7.08	$ 56.00
Light Industrial	$ 4.90	$ 5.32	$ 5.78	$ 6.28	$ 6.82	$ 56.00
Marinas	$ 7.24	$ 7.86	$ 8.54	$ 9.28	$ 10.08	$ 56.00
Misc. Commercial	$ 5.28	$ 5.74	$ 6.24	$ 6.78	$ 7.36	$ 56.00
Mortuaries	$ 6.88	$ 7.48	$ 8.12	$ 8.82	$ 9.58	$ 56.00

*SSC per HCF/yr for FY25/26 - FY29/30 provided, although no businesses in these classes are known in Bay Point

**Annual minimum charge is calculated by multiplying 80 HCF/y by the applicable SSC per HCF/y

***Street Sweeping fees were previously established by the Board of Directors in 1997 under Ordinances 66 and 67, and no changes have been incorporated since that time other than a reduction of $0.01 per parcel within the City of Pittsburg. In order to collect these fees in an efficient manner, Street Sweeping fees are consolidated with the Sewer Service Charge for collection purposes only and only a single levy appears on the Property Tax Bill. The combined levy is shown in the "INFO ONLY" column.

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

(*a California Special District*)

RESOLUTION NO. 09/2025

MATTER: Approving Written Report and Sewer Service Charges; and Directing Collection of Certain Sewer Service Charges, Surcharges, And Delinquency Charges on the County Tax Roll

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The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, in accordance with Health and Safety Code Sections 5471, 5473 and 5473.1 through 5473.11, it is necessary to adopt Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2025/2026, and to cause their collection on the property tax roll; and

WHEREAS, on April 23, 2025, in accordance with Article XIII D, Section 6, of the California Constitution, Government Code Section 53755, and Health and Safety Code Sections 5471, 5473 and 5473.1 through 5473.11, the Board of Directors directed staff to notify property owners of the proposed maximum Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Years 2025/2026 through 2029/2030, and of the proposed collection of such charges for Fiscal Year 2025/2026 on the property tax roll; and

WHEREAS, the Board set a special meeting on June 26, 2025, at 5:30 pm, as the date and time for a Public Hearing on the written report ("Report") filed by the General Manager, and the method of collection of Sewer Service Charges and Delinquency Charges, and all required hearing notices have been given; and

WHEREAS, the proposed annual Sewer Service Charges, Surcharges, and Delinquency Charges are needed to fund and maintain sewer service within the District and to collect for late payment; and

WHEREAS, the Board has heard and considered all objections and protests, if any, to the Report filed by the General Manager with the Secretary of the Board, said Report containing a description of each parcel of real property receiving sewer service from said District and the amount of the charges against each parcel for Fiscal Year 2025/2026, and specifying that each charge shall continue annually until lawfully modified by action of the Board of Directors.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER:**

1. The Board finds that the Board has considered all protests and objections, and further finds that valid protests were not made by the owners of a majority of separate parcels of property described in the Report; and
2. The Board adopts the Report, and makes its final determination pursuant to Health and Safety Code Section 5471, 5473 and 5473.1 through 5473.11, upon each charge for each parcel, as described in the Report; and
3. The Board determines that the Proposition 218 notification and process requirements were satisfied, and that all notices required by applicable statutes were satisfied; and

4. The Board finds that, following the public hearing on the proposed maximum Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Years 2025/2026 through 2029/2030, the Board adopted Ordinance No. 128; and

5. The adoption of Ordinance No. 128 approves and establishes the Sewer Service Charges for Bay Point, Pittsburg, and Antioch, and the Bay Point Surcharge and Collection System Charges for Fiscal Year 2025/2026, and it determines that certain annual charges beginning in Fiscal Year 2025/2026 can be collected by placing them on the Contra Costa County Property Tax Roll for the respective fiscal years; and

6. In accordance with the provisions of Health & Safety Code Sections 5471, 5473, and 5473.1 through 5473.11, the Board directs the Secretary of the Board to file a copy of the Report with the County Auditor-Controller, by the deadline specified in Health and Safety Code Section 5473.4, to cause the Sewer Service Charges for Bay Point, Pittsburg, and Antioch, the Bay Point Surcharge and Collection System Charges for Fiscal Year 2025/2026, and Delinquency Charges to be collected on the property tax roll at the same time and in the same manner as other property taxes for the parcels described in the Report.

PASSED AND ADOPTED on June 26, 2025, by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 26, 2025.

ATTEST: _____
Monica Wilson
Board Secretary

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Notice of Proposed Five-Year Maximum Sewer Service Charge Rate Increases for Fiscal Years 2025/26-2029/30

Proposition 218 Notification to Property Owners of Public Hearing

NOTICE IS HEREBY GIVEN that the Delta Diablo Board of Directors will hold a public hearing on **Thursday, June 26, 2025, at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California,** to consider adoption of proposed rate increases for wastewater utility services. A summary of the proposed rates and associated financial needs and information, and instructions for protesting the rate increases (if desired) are provided below. In addition, related fact sheets are available at www.deltadiablo.org.

What Services Does Delta Diablo Provide to Customers?

Delta Diablo ("District") provides **wastewater conveyance and treatment services** for approximately 73,273 customer accounts (residential and non-residential), representing over 218,000 residents in the cities of Antioch and Pittsburg, and the unincorporated community of Bay Point. As part of our **core mission to protect public health and the environment**, the District treats 14.0 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and **sound stewardship of the public's resources and trust**. The District has transformed its Wastewater Treatment Plant (WWTP) into a "resource recovery facility" by producing approximately 7.0 million gallons per day of recycled water, generating onsite renewable energy to meet over 50% of WWTP power needs, reusing biosolids as fertilizer, providing household hazardous waste (HHW) collection services, and further protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems.

Why is Delta Diablo Proposing Rate Increases?

Infrastructure Investment

The District has developed a proposed **5-Year Capital Improvement Program (CIP) totaling $238.1 million** to ensure **prioritized, critical investment in aging infrastructure** in its wastewater conveyance and treatment systems, which represents an **increase of $51.0 million** from the current $187.1 million CIP.

New Regulatory Mandate

In July 2024, the San Francisco Bay Regional Water Quality Control Board implemented a **regulatory mandate** for all 37 Bay Area wastewater facilities to meet new **nutrient removal requirements** to reduce the potential for algae blooms in San Francisco Bay. The District has identified **$145 million in capital projects** to meet this regulatory mandate over the next ten years.

Fiscal Responsibility

The District continues to **effectively manage its annual operating budget**, which has resulted in **average annual operating cost increases of only 3.8% over the last four years** despite inflationary pressure with similar projections in the near term. However, additional revenue is needed to meet increased labor, energy, biosolids, chemicals, and outside services costs over the next five years.

Proposed Five-Year Maximum Sewer Service Charge Increases for FY25/26-FY29/30

The District collects Sewer Service Charges (SSCs) from its customers each year as the primary revenue source needed to fund capital infrastructure investments, labor, energy, biosolids, chemicals, regulatory compliance, infrastructure maintenance, and Delta HHW Collection Facility operations. For Fiscal Year 2025/26 (FY25/26) (July 1, 2025-June 30, 2026), the District is proposing SSC increases of approximately 8.5% per year (+$40.25) for residential customers in Antioch/Pittsburg, and approximately 8.8% (+$57.35) for residential customers in Bay Point. In FY26/27 through FY29/30, the District is proposing maximum SSC increases of 8.5% and 8.5% for Antioch/Pittsburg and Bay Point customers, respectively. **The District continues to maintain rates near the average of peer agencies in the San Francisco Bay Area region.**

In compliance with California Constitution Article XIII(D), Section 6 ("Proposition 218"), the proposed FY25/26-FY29/30 maximum SSCs incorporate FY25/26 Cost-of-Service Study findings (prepared by IB Consulting), which updated growth in the service area and corresponding additional wastewater flow to the District's WWTP. The Study will be made available at the District's offices and website. SSCs for non-residential customers (i.e., commercial, industrial) were adjusted accordingly for FY25/26-FY29/30 based on customer class. Most District customers are billed on a fiscal-year basis and pay SSCs via annual property tax bills. The District's Board of Directors will consider approval of SSC increases for each fiscal year, subject to the maximum SSC increases included in the tables below. Property tax bills also include a street sweeping service charge (no increase from FY24/25) that varies by community based on service frequency.

Residential Customers: The impact of the proposed SSC increase on the annual property tax bill for a single-family residential customer is shown in **Table 1**. The total annual charge for residential properties with multiple units (e.g., duplex, fourplex, apartment complex, etc.) can be calculated by multiplying the applicable per unit SSC charge in **Table 1** by the total number of units.

Table 1 – Example Annual Residential SSC on Property Tax Bills for FY25/26-FY29/30

Residential Service Customers	Current FY24/25	Proposed Maximum Sewer Service Charge by Fiscal Year				
		FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Antioch/Pittsburg	$473.55	$513.80	$557.48	$604.88	$656.30	$712.10
Bay Point*	$648.93	$706.28	$766.32	$831.46	$901.14	$978.84

* Delta Diablo provides wastewater collection services for Bay Point customers only (i.e., higher Sewer Service Charge), while the respective cities charge customers in Antioch and Pittsburg directly for this service.

Non-residential Customers: The District is proposing SSC increases for commercial and industrial customers based on annual potable water consumption data (i.e., the SSC rates are per one hundred cubic feet per year [HCF/y] of potable water consumption) by business class and community, as presented in **Table 2** (Bay Point) and **Table 3** (Pittsburg/Antioch). If annual water consumption is less than 80 HCF/y, a minimum annual charge of 80 HCF/y multiplied by the applicable rate for each business class will be applied.

Table 2 – Non-residential Proposed User Charges for Bay Point (Zone 1)
Sewer Service Charge ($) per Hundred Cubic Feet per Year for FY25/26-FY29/30

Business Class (Commercial/Industrial)	Current FY24/25	Maximum User Charges (SSC per HCF/y) by Fiscal Year				
		FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Bakeries/Restaurants	$9.67	$10.60	$11.52	$12.50	$13.58	$14.74
Hotels/Motels	$4.97*	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	$6.47	$7.14	$7.76	$8.42	$9.14	$9.92
Light Industrial	$6.26	$6.94	$7.54	$8.20	$8.90	$9.66
Marinas	$6.73*	$7.24	$7.86	$8.54	$9.28	$10.08
Misc. Commercial	$6.56	$7.40	$8.04	$8.74	$9.50	$10.32
Mortuaries	$6.26*	$6.88	$7.48	$8.12	$8.82	$9.58

Table 3 – Non-residential Proposed User Charges for Pittsburg (Zone 2) and Antioch (Zone 3)
Sewer Service Charge ($) per Hundred Cubic Feet per Year for FY25/26-FY29/30

Business Class (Commercial/Industrial)	Current FY24/25	Maximum User Charges (SSC per HCF/y) by Fiscal Year				
		FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Bakeries/Restaurants	$7.82	$8.54	$9.28	$10.08	$10.94	$11.88
Hotels/Motels	$4.97	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	$4.61	$5.08	$5.52	$6.00	$6.52	$7.08
Light Industrial	$4.42	$4.90	$5.32	$5.78	$6.28	$6.82
Marinas	$6.73	$7.24	$7.86	$8.54	$9.28	$10.08
Misc. Commercial	$4.67	$5.28	$5.74	$6.24	$6.78	$7.36
Mortuaries	$6.26	$6.88	$7.48	$8.12	$8.82	$9.58

Note: *SSC per HCF/y for FY24/25 provided, although no businesses in these classes are known in Bay Point.

Upcoming Major Infrastructure Investment Capital Projects

The District is implementing planning, design, and construction of multiple large-scale capital projects at the WWTP, which is now 43 years old, as well as the wastewater conveyance system, which includes sewer pipes that are nearing the end of their useful life. Once completed, these capital investments will renew critical infrastructure components in the wastewater conveyance and treatment systems for the next 40 to 50 years. Increasing SSC revenue over the next five years will support the District's efforts to ensure the lowest cost of capital by cash funding the majority of its CIP, while issuing debt to reduce the need for higher SSC increases.

Secondary Process Improvements Phase 1 Project ($140.5 million): Replace existing tower trickling filters with additional aeration basin capacity; expand WWTP capacity to meet growth in service area through 2050; and provide foundational improvements to support meeting nutrient removal requirements as part of Phase 2.

Antioch Pump Station and Conveyance System Improvements ($24.0 million): Install a new line or rehabilitate the existing forcemain(s) to reliably convey wastewater flows from Antioch to the District's WWTP.

Cogeneration System Improvements Project ($20.0 million): Install a new cogeneration system that utilizes biogas from the wastewater treatment process to generate renewable electricity to offset plant power demand.

Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 Project ($14.0 million): Address corrosion issues in prioritized areas in the wastewater conveyance system in Pittsburg and Bay Point.

Shore Acres Forcemain Repair Project ($9.5 million): Install a new line or rehabilitate the existing forcemain to reliably convey wastewater flows from Bay Point to the District's WWTP.

Detailed information on operating and capital costs is available in the District's FY24/25 Budget Book and CIP documentation, which is on file at the District's offices.

Public Hearing and Protest Procedures

The Board of Directors will hold a public hearing on the proposed SSC increases on **Thursday, June 26, 2025, at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509.** After close of the public hearing and consideration of all public comments and written protests received, the Board of Directors will be asked to take action to implement the proposed SSC increases at this meeting.

Written protests may be sent to the District (attention of "Office Manager/Secretary to the Board", 2500 Pittsburg-Antioch Highway, Antioch, California, 94509) prior to the close of the public hearing and **must include your property address and the Assessor Parcel Number** found on your mailing label. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses, including any received by the close of the public hearing. If written protests are presented by a majority of the parcel owners in the District's service area, the District cannot implement the SSC increases. Pursuant to Government Code Section 53759, there is a 120-day statute of limitations for any judicial challenge to a new or increased sewer service fee or charge.



Delta Diablo Wastewater Treatment Plant in Antioch, CA

218,000 residents

14.0 million gallons of wastewater per day

76 miles of sewer pipes, force mains

5 pumps stations to convey wastewater

Wastewater Treatment Plant

Recycled Water Facility

2500 Pittsburg-Antioch Highway
Antioch, CA 94509

NOTICE OF PUBLIC HEARING

PROPOSED FIVE-YEAR MAXIMUM SEWER SERVICE CHARGE RATE INCREASES FOR FISCAL YEAR 2025/26-2029/30

5:30 PM
THURSDAY, JUNE 26, 2025
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509

Delta Diablo provides wastewater conveyance and treatment services to over 218,000 customers in Pittsburg, Antioch, and Bay Point

Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner

Environmental Stewardship

In treating 14.0 million gallons of wastewater each day, Delta Diablo has a strong regulatory compliance record in meeting federal, state, and local regulatory requirements and protecting the local Delta receiving waters.

Infrastructure Investment

Continued capital investment in the Wastewater Treatment Plant, 76 miles of sewer pipes and force mains, and five pump stations is critical to maintaining effective, reliable, and high-quality customer service.

Fiscal Responsibility

Delta Diablo is committed to maintaining responsible rates by prioritizing capital investments, implementing effective operating budget control, and targeting available grant and low-interest loan programs.

For more information, visit www.deltadiablo.org or call (925) 756-1900.

Item D/2
Attachment 4

Wastewater Cost-of-Service Rate Study (FY25/26 Sewer Service Charges)

Delta Diablo

Final Report

IB Consulting, LLC
31938 Temecula Parkway, Suite A #350
Temecula, CA. 92592

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Figure 20: Distribution Basis and Units of Service by Cost Component 41

Executive Summary

Delta Diablo (District) annually reviews and updates its Sewer Service Charges (SSCs) to determine if adjustments are necessary to generate sufficient revenue to meet operational costs, capital investment needs, and reserve funding requirements. The District collects its SSCs on the property tax roll and finalizes proposed rates before submitting the levy to Contra Costa County (County). The District hired IB Consulting to conduct a comprehensive cost-of-service update, and this financial report establishes the basis for recommended maximum SSCs for the next five years, from Fiscal Year 2025/2026 (FY25/26 or FY 2026) through FY 2029/2030 (FY 29/30 or FY 2030).

Overview

The District updates SSCs to meet overall revenue requirements based on the updated operating budget and 5-year capital improvement plan. As part of updating the SSCs, IB Consulting updated the District's financial plan model to review the long-term financial outlook at current rates and determine revenue requirements over the next five years (Financial Plan Period). Regularly updating the long-term financial plan is a prudent business practice to ensure the utility can fully fund its revenue requirements over the Financial Plan Period.

Financial planning requires thoroughly reviewing the District's current financial health. The utility has significant capital projects, requiring adjustments to SSCs to meet total obligations. Significant projects in the District's Capital Improvement Program (CIP) include the remaining costs of the Cogeneration System Improvements Project ($17.3M), the Antioch Pump Station and Conveyance System Improvements Project ($15.2M), and the Secondary Process Improvements Phase 1 Project ($118.1M – $24.4M funded by the Advanced Treatment Fund and $93.7M funded by the Capital Asset Replacement Fund). The District's scheduled 5-year CIP (FY25/26-FY29/30) totals $238.1M ($202.7M funded by SSCs); however, historically, the District completes approximately 85% of the planned capital. Therefore, the proposed financial plan reflects 85% of all capital projects except for the Cogeneration System Improvements and the Secondary Process Improvements, which are set at 100%. The proposed CIP funded through the Financial Plan Period is $202.7M. The District will pursue $70M of debt funding for the Secondary Process Improvements Phase 1 Project. At current rates, SSC revenue will not be sufficient to fund operating expenses and capital investment needs, while meeting minimum reserve targets. Therefore, SCC increases are recommended, which would be phased in over the Financial Plan Period.

This report includes a comprehensive update to the District's SSCs to reflect updated costs, current water usage, projected flow trends, and a cost-of-service analysis that allocates the FY 2026 revenue requirements proportionately to each customer class and corresponding account. The existing rate structure consists of annual fixed charges per dwelling unit for Residential parcels and flow rates for Non-Residential parcels. Residential and most Non-Residential SSCs are levied on the tax roll. Non-Residential SSCs levied on the tax roll are based on water usage data from the previous calendar year, with a minimum annual charge based on 80 hundred cubic feet (HCF[1]).

Existing SSCs vary by two service areas identified as Bay Point (Zone 1) and Antioch/Pittsburg (Zone 2 & 3). Antioch and Pittsburg SSCs are the same, but Bay Point SSCs include an additional charge for expenses associated with the wastewater collection system owned and operated by the District. Antioch and Pittsburg only pay for the District's Wastewater Treatment Plant (WWTP), as the collection systems for those service

[1] 1 HCF = 748.05 gallons

areas are owned and operated by each respective city. The proposed SSCs incorporate a comprehensive update to the cost-of-service between customer classes and zones. The proposed SSCs derived within this Report also include revenue adjustments that will generate approximately $58.6M in additional revenue through FY 2030.

The proposed SSCs will generate positive net income before designated fund transfers, generate additional funding for reinvestment in the WWTP and Bay Point collection system, and meet minimum fund targets. The proposed SSCs were noticed to each customer by mail as part of the Proposition 218 noticing requirements. On June 26, 2025, a Public Hearing will occur on the proposed SSCs identified in Table 1 and Table 2. Non-Residential SSCs adjustments will vary by category and service area designation. Non-Residential customer classes with an "N/A" do not exist within that zone. If the specific business moves from Zone 2 or Zone 3 to Zone 1, an additional surcharge would be required for the cost associated with the Bay Point collection system.

Table 1: Proposed Sewer Service Charges - Zone 1

Proposed Sewer Service Charges (SSCs) - Zone 1 - Bay Point Collections						
Customer Class		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	*($/Year)*	$706.28	$766.32	$831.46	$902.14	$978.84
Non-Residential						
Bakeries & Restaurants	*($/HCF)*	$10.60	$11.52	$12.50	$13.58	$14.74
Dow Chemical	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
G&K Services	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Hotel/Motel	*($/HCF)*	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	*($/HCF)*	$7.14	$7.76	$8.42	$9.14	$9.92
Light Industry	*($/HCF)*	$6.94	$7.54	$8.20	$8.90	$9.66
Marinas	*($/HCF)*	$7.24	$7.86	$8.54	$9.28	$10.08
Generon IGS	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Misc. Commercial	*($/HCF)*	$7.40	$8.04	$8.74	$9.50	$10.32
Mortuaries	*($/HCF)*	$6.88	$7.48	$8.12	$8.82	$9.58
Praxair	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Premark Packaging	*($/HCF)*	$7.10	$7.72	$8.38	$9.10	$9.88
U.S. Army	*($/HCF)*	$6.40	$6.96	$7.56	$8.22	$8.92

Table 2: Proposed Sewer Service Charges - Zone 2 & 3

Proposed Sewer Service Charges (SSCs) - Zone 2 & 3 - Pittsburg & Antioch						
Customer Class		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	*($/Year)*	$513.80	$557.48	$604.88	$656.30	$712.10
Non-Residential						
Bakeries & Restaurants	*($/HCF)*	$8.54	$9.28	$10.08	$10.94	$11.88
Dow Chemical	*($/HCF)*	$4.50	$4.90	$5.32	$5.78	$6.28
G&K Services	*($/HCF)*	$5.98	$6.50	$7.06	$7.68	$8.34
Hotel/Motel	*($/HCF)*	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	*($/HCF)*	$5.08	$5.52	$6.00	$6.52	$7.08
Light Industry	*($/HCF)*	$4.90	$5.32	$5.78	$6.28	$6.82
Marinas	*($/HCF)*	$7.24	$7.86	$8.54	$9.28	$10.08
Generon IGS	*($/HCF)*	$5.92	$6.44	$7.00	$7.60	$8.26
Misc. Commercial	*($/HCF)*	$5.28	$5.74	$6.24	$6.78	$7.36
Mortuaries	*($/HCF)*	$6.88	$7.48	$8.12	$8.82	$9.58
Praxair	*($/HCF)*	$4.36	$4.74	$5.16	$5.60	$6.08
Premark Packaging	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
U.S. Army	*($/HCF)*	N/A	N/A	N/A	N/A	N/A

Wastewater Utility

Wastewater System

The District provides wastewater conveyance and treatment services for about 218,000 customers in the cities of Antioch and Pittsburg, and the unincorporated community of Bay Point. The District treats approximately 13.6 million gallons of wastewater and produces 7.7 million gallons of recycled water daily.

Figure 1: Delta Diablo Wastewater Treatment Plant



Based on the District's historical trend of actual capital expenditures for a 5-year period, approximately $202.7M in capital funding is projected over the next five years. The CIP is broken out between the District's capital-related funds, including Capital Asset Fund, Advanced Treatment Fund, Capital Asset Replacement (CAR) Fund, and Bay Point Collection. Figure 2 through Figure 5 identify the CIP for each capital fund through FY 2030. Figure 6 provides a summary of all funds combined through FY 2030.

Figure 2: Capital Improvement Program – Capital Asset

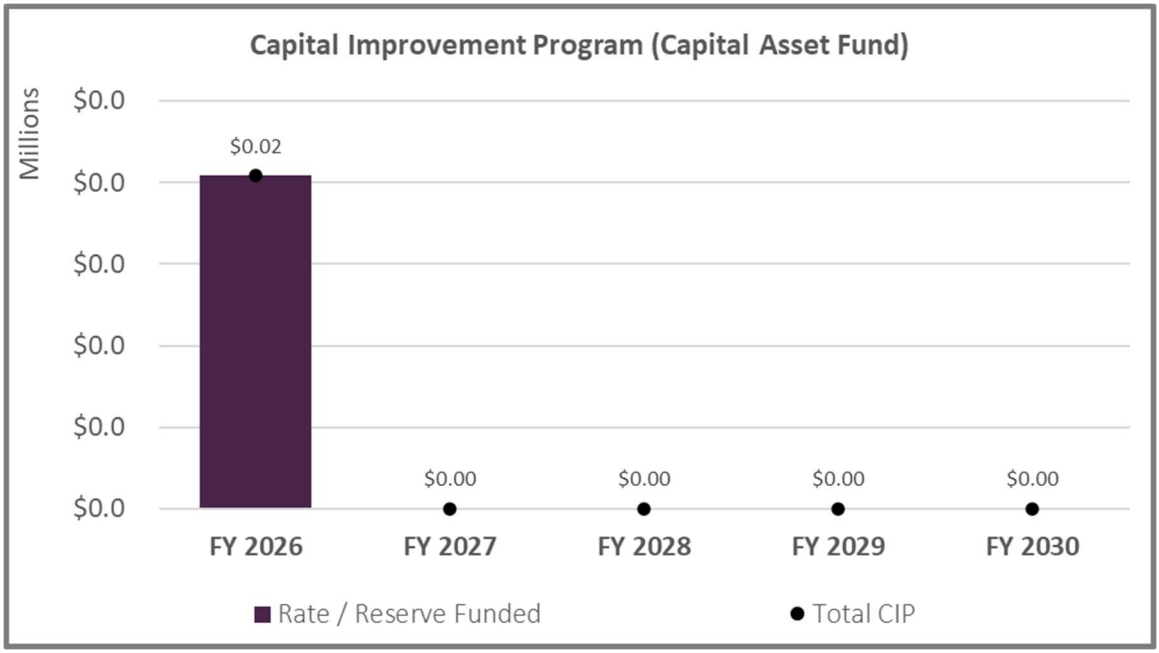


Figure 3: Capital Improvement Program – Advanced Treatment

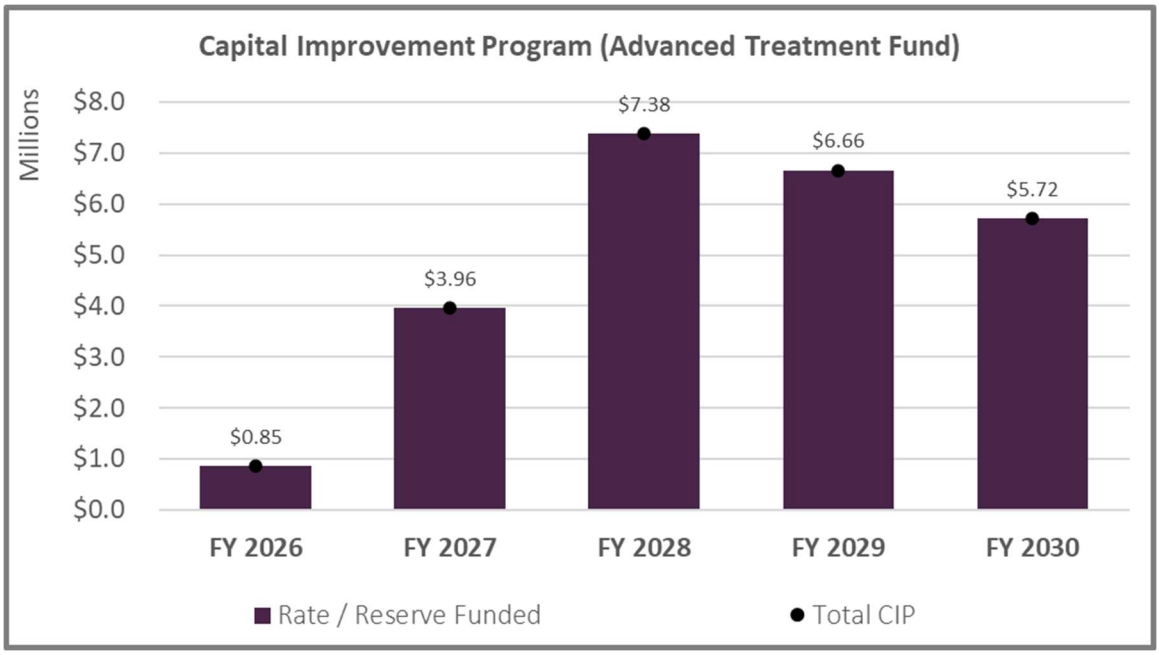


Figure 4: Capital Improvement Program – Capital Asset Replacement

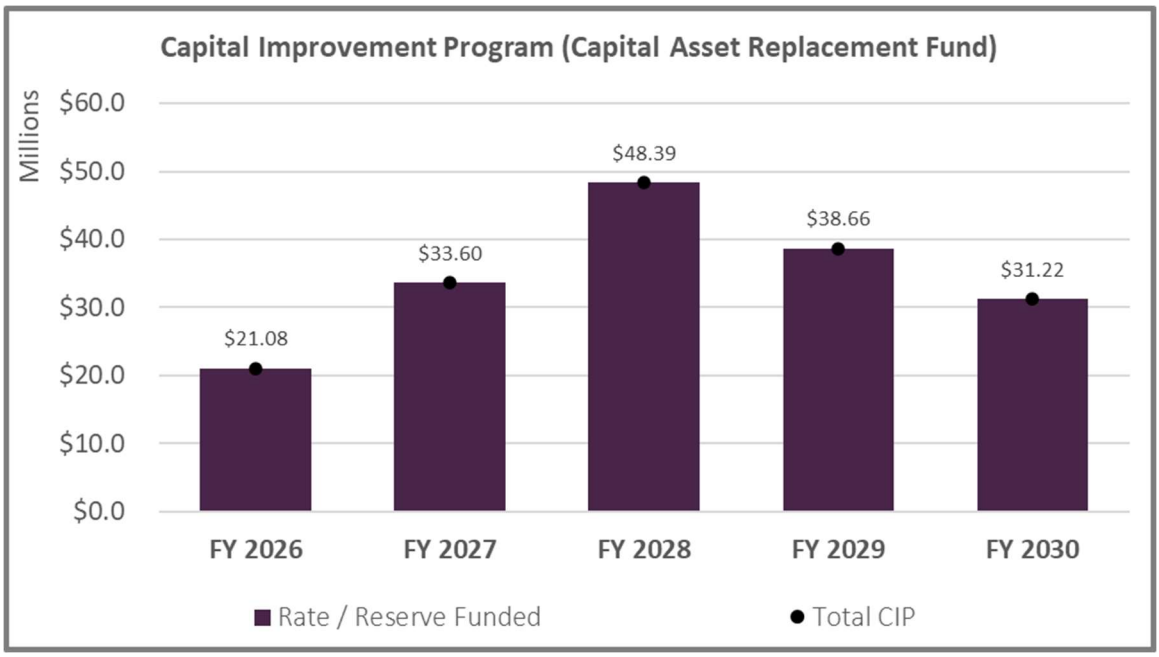


Figure 5: Capital Improvement Program – Bay Point Collection

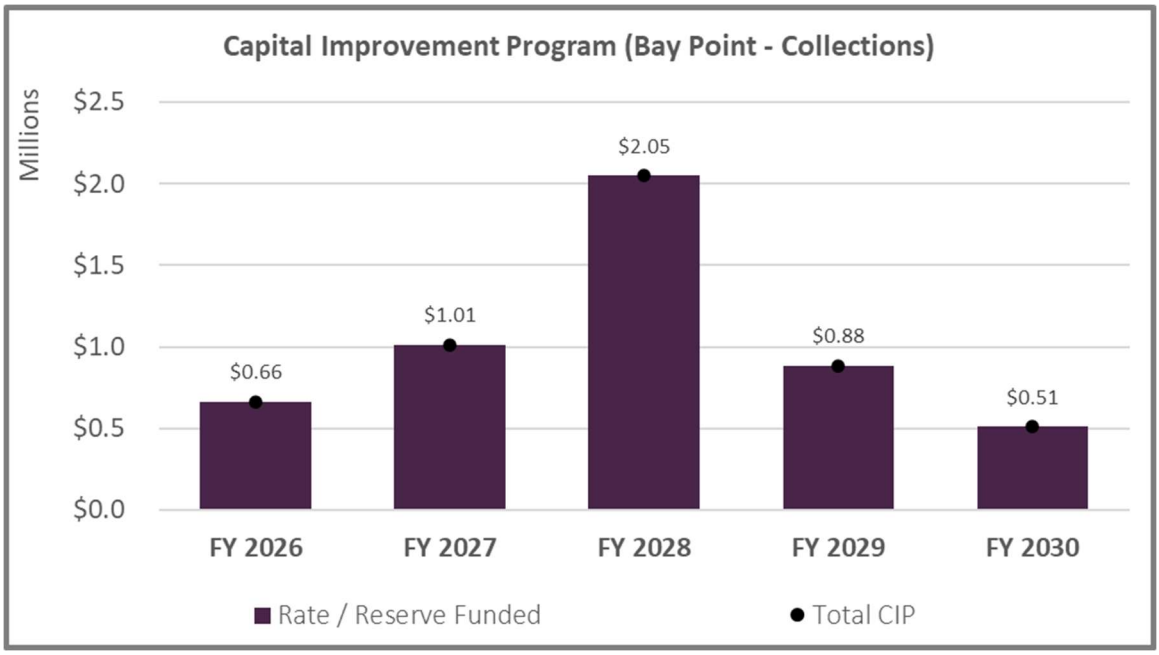
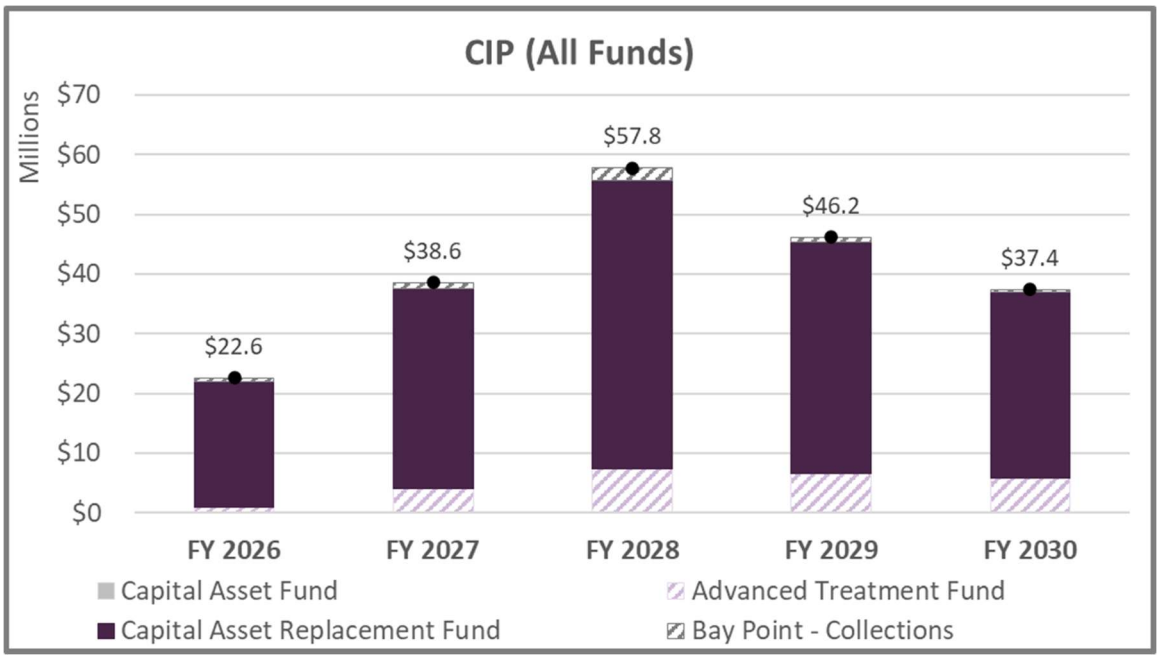


Figure 6: Capital Improvement Program – All Funds



Customers

The District serves 70,396 Residential units and 2,877 Non-Residential accounts (collectively, Billing Units), with over 96% of Billing Units classified as Residential. Table 3 provides a summary of Billing Units by customer class and zone.

Table 3: Billing Units by Customer Class and Zone

Billing Units by zone				
Customer Class	Zone 1 Bay Point [A]	Zone 2 Pittsburg [B]	Zone 3 Antioch [C]	Total [D] = A+B+C
Residential	7,285	24,362	38,749	70,396
Bakeries & Restaurants	13	101	153	267
Dow Chemical	0	1	0	1
G&K Services	0	1	0	1
Hotel/Motel	0	4	5	9
Institutional	25	90	117	232
Light Industry	8	176	126	310
Marinas	0	2	1	3
Generon IGS	0	1	0	1
Misc. Commercial	102	653	1,292	2,047
Mortuaries	0	2	1	3
Praxair	0	1	0	1
Premark Packaging	1	0	0	1
U.S. Army	1	0	0	1
Total	7,435	25,394	40,444	73,273

The current SSCs consist of annual fixed charges per dwelling unit for Residential customers and Non-Residential flow rates. Non-Residential customers are charged a minimum equal to their respective flow rate times 80 HCF, which is equivalent to the projected flow charged against Residential units as part of their annual fixed charge. Existing SSCs are identified in Table 4.

Table 4: Existing Sewer Service Charges

Sewer Service Charges (SSCs)		Zone 1 - Bay Point	Zone 2 - Pittsburg	Zone 3 - Antioch
Customer Class		FY 2025	FY 2025	FY 2025
Residential	*($/Year)*	$648.93	$473.55	$473.55
Non-Residential				
Bakeries & Restaurants	*($/HCF)*	$9.67	$7.82	$7.82
Dow Chemical	*($/HCF)*	N/A	$4.08	N/A
G&K Services	*($/HCF)*	N/A	$5.45	N/A
Hotel/Motel	*($/HCF)*	$4.97	$4.97	$4.97
Institutional	*($/HCF)*	$6.47	$4.61	$4.61
Light Industry	*($/HCF)*	$6.26	$4.42	$4.42
Marinas	*($/HCF)*	$6.73	$6.73	$6.73
Generon IGS	*($/HCF)*	N/A	$5.40	N/A
Misc. Commercial	*($/HCF)*	$6.56	$4.67	$4.67
Mortuaries	*($/HCF)*	$6.26	$6.26	$6.26
Praxair	*($/HCF)*	N/A	$3.95	N/A
Premark Packaging	*($/HCF)*	$6.43	N/A	N/A
U.S. Army	*($/HCF)*	$5.78	N/A	N/A

Financial Plan Overview

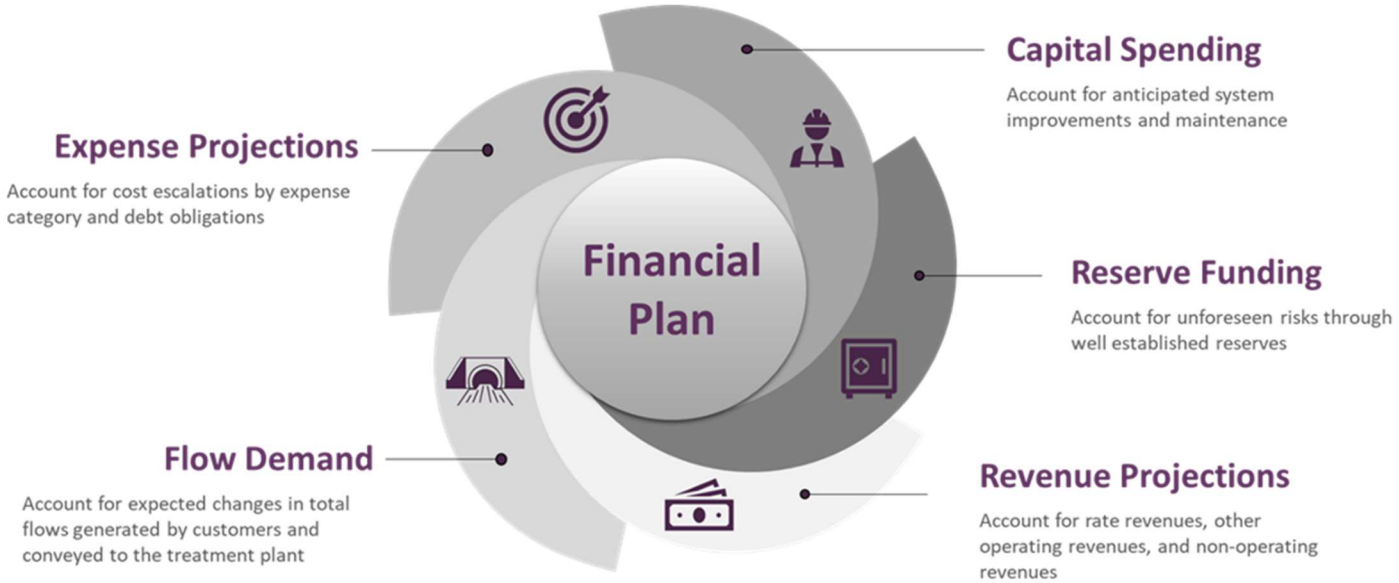
Financial Planning

Financial planning incorporates numerous considerations, including projecting revenues and forecasting expected costs using various inflationary adjustments. Utilities also need to account for changes in various conditions, including weather-related changes in flow, changes to water usage, state mandates, growth, and economic factors. In addition, system maintenance and reinvestment, reserves, and debt service requirements all influence the revenues needed in future years. Therefore, a comprehensive financial plan reviews the following:

1) Historical Non-Residential water sales, expected flows by customer class, flow return factors, and inflow/infiltration factors.
2) Operational costs that may change over the planning period due to inflation and any new expenditures incurred to meet strategic goals, regulatory requirements, or changes in operations.
3) Multi-year system improvements and scheduling based on priority. This review also considers available funding sources to complete capital projects such as "pay-as-you-go" (PAYGO), grants, and debt financing.
4) Debt service coverage ratio requirements based on existing and proposed debt.
5) Reserve funding to meet the adopted reserve policy. The goal is to generate adequate cash on hand to mitigate financial risks related to operating cashflow needs, unexpected increases in expenses, shortages in system reinvestment, and potential system failures.

Figure 7 illustrates the key elements when developing a long-term financial plan.

Figure 7: Financial Plan Key Elements



Financial Planning Assumptions

Long-term financial planning requires understanding the utility's financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, new strategic objectives, and reserve policies. These considerations require certain assumptions for projecting revenues, expenses, and expected ending fund balances. Table 5 identifies assumptions used for forecasting revenues, and Table 6 identifies assumptions used for forecasting increases in expenses through the Financial Plan Period.

Table 5: Assumptions for Forecasting Revenues

Revenue Forecasting					
Key Assumptions	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue Escalation					
Non-Rate Revenues	3.4%	3.4%	3.4%	3.4%	3.4%
Property Tax	2.0%	2.0%	2.0%	2.0%	2.0%
Reserve Interest	2.0%	2.0%	2.0%	2.0%	2.0%
Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Residential Water Usage	1,012,613	1,012,613	1,012,613	1,012,613	1,012,613

Table 6: Assumptions for Forecasting Expenses

Expense Forecasting							
Key Assumptions	*Source:*		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Expenditure Escalation							
Employee Benefits			*Budget*	*Budget*	3.5%	3.5%	3.5%
Capital Construction	*ENR - SF*	*5-Year Average*	*Budget*	*Budget*	4.6%	4.6%	4.6%
Chemicals			*Budget*	*Budget*	3.0%	3.0%	3.0%
General Costs	*CPI - SF (BLS)*	*5-Year Average*	*Budget*	*Budget*	3.4%	3.4%	3.4%
Utilities			*Budget*	*Budget*	5.0%	5.0%	5.0%
Salaries & Wages			*Budget*	*Budget*	3.5%	3.5%	3.5%

Current Financial Position

Revenues

The District collects almost all of the SSCs on the Contra Costa County tax roll, with a few Government and Non-Residential customers billed directly. The County guarantees the levy as part of the Teeter Plan (California Revenue and Taxation Code Section 4701-4717). The Teeter Plan allows cities and special districts to receive the total allocation of each levy submitted. In return, the County will keep all delinquencies and penalties incurred. The total levy amount submitted to the County for FY24/25 is the baseline revenue used for financial planning. Table 7 shows all revenues, including SSCs, Other Revenues, and Other Financing Sources. The Interfund Transfer goes towards the District's Household Hazardous Waste (HHW) program, which mitigates significant hazardous constituents from entering the WWTP influent.

Table 7: Projected Revenues at Existing Rates

Projected Revenues					
Revenue	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Revenue					
SSCs Levy	$38,300,000	$38,300,000	$38,300,000	$38,300,000	$38,300,000
SSCs - Direct Charges	$1,170,000	$1,170,000	$1,170,000	$1,170,000	$1,170,000
Total Rate Revenue	$39,470,000	$39,470,000	$39,470,000	$39,470,000	$39,470,000
Other Revenues					
Discharge Permit & Fees	$116,000	$116,000	$116,000	$116,000	$116,000
Overhead (from Capital Projects)	$850,000	$850,000	$850,000	$850,000	$850,000
Miscellaneous	$200,000	$200,000	$200,000	$200,000	$200,000
Utility Rebates (from Calpine)	$253,000	$253,000	$253,000	$253,000	$253,000
Interest	$367,000	$328,000	$252,000	$137,000	$0
Subtotal Other Revenues	$1,786,000	$1,747,000	$1,671,000	$1,556,000	$1,419,000
Other Financing Sources					
Interfund Transfer	($713,000)	($713,000)	($713,000)	($713,000)	($713,000)
Total Revenues	**$40,543,000**	**$40,504,000**	**$40,428,000**	**$40,313,000**	**$40,176,000**

Expenses

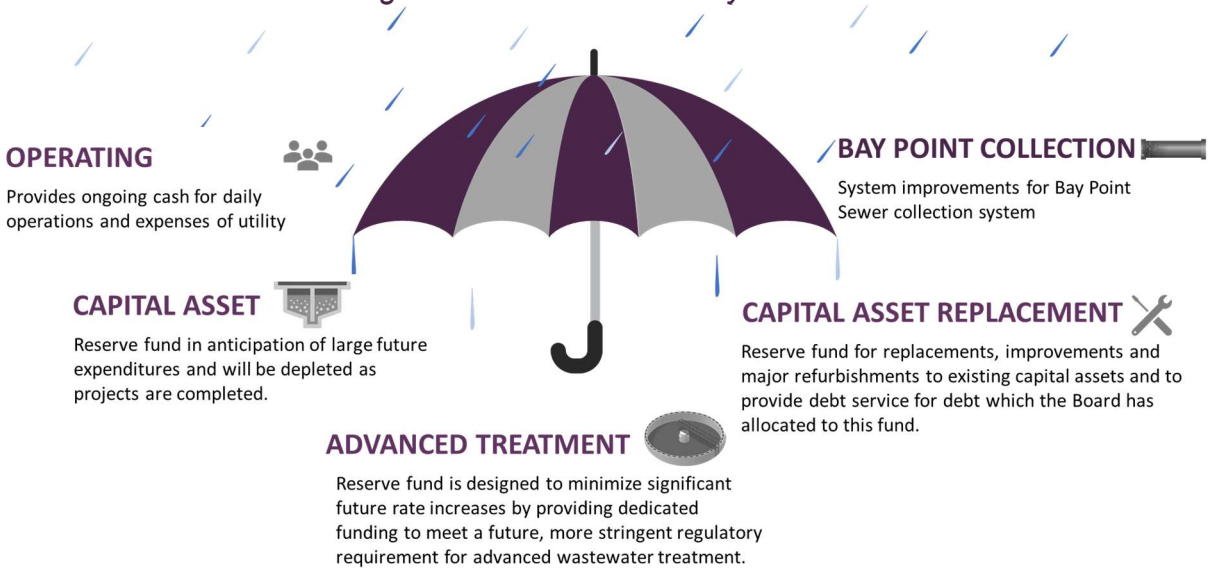
The District's preliminary FY25/26 and FY 26/27 operating budgets were used as the baseline expenses for the utility and were adjusted in subsequent years based on the percentage increases shown in Table 6. Table 8 provides projected Operational & Maintenance (O&M) costs through FY 2030 (rounded to thousands). Each expense category includes detailed line-item expenditures discussed with staff to determine the appropriate escalation factor for forecasting future costs. Revenues in Table 7 exceed total O&M expenses prior to transferring funds to reserves.

Table 8: Projected O&M Expenses

Projected Expenses					
O&M Expenses	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Expenses					
Administration Division	$2,564,000	$2,640,000	$2,732,000	$2,828,000	$2,926,000
Board of Directors Division	$33,000	$34,000	$35,000	$36,000	$37,000
Public Information Division	$58,000	$59,000	$61,000	$63,000	$65,000
Human Resources Division	$1,609,000	$1,605,000	$1,660,000	$1,717,000	$1,776,000
Finance Division	$2,132,000	$2,144,000	$2,218,000	$2,295,000	$2,375,000
Information Technology Division	$1,608,000	$1,662,000	$1,722,000	$1,785,000	$1,850,000
Purchasing Division	$733,000	$754,000	$781,000	$808,000	$836,000
Engineering Division	$2,064,000	$2,262,000	$2,341,000	$2,422,000	$2,506,000
Maintenance Division	$5,032,000	$5,157,000	$5,337,000	$5,522,000	$5,714,000
Operations/Plant Division	$9,322,000	$9,703,000	$10,065,000	$10,441,000	$10,831,000
Laboratory Divison	$1,529,000	$1,478,000	$1,529,000	$1,582,000	$1,637,000
Lab Pretreatment Division	$536,000	$553,000	$572,000	$592,000	$613,000
Safety Division	$492,000	$521,000	$539,000	$558,000	$577,000
Total Operating Expenses	$27,712,000	$28,572,000	$29,592,000	$30,649,000	$31,743,000

Reserves

Figure 8: Wastewater Utility Funds



Per District policy, the Wastewater Operating and Maintenance (WW O&M) Fund is required to maintain an Operating reserve at 40% of operating expenses. There are no formal capital-related reserve targets as part of the District's reserve policy; however, each capital-related fund should have a minimum requirement to ensure that the District maintains a strong financial outlook moving forward. It is standard industry best management practice to establish a capital minimum requirement equal to at least the annual depreciation value of the District's assets or to cover a year's worth of upcoming capital expenses. Therefore, as part of the proposed financial plan, minimum funding requirements include the existing Operating Reserve and recommended minimum capital funding targets for each capital-related fund based on the average annual expenses of the CIP over the next five years. The Advanced Treatment reserve will be used to partially fund Phase 1 of the Secondary Process Improvements through FY 2030. These minimum funding levels help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to cover a portion of annual system improvements. In addition, these minimum fund levels help smooth rates and mitigate the potential for sharp rate increases due to emergencies or unplanned, higher system costs. Table 9 summarizes the operating reserve requirement and recommended capital-related minimum requirements.

Table 9: Fund Requirements and Targets

Fund Requirements and Targets		
Fund	Minimum Requirements	Status
Operating	40% of WW O&M Expenses	Policy
Capital Asset	1-year of capital (5-year average)	Recommended
Advanced Treatment	None	Recommended
Capital Asset Replacement	1-year of capital (5-year average)	Recommended
Bay Point Collection	40% of O&M + 1 year of capital (5-year average)	Recommended

The reserve balance as of July 1, 2024, equaled approximately $90.5M.

Financial Outlook at Existing Rates

Revenues from existing rates are sufficient to fund WW O&M through FY 2030 as shown in Figure 9. However, after designated fund transfers for capital spending to meet recommended minimum requirements, the utility has an annual deficit each year that is absorbed by the Operating reserve (Figure 10). Using WW O&M Fund (Operating Fund) reserves to cover the deficit caused by the capital transfers reduces the balance below the 40% target, generating pressure to increase rates. The current Operating reserve can absorb the designated fund transfers through FY 2026 while maintaining the 40% operating minimum reserve requirement but will not meet the minimum requirement beginning in FY 2027 and will be depleted by FY 2029. Figure 9 illustrates the operating position of the utility, before capital fund transfers, where WW O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at current rates. The bars represent the amount of net operating income before designated fund transfers for capital spending. Figure 10 identifies the operating position after designated fund transfers for capital.

Figure 9: Current Operating Financial Position Before Designated Fund Transfers

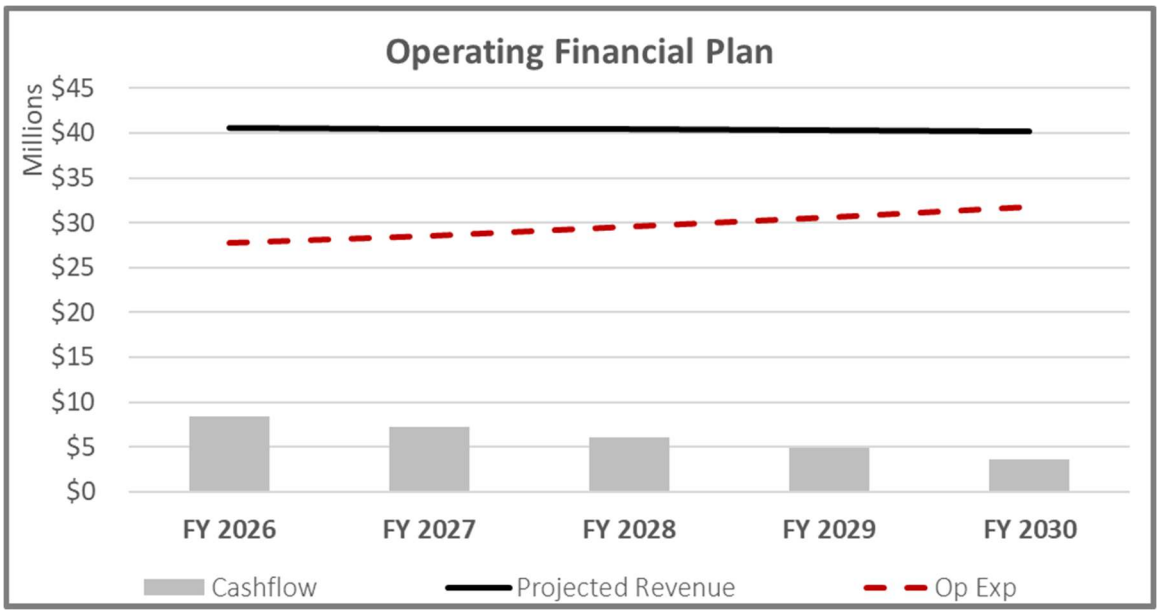


Figure 10: Current Operating Financial Position After Designated Fund Transfers

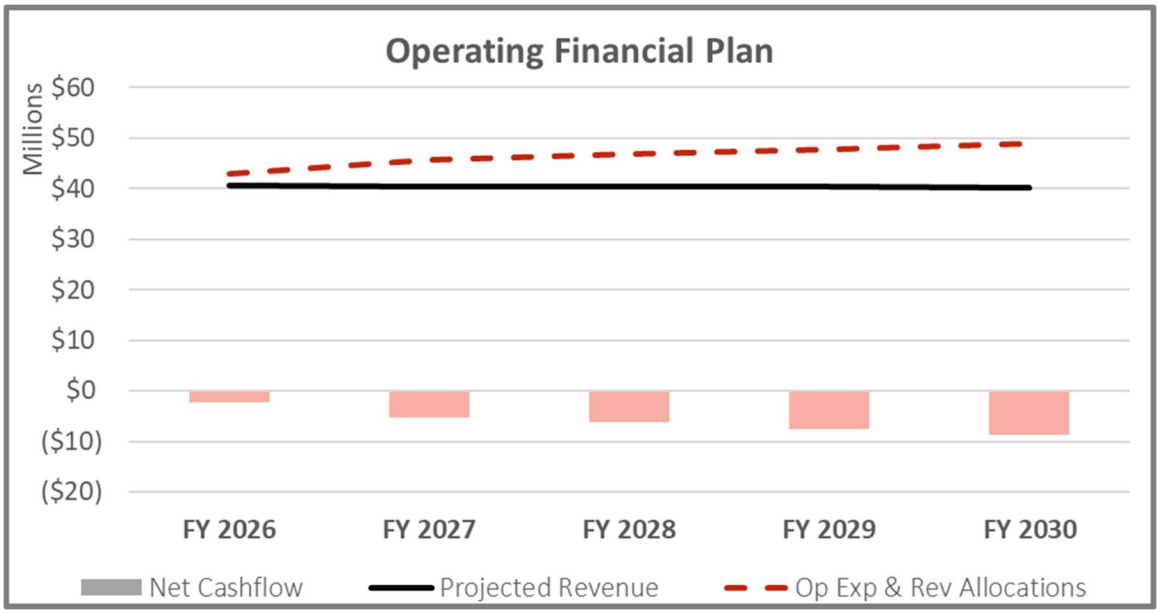


Table 10 forecasts existing revenues and expenses through the Financial Plan Period, with no proposed debt-financing. Table 11 identifies designated fund transfers, minimum reserve requirements, and fund activity, with projected FY 2026 starting reserve balances shown for each fund.

Table 10: Financial Plan at Existing Rates

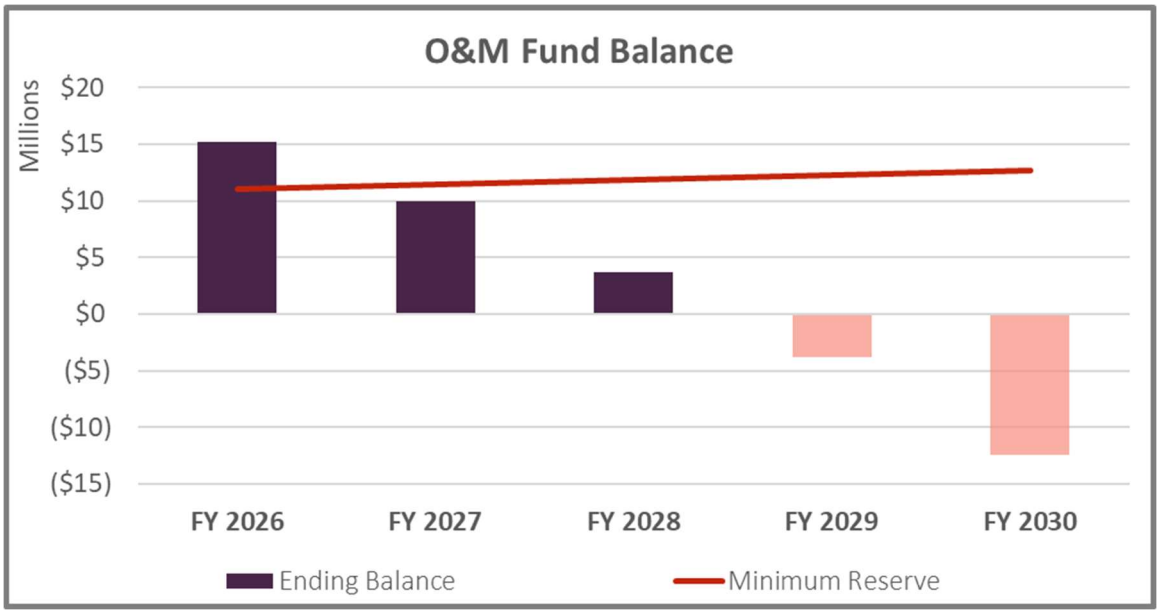
Financial Plan at Existing Rates						
Revenue		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Revenue						
SSCs Levy	Table 7	$38,300,000	$38,300,000	$38,300,000	$38,300,000	$38,300,000
SSCs - Direct Charges		$1,170,000	$1,170,000	$1,170,000	$1,170,000	$1,170,000
Total Rate Revenue		$39,470,000	$39,470,000	$39,470,000	$39,470,000	$39,470,000
Other Revenues						
Discharge Permit & Fees	Table 7	$116,000	$116,000	$116,000	$116,000	$116,000
Overhead (from Capital Projects)		$850,000	$850,000	$850,000	$850,000	$850,000
Miscellaneous		$200,000	$200,000	$200,000	$200,000	$200,000
Utility Rebates (from Calpine)		$253,000	$253,000	$253,000	$253,000	$253,000
Interest		$367,000	$328,000	$252,000	$137,000	$0
Subtotal Other Revenues		$1,786,000	$1,747,000	$1,671,000	$1,556,000	$1,419,000
Other Financing Sources						
Interfund Transfer	Table 7	($713,000)	($713,000)	($713,000)	($713,000)	($713,000)
Total Revenues		**$40,543,000**	**$40,504,000**	**$40,428,000**	**$40,313,000**	**$40,176,000**
O&M Expenses		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Expenses						
Administration Division	Table 8	$2,564,000	$2,640,000	$2,732,000	$2,828,000	$2,926,000
Board of Directors Division		$33,000	$34,000	$35,000	$36,000	$37,000
Public Information Division		$58,000	$59,000	$61,000	$63,000	$65,000
Human Resources Division		$1,609,000	$1,605,000	$1,660,000	$1,717,000	$1,776,000
Finance Division		$2,132,000	$2,144,000	$2,218,000	$2,295,000	$2,375,000
Information Technology Division		$1,608,000	$1,662,000	$1,722,000	$1,785,000	$1,850,000
Purchasing Division		$733,000	$754,000	$781,000	$808,000	$836,000
Engineering Division		$2,064,000	$2,262,000	$2,341,000	$2,422,000	$2,506,000
Maintenance Division		$5,032,000	$5,157,000	$5,337,000	$5,522,000	$5,714,000
Operations/Plant Division		$9,322,000	$9,703,000	$10,065,000	$10,441,000	$10,831,000
Laboratory Divison		$1,529,000	$1,478,000	$1,529,000	$1,582,000	$1,637,000
Lab Pretreatment Division		$536,000	$553,000	$572,000	$592,000	$613,000
Safety Division		$492,000	$521,000	$539,000	$558,000	$577,000
Total Operating Expenses		**$27,712,000**	**$28,572,000**	**$29,592,000**	**$30,649,000**	**$31,743,000**
Net Income (before transfers)		**$12,831,000**	**$11,932,000**	**$10,836,000**	**$9,664,000**	**$8,433,000**
Fund WW Revenue Allocations						
Capital Asset - 120		$0	$0	$0	$0	$0
Advanced Treatment - 125		$0	$0	$0	$0	$0
Capital Replacement - 130		$13,814,500	$15,788,000	$15,788,000	$15,788,000	$15,788,000
Bay Point - 520 & 550		$1,361,705	$1,341,980	$1,341,980	$1,341,980	$1,341,980
Subtotal Fund WW Revenue Allocations		$15,176,205	$17,129,980	$17,129,980	$17,129,980	$17,129,980
Net Income (after transfers)		**($2,345,205)**	**($5,197,980)**	**($6,293,980)**	**($7,465,980)**	**($8,696,980)**

Table 11: Transfers and Fund Activity at Existing Rates

Transfers and Fund Activity at Existing Rates								
Operations and Maintenance Fund			*110*	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Beginning Balance				$17,549,318	$15,204,113	$10,006,133	$3,712,153	($3,753,827)
Net Cashflow			Table 10	($2,345,205)	($5,197,980)	($6,293,980)	($7,465,980)	($8,696,980)
Ending Balance				**$15,204,113**	**$10,006,133**	**$3,712,153**	**($3,753,827)**	**($12,450,807)**
Minimum	40%	of operating expenses		$11,084,800	$11,428,800	$11,836,800	$12,259,600	$12,697,200
Capital Asset Fund			*120*	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Beginning Balance				$3,267,433	$3,149,115	$3,045,100	$2,934,943	$2,818,421
WW Revenue Allocation			Table 10	$0	$0	$0	$0	$0
Debt Service				($161,418)	($165,344)	($169,366)	($173,486)	($177,706)
CIP				($20,430)	$0	$0	$0	$0
Subtotal Capital Asset Fund				$3,085,585	$2,983,771	$2,875,734	$2,761,457	$2,640,715
Interest Earnings				$63,530	$61,329	$59,208	$56,964	$54,591
Ending Balance				**$3,149,115**	**$3,045,100**	**$2,934,943**	**$2,818,421**	**$2,695,306**
Minimum	1	year of capital (5-Year avg)		$4,086	$51,000	$255,000	$287,529	$320,057
Advanced Treatment Fund			*125*	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Beginning Balance				$24,805,936	$24,442,260	$20,931,505	$13,896,335	$7,447,662
WW Revenue Allocation			Table 10	$0	$0	$0	$0	$0
Transfer/loan to CAR				$0	$0	$0	$0	($1,732,662)
CIP				($851,282)	($3,960,000)	($7,380,000)	($6,660,000)	($5,715,000)
Subtotal Advanced Treatment Fund				$23,954,654	$20,482,260	$13,551,505	$7,236,335	$0
Interest Earnings				$487,606	$449,245	$344,830	$211,327	$0
Ending Balance				**$24,442,260**	**$20,931,505**	**$13,896,335**	**$7,447,662**	**$0**
Minimum	$0	Drawing down, no min		$0	$0	$0	$0	$0
Capital Asset Replacement Fund			*130*	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Beginning Balance				$40,862,661	$37,342,916	$23,181,301	($6,275,461)	($25,915,692)
WW Revenue Allocation			Table 10	$13,814,500	$15,788,000	$15,788,000	$15,788,000	$15,788,000
Transfer/loan from AT				$0	$0	$0	$0	$1,732,662
Other Revenues/Financing Sources								
Property Tax				$4,250,000	$4,335,000	$4,422,000	$4,510,000	$4,600,000
Debt Service				($1,280,466)	($1,280,365)	($1,280,262)	($1,280,156)	($1,226,133)
CIP				($21,078,091)	($33,603,500)	($48,386,500)	($38,658,075)	($31,215,500)
Subtotal Capital Asset Replacement Fund				$36,568,603	$22,582,051	($6,275,461)	($25,915,692)	($36,236,664)
Interest Earnings				$774,313	$599,250	$0	$0	$0
Ending Balance				**$37,342,916**	**$23,181,301**	**($6,275,461)**	**($25,915,692)**	**($36,236,664)**
Minimum	1	year of capital (5-Year avg)		$34,588,333	$34,685,867	$37,982,318	$38,126,670	$38,215,706
Bay Point - Collections			*520 & 550*	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Beginning Balance - Collection				$5,933,790	$5,646,817	$4,947,529	$3,156,619	$2,474,332
WW Revenue Allocation			Table 10	$1,361,705	$1,341,980	$1,341,980	$1,341,980	$1,341,980
Debt Service				($281,696)	($281,663)	($281,629)	($281,595)	($281,560)
Collection Operating Exp								
Maintenance Division - BP				($818,000)	($853,000)	($883,000)	($914,000)	($946,000)
CIP				($663,641)	($1,011,500)	($2,048,500)	($884,425)	($510,000)
Subtotal Target				$5,532,158	$4,842,635	$3,076,380	$2,418,580	$2,078,752
Interest Earnings				$114,659	$104,895	$80,239	$55,752	$45,531
Ending Balance				**$5,646,817**	**$4,947,529**	**$3,156,619**	**$2,474,332**	**$2,124,283**
Minimum	40%	of operating + 1 yr avg CIP		$1,350,813	$1,504,085	$1,653,785	$1,475,433	$1,530,296
All Reserves - Ending Balance				**$85,785,222**	**$62,111,568**	**$17,424,589**	**($16,929,105)**	**($43,867,882)**

Figure 11 reflects the projected ending balances of the District's operating reserve after designated fund transfers occur through FY 2030. By FY 2027, the operating reserve is below the minimum target.

Figure 11: Projected Ending Operating Balance at Existing Rates



Proposed Financial Plan

Based on our review of the financial outlook at existing rates, a proposed financial plan was developed to adequately fund the multi-year revenue requirements. The proposed financial plan will generate approximately $58.6M in additional revenue over the Financial Plan Period and debt-finance $70M of the Phase I Secondary Process Improvements. Based on additional capital reinvestment and the Secondary Process Improvements Phase 1 Project, Table 12 forecasts projected revenues, ***with annual revenue adjustments***, and expenses through FY 2030. Table 13 identifies the projected FY25/26 total starting reserve balances, minimum reserve requirements, activity within each Fund, debt proceeds under the CAR Fund (Fund 130), transfers between funds, annual CIP, and projected ending balances for each fiscal year of the Financial Plan Period.

Table 12: Proposed Financial Plan

Proposed Financial Plan						
Revenue		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Rate Revenue						
SSCs Levy	Table 7	$38,300,000	$38,300,000	$38,300,000	$38,300,000	$38,300,000
SSCs - Direct Charges		$1,170,000	$1,170,000	$1,170,000	$1,170,000	$1,170,000
Total Rate Revenue		$39,470,000	$39,470,000	$39,470,000	$39,470,000	$39,470,000
Additional Revenue (from revenue adjustments):						
Fiscal Year / Effective Month / # of Months Effective						
FY 2026 – July – 12		$3,731,000	$3,731,000	$3,731,000	$3,731,000	$3,731,000
FY 2027 – July – 12			$3,672,000	$3,672,000	$3,672,000	$3,672,000
FY 2028 – July – 12				$3,984,000	$3,984,000	$3,984,000
FY 2029 – July – 12					$4,322,000	$4,322,000
FY 2030 – July – 12						$4,690,000
Total Additional Revenue		$3,731,000	$7,403,000	$11,387,000	$15,709,000	$20,399,000
Projected Rate Revenues ***(with revenue adjustments)***		$43,201,000	$46,873,000	$50,857,000	$55,179,000	$59,869,000
Other Revenues						
Discharge Permit & Fees	Table 7	$116,000	$116,000	$116,000	$116,000	$116,000
Overhead (from Capital Projects)		$850,000	$850,000	$850,000	$850,000	$850,000
Miscellaneous		$200,000	$200,000	$200,000	$200,000	$200,000
Utility Rebates (from Calpine)		$253,000	$253,000	$253,000	$253,000	$253,000
Interest	*Calculated*	$367,000	$350,000	$340,000	$333,000	$351,000
Subtotal Other Revenues		$1,786,000	$1,769,000	$1,759,000	$1,752,000	$1,770,000
Other Financing Sources						
Interfund Transfer	Table 7	($713,000)	($713,000)	($713,000)	($713,000)	($713,000)
Total Revenues		**$44,274,000**	**$47,929,000**	**$51,903,000**	**$56,218,000**	**$60,926,000**
O&M Expenses		**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Operating Expenses						
Administration Division	Table 8	$2,564,000	$2,640,000	$2,732,000	$2,828,000	$2,926,000
Board of Directors Division		$33,000	$34,000	$35,000	$36,000	$37,000
Public Information Division		$58,000	$59,000	$61,000	$63,000	$65,000
Human Resources Division		$1,609,000	$1,605,000	$1,660,000	$1,717,000	$1,776,000
Finance Division		$2,132,000	$2,144,000	$2,218,000	$2,295,000	$2,375,000
Information Technology Division		$1,608,000	$1,662,000	$1,722,000	$1,785,000	$1,850,000
Purchasing Division		$733,000	$754,000	$781,000	$808,000	$836,000
Engineering Division		$2,064,000	$2,262,000	$2,341,000	$2,422,000	$2,506,000
Maintenance Division		$5,032,000	$5,157,000	$5,337,000	$5,522,000	$5,714,000
Operations/Plant Division		$9,322,000	$9,703,000	$10,065,000	$10,441,000	$10,831,000
Laboratory Divison		$1,529,000	$1,478,000	$1,529,000	$1,582,000	$1,637,000
Lab Pretreatment Division		$536,000	$553,000	$572,000	$592,000	$613,000
Safety Division		$492,000	$521,000	$539,000	$558,000	$577,000
Total Operating Expenses		**$27,712,000**	**$28,572,000**	**$29,592,000**	**$30,649,000**	**$31,743,000**
Net Income (before transfers)		**$16,562,000**	**$19,357,000**	**$22,311,000**	**$25,569,000**	**$29,183,000**
Fund WW Revenue Allocations						
Capital Asset - 120		$0	$0	$0	$0	$0
Advanced Treatment - 125		$0	$0	$0	$0	$0
Capital Replacement - 130		$15,120,350	$18,749,200	$20,342,800	$22,071,600	$23,947,600
Bay Point - 520 & 550		$1,490,424	$1,593,682	$1,729,138	$1,876,086	$2,035,546
Subtotal Fund WW Revenue Allocations		$16,610,774	$20,342,882	$22,071,938	$23,947,686	$25,983,146
Net Income (after transfers)		**($48,774)**	**($985,882)**	**$239,062**	**$1,621,314**	**$3,199,854**

Table 13: Proposed Transfers and Fund Activity

Proposed Transfers and Fund Activity								
Operations and Maintenance Fund			*110*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance				$17,549,318	$17,500,544	$16,514,662	$16,753,724	$18,375,038
Net Cashflow			Table 12	($48,774)	($985,882)	$239,062	$1,621,314	$3,199,854
Ending Balance				**$17,500,544**	**$16,514,662**	**$16,753,724**	**$18,375,038**	**$21,574,892**
Minimum	40%	of operating expenses		$11,084,800	$11,428,800	$11,836,800	$12,259,600	$12,697,200
Capital Asset Fund			*120*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance				$3,267,433	$3,149,115	$3,045,100	$2,934,943	$2,818,421
WW Revenue Allocation			Table 12	$0	$0	$0	$0	$0
Debt Service				($161,418)	($165,344)	($169,366)	($173,486)	($177,706)
CIP				($20,430)	$0	$0	$0	$0
Subtotal Capital Asset Fund				$3,085,585	$2,983,771	$2,875,734	$2,761,457	$2,640,715
Interest Earnings				$63,530	$61,329	$59,208	$56,964	$54,591
Ending Balance				**$3,149,115**	**$3,045,100**	**$2,934,943**	**$2,818,421**	**$2,695,306**
Minimum	1	year of capital (5-Year avg)		$4,086	$51,000	$255,000	$287,529	$320,057
Advanced Treatment Fund			*125*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance				$24,805,936	$24,442,260	$20,931,505	$13,896,335	$7,447,662
WW Revenue Allocation			Table 12	$0	$0	$0	$0	$0
Transfer/loan to CAR				$0	$0	$0	$0	($1,732,662)
CIP				($851,282)	($3,960,000)	($7,380,000)	($6,660,000)	($5,715,000)
Subtotal Advanced Treatment Fund				$23,954,654	$20,482,260	$13,551,505	$7,236,335	$0
Interest Earnings				$487,606	$449,245	$344,830	$211,327	$0
Ending Balance				**$24,442,260**	**$20,931,505**	**$13,896,335**	**$7,447,662**	**$0**
Minimum	$0	Drawing down, no min		$0	$0	$0	$0	$0
Capital Asset Replacement Fund			*130*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance				$40,862,661	$41,449,425	$40,466,260	$39,471,212	$45,551,848
WW Revenue Allocation			Table 12	$15,120,350	$18,749,200	$20,342,800	$22,071,600	$23,947,600
Transfer/loan from AT				$0	$0	$0	$0	$1,732,662
Other Revenues/Financing Sources								
Property Tax				$4,250,000	$4,335,000	$4,422,000	$4,510,000	$4,600,000
Debt Proceeds				$2,760,000	$15,180,000	$28,290,000	$23,770,000	$0
Debt Service				($1,280,466)	($6,454,911)	($6,454,808)	($6,454,702)	($6,400,679)
CIP				($21,078,091)	($33,603,500)	($48,386,500)	($38,658,075)	($31,215,500)
Subtotal Capital Asset Replacement Fund				$40,634,453	$39,655,214	$38,679,752	$44,710,035	$38,215,930
Interest Earnings				$814,971	$811,046	$791,460	$841,812	$837,678
Ending Balance				**$41,449,425**	**$40,466,260**	**$39,471,212**	**$45,551,848**	**$39,053,608**
Minimum	1	year of capital (5-Year avg)		$34,588,333	$34,685,867	$37,982,318	$38,126,670	$38,215,706
Bay Point - Collections			*520 & 550*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Beginning Balance - Collection				$5,933,790	$5,776,823	$5,334,354	$3,942,210	$3,815,081
WW Revenue Allocation			Table 12	$1,490,424	$1,593,682	$1,729,138	$1,876,086	$2,035,546
Debt Service				($281,696)	($281,663)	($281,629)	($281,595)	($281,560)
Collection Operating Exp								
Maintenance Division - BP				($818,000)	($853,000)	($883,000)	($914,000)	($946,000)
CIP				($663,641)	($1,011,500)	($2,048,500)	($884,425)	($510,000)
Subtotal Target				$5,660,876	$5,224,342	$3,850,363	$3,738,277	$4,113,068
Interest Earnings				$115,947	$110,012	$91,847	$76,805	$79,281
Ending Balance				**$5,776,823**	**$5,334,354**	**$3,942,210**	**$3,815,081**	**$4,192,349**
Minimum	40%	of operating + 1 yr avg CIP		$1,350,813	$1,504,085	$1,653,785	$1,475,433	$1,530,296
All Reserves - Ending Balance				**$92,318,167**	**$86,291,882**	**$76,998,425**	**$78,008,050**	**$67,516,156**

Figure 12 identifies the operating position based on the proposed financial plan. Although operating net cashflow reflects a slight deficit in certain years due to designated fund transfers, the Operating Fund can absorb the transfers while maintaining the 40% operating minimum requirement.

Figure 12: Proposed Operating Position After Transfers to Designated Funds

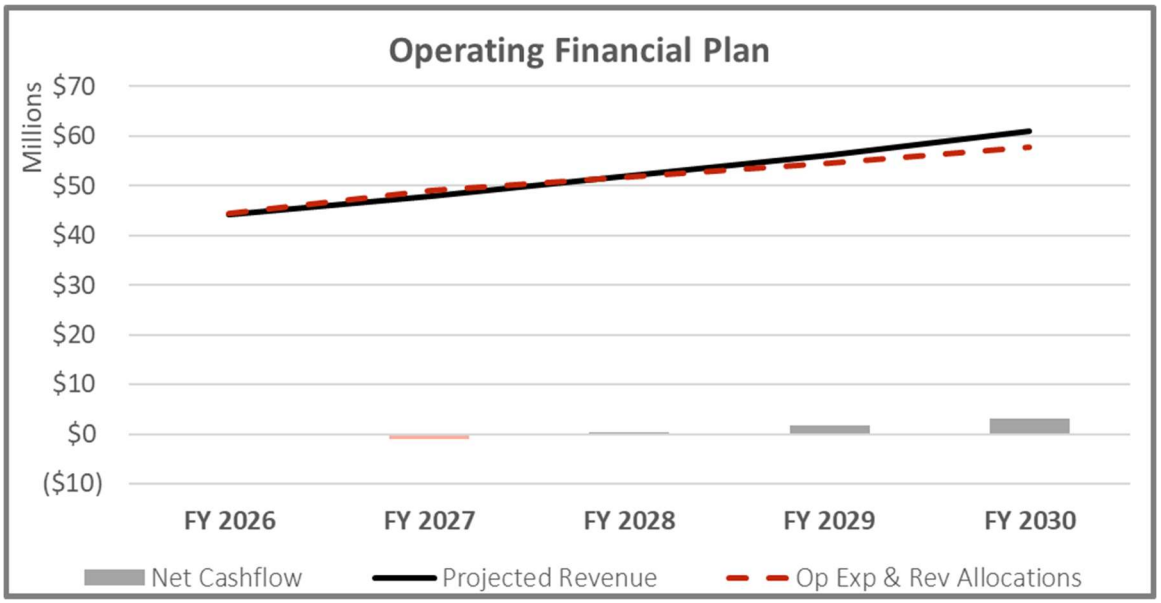


Figure 13 through Figure 16 identify each fund's capital plan with funding sources. $70M in debt proceeds is anticipated for the CAR Fund to finance a portion of the Secondary Process Improvements Phase 1 Project and a portion of the capital will also be funded by property tax revenue (Other Funding).

Figure 13: Capital Funding Plan – Capital Assets

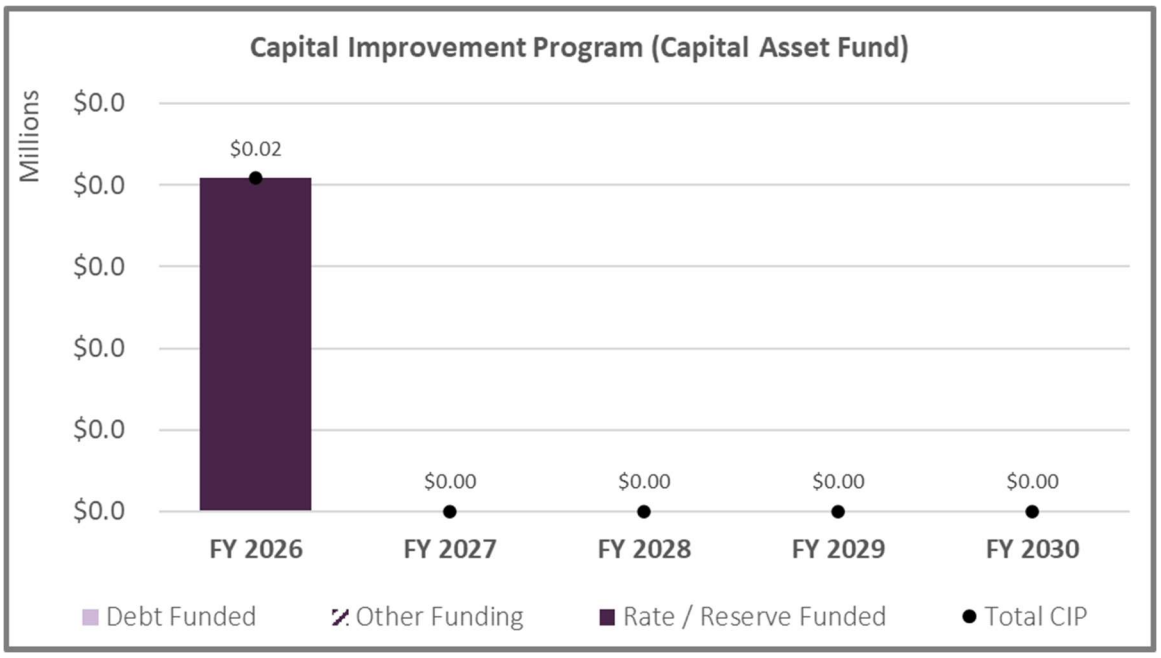


Figure 14: Capital Funding Plan – Advanced Treatment

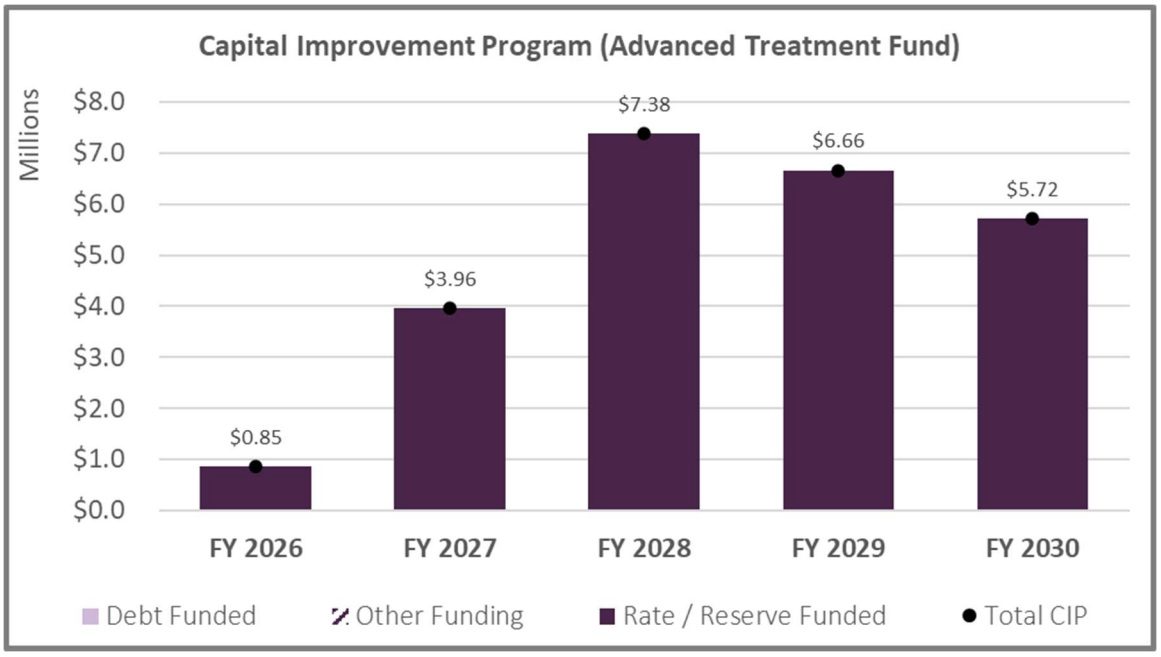


Figure 15: Capital Funding Plan – Capital Asset Replacement

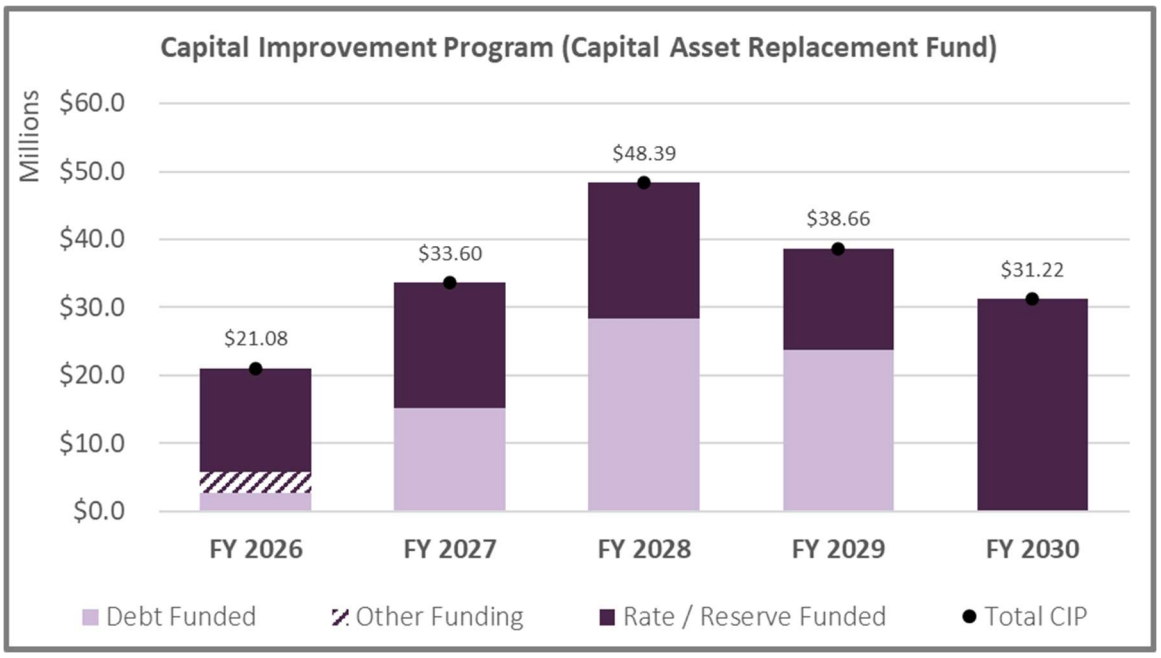


Figure 16: Capital Funding Plan – Bay Point Collection

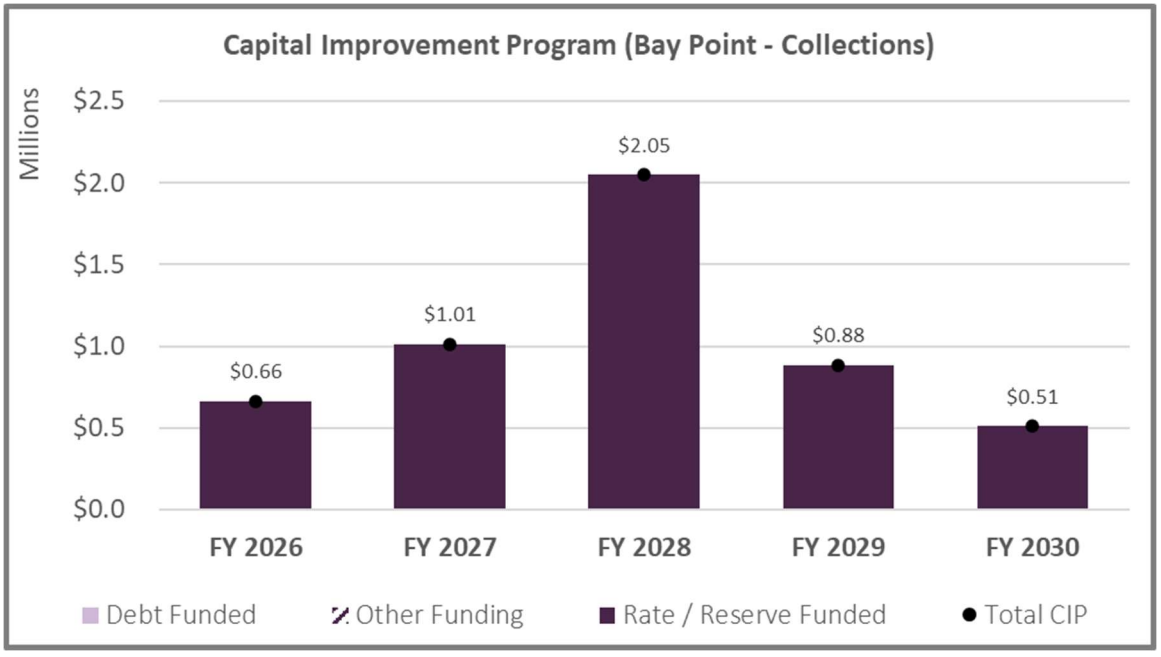


Figure 17 identifies projected ending balances for the Operating Fund, and Figure 18 identifies the combined projected ending balances for all funds. The Operating Fund's projected ending balance in FY 2030 is $21.6M, which will provide additional funding for the remaining 15% of capital costs that will eventually be spent.

Figure 17: Projected Ending Balance - Operating

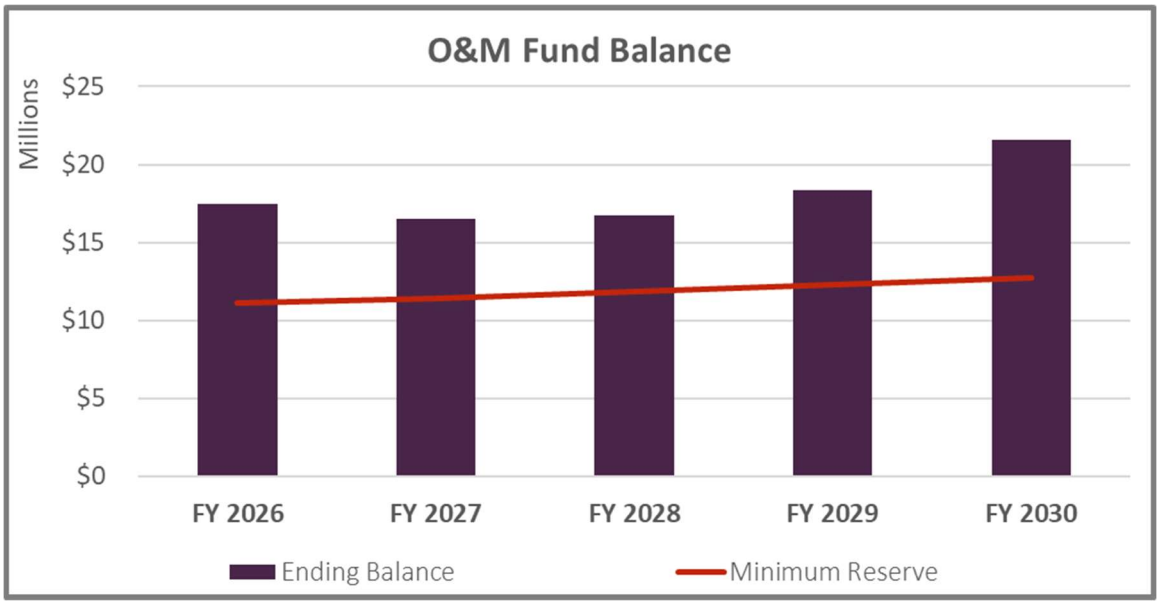
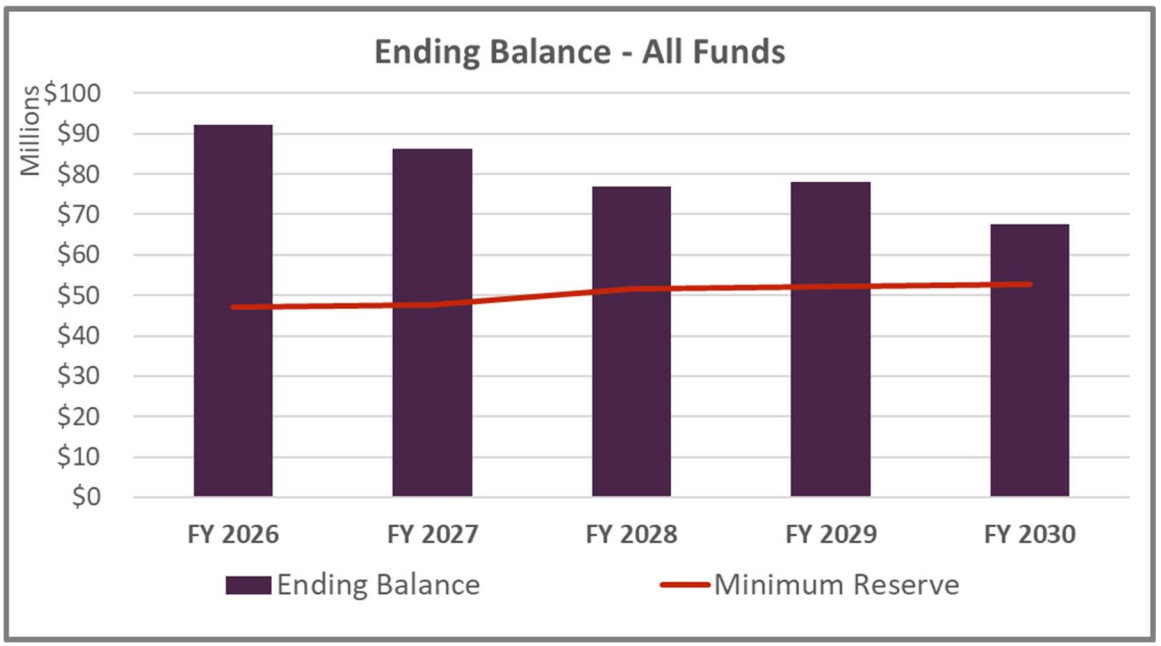


Figure 18: Projected Ending Balances – All Funds



Cost-of-Service Analysis

Cost-of-Service Process

The next step in developing sewer service charges is to perform a cost-of-service analysis. Through this process, costs incurred are allocated to customer classes based on their proportional share. As a result, the proposed charges are cost-based and reflect the costs incurred to provide service to customers.

Revenue Requirements

FY 2026 revenue requirements were used for the cost-of-service analysis. Revenue requirements include O&M expenses, debt service, available revenue offsets, non-rate revenues, and annual net income. The proposed revenue adjustments and corresponding charges accumulate the necessary revenue to fund O&M, capital projects, and comply with minimum reserve requirements. The results of the financial plan analysis are summarized in Table 14 and represent the revenue required from rates for FY 2026 through FY 2030.

Table 14: Revenue Requirements

Revenue Requirements	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Expenses					
Administration Division	$2,564,000	$2,640,000	$2,732,000	$2,828,000	$2,926,000
Board of Directors Division	$33,000	$34,000	$35,000	$36,000	$37,000
Public Information Division	$58,000	$59,000	$61,000	$63,000	$65,000
Human Resources Division	$1,609,000	$1,605,000	$1,660,000	$1,717,000	$1,776,000
Finance Division	$2,132,000	$2,144,000	$2,218,000	$2,295,000	$2,375,000
Information Technology Division	$1,608,000	$1,662,000	$1,722,000	$1,785,000	$1,850,000
Purchasing Division	$733,000	$754,000	$781,000	$808,000	$836,000
Engineering Division	$2,064,000	$2,262,000	$2,341,000	$2,422,000	$2,506,000
Maintenance Division	$5,032,000	$5,157,000	$5,337,000	$5,522,000	$5,714,000
Operations/Plant Division	$9,322,000	$9,703,000	$10,065,000	$10,441,000	$10,831,000
Laboratory Divison	$1,529,000	$1,478,000	$1,529,000	$1,582,000	$1,637,000
Lab Pretreatment Division	$536,000	$553,000	$572,000	$592,000	$613,000
Safety Division	$492,000	$521,000	$539,000	$558,000	$577,000
Total Operating Expenses	$27,712,000	$28,572,000	$29,592,000	$30,649,000	$31,743,000
Designated Funds					
Capital Asset - 120	$0	$0	$0	$0	$0
Advanced Treatment - 125	$0	$0	$0	$0	$0
Capital Replacement - 130	$15,120,350	$18,749,200	$20,342,800	$22,071,600	$23,947,600
Bay Point - 520 & 550	$1,490,424	$1,593,682	$1,729,138	$1,876,086	$2,035,546
Total Designated Funds	$16,610,774	$20,342,882	$22,071,938	$23,947,686	$25,983,146
Other Funding					
Other Revenues					
Discharge Permit & Fees	($116,000)	($116,000)	($116,000)	($116,000)	($116,000)
Overhead (from Capital Projects)	($850,000)	($850,000)	($850,000)	($850,000)	($850,000)
Miscellaneous	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
Utility Rebates (from Calpine)	($253,000)	($253,000)	($253,000)	($253,000)	($253,000)
Interest	($367,000)	($350,000)	($340,000)	($333,000)	($351,000)
Subtotal Other Revenues	($1,786,000)	($1,769,000)	($1,759,000)	($1,752,000)	($1,770,000)
Other Financing Sources					
Interfund Transfer	$713,000	$713,000	$713,000	$713,000	$713,000
Adjustments					
Reserve Funding (Fund 110 Net Income)	($48,774)	($985,882)	$239,062	$1,621,314	$3,199,854
Total Other Funding	($1,121,774)	($2,041,882)	($806,938)	$582,314	$2,142,854
Revenue Required from Rates	**$43,201,000**	**$46,873,000**	**$50,857,000**	**$55,179,000**	**$59,869,000**

Define Cost Components

Cost-of-service requirements were allocated to cost components and then to customer classes utilizing a cost causation approach endorsed by the Water Environment Federation (WEF) rate-setting manual - Financing and Charges for Wastewater Systems (Manual of Practice 27). The utility incurs costs to accommodate total flow and various strength concentrations of influent generated by different customer classes. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified and used to allocate expenses based on how they are incurred. Through the review of the revenue requirements and based on an understanding of the wastewater system, the cost-of-service allocation documented in this report is based on flow (volume influent in HCF), and the strength characteristics of the District's customer classes. Strength loading factors for biochemical oxygen demand (BOD) and total suspended solids (TSS) are identified by customer class. Strength factors are based on previous constituent testing performed by the District and the State Water Resources Control Board (SWRCB) *Revenue Program Guidelines, Appendix G*. Using this approach, revenue requirements are allocated to the different customer classes proportionate to their demand on the WWTP.

The cost-of-service analysis accounts for system costs to meet both the total volume of influent and the strength of influent from customers. The cost components shown in Figure 19 are used within the cost-of-service to allocate costs to customer classes based on the demand each place on the system.

Figure 19: Cost Components



Flow – Expenses associated with operating and maintaining the District's WWTP, including overhead, central service expenses, staffing, and a portion of capital and reserves.
BOD – Expenses incurred to treat BOD at the WWTP, including a portion of capital and reserves.
TSS – Expenses incurred to treat TSS at the WWTP, including a portion of capital and reserves.
Bay Point Collection – Expenses associated with operating and maintaining the Bay Point wastewater collection system.

Allocate Expenses to Cost Components

When allocating expenses to the defined cost components, it is vital to have a sound basis for why an expense was allocated to a specific cost component. The distribution of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**. A description of each expense category is identified below.

Expense Categories:

Operating Expenses – The annual operating costs include general overhead, District central services, and expenses directly related to the daily operations of the WWTP. Therefore, specific line items associated with overhead and District central services were allocated to total flow, and treatment-related expenses were allocated between Flow, BOD, and TSS based on the configuration of the WWTP processes that were provided by District staff.

Designated Funds– Annual direct fund transfers necessary to meet the District's capital needs, including debt.

Other Revenues – Non-operating revenues such as permits & fees and interest.

Other Financing Sources – Costs associated with the District's Household Hazardous Waste (HHW) program, which properly disposes of household hazardous materials, such as oils, paints, chemicals, etc., and mitigates these products from being disposed of into the wastewater system.

Adjustments – Net income applied to Operating Fund.

Table 15 summarizes the percent allocation and corresponding expenses in dollars of operating expenses to the cost components. The percentages shown in Table 15 were based on discussions with District staff. Based on the District staff's experience and direct knowledge of the treatment plant processes, 74.2% of the cost incurred is to move flow, 14.8% is associated with BOD treatment, and 11% is associated with TSS treatment (Treatment Plant %).

Table 15: Operating Expense Allocation to Cost Components

Operating Expenses	Methodology / Allocation Basis	Cost Components				
		Flow	BOD	TSS	BP Collection	Total
Administration Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Board of Directors Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Public Information Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Human Resources Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Finance Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Information Technology Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Purchasing Division	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Engineering Division	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Maintenance Division	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Operations/Plant Division	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Laboratory Divison	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Lab Pretreatment Division	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Safety Division	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%

Operating Expenses	Methodology / Allocation Basis	Cost Components				
		Flow	BOD	TSS	BP Collection	Total
Administration Division	*Specific*	$2,564,000	$0	$0	$0	$2,564,000
Board of Directors Division	*Specific*	$33,000	$0	$0	$0	$33,000
Public Information Division	*Specific*	$58,000	$0	$0	$0	$58,000
Human Resources Division	*Specific*	$1,609,000	$0	$0	$0	$1,609,000
Finance Division	*Specific*	$2,132,000	$0	$0	$0	$2,132,000
Information Technology Division	*Specific*	$1,608,000	$0	$0	$0	$1,608,000
Purchasing Division	*Specific*	$733,000	$0	$0	$0	$733,000
Engineering Division	*Treatment Plant*	$1,531,488	$305,472	$227,040	$0	$2,064,000
Maintenance Division	*Treatment Plant*	$3,733,744	$744,736	$553,520	$0	$5,032,000
Operations/Plant Division	*Treatment Plant*	$6,916,924	$1,379,656	$1,025,420	$0	$9,322,000
Laboratory Divison	*Treatment Plant*	$1,134,518	$226,292	$168,190	$0	$1,529,000
Lab Pretreatment Division	*Treatment Plant*	$397,712	$79,328	$58,960	$0	$536,000
Safety Division	*Treatment Plant*	$365,064	$72,816	$54,120	$0	$492,000
Total Allocation ($)		**$22,816,450**	**$2,808,300**	**$2,087,250**	**$0**	**$27,712,000**
O&M Allocation (%)		*82.3%*	*10.1%*	*7.5%*	*0.0%*	*100.0%*

Transfers to the designated funds of Capital Asset, Advanced Treatment, and Capital Replacement are allocated to the cost components based on the Treatment Plant % because these capital projects are associated with the WWTP. Bay Point collection transfers are allocated directly to Bay Point. Table 16 summarizes the percent allocation and corresponding expenses in dollars of designated funds to the cost components.

Table 16: Designated Funds Allocation to Cost Components

Designated Funds	Methodology / Allocation Basis	Cost Components				
		Flow	BOD	TSS	BP Collection	Total
Capital Asset - 120	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Advanced Treatment - 125	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Capital Replacement - 130	Treatment Plant	74.2%	14.8%	11.0%	0.0%	100.0%
Bay Point - 520 & 550	Specific	0.0%	0.0%	0.0%	100.0%	100.0%

Designated Funds	Methodology / Allocation Basis	Cost Components				
		Flow	BOD	TSS	BP Collection	Total
Capital Asset - 120	*Treatment Plant*	$0	$0	$0	$0	$0
Advanced Treatment - 125	*Treatment Plant*	$0	$0	$0	$0	$0
Capital Replacement - 130	*Treatment Plant*	$11,219,300	$2,237,812	$1,663,239	$0	$15,120,350
Bay Point - 520 & 550	*Specific*	$0	$0	$0	$1,490,424	$1,490,424
Total Allocation ($)		**$11,219,300**	**$2,237,812**	**$1,663,239**	**$1,490,424**	**$16,610,774**

Table 17 summarizes the percent allocation and corresponding expenses in dollars of District revenue offsets and operating reserve funding. For Other Revenues, Interfund Transfer, and Reserve Funding, all line items were allocated to the cost components proportionately based on O&M Allocation percentages derived in Table 15.

Table 17: Other Funding Allocation to Cost Components

Other Funding	Methodology / Allocation Basis	Cost Components: Flow	BOD	TSS	BP Collection	Total
Other Revenues						
Discharge Permit & Fees	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Overhead (from Capital Projects)	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Miscellaneous	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Utility Rebates (from Calpine)	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Interest	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Other Financing Sources						
Interfund Transfer	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%
Adjustments						
Reserve Funding (Fund 110 Net Income)	O&M Allocation	82.3%	10.1%	7.5%	0.0%	100.0%

Other Funding	Methodology / Allocation Basis	Cost Components: Flow	BOD	TSS	BP Collection	Total
Other Revenues						
Discharge Permit & Fees	O&M Allocation	($95,508)	($11,755)	($8,737)	$0	($116,000)
Overhead (from Capital Projects)	O&M Allocation	($699,841)	($86,138)	($64,021)	$0	($850,000)
Miscellaneous	O&M Allocation	($164,668)	($20,268)	($15,064)	$0	($200,000)
Utility Rebates (from Calpine)	O&M Allocation	($208,305)	($25,639)	($19,056)	$0	($253,000)
Interest	O&M Allocation	($302,166)	($37,191)	($27,642)	$0	($367,000)
Other Financing Sources						
Interfund Transfer	O&M Allocation	$587,043	$72,255	$53,703	$0	$713,000
Adjustments						
Reserve Funding (Fund 110 Net Income)	O&M Allocation	($40,157)	($4,943)	($3,674)	$0	($48,774)
Total Allocation ($)		**($923,603)**	**($113,679)**	**($84,491)**	**$0**	**($1,121,774)**

Table 18 summarizes the wastewater revenue requirements by cost component for FY 2026.

Table 18: FY 2026 Cost-of-Service Requirements by Cost Component

FY 2026 Revenue Requirements					
Revenue Requirements	Flow	BOD	TSS	BP Collection	Total
Operating Expenses	$22,816,450	$2,808,300	$2,087,250	$0	$27,712,000
Designated Funds	$11,219,300	$2,237,812	$1,663,239	$1,490,424	$16,610,774
Other Funding	($923,603)	($113,679)	($84,491)	$0	($1,121,774)
COS Requirement	**$33,112,147**	**$4,932,433**	**$3,665,997**	**$1,490,424**	**$43,201,000**

Rate Design

Develop Units of Service

Residential customers' projected flow is based on gallons per capita per day (gpcd) of indoor use, and a flow return factor is used to project flows from Non-Residential customers based on their water usage. The cost-of-service rate study included an analysis of the amount of influent treated at the plant and projections of wastewater flows from the different customer types. Residential customers projected flow still remains at approximately 80 HCF per year; therefore, the minimum charge to Non-residential customers will remain at 80 HCF. The total projected Residential flow is calculated by multiplying the annual HCF by the number of residential parcels. For Non-Residential customers, a wastewater return factor was determined by first taking the total amount of influent treated at the plant, less Inflow and Infiltration (I&I), less projected flows from Residential customers. The result reflected an 84% wastewater return factor when comparing the amount of remaining influent as a percentage of Non-Residential total water usage. In other words, it is projected that 84% of Non-residential water usage converts to discharge into the wastewater system. Collectively, the projected flow of Residential customers and Non-Residential customers derived within the analysis tied to the amount treated at the plant (less I&I). Table 19 derives the projected Residential flow, the projected Non-Residential flow, and the Non-Residential return factor.

Table 19: Flow Projections

Residential Flow	
	Assumptions
Gallons per capita per day	50 gpcd
x People per Residential household	3.30 pph
x 365 days (Annual Flow)	365
Projected Residential Flow (gallons)	60,225
Converted to HCF (÷ by 748.052)	80.5 HCF
x Number of Residential Units	70,396
Projected Residential Flow (HCF)	**5,667,519**

Non-Residential Flow		
Flow Assumptions (HCF)		CY 2024
Total Treated Flow		6,625,208
Less: Inflow and Infiltration (I&I)	2.9%	(192,131)
Projected Flows from Customers		6,433,077
Less Projected Residential Flow		(5,667,519)
Projected Non-Residential Flow (HCF)		**765,558**

Non-Residential Return Factor			
Customer Class	Projected Flow [A]	Water Usage [B]	Return Factor [C] = A ÷ *B*
Non-Residential	765,558	907,348	84%

The 84% return factor was applied to the projected FY 2026 usage to determine the Non-Residential wastewater flows for the cost-of-service analysis. Unit rates for the cost components are calculated by determining the units of service for each cost component (distribution basis). The distribution basis varies by cost component and includes total projected flow, weighted BOD, and weighted TSS. Table 20 summarizes the projected flow of each customer class.

Table 21 derives the units of service for BOD by taking the strength concentrations of BOD weighted by projected flow (Weighted BOD). Table 22 derives the units of service for TSS by taking the strength concentrations of TSS weighted by projected flow (Weighted TSS).

Table 20: Units of Service – Projected Water Usage and Projected Flow

Water Usage & Projected Flow								
Customer Class	FY 2026 Projected Water Usage w/Min (HCF)			Total Water Usage	FY 2026 Projected Flow (HCF)			Total Projected Flow
	Zone 1 Usage	Zone 2 Usage	Zone 3 Usage		Zone 1 Flow	Zone 2 Flow	Zone 3 Flow	
	Bay Point	Pittsburg	Antioch		Bay Point	Pittsburg	Antioch	
Residential	583,369	1,952,748	3,101,855	**5,637,972**	583,369	1,952,748	3,101,855	**5,637,972**
Bakeries & Restaurants	5,723	50,153	52,028	**107,904**	4,857	42,396	44,197	**91,450**
Dow Chemical	-	64,702	-	**64,702**	-	54,591	-	**54,591**
G&K Services	-	20,925	-	**20,925**	-	17,655	-	**17,655**
Hotel/Motel	-	11,696	8,361	**20,057**	-	9,868	7,067	**16,935**
Institutional	6,306	59,405	147,184	**212,895**	5,401	50,422	124,406	**180,228**
Light Industry	12,790	131,332	45,145	**189,267**	10,841	111,793	38,737	**161,372**
Marinas	-	805	80	**885**	-	684	80	**764**
Generon IGS	-	5,693	-	**5,693**	-	4,803	-	**4,803**
Misc. Commercial	16,686	117,960	242,402	**377,048**	14,611	103,976	213,263	**331,850**
Mortuaries	-	529	1,072	**1,601**	-	452	904	**1,356**
Praxair	-	10,458	-	**10,458**	-	8,824	-	**8,824**
Premark Packaging	197	-	-	**197**	166	-	-	**166**
U.S. Army	981	-	-	**981**	828	-	-	**828**
Total	**626,052**	**2,426,406**	**3,598,127**	**6,650,585**	**620,073**	**2,358,212**	**3,530,509**	**6,508,795**

Table 21: Units of Service – Weighted BOD

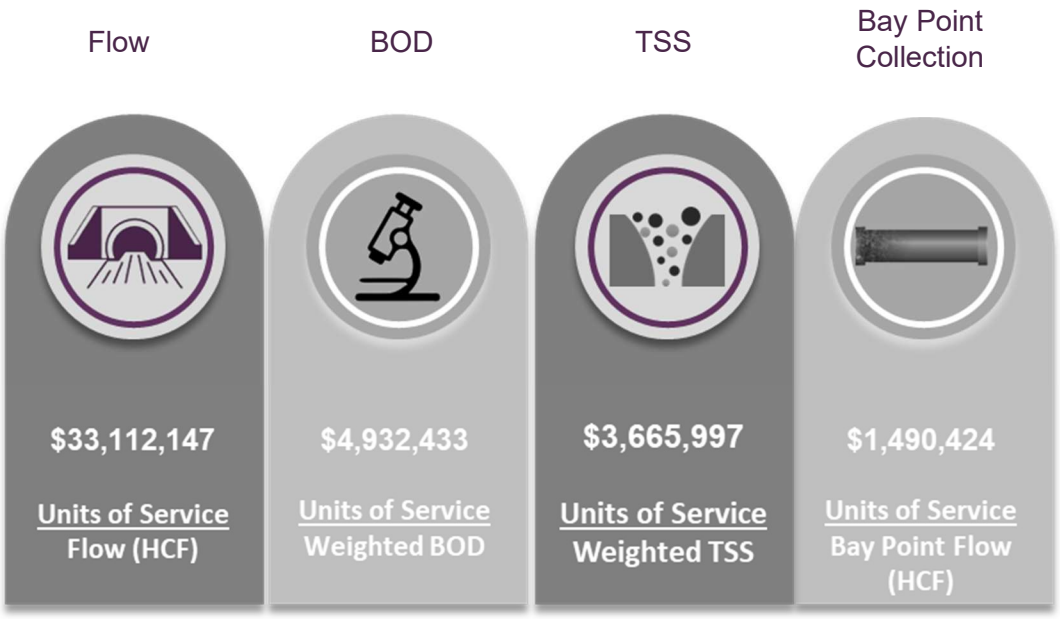
Weighted BOD										
Customer Class	BOD (ppm) [A]	Conversion Factor (HCF to lbs) [B]	FY 2026 Projected Flow (HCF)			Total Projected Flow [F] =C+D+E	Weighted BOD (lbs)			Total Weighted BOD [J] =G+H+I
			Zone 1 Flow	Zone 2 Flow	Zone 3 Flow		Zone 1 BOD	Zone 2 BOD	Zone 3 BOD	
			Bay Point [C]	Pittsburg [D]	Antioch [E]		Bay Point [G] = AxBxC	Pittsburg [H] = AxBxD	Antioch [I] = AxBxE	
Residential	220	0.00620883	583,369	1,952,748	3,101,855	**5,637,972**	796,849	2,667,343	4,236,957	**7,701,149**
Bakeries & Restaurants	1,000	0.00620883	4,857	42,396	44,197	**91,450**	30,158	263,227	274,410	**567,795**
Dow Chemical	25	0.00620883	-	54,591	-	**54,591**	-	8,474	-	**8,474**
G&K Services	481	0.00620883	-	17,655	-	**17,655**	-	52,726	-	**52,726**
Hotel/Motel	310	0.00620883	-	9,868	7,067	**16,935**	-	18,994	13,602	**32,596**
Institutional	150	0.00620883	5,401	50,422	124,406	**180,228**	5,030	46,959	115,862	**167,851**
Light Industry	130	0.00620883	10,841	111,793	38,737	**161,372**	8,751	90,234	31,267	**130,251**
Marinas	500	0.00620883	-	684	80	**764**	-	2,124	248	**2,372**
Generon IGS	559	0.00620883	-	4,803	-	**4,803**	-	16,671	-	**16,671**
Misc. Commercial	150	0.00620883	14,611	103,976	213,263	**331,850**	13,608	96,835	198,618	**309,060**
Mortuaries	500	0.00620883	-	452	904	**1,356**	-	1,403	2,808	**4,210**
Praxair	3	0.00620883	-	8,824	-	**8,824**	-	164	-	**164**
Premark Packaging	150	0.00620883	166	-	-	**166**	155	-	-	**155**
U.S. Army	13	0.00620883	828	-	-	**828**	67	-	-	**67**
Total			**620,073**	**2,358,212**	**3,530,509**	**6,508,795**	**854,617**	**3,265,154**	**4,873,771**	**8,993,542**

Table 22: Units of Service – Weighted TSS

Weighted TSS										
			FY 2026 Projected Flow (HCF)				Weighted TSS (lbs)			
Customer Class	TSS (ppm) [A]	Conversion Factor (HCF to lbs) [B]	Zone 1 Flow Bay Point [C]	Zone 2 Flow Pittsburg [D]	Zone 3 Flow Antioch [E]	Total Projected Flow [F] =C+D+E	Zone 1 TSS Bay Point [G] = AxBxC	Zone 2 TSS Pittsburg [H] = AxBxD	Zone 3 TSS Antioch [I] = AxBxE	Total Weighted TSS [J] =G+H+I
Residential	220	0.00620883	583,369	1,952,748	3,101,855	**5,637,972**	796,849	2,667,343	4,236,957	**7,701,149**
Bakeries & Restaurants	600	0.00620883	4,857	42,396	44,197	**91,450**	18,095	157,936	164,646	**340,677**
Dow Chemical	56	0.00620883	-	54,591	-	**54,591**	-	18,981	-	**18,981**
G&K Services	132	0.00620883	-	17,655	-	**17,655**	-	14,469	-	**14,469**
Hotel/Motel	120	0.00620883	-	9,868	7,067	**16,935**	-	7,352	5,265	**12,618**
Institutional	150	0.00620883	5,401	50,422	124,406	**180,228**	5,030	46,959	115,862	**167,851**
Light Industry	80	0.00620883	10,841	111,793	38,737	**161,372**	5,385	55,528	19,241	**80,154**
Marinas	600	0.00620883	-	684	80	**764**	-	2,549	298	**2,847**
Generon IGS	5	0.00620883	-	4,803	-	**4,803**	-	149	-	**149**
Misc. Commercial	150	0.00620883	14,611	103,976	213,263	**331,850**	13,608	96,835	198,618	**309,060**
Mortuaries	500	0.00620883	-	452	904	**1,356**	-	1,403	2,808	**4,210**
Praxair	23	0.00620883	-	8,824	-	**8,824**	-	1,260	-	**1,260**
Premark Packaging	150	0.00620883	166	-	-	**166**	155	-	-	**155**
U.S. Army	9	0.00620883	828	-	-	**828**	46	-	-	**46**
Total			**620,073**	**2,358,212**	**3,530,509**	**6,508,795**	**839,167**	**3,070,766**	**4,743,695**	**8,653,627**

The distribution basis can be identified for each cost component with the units of service shown in Table 20 through Table 22. Figure 20 identifies the total revenue requirements by cost component from Table 18 and the corresponding units of service.

Figure 20: Distribution Basis and Units of Service by Cost Component



Allocate to Customer Class

Using the FY25/26 revenue requirements, the cost-of-service allocates expenses to customer classes based on the service demands that each places on the system (cost causation). This approach provides a clear connection between costs incurred and the proportionate share attributable to each customer class. When designing rates, the most critical component is to connect costs to the proposed rates, resulting in a cost-based rate structure and compliance with Proposition 218. In the previous section, costs were summarized by expense category and allocated to cost components based on how each cost was incurred. The next step in designing rates is to allocate each cost component to customers in relation to their use of the system and facilities. The District is required to charge each customer an SSC that is proportional to the cost of providing service to, or making service immediately available to, each parcel. Through the cost-of-service analysis, each customer proportionately shares in the financial obligation of the wastewater utility.

Flow

The cost associated with influent treated at the WWTP is a function of total volume and does not vary based on the type or strength concentration of influent. Therefore, the revenue requirement for Flow is apportioned to each customer class based on their percentage of total projected flow into the treatment plant (Table 20), as summarized within Table 23.

Table 23: Flow Cost-of-Service by Customer Class

Flow Allocation to Customer Classes			
Customer Class	Total Projected Flow	% Allocation	Revenue Requirement
Residential	5,637,972	86.621%	$28,682,017
Bakeries & Restaurants	91,450	1.405%	$465,231
Dow Chemical	54,591	0.839%	$277,721
G&K Services	17,655	0.271%	$89,817
Hotel/Motel	16,935	0.260%	$86,154
Institutional	180,228	2.769%	$916,874
Light Industry	161,372	2.479%	$820,944
Marinas	764	0.012%	$3,888
Generon IGS	4,803	0.074%	$24,436
Misc. Commercial	331,850	5.098%	$1,688,220
Mortuaries	1,356	0.021%	$6,900
Praxair	8,824	0.136%	$44,889
Premark Packaging	166	0.003%	$846
U.S. Army	828	0.013%	$4,211
Total	6,508,795	100%	$33,112,147

BOD

BOD costs relate to the treatment process of breaking down organic material in the wastewater. Higher BOD strengths require increased costs and extended treatment periods to reduce the high BOD levels before discharging effluent into waterways. Therefore, the revenue requirement for BOD is apportioned based on Weighted BOD for each customer class (Table 21), as shown in Table 24.

Table 24: BOD Cost-of-Service by Customer Class

BOD Allocation to Customer Classes			
Customer Class	Total Weighted BOD	% Allocation	Revenue Requirement
Residential	7,701,149	85.630%	$4,223,630
Bakeries & Restaurants	567,795	6.313%	$311,403
Dow Chemical	8,474	0.094%	$4,647
G&K Services	52,726	0.586%	$28,917
Hotel/Motel	32,596	0.362%	$17,877
Institutional	167,851	1.866%	$92,056
Light Industry	130,251	1.448%	$71,435
Marinas	2,372	0.026%	$1,301
Generon IGS	16,671	0.185%	$9,143
Misc. Commercial	309,060	3.436%	$169,502
Mortuaries	4,210	0.047%	$2,309
Praxair	164	0.002%	$90
Premark Packaging	155	0.002%	$85
U.S. Army	67	0.001%	$37
Total	8,993,542	100%	$4,932,433

TSS

TSS costs relate to the treatment process of removing solids from wastewater through settling, screening, and filtering. Higher TSS strengths require increased costs and additional filtration to treat and remove the high levels of TSS before discharging effluent into waterways. Therefore, the revenue requirement for TSS is apportioned based on Weighted TSS for each customer class (Table 22), as shown in Table 25.

Table 25: TSS Cost-of-Service by Customer Class

TSS Allocation to Customer Classes			
Customer Class	Total Weighted TSS	% Allocation	Revenue Requirement
Residential	7,701,149	88.993%	$3,262,492
Bakeries & Restaurants	340,677	3.937%	$144,324
Dow Chemical	18,981	0.219%	$8,041
G&K Services	14,469	0.167%	$6,130
Hotel/Motel	12,618	0.146%	$5,345
Institutional	167,851	1.940%	$71,108
Light Industry	80,154	0.926%	$33,956
Marinas	2,847	0.033%	$1,206
Generon IGS	149	0.002%	$63
Misc. Commercial	309,060	3.571%	$130,929
Mortuaries	4,210	0.049%	$1,784
Praxair	1,260	0.015%	$534
Premark Packaging	155	0.002%	$66
U.S. Army	46	0.001%	$20
Total	8,653,627	100%	$3,665,997

Bay Point Collection

The cost associated with the operation and maintenance of the Bay Point Collection system is a function of the total volume conveyed through the collection system. It does not vary based on the strength concentration of the influent. Therefore, the revenue requirement for Bay Point collection is apportioned solely to Bay Point customers based on the Projected Flow from Zone 1 (Table 20), as summarized within Table 26.

Table 26: Bay Point Collection Cost-of-Service by Customer Class

BP Collection Allocation to Customer Classes			
Customer Class	Zone 1 Flow	% Allocation	Revenue Requirement
Residential	583,369	94.081%	$1,402,200
Bakeries & Restaurants	4,857	0.783%	$11,675
Dow Chemical	-	0.000%	$0
G&K Services	-	0.000%	$0
Hotel/Motel	-	0.000%	$0
Institutional	5,401	0.871%	$12,982
Light Industry	10,841	1.748%	$26,058
Marinas	-	0.000%	$0
Generon IGS	-	0.000%	$0
Misc. Commercial	14,611	2.356%	$35,119
Mortuaries	-	0.000%	$0
Praxair	-	0.000%	$0
Premark Packaging	166	0.027%	$400
U.S. Army	828	0.133%	$1,989
Total	620,073	100%	$1,490,424

Collectively, the total allocation of costs associated with Flow, BOD, TSS, and Bay Point Collection (Total Revenue Requirement) determines the cost of providing service to each customer class. However, given that Residential customers exhibit a relatively constant amount of wastewater flows per month, the total Residential Revenue Requirement may be recovered as an annual charge. For Non-Residential customer classes, flow rates are derived by taking the total cost associated with Flow, BOD, and TSS and dividing the result by total water usage[2]. Table 27 summarizes the combined Revenue Requirement by customer class and updated unit rates for treatment. Table 28 summarizes the updated unit rates for Bay Point collection. Unit rates were rounded up to the nearest even penny, to meet the County's levy requirement.

Table 27: Treatment Unit Rates by Customer Class – Zone 1 – 3[3]

Treatment Unit Rates by Customer Class - Zone 1 - 3						
Customer Class	Flow [A]	BOD [B]	TSS [C]	Allocation ($) [D]=A+B+C	Units of Service [E]	Unit Rate [F] = D ÷ E
Residential	$28,682,017	$4,223,630	$3,262,492	$36,168,139	70,396	**$513.80**
Bakeries & Restaurants	$465,231	$311,403	$144,324	$920,957	107,904	**$8.54**
Dow Chemical	$277,721	$4,647	$8,041	$290,409	64,702	**$4.50**
G&K Services	$89,817	$28,917	$6,130	$124,863	20,925	**$5.98**
Hotel/Motel	$86,154	$17,877	$5,345	$109,377	20,057	**$5.46**
Institutional	$916,874	$92,056	$71,108	$1,080,038	212,895	**$5.08**
Light Industry	$820,944	$71,435	$33,956	$926,336	189,267	**$4.90**
Marinas	$3,888	$1,301	$1,206	$6,395	885	**$7.24**
Generon IGS	$24,436	$9,143	$63	$33,642	5,693	**$5.92**
Misc. Commercial	$1,688,220	$169,502	$130,929	$1,988,651	377,048	**$5.28**
Mortuaries	$6,900	$2,309	$1,784	$10,993	1,601	**$6.88**
Praxair	$44,889	$90	$534	$45,513	10,458	**$4.36**
Premark Packaging	$846	$85	$66	$996	197	**$5.06**
U.S. Army	$4,211	$37	$20	$4,267	981	**$4.36**

[2] Wastewater connections are not metered.

[3] Units of Service for Residential accounts are equal to billing units shown in Table 3 and units of service for Non-Residential accounts are equal to total water usage shown in Table 20.

Table 28: Collection Unit Rates by Customer Class – Zone 1[4]

Collection Unit Rates by Customer Class - Zone 1			
Customer Class	BP Collection [A]	Zone 1 Units of Service [B]	Unit Rate [C] = A ÷ B
Residential	$1,402,200	7,285	$192.48
Bakeries & Restaurants	$11,675	5,723	$2.06
Dow Chemical	$0	-	N/A
G&K Services	$0	-	N/A
Hotel/Motel	$0	-	N/A
Institutional	$12,982	6,306	$2.06
Light Industry	$26,058	12,790	$2.04
Marinas	$0	-	N/A
Generon IGS	$0	-	N/A
Misc. Commercial	$35,119	16,686	$2.12
Mortuaries	$0	-	N/A
Praxair	$0	-	N/A
Premark Packaging	$400	197	$2.04
U.S. Army	$1,989	981	$2.04

[4] Zone 1 Units of Service for Residential accounts are equal to billing units shown in Table 3 and Zone 1 units of service for Non-Residential accounts are equal to total water usage shown in Table 20.

Sewer Service Charge Summary

Financial Plan Summary

The financial plan developed for the District identifies revenue adjustments for FY 2026 through FY 2030. The District will conduct a Public Hearing to consider increasing SSCs for FY 2026 through FY 2030. Setting rates for five years allows the District to smooth rates between customer classes and Zones through a phased-in approach. The recommended financial plan will allow the District to cover its multi-year revenue requirements while maintaining the District's WW O&M Fund minimum reserve requirement. In addition, each capital-related fund will satisfy the recommended minimum requirements. These recommended capital-related funding targets will ensure that the District has a starting fund balance each fiscal year sufficient to cover a portion of its planned capital needs. This financial plan also anticipates debt financing for the Secondary Process Improvements Phase 1 Project ($70M in FY 2026). This improvement will have a useful life of over 30-years, and the proposed debt issue is amortized over a 30-year term at an assumed 5% interest rate. The financial plan should be updated annually to review actual revenue recovered, capture new accounts, update changes in water usage and influent, and track capital expenses as estimates change.

Cost-of-Service and Rate Summary

The updated cost-of-service analysis includes updated flow projections and a redistribution of costs between customer classes. The Bay Point service area includes the additional operating and maintenance costs of the collection system that serves Bay Point. These specific costs are only allocated to Bay Point customers.

The proposed Residential SSCs for FY 2026 are based on a flow amount of approximately 80 HCF, irrespective of the amount of indoor water actually used, because flows are not metered. Therefore, to establish equity between all customers and account for the District administrative code of a minimum charge to Non-Residential, Non-Residential customers are charged a minimum flow of 80 HCF. The greater of 80 HCF or the customer's actual water usage is applied to the corresponding Non-Residential SSC flow rates.

The comprehensive cost-of-service analysis and rate development meet the requirements of Proposition 218, which includes:

1. An agency cannot collect revenue beyond what is necessary to provide service.

   The long-term financial plan identifies the District's revenue requirements including operating expenses, capital improvement program, debt coverage, and reserves. Projected revenues do not exceed the cost of providing service.

2. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed.

   The District does not use SSCs for any other purpose. SSCs pay for the WWTP, with Bay Point SSCs covering the cost to operate and maintain the collection system that serves Bay Point.

3. The amount of the fee may not exceed the proportional cost-of-service for the parcel.

   The comprehensive cost-of-service analysis and updated SSCs reapportions costs to customers classes and corresponding parcels based on the demand each place on the WWTP. Through this update, each parcel is paying its proportionate share in line with the cost of providing service.

4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.

   Each parcel pays for a minimum capacity in the WWTP. Residential parcels are charged based on a projected annual influent of 80 HCF and Non-Residential parcels are charged based on actual water usage with a minimum charge based on 80 HCF of annual flow.

5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing.

   Notices were mailed to each affected parcel at least 45 days prior to the June 26, 2025, Public Hearing.

5-Year Sewer Service Charge Schedule

Proposed FY 2026 – FY 2030 SSCs

Table 29 and Table 30 provide the 5-year SSC schedule for FY 2026 through FY 2030. The proposed SSCs are equivalent by land use across all zones for WWTP expenses, and Bay Point includes an additional charge for the wastewater collection system. Non-Residential customer classes in Zone 1 with an "N/A" do not exist within that zone. If the specific business moves from Zone 2 or Zone 3 to Zone 1, an additional surcharge would be required for the cost associated with the Bay Point collection system.

Table 29: Proposed SSCs – Zone 1 (FY 2026 – FY 2030)

Proposed Sewer Service Charges (SSCs) - Zone 1 - Bay Point Collections						
Customer Class		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	*($/Year)*	$706.28	$766.32	$831.46	$902.14	$978.84
Non-Residential						
Bakeries & Restaurants	*($/HCF)*	$10.60	$11.52	$12.50	$13.58	$14.74
Dow Chemical	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
G&K Services	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Hotel/Motel	*($/HCF)*	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	*($/HCF)*	$7.14	$7.76	$8.42	$9.14	$9.92
Light Industry	*($/HCF)*	$6.94	$7.54	$8.20	$8.90	$9.66
Marinas	*($/HCF)*	$7.24	$7.86	$8.54	$9.28	$10.08
Generon IGS	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Misc. Commercial	*($/HCF)*	$7.40	$8.04	$8.74	$9.50	$10.32
Mortuaries	*($/HCF)*	$6.88	$7.48	$8.12	$8.82	$9.58
Praxair	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
Premark Packaging	*($/HCF)*	$7.10	$7.72	$8.38	$9.10	$9.88
U.S. Army	*($/HCF)*	$6.40	$6.96	$7.56	$8.22	$8.92

Table 30: Proposed SSCs – Zone 2 & 3 (FY 2026 – FY 2030)

Proposed Sewer Service Charges (SSCs) - Zone 2 & 3 - Pittsburg & Antioch						
Customer Class		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential	*($/Year)*	$513.80	$557.48	$604.88	$656.30	$712.10
Non-Residential						
Bakeries & Restaurants	*($/HCF)*	$8.54	$9.28	$10.08	$10.94	$11.88
Dow Chemical	*($/HCF)*	$4.50	$4.90	$5.32	$5.78	$6.28
G&K Services	*($/HCF)*	$5.98	$6.50	$7.06	$7.68	$8.34
Hotel/Motel	*($/HCF)*	$5.46	$5.94	$6.46	$7.02	$7.62
Institutional	*($/HCF)*	$5.08	$5.52	$6.00	$6.52	$7.08
Light Industry	*($/HCF)*	$4.90	$5.32	$5.78	$6.28	$6.82
Marinas	*($/HCF)*	$7.24	$7.86	$8.54	$9.28	$10.08
Generon IGS	*($/HCF)*	$5.92	$6.44	$7.00	$7.60	$8.26
Misc. Commercial	*($/HCF)*	$5.28	$5.74	$6.24	$6.78	$7.36
Mortuaries	*($/HCF)*	$6.88	$7.48	$8.12	$8.82	$9.58
Praxair	*($/HCF)*	$4.36	$4.74	$5.16	$5.60	$6.08
Premark Packaging	*($/HCF)*	N/A	N/A	N/A	N/A	N/A
U.S. Army	*($/HCF)*	N/A	N/A	N/A	N/A	N/A

DELTA DIABLO

SPECIAL BOARD OF DIRECTORS MEETING

JUNE 26, 2025

WRITTEN PROTESTS RECEIVED

TO WHOM IT MAY CONCERN,

I, ANTONIO S. AMBROSIO, RESIDING AT 4434 PALISADES WAY, ANTIOCH, CA 94531, AM PROTESTING ANY INCREASE IN PROPOSED SSC INCREASE

SINCERELY,

A Ambrosio

Antonio Ambrosio
4434 Palisades Way
Antioch CA 94531-9394

P2 T48 B53 36783

5188 Murry CT

Antioch, CA 94531-8293

We protest the proposed rate increases.

David B Frandsen

Christina R Frandsen

P2 T48 B53 36782

5188 Murry CT

Antioch, CA 94531-8293

We protest the proposed rate increases.

David B Frandsen

Christina R Frandsen

P2 T48 B53 36781

5188 Murry CT

Antioch, CA 94531-8293

We protest the proposed rate increases.

David B Frandsen

Christina R Frandsen

Delta Diablo Waste Conveyance

Att: Office Manager/Secretary to the Board

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

For: 2704 Lucena Way Antioch, CA 94509

P2 T42 B47 32298

*********ECRWSH**C 051

Board,

Please consider people on fixed incomes with your rate increase. We don't receive a monthly income increase and have to live on the income we receive to pay bills. So, a $238.55 increase puts us in a pinch on our bills over time. The SSA Social Security Cole just covers our Medicare increases. So, we protest the SSC increase without taking into consideration retired individuals on fixed income.

This year, our city started an annual fee of $30 for having a home alarm. We noted on our city alarm permit that 20 years ago, we paid a one-time $30 fee.

The cost of living keeps increasing when our fixed income stays the same in retirement, it just makes it hard to enjoy our senior years.

Thanks for considering the seniors,

Kennth and Julie Connelly and others on fixed income

Kenneth & Julie Connelly

RECEIVED

MAY 27 2025

DELTA DIABLO

Re: Notice of Public Hearing on Proposed Five-Year Maximum Sewer Service Rate Increases for Fiscal Year 2025/26-2029/30

To Whom It May Concern:

I am opposed to the proposed Sewer Service Rate increase from the City of Antioch.

Customer Name: Lin Ge

Customer Address: 608 West 7th Street, Antioch, CA 94509
Account number: 0661920033

Regards,

Lin Ge

Protest Letter #1

Deborah JoAnn Brown
407 Lindley Dr.
Antioch, Ca 94509
068-222-0132 00
lvsfandeb@comcast.net
925-726-8632
5/12/2025
Delta Diablo Board of Directors
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

Subject: Protest of Proposed Sewer Service Charge Increases for FY 2025/26–2029/30

Dear Board Members,

I am writing to formally protest the proposed sewer service charge (SSC) increases outlined for Fiscal Years 2025/26 through 2029/30. As a senior citizen who has resided in [Antioch / Pittsburg / Bay Point] for over [X] years, I am deeply concerned about the financial impact these increases will have on residents like myself who are on a fixed income.

While I understand the necessity of maintaining and upgrading our wastewater infrastructure, the proposed annual increases of approximately 8.5% to 8.8% are substantial. For instance, residential customers in Antioch and Pittsburg would see their annual SSC rise from $473.55 in FY 2024/25 to $712.10 by FY 2029/30—a total increase of over 50% in five years.

I urge the Board to consider the following points:

1. **Economic Impact on Seniors**: Many seniors in our community live on fixed incomes, relying solely on Social Security or limited retirement savings. Such significant increases in utility costs can strain our budgets, forcing difficult choices between essential needs.
2. **Utilization of Reserve Funds**: The District's rate model includes a "minimum" 40% of the Operating Fund for reserves. In these challenging times, it may be prudent to adjust this policy to allow for the use of reserve funds to mitigate rate increases.
3. **Exploration of Alternative Funding**: Before approving significant rate hikes, the District should exhaust all alternative funding sources, such as state and federal grants, to finance capital improvement projects.

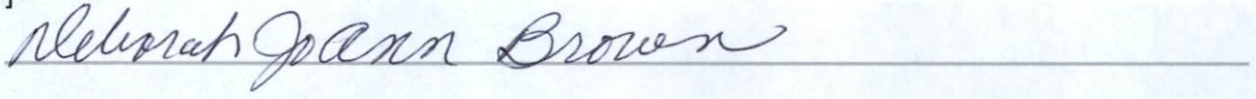
4. **Transparency and Community Engagement**: Providing detailed breakdowns of project costs and actively engaging with the community can foster trust and ensure that residents understand the necessity and allocation of funds.

I respectfully request that the Board reconsider the proposed rate increases and explore more equitable solutions that balance infrastructure needs with the financial well-being of residents.

Sincerely,

Deborah JoAnn Brown

]



Submission Instructions:

- **In-Person**: Attend the public hearing on Thursday, June 26, 2025, at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, to deliver your protest letter.
- **By Mail**: Send your signed letter to the address above. Ensure it arrives before the hearing date.
- **By Email**: If the District accepts email submissions, send your letter to the official email address provided on their website.

For more information and updates, please visit the official Delta Diablo website: Delta Diablo.

Protest Letter #2

42 Lakeview Dr.

Bay Point, CA 94565

Assessor Parcel #: 0982810053

Delta Diablo

Board of Directors

2500 Pittsburg-Antioch Highway

Antioch, CA 94509

May 12, 2025

Dear Board of Directors,

I received and read your notice regarding the proposed five-year maximum sewer service charge rate increases for Fiscal Year 2025/26-2029/30. Well this letter serves as a protest letter. I strongly oppose of this proposed sewer service charge rate increases. Since I am retired and on a fixed pension, any rate increase would be a hardship. So I urge you to not implement the SSC increases. Please just keep it at the same current rate. Thank you for hearing my voice on this issue.

Sincerely,

Guadalupe Ontiveros

Guadalupe Ontiveros

Parcel Owner

Jeanette Di Giuseppe
124 Hill Street
Bay Point, CA 94565
(510) 882-5469
jeanettedelrio@icloud.com

May 6th 2025

Office Manager/Secretary to the Board
2500 Pittsburg-Antioch Highway
Antioch, CA 94509

Dear Delta Diablo,

I am the property owner of record to the following Assessor's Parcel (APN) # **093113020** in the Costa Costa County.

To which I am opposed to the following particular service charge increase:

- *Proposed Five-Year Maximum Sewer Services Charge Increases for FY25/26-FY29/30

Please take this letter as a protest to all of your future increases including and not limited to the Proposed Five-Year Maximum Sewer Services Charge Increases for FY25/26-FY29/30. Also, to all of the five components to the water and sewer increases.

If you need to reach me, please do not hesitate to call me or mail me at the above-listed information.

Sincerely,

Jeanette Di Giuseppe/Del Rio

S
Sonja Shephard
243 E 16th St
Pittsburg, CA 94565-3806

Property Address: 243 East 16th St., Pittsburg
APN # 086-172-013-4 00

Re: Written Protest Against SSC Rate Increases

Attn: Office Manager/Secretary to the Board
2500 Pittsburg-Antioch Highway
Antioch, California 94509

I am a senior on a fixed income. Property taxes are already high enough. Adding extra charges to the property tax bill creates a ~~hardship~~ hardship for low income seniors like myself as you can NOT make monthly payments on your property tax bill. Please find another solution. Californians are already suffering enough with tariffs and the high cost of eggs.

This increase is rejected!

Sincerely,

Sonja Shephard
925-252-0236

In compliance with California Constitution Article XIII(D), Section 6 ("Proposition 218"), the proposed FY25/26-FY29/30 maximum SSCs incorporate FY25/26 Cost-of-Service Study findings (prepared by IB Consulting), which updated growth in the service area and corresponding additional wastewater flow to the District's WWTP. The Study will be made available at the District's offices and website. SSCs for non-residential customers (i.e., commercial, industrial) were adjusted accordingly for FY25/26-FY29/30 based on customer class. Most District customers are billed on a fiscal-year basis and pay SSCs via annual property tax bills. The District's Board of Directors will consider approval of SSC increases for each fiscal year, subject to the maximum SSC increases included in the tables below. Property tax bills also include a street sweeping service charge (no increase from FY24/25) that varies by community based on service frequency.

Residential Customers: The impact of the proposed SSC increase on the annual property tax bill for a single-family residential customer is shown in **Table 1**. The total annual charge for residential properties with multiple units (e.g., duplex, fourplex, apartment complex, etc.) can be calculated by multiplying the applicable per unit SSC charge in **Table 1** by the total number of units.

Table 1 – Example Annual Residential SSC on Property Tax Bills for FY25/26-FY29/30

Residential Service Customers	Current	Proposed Maximum Sewer Service Charge by Fiscal Year				
	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Antioch/Pittsburg	$473.55	$513.80	$557.48	$604.88	$656.30	$712.10
Bay Point*	$648.93	$706.28	$766.32	$831.46	$901.14	$978.84

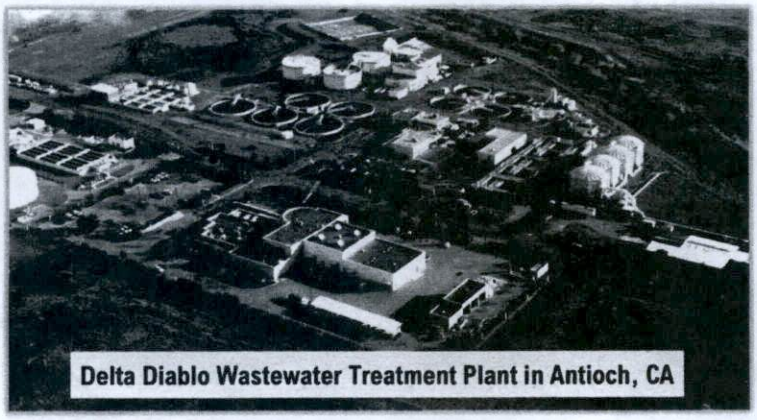
* Delta Diablo provides wastewater collection services for Bay Point customers only (i.e., higher Sewer Service Charge), while the respective cities charge customers in Antioch and Pittsburg directly for this service.

Non-residential Customers: The District is proposing SSC increases for commercial and industrial customers based on annual potable water consumption data (i.e., the SSC rates are per one hundred cubic feet per year [HCF/y] of potable water consumption) by business class and community, as presented in **Table 2** (Bay Point) and **Table 3** (Pittsburg/Antioch). If annual water consumption is less than 80 HCF/y, a minimum annual charge of 80 HCF/y multiplied by the applicable rate for each business class will be applied.

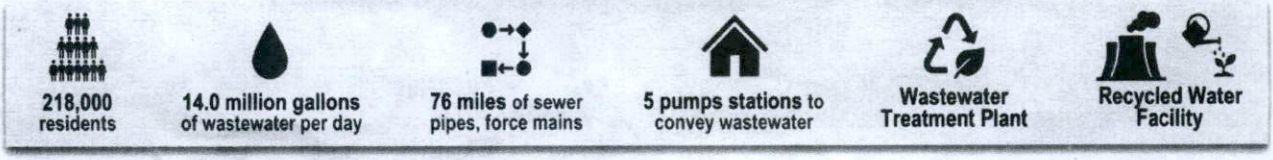
Public Hearing and Protest Procedures

The Board of Directors will hold a public hearing on the proposed SSC increases on **Thursday, June 26, 2025, at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509.** After close of the public hearing and consideration of all public comments and written protests received, the Board of Directors will be asked to take action to implement the proposed SSC increases at this meeting.

Written protests may be sent to the District (attention of "Office Manager/Secretary to the Board", 2500 Pittsburg-Antioch Highway, Antioch, California, 94509) prior to the close of the public hearing and **must include your property address and the Assessor Parcel Number** found on your mailing label. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses, including any received by the close of the public hearing. If written protests are presented by a majority of the parcel owners in the District's service area, the District cannot implement the SSC increases. Pursuant to Government Code Section 53759, there is a 120-day statute of limitations for any judicial challenge to a new or increased sewer service fee or charge.



Delta Diablo Wastewater Treatment Plant in Antioch, CA



Delta Diablo

2500 Pittsburgh-Antioch Highway

Antioch, CA

94509

Re; Notice of Proposed Five-Year Maximum Sewer Service Charge Rate Increases for Fiscal Years 2025/26 -2029/30

Attention: Office Manager/Secretary to the Board

Dear Sir or Madam,

I'm writing to protest the proposed rate increases outlined in the flyer I received in the mail.

To increase the cost of SSC for an existing single-family home in the Antioch/Pittsburgh area by over 50% in a five-year period is absurd. Poor foresight by this department's leadership should not be rectified by the existing residents. As you stated in your flyer, the genesis of these increases is due to growth in your service area. These costs should be added to the new properties that are mandating these costs and infrastructure upgrades.

Additionally, raising the rates for commercial properties at a lower rate than residential properties only further justifies the point that the fiscal responsibility that you tout is a falsehood. Poor planning by Delta Diablo should not become a burden for the residents in your service area.

I fully realize this letter will be ignored and these rate increases will move forward. Most parcel owners will not file a protest. Therefore, I hope the board will review these costs closely, the timing of these proposed projects, and determine a more appropriate schedule of increases.

Sincerely,



William Minyard

4628 Goldcrest Way

Antioch, CA

94531

Parcel # 053-251-006-2

May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

Ref: Property at 44 W. 16th St., Antioch, CA 94509 – APN 0672420114

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,



May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

Ref: Property at 200 Creed Ave., Antioch, CA 94509 - APN 0673270039

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,



May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

Ref: Property at 222 W. 10th St., Antioch ,CA 94509 - APN 0661880062

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,

Al Mason

May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

Ref: Property at 405 W. 8th St. Antioch , CA 94509 – APN 0662040112

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,

Al Mason

May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

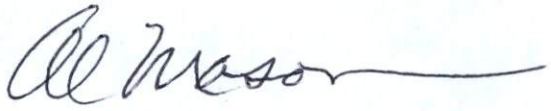
Ref: Property at 721 Central Ave., Pittsburg, CA 94565 – APN0730810090

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,



May 06, 2025

To: Delta Diablo

From: Al Mason (aka Al C Mason TRE)

Ref: Property at 1219 W. 7th St., Antioch, CA 94509 – APN0662210095

Subject: Protest of Proposed Rate Increase

Dear Delta Diablo,

I wish to PROTEST the proposed 50% (over the next five years) SEWER RATE INCREASE as this is an over-reach!

Sincerely,

Al Mason

Paul & Katherine LI TRE
3912 Saint Michael Ct.
Concord, CA 94519

May 5th, 2025

Delta Diablo Water District
Attention: Office Manager/Secretary to the Board
2500 Pittsburg –Antioch Highway
Antioch, CA 94509

Dear sir/Madam

RE: Assessor Parcel # 096-032-029-900
Address: 2594 Willow Pass Road, Bay Point, CA 94565

We **Protest** against the increase of the water rate on the property mentioned above.

Sincerely,

Paul & Katherine Li

Paul and Katherine LI
Property Owners.

Ensuring Long-term Financial Sustainability
Proposed Sewer Service Charge Increases

April 2025

Delta Diablo

Delta Diablo is a special district that provides **wastewater conveyance and treatment** services for over **218,000 residents in Antioch, Pittsburg, and Bay Point.**

The District treats **14.0 million gallons of wastewater each day** with a focus on **exemplary regulatory compliance**, innovative and sustainable approaches, and **sound stewardship of the public's resources and trust**.

The District has transformed its Wastewater Treatment Plant (WWTP) into a "**wastewater resource recovery facility:**"

- ✓ Produces **7.0 million gallons of recycled water per day**
- ✓ Generates on-site **renewable energy** to meet over 50% of WWTP power needs
- ✓ Reuses residual **biosolids as fertilizer** through land application at farm sites
- ✓ Provides **household hazardous waste (HHW) collection** services
- ✓ **Protects the Delta** through **street sweeping** services

Our Mission

Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner.

Infrastructure Investment Goal (District Strategic Plan)

Ensure the long-term effectiveness and reliability of critical District infrastructure through prioritized, cost-effective capital investment and maintenance

In developing its budget each year, Delta Diablo (District) carefully considers capital investment and operational needs to maintain effective and reliable **wastewater collection** (Bay Point only), **conveyance, and treatment services** for over **218,000 customers** in Antioch, Pittsburg, and Bay Point. Our primary revenue source comes from **Sewer Service Charges (SSCs)**[1] charged to residential, commercial, and industrial customers on the tax roll each year.

We continue to prioritize sustained **capital investment** to maintain the integrity of our **aging wastewater system infrastructure**[2] **and comply with a new regulatory mandate**[3]**,** while ensuring sufficient funding to meet **progressive increases in annual operating costs** over time due to escalations in labor, energy, biosolids, chemicals, and outside services costs.

We critically review required SSC adjustments to ensure sufficient revenue collection that reflects cost of service, while managing economic impacts to customers. For **FY25/26** (effective July 1, 2025), the District has notified customers (via **Proposition 218 Notices**[4] mailed to property owners on or before May 12, 2025) of its intent to increase SSCs for residential customers by **$40.25/year** (~+8.5%, $513.80 total) for **Antioch/Pittsburg** and **$57.35/year** (~+8.8%, $706.28 total) for **Bay Point** (includes wastewater collection service charges). In addition, the Prop. 218 Notice included *maximum* SSC increases for FY26/27-FY29/30 of ~8.5% for all residential customers, subject to review and approval by our Board of Directors each fiscal year.

- **SSC Revenue Increase Drivers**: Increased SSC revenue is required to address a **significant increase in our proposed 5-year Capital Improvement Program** (CIP), which now totals $238.1M (**$51.0M increase** from current $187.1M CIP), to address critical aging infrastructure needs. In addition, we have identified $145M in capital project to meet a **nutrient removal regulatory mandate** over the next ten years. In FY25/26 and FY26/27, the proposed capital budget (funded by SSCs) is $22.6M and $38.6M, respectively.
- **Effective Operating Budget Control**: Based on projected FY25/26 and FY26/27 operating budgets (funded by SSCs) of $31.3M and $32.3M, respectively, we have implemented an **average annualized increase in operating costs of only 3.4% over a six-year period** despite significant inflationary pressure by critically reviewing budgetary needs and organizational improvements.
- **SSC Revenue Needs**: We have identified a **total SSC revenue need of $43.2M for FY25/26**, which supports planned capital and operating budget expenditures of $22.6M and $31.3M, respectively, along with use of available ad valorem taxes and available unallocated funds. If the maximum SSC increases were implemented for FY25/26-FY29/30, an **additional $58.6M in SSC revenue would be generated over the five-year period** to meet capital and operating revenue needs.
- **Strategic Planning**: We face multi-faceted challenges with aging infrastructure, regulatory mandates, and a competitive labor market while ensuring a commitment to sustained organizational excellence. Our Strategic Plan (dated August 2021) provides **strategic framework to navigate key decisions, initiatives, and activities** to continue meeting these challenges.
- **Long-term Financial Planning**: We prepare a 5-year financial plan (with a 10-year outlook) to identify future SSC adjustments necessary to **maintain financial sustainability**, while avoiding sharp rate increases. The **District continues to maintain its rates near the average** of peer agencies in the San Francisco Bay Area.

1 SSCs are not used for recycled water or street sweeping services, which are funded separately.
2 "Investing in Critical Wastewater Infrastructure" fact sheet is available at www.deltadiablo.org.
3 "Meeting the Nutrient Removal Regulatory Mandate Challenge" fact sheet is available at www.deltadiablo.org.
4 "Notice of Proposed Five-Year Maximum Sewer Service Charge Rate Increases for Fiscal Years 2025/2026-2029/30" is available at www.deltadiablo.org.

218,000 residents | **14.0 million gallons** of wastewater per day | **76 miles** of sewer pipes and force mains | **5 pumps stations** to convey wastewater | **Wastewater Treatment Plant**

Proposed FY25/26 SSC Increase for Residential Customers
+$40.25/year (Antioch/Pittsburg)
+$57.35/year (Bay Point)

visit www.deltadiablo.org or call (925) 756-1900 for more information

Protecting Public Health and the Environment
Investing in Critical Wastewater Infrastructure

April 2025

Delta Diablo

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- ✓ **Protects the Delta** through **street sweeping** services

Our Mission

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Infrastructure Investment Goal (District Strategic Plan)

Ensure the long-term effectiveness and reliability of critical District infrastructure through prioritized, cost-effective capital investment and maintenance


Delta Diablo Wastewater Treatment Plant in Antioch, CA

Delta Diablo (District) has developed a proposed **$238.1M** prioritized **5-year Capital Improvement Program** (CIP) to meet critical infrastructure needs. This continued investment is essential to **protecting public health and the environment** and maintaining effective and reliable wastewater collection, conveyance, and treatment services, and recycled water production. The **District's Wastewater Treatment Plant** (WWTP), which includes a combination of physical, biological, and chemical treatment processes, is over 43 years old and requires significant improvements to **address aging infrastructure**, **meet regulatory requirements**, and **increase treatment process capacity**. In addition, we are implementing multiple large-scale capital projects to renew major components of our wastewater conveyance system. Key CIP highlights include:

Managing Increased Capital Project Delivery Costs: The **proposed $238.1M 5-year CIP** represents an increase of **$51.0M** from the **current $187.1M 5-year CIP** as detailed design work on several major capital projects has progressed from conceptual planning stages. We have **incorporated $70M of debt financing** over the next five years in our financial plan to manage the need for increased revenue from customers, which directly funds most of our capital projects.

Addressing Aging Infrastructure and Service Area Growth: Although we have effectively applied a risk-based prioritization process to address the CIP cost increase through deferral of lower-priority projects, **six high-priority projects** that are **critical to effective and reliable wastewater conveyance and treatment services comprise 86% of planned CIP expenditures** ($205.1M of $238.1M), including:

- **Secondary Process Improvements Phase 1 Project ($140.5M):** Replace existing tower trickling filters with additional aeration basin capacity; expand WWTP capacity to meet growth in service area through 2050; and provide foundational improvements to support meeting nutrient removal requirements as part of the Secondary Process Improvements Phase 2 Project.
- **Antioch Pump Station and Conveyance System Improvements ($24.0M):** Install a new line or rehabilitate existing forcemain(s) to reliably convey wastewater from Antioch to the WWTP.
- **Cogeneration System Improvements Project ($20.0M):** Install a new cogeneration system that utilizes biogas from wastewater treatment process to generate renewable electricity to offset plant power demand.
- **Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 Project ($14.0M):** Address prioritized corrosion issues in wastewater conveyance system in Pittsburg/Bay Point.
- **Shore Acres Forcemain Repair Project ($9.5M):** Install a new line or rehabilitate existing forcemain to reliably convey wastewater flows from Bay Point to WWTP.

Meeting the Challenge of a New Regulatory Mandate: In July 2024, the San Francisco Bay Regional Water Quality Control Board implemented a **regulatory mandate** for all 37 Bay Area wastewater facilities to meet **new nutrient removal requirements** to reduce the potential for algae blooms in San Francisco Bay with a 10-year compliance timeline. We have identified **$145M in capital projects to meet this regulatory mandate** at the WWTP over the next ten years.

218,000 residents | **14.0 million gallons** of wastewater per day | **76 miles** of sewer pipes and force mains | **5 pumps stations** to convey wastewater | **Wastewater Treatment Plant** | **Recycled Water Facility** → **5-year Capital Improvement Program = $238.1M**

visit www.deltadiablo.org or call (925) 756-1900 for more information

Protecting San Francisco Bay
Meeting the Nutrient Removal Regulatory Mandate Challenge

April 2025

Delta Diablo

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Environmental Stewardship Goal

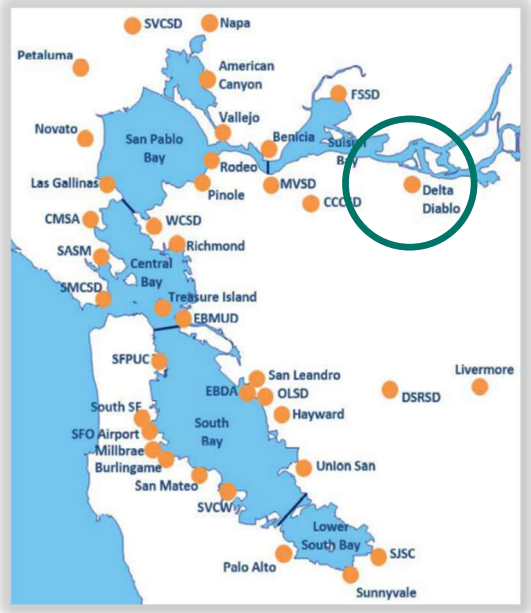
Meet or surpass environmental and public health requirements to maintain public trust



What is the Regulatory Mandate?

In response to algal blooms in San Francisco (SF) Bay in recent years, the SF Regional Water Quality Control Board issued a regulatory mandate in July 2024 for 37 wastewater agencies to significantly reduce nutrient (i.e., ammonia-nitrogen) loading to SF Bay discharges over the next ten years.

As nutrient assimilation capacity in SF Bay has decreased over time due to declining turbidity (i.e., increased sunlight penetration) and loss of filter-feeding clam populations, potential for water quality impacts associated with nutrient loading has increased, including harmful algal blooms, low dissolved oxygen conditions, and fish toxicity.



Wastewater Agencies in San Francisco Bay Area

Delta Diablo (District) currently discharges the ninth highest nutrient load among 37 peer agencies, which represents only ~2% of total nutrient loading from wastewater agencies to SF Bay. Nonetheless, we are required to comply with this new regulatory mandate, which will require a significant and costly upgrade of the District's Wastewater Treatment Plant (WWTP). In the SF Bay Area region, the estimated total cost to comply with these new regulations is $12-15 billion.

How is Delta Diablo Complying with the Regulatory Mandate?

In response, we have identified a major phased capital project to significantly upgrade the treatment process at the District's WWTP—the Secondary Process Improvements Phase 1 and Phase 2 Projects, which include ~$145 million in capital improvements to meet nutrient removal requirements over the next ten years.

Unfortunately, this is largely an "unfunded mandate" with little to no federal or state funding support available. This will require the District to utilize a combination of Sewer Service Charge (SSC) revenue from customers in our service area, Capital Facilities Capacity Charges (CFCCs) (i.e., connection fees), and unallocated fund reserves to fund detailed design and construction of this critical regulatory compliance, infrastructure upgrade project.



Delta Diablo Wastewater Treatment Plant in Antioch, CA

In parallel, we are continuing to explore alternative compliance pathways, including use of nature-based solutions (e.g., constructed wetlands) and development of a Nutrient Trading Program in the SF Bay Area through collaboration with key stakeholders.



visit www.deltadiablo.org or call (925) 756-1900 for more information

INTRODUCTION OF ANDREW HARTRICK, UTILITY LABORER, TO THE DISTRICT

Recommendation

Welcome Mr. Andrew Hartrick, Utility Laborer, to the District.

Background Information

Following a comprehensive and competitive recruitment and selection process to fill the vacant Utility Laborer position, Mr. Hartrick was selected as the most qualified candidate and began employment with the District on June 16, 2025.

Analysis

Prior to joining the District, Mr. Hartrick gained private sector construction experience in plumbing, electrical, and HVAC systems. He also worked for Dublin San Ramon Services District and Sacramento Housing and Redevelopment conducting facilities maintenance and customer service activities.

As a member of the Maintenance Division, Mr. Hartrick will perform general maintenance, repair projects, and grounds maintenance to support a comprehensive facilities maintenance program at the District. He is expected to apply his knowledge and expertise in support of the District's core mission of protecting public health and the environment, and the Environmental Stewardship and Infrastructure Investment goals in the District's Strategic Plan (dated August 2021).

Financial Impact

Sufficient funding for this position is available in the adopted FY24/25 Budget.

Prepared By:	Trevor Simpson, Maintenance Supervisor	**Attachments**	
Reviewed By:	Brian Thomas, Deputy General Manager	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

APPROVE MINUTES OF BOARD OF DIRECTORS MEETING, JUNE 11, 2025

Recommendation

Approve Minutes of Board of Directors Meeting, June 11, 2025.

DRAFT
Board of Directors Meeting Minutes
DELTA DIABLO
June 11, 2025

The meeting was called to order by Chair Juan Banales at 5:32 pm, on Wednesday, June 11, 2025. Present was Vice Chair Shanelle Scales-Preston and Director Monica Wilson. Also present were Rebecca Hooley, District Counsel; Vince De Lange, General Manager; Nitish Sharma, Business Services Director; Murat Bozkurt, Engineering Services Director/District Engineer; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Anika Lyons; Finance Manager; Joaquin Gonzalez, Operations Manager; Jamie Lyn Alfonso, Human Resources and Risk Manager; Jason Piper, IT Manager (MA bargaining unit representative [BU rep]); Jeff Imachi, HHW Technician III; Joe Gois, Maintenance Mechanic II; Elijah Losoya, WWTP Operator II; Mike McKinney, Maintenance Mechanic II; Nick Muchmore, Senior Operator; Chris Phillips, Senior Operator; and Eric Wise; Maintenance Mechanic III (O&M BU rep).

PUBLIC COMMENTS

Mr. Phillips noted that previous comments were directed at the General Manager (not middle management) and inquired regarding a culture assessment, level of detail in Board meeting summaries, and recording of future meetings.

RECOGNITION

Adopt Resolution to Fly District Flags at Half-Staff Commencing at Sunrise on June 12, 2025, for a Period of Seven Days, in Memory of Federal D. Glover, Former Board Member, Who Passed Away on May 18, 2025

Following a presentation by Ms. Nichols-Fritzler, the Board expressed its support for this fitting tribute to former Director Glover.

Vice Chair Scales-Preston moved approval of the Resolution to fly the District flags at half-staff commencing on June 12, 2025, for a period of seven days, in memory of Federal D. Glover, former Board member, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Scales-Preston, Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*), the Resolution was approved.

CONSENT CALENDAR

Prior to approval of the Consent Calendar, Mr. De Lange noted that a corrected agenda packet was posted and distributed.

Prepared By:	Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board	**Attachments**	
Reviewed By:	Vince De Lange, General Manager	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-MINS	☐ Ordinance	☐ As Listed

Vice Chair Scales-Preston moved approval of the Consent Calendar, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Scales-Preston, Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*), the following Consent Calendar items were approved: Approve Minutes of Board of Directors Meeting, May 14, 2025; Receive District Monthly Check Register for May 2025; Approve Memorandum of Understanding (MOU) with Professional and Technical Bargaining Unit, and Authorize General Manager, or His Designee, to Make Non-Substantive, Clerical Changes and Corrections to MOU; Adopt Resolution Establishing FY25/26 Appropriations (Gann) Limit for Expenditures That Can Be Funded from Tax Proceeds; Authorize General Manager to Execute Amendment No. 5 in the Amount of $200,000, for a New Total Contract Amount Not to Exceed $1,984,227, Psomas, Construction Management and Inspection Services, and Authorize General Manager to Transfer Monies to Treatment Plant Electrical Switchgear Replacement Project from Wastewater Capital Asset Replacement Fund Reserves in the Amount of $1,500,000, for a New Total Project Budget of $14,500,000, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; Authorize General Manager to Approve Construction Contract Change Orders in an Amount Not to Exceed 20% of Construction Services Contract, for a New Total Contract Amount Not to Exceed $654,840, GSE Construction Company, Inc., Tower Trickling Filter Rehabilitation, Project No. 24116; Approve Revised FY25/26 Classification Control Plan; Authorize General Manager to Approve Construction Contract Change Orders in an Amount Not to Exceed 65% of Construction Services Contract, for a New Total Contract Authorization of $148,236, Tidal Marine Construction, Inc., Treatment Plant Outfall Cleaning and Inspection Services, Project No. 24115A; and Authorize Issuance of the Following Purchase Orders for One Year Beginning July 1, 2025: in an Amount Not to Exceed $357,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferric Chloride; in an Amount Not to Exceed $463,000, Polydyne, Inc., Supply and Delivery of Dry Polymer; in an Amount Not to Exceed $159,000, Polydyne, Inc., Supply and Delivery of Liquid Polymer, and Authorize General Manager to Execute the Following Chemical Supply Agreements for One Year Beginning July 1, 2025: in an Amount Not to Exceed $262,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed $352,000, Chemtrade Chemicals, LLC. US, Supply and Delivery of Aluminum Sulfate; in an Amount Not to Exceed $1,448,000, Univar Solutions USA, LLC., Supply and Delivery of Sodium Hypochlorite; in an Amount Not to Exceed $127,000, Univar Solutions USA, LLC., Supply and Delivery of Sodium Bisulfite.

DELIBERATION ITEMS – None.

PRESENTATIONS AND REPORTS – None.

GENERAL MANAGER COMMENTS

Mr. De Lange thanked the Board for naming the Board Room in honor of Federal D. Glover in December 2024, noting its impact following his recent passing.

BOARD MEMBER COMMENTS

Director Wilson commented that she supports a culture assessment.

Vice Chair Scales-Preston stated support for a culture assessment and recording future meetings.

Chair Banales expressed support for a culture assessment and noted recording meetings is common in other governing body meeting settings.

CORRESPONDENCE – None.

CLOSED SESSION – None.

ADJOURNMENT

Chair Banales adjourned the meeting at 5:47 pm and noted the next Special Board of Directors Meeting will be held at 5:30 pm on June 26, 2025.

_____
Monica Wilson
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

ADOPT RESOLUTION COMMENDING AND CONGRATULATING DEAN ECKERSON, RESOURCE RECOVERY SERVICES DIRECTOR, ON HIS RETIREMENT FROM THE DISTRICT

Recommendation

Adopt a resolution commending and congratulating Mr. Dean Eckerson, Resource Recovery Services Director, on his retirement from the District, effective June 10, 2025.

Background Information

Mr. Eckerson joined the District as a Principal Engineer on January 14, 2008. In June 2014, he was promoted to Resource Recovery Services Director prior to retiring following over 17 years of service at the District.

Analysis

During his 17-year career, Mr. Eckerson focused on supporting regulatory compliance, workforce development, facility operation and maintenance, and capital project implementation. As Resource Recovery Services Director, he managed the District's largest department, including the Operations, Maintenance, Laboratory, and Safety Divisions, for eleven years. During the COVID-19 pandemic, he was instrumental in adapting the workplace and implementing mitigation measures to ensure the heath and safety of team members during an extremely challenging time period. As a dedicated member of the Executive Team, he directly supported identification and implementation of strategic organizational improvements to continue effectively meeting the District's core mission of protecting public health and the environment in a fiscally-responsible manner.

The District acknowledges his significant contributions to the District and wastewater sector and wishes him well in retirement.

Prepared By:	Vince De Lange, General Manager	**Attachments**	
Reviewed By:	Vince De Lange, General Manager	☐ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☒ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

(*a California Special District*)

RESOLUTION NO. 10/2025

MATTER: Commending and Congratulating Dean Eckerson, Resource Recovery Services Director, on His Retirement from the District

---

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, Mr. Eckerson retired from the District on June 10, 2025, following over 17 years of dedicated service; and

WHEREAS, he was hired as a Principal Engineer on January 14, 2008, and earned a promotion to Resource Recovery Services Director (RRSD) in June 2014; and

WHEREAS, he supported regulatory compliance, workforce development, facility operation and maintenance, and capital project implementation as RRSD, while overseeing the Operations, Maintenance, Laboratory, and Safety Divisions; and

WHEREAS, he was instrumental in adapting the workplace and implementing mitigation measures to ensure the health and safety of team members during the COVID-19 pandemic; and

WHEREAS, he directly supported identification and implementation of strategic organizational improvements to continue effectively meeting the District's core mission of protecting public health and the environment in a fiscally-responsible manner; and

WHEREAS, the District received numerous industry association awards at the local, state, and national level during his tenure; and

WHEREAS, the District acknowledges his significant contributions to the District and wastewater sector and wishes him well in retirement.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER:**

Mr. Eckerson is hereby commended and thanked for over 17 years of outstanding service and dedication to the District. The Board of Directors and staff wish him well in his future endeavors.

PASSED AND ADOPTED on June 26, 2025, by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 26, 2025.

ATTEST: _____
Monica Wilson
Board Secretary

DRAFT

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 8 TO AGREEMENT WITH CITY OF PITTSBURG FOR STREET SWEEPING SERVICES, EXTENDING TERM FROM JULY 1, 2025 TO OCTOBER 30, 2025, AND AUTHORIZE PAYMENT IN AN AMOUNT NOT TO EXCEED $150,000

Recommendation

Authorize the General Manager to execute Amendment No. 8 to the agreement with the City of Pittsburg (City) for street sweeping services extending the term from July 1, 2025 to October 30, 2025, and authorize payment in an amount not to exceed $150,000 for this period.

Background Information

Street sweeping is one of the pollution prevention activities provided by the District for residents and businesses in its service area. Street sweeping is an effective method of protecting water quality by removing pollutants from streets for proper treatment before they enter local waterways. The District and the City entered into a three-year agreement on June 20, 2000, under which street sweeping services are provided by the City of Pittsburg, and the District reimburses the City for the cost of these services through a pass-through of the street sweeping service charges collected by the District. Since then, the City and the District have executed seven contract amendments to continue providing these critical services under this arrangement. Amendment No. 7 was approved by the Board in June 2022 and extended the contract term from July 1, 2022 through June 30, 2025.

Analysis

Amendment No. 8 would extend the term of this agreement from July 1, 2025 through October 30, 2025 in an amount not to exceed $150,000 for this period. The City identified increased labor, fuel, and consumable material expenses that have resulted in overall increased operating costs to continue providing this service. The City requested a maximum rate of $66.00 per curb-mile, which represents a 123% increase over the current rate of $29.61 per curb-mile. The rate includes equipment depreciation, inflation, labor, and fuel costs. The City would like to continue providing street sweeping services as a "City-provided service" and has effectively performed these street sweeping services over an extended time period. Staff has not yet received the City's financial analysis, which is necessary to evaluate incorporation of the maximum rate per curb mile, as the proposed costs have not yet been incorporated into the current street sweeping cost-of-service study. As a result, staff is recommending a contract extension for four months at the current approved rate, which will provide additional time to evaluate the proposed cost impacts.

Financial Impact

Sufficient funding is available in the proposed FY25/26 Budget to fund this work.

Prepared By:	Nitish Sharma, Business Services Director	**Attachments**	
Reviewed By:	Vince De Lange, General Manager	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 3 TO AGREEMENT FOR BIOSOLIDS HANDLING SERVICES WITH SYNAGRO WEST, LLC, EFFECTIVE JULY 1, 2025, TO MODIFY CONTRACT LANGUAGE, EXTEND TERM FOR TWO YEARS FROM JULY 1, 2025 THROUGH JUNE 30, 2027, AND AUTHORIZE PAYMENT FOR SERVICES IN AMOUNTS SPECIFIED IN THE AGREEMENT, AS AMENDED

Recommendation

Authorize the General Manager to execute Amendment No. 3 to the agreement with Synagro West, LLC for biosolids handling services, effective July 1, 2025, to modify contact language, extend the term for two years from July 1, 2025 through June 30, 2027 with three one-year options to extend under mutual agreement, and authorize payment for services in amounts specified in the agreement, as amended.

Background Information

Biosolids, the nutrient-rich organic material resulting from the treatment of wastewater, are one of the primary resources produced by the District's Wastewater Treatment Plant. The District produces approximately 35 wet tons of stabilized Class B biosolids per day, which is beneficially reused as a soil amendment via land application or through composting. In April 2020, staff issued a request for proposals to contractors with experience in providing turnkey biosolids handling services. Synagro provided a proposal with the lowest estimated cost and high beneficial reuse portfolio and a two-year term through June 30, 2022, with a one-year extension option subject to mutual agreement, which was approved by the Board on June 10, 2020. In June 2022, the Synagro agreement was amended to provide an additional year of biosolids handling services. In June 2023, the Synagro agreement was amended a second time to provide an additional two years of biosolids handling services.

Analysis

Synagro has provided reliable biosolids management services by holding multiple permits for land application in Solano, Sacramento, and Merced counties, and operating a composting facility in Merced county. Staff negotiated mutually acceptable contract language modifications related to changes in law and liability limitations and unit cost adjustments with Synagro for each biosolids management handling option for a two-year term to address multiple cost component increases identified by Synagro, including escalating fuel prices, regulatory requirements for diversion of organics from landfills, and reduced available capacity for biosolids end use. Based on a history of good service, reliable beneficial use, and market pricing, staff recommends extending the contract for a two-year term with three one-year options to extend under mutual agreement.

Financial Impact

This contract amendment will result in an annual biosolids management cost of approximately $1,250,000, which represents an increase of $78,000 (6.7%) from the FY24/25 Budget amount of $1,172,000. Sufficient funding is available in the proposed FY25/26 Budget.

Prepared By:	Joaquin Gonzalez, Operations Manager	**Attachments**	
Reviewed By:	Brian Thomas, Deputy General Manager	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO AGREEMENT FOR CLASS A BIOSOLIDS PROCESSING SERVICES WITH LYSTEK INTERNATIONAL LIMITED, EFFECTIVE JULY 1, 2025, TO EXTEND THE TERM FOR TWO YEARS, FROM JULY 1, 2025 THROUGH JUNE 30, 2027, AND AUTHORIZE PAYMENT FOR SERVICES IN AMOUNTS SPECIFIED IN THE AGREEMENT, AS AMENDED

Recommendation

Authorize the General Manager to execute Amendment No. 2 to the agreement for Class A biosolids processing services with Lystek International Limited (Lystek) effective July 1, 2025, to extend the term for two years from July 1, 2025 through June 30, 2027, and to authorize payment for services in amounts specified in the agreement, as amended.

Background Information

Biosolids, the nutrient-rich organic material resulting from the treatment of wastewater, are one of the primary resources produced by the District's Wastewater Treatment Plant. The District produces approximately 35 wet tons of stabilized Class B biosolids per day, which is beneficially reused as a soil amendment via land application or through composting. On June 9, 2021, the Board approved a two-year contract with Lystek for Class A biosolids processing services. In June 2023, the Lystek agreement was amended to provide an additional two years of Class A biosolids processing services.

Analysis

Lystek operates a regional treatment facility at Fairfield Suisun Sewer District that produces a Class A biosolids fertilizer product using advanced technology. Biosolids processed by Lystek reduce the amount of biosolids processed at Synagro's facilities, offsetting a portion of the costs of the amount sent to Lystek. California's biosolids management landscape continues to evolve due to tightening regulations on land application, composting, and emissions. Sending biosolids to Lystek diversifies the District's biosolids management portfolio by supporting a reliable, long-term outlet for biosolids, and is a resilient option amid ongoing regulatory developments.

Financial Impact

This contract amendment will result in an annual biosolids management cost of approximately $141,000, which represents an increase of $11,000 (8.5%) from the FY24/25 Budget amount of $130,000. Sufficient funding is available in the proposed FY25/26 Budget.

Prepared By:	Joaquin Gonzalez, Operations Manager	**Attachments**	
Reviewed By:	Brian Thomas, Deputy General Manager	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO GENERAL SERVICES CONTRACT IN THE AMOUNT OF $105,000, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED $200,000 LIEBERT CASSIDY WHITMORE, LABOR AND NEGOTIATION SERVICES

Recommendation

Authorize the General Manager to execute Amendment No. 2 to the general services contract with Liebert Cassidy Whitmore (LCW), to provide additional labor and negotiation services in the amount of $105,000, for a new total contract amount not to exceed $200,000.

Background Information

On February 12, 2024, the District executed a general services contract with LCW for $95,000 to provide labor and negotiation services on behalf of the District. Subsequently, the District executed Amendment No. 1 with LCW to extend the contract date through June 30, 2026.

Analysis

LCW provided labor and negotiations support to the District under its current contract. Staff is recommending Amendment No. 2 to provide additional funding for continued labor and negotiations support in FY25/26.

Financial Impact

Sufficient funding for this work is available in the proposed FY25/26 Budget.

Prepared By:	Jamie Lyn Alfonso, Human Resources and Risk Manager	**Attachments**	
Reviewed By:	Nitish Sharma, Business Services Director	☒ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☐ As Listed

APPROVE FY25/26-FY26/27 BUDGET AND ADOPT RESOLUTION APPROVING FY25/26-FY26/27 BUDGET APPROPRIATIONS

Recommendations

1) Approve the Fiscal Year 2025/2026 (FY25/26) and Fiscal Year 2026/2027 (FY26/27) budget.
2) Adopt a Resolution approving FY25/26-FY26/27 budget appropriations (refer to Attachment 1).

Background Information

Following critical review of operating budget adjustment needs and opportunities, staff has developed a proposed FY25/26-FY26/27 Biennial Operating Budget. This critical review directly supports the District's focus on long-term financial sustainability and effective stewardship of limited ratepayer funds in operating the District's wastewater collection, conveyance, and treatment systems; recycled water system; household hazardous waste (HHW) collection facility; and street sweeping services program.

The FY25/26-FY26/27 Budget (and associated "Budget Book") includes funding for the FY25/26-FY26/27 operating and capital budgets. The Budget Book (Attachment 2) combines budget information into a single document to meet industry best practices and guidelines. Key assumptions for the FY25/26-FY26/27 operating budget were reviewed by the Board at its meeting on May 14, 2025. Staff presented the proposed FY25/26-FY29/30 Capital Improvement Program (CIP) to the Board of Directors at its meeting on May 14, 2025. The final CIP is proposed for approval by the Board as part of the June 26, 2025 Board Meeting agenda.

Analysis

Proposed FY25/26-FY26/27 Operating Budget Overview: The proposed FY25/26-FY26/27 Budget presents a projection of revenue, operating expenses, and FY25/26-FY26/27 capital expenditures included in the proposed 5-year CIP. The District anticipates that it will continue to experience progressive increases in annual operating costs in future years due to escalations in labor, chemicals, energy, materials, supplies, equipment, hauling, and services costs, as well as increasingly more stringent regulatory requirements and has incorporated these cost increases in financial planning activities. The FY25/26 Budget is $58.2 million with the operating budget totaling $35.8 million and capital budget (including debt service) totaling $22.4 million. The FY25/26 operating budget represents a $1.1 million increase (3.1%) relative to FY24/25 ($34.7 million) and the capital budget (including debt service) represents a $1.0 million increase (4.9%) relative to FY24/25 ($21.4 million). The FY26/27 Budget is $85.5 million with the operating budget totaling $37.2 million and capital budget (including debt service) totaling $48.3 million. The FY26/27 operating budget represents an increase of $1.4 million (4.0%) from FY25/26 ($35.8 million) and the capital budget (including debt service) represents a $26.0 million increase (115.8%) compared to FY25/26 ($22.4 million).

Board policy calls for budget adoption and approval of new fiscal year appropriations by the first Board meeting in July. With the current budget concluding at the end of June, it is recommended that the Board consider approval of the FY25/26-FY26/27 Budgets and that funds be appropriated for each fiscal year on July 1, 2025 and July 1, 2026, respectively.

Where applicable, each District program area is budgeted with salaries and benefits, chemicals, office and operating expenses, outside services/repairs and maintenance, utilities, capital, debt service, and

Prepared By:	Anika Lyons, Finance Manger	**Attachments**	
Reviewed By:	Nitish Sharma, Business Services Director	☐ None	☐ Scope/Budget
Approved By:	Vince De Lange, General Manager	☐ Resolution	☐ Contract
File No.	BRD.01-ACTS	☐ Ordinance	☒ As Listed

program-specific costs. In addition to anticipated expenses to be incurred during the next two fiscal years, estimated revenues are also included in the proposed FY25/26-FY26/27 Budget so that the sources of funds used to offset planned expenditures are clearly identified. The District estimates total revenues of $60.1 million sufficiently cover operational and capital expenses for FY25/26 and revenues of $63.2 million combined with the use of approximately $22.4 million in fund equity will cover operational and capital expenses in FY26/27. The following is a summary of major budget components:

Salaries and Benefits (FY25/26, $19.1M; FY26/27, $20.0M): This category represents 53% and 54% of the District's FY25/26 and FY26/27 Operating Budget, respectively. Salary costs are estimated to increase by $168k and $677k in FY25/26 and FY26/27, respectively. Benefit costs are estimated to increase by $235k and $181k in FY25/26 and FY26/27, respectively.

- Cost-of-Living Adjustment (COLA): An annual COLA is specified in the memoranda of understanding (MOUs) for each of the District's three bargaining units. The MOUs specify that the District will adjust salaries for the first full pay period after July 1 each year, from a minimum of 2.0% up to 5.0% based on the April-to-April change in the Consumer Price Index (CPI), San Francisco/Bay Area Wage Earners. Required COLA adjustments for FY25/26 will range from 2.0% to 3.50%, per respective MOUs, which have been incorporated into the FY25/26 Budget. The FY26/27 Budget includes an estimated COLA of 3.5% based on current financial conditions. The actual FY26/27 percentage will be available in May 2026.
- Position Changes: A total of 78.5 full-time equivalent (FTE) positions, including 3.0 FTEs for intern positions, are funded in the proposed FY25/26 Operating Budget, which represents a decrease of 3.25 FTE compared to FY24/25. The approved FY25/26 Classification Control Plan (CCP) includes not filling the Recycled Water Program Coordinator, HR Analyst II, and Environmental Programs Manager positions; instead, the District intends to fill the following positions to meet business needs: Operations Supervisor, HR Assistant, and Senior Engineer. The FY26/27 Budget includes 79.0 FTEs, which represents an increase of 0.5 FTE compared to FY25/26.
- Anticipated Labor Savings: Based on potential vacancies and associated recruitment periods in FY25/26, staff incorporated a labor cost savings of ~$0.2 million for FY25/26; however, no labor savings were included in FY26/27 (i.e., assumes all positions are filled).
- Medical Insurance: The District has experienced cost savings due to changes in medical benefit elections by employees; however, those decreases are effectively offset by increased medical premium costs in FY25/26. The cost of other health benefits—vision, Employee Assistance Program, dental, and life insurance—are not expected to increase significantly.
- California Public Employees' Retirement System (CalPERS) Funding: In November 2011, the Board adopted CalPERS Classic Second Tier (2.0% at age 55), which applies to employees hired between July 1, 2012, and December 31, 2012, or hired on or after January 1, 2013, as a member of a qualified public pension plan (e.g., CalPERS, Contra Costa County Employee Retirement Plan, etc.). Prior to July 1, 2012, 100% of all employees were enrolled in CalPERS Classic Plan (2.7% at age 55). In addition, the Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, established PEPRA membership (2.0% at age 62), which applies to employees hired on or after January 1, 2013, without reciprocity recognized under CalPERS.

  In FY25/26, 80% of all employees are assumed to be in either Classic Second Tier or PEPRA members, compared to 73% in FY24/25. Because new hires are no longer eligible to become members of the Classic plan, the District achieves ongoing savings when employees leave the District and vacant positions are filled by Classic Second Tier or PEPRA members. The District assumes that

new journey-level, professional, and management hires will be Classic Second Tier members, because it is probable that they would have been a CalPERS or reciprocal plan member. The District assumes that new entry-level hires will be PEPRA members because it is less likely that these hires would have been CalPERS or a reciprocal plan member. In addition to the lower employer-paid contributions into CalPERS, all new hires pay their full employee contributions into CalPERS.

- CalPERS Pension Unfunded Liability Contribution: This cost is budgeted at $2.2 million, which is an increase of approximately $0.3 million from FY24/25 related to CalPERS actuarial assumptions and investment returns.
- Contra Costa County Employees' Retirement Association (CCCERA) Funding: In July 2014, the Board established Contributed Benefit Savings funding levels of 3.75% of salaries to maintain the integrity of the CCCERA plan for District retirees and employees who remained in the CCCERA system after the District transitioned from the CCCERA pension plan to CalPERS in July 2014. The CCCERA plan was 103% funded as of the last valuation, which was completed three years ago. As such, a pension payment is not due from the District. The next actuarial valuation is planned to be completed in fall 2025.
- OPEB Trust Fund Annual Funding: The Board's adopted OPEB Trust Funding Policy states the intent to fund the District's Actuarially Determined Contribution (ADC) within 30 years, which the District has done each year since the OPEB Trust Fund was established in February 2010. District employees hired prior to the effective dates of the current bargaining unit MOUs pay 3.0% of base salaries into the trust and the District budgets the required 3.0% match for these employees. The ADC for FY25/26 and FY26/27 is $485k and $506k, respectively.
- Retiree Health Savings (RHS) Accounts: The District provides all employees with RHS accounts and contributions based on an employee's date of hire and specified amounts in the three bargaining unit MOUs. Employees may withdraw funds from the RHS accounts upon separation from District. The total budgeted amount for RHS account contributions is $0.4 million for FY25/26 and FY26/27.

Chemicals (FY25/26, $3.3M; FY26/27, $3.5M): This category represents 9% of the FY25/26 and FY26/27 Operating Budgets. In FY25/26, this includes $1.6 million for Wastewater (+$75k) and $1.7 million (+$77k) for Recycled Water. In FY26/27, this includes $1.7 million for Wastewater (+$107k) and $1.8 million (+$115k) for Recycled Water. The District participates in the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage purchasing power among the members and receive cost-effective bids. Although this approach allows the District to benefit from competitive prices, current market conditions continue to result in some chemical unit costs increases. Staff continues to refine total annual chemical usage estimates, while working to optimize chemical consumption, to partially offset the impact of higher chemical supply costs.

Utilities (FY25/26, $3.1M; FY26/27, $3.3M): This category represents 9% of the FY25/26 and FY26/27 Operating Budgets. Although electricity costs are continuing to increase due to rising rates, the utilities budget includes a decrease of $66k in FY25/26 due to a significant reduction in projected natural gas use due to non-operation of the Cogeneration System and reallocation of 39% of electricity costs ($1.3 million) to the capital budget in FY25/26 and FY26/27 due to facility outages to support construction activities under the Cogeneration System Improvements Project. Utility costs are estimated to increase by $149k in FY26/27 due to anticipated electricity price increases.

Office and Operating/Other (FY25/26, $5.1M; FY26/27, $5.2M): This category represents 14% of the FY25/26 and FY26/27 Operating Budgets. The budget increased $0.3 million (7%) due to expected cost

increases for insurance premiums, biosolids hauling services, and technology systems and applications. Funding for staff training and professional development continues to be a high priority to support the Workforce Development goal in the District's Strategic Plan.

Outside Services (FY25/26, $5.2M; FY26/27, $5.1M): This category represents 15% and 14% of the District's FY25/26 and FY26/27 Operating Budget, respectively. In FY25/26, the budget increased by $0.3 million (5%) compared to FY24/25, which is primarily due to a $0.2 million reduction in temporary staffing services, offset by increases in lab testing services required for various permits and the City of Antioch's Brackish Water Desalination Facility ($0.1 million), street sweeping services for the City of Pittsburg ($0.2 million), maintenance outside services for landscaping and equipment repairs ($0.1 million), and legal expenses ($0.1 million). In FY26/27, the budget includes a reduction of $0.1 million for legal expenses.

Inter-fund Loans/Repayment (FY25/26 $4M; FY26/27 $0): In FY19/20, the Board authorized an interfund loan amount for $4.0 million from the Advanced Treatment Fund to the Capital Asset Replacement Fund. The loan will be fully repaid in FY25/26, leaving a total interfund loan balance of $0.

Financial Impact

To fund District activities in FY25/26-FY26/27, it is recommended that the Board adopt the recommended budget appropriations. The FY25/26-FY26/27 Proposed Budget Summary (refer to Attachment 3) is provided as an Exhibit to the attached draft resolution (Attachment 1) proposed for Board adoption. Total budgeted SSC revenues of $43.2 million, along with non-SSC revenue sources are proposed to fund $58.2 million in expenditures in FY25/26. Total budgeted SSC revenues of $46.9 million, along with non-SSC revenue sources and utilization of existing fund equity, are proposed to fund $85.5 million in expenditures in FY26/27. Adoption of a resolution approving the proposed appropriations will allow for the budget to be in place for each fiscal year beginning July 1, 2025 and July 1, 2026, respectively.

Attachments

1) Resolution Approving FY25/26-FY26/27 Budget Appropriation
2) FY25/26-FY26/27 Budget Book
3) FY25/26-FY26/27 Proposed Budget Summary

BEFORE THE BOARD OF DIRECTORS OF DELTA DIABLO

(*a California Special District*)

RESOLUTION NO. 11/2025

MATTER: Approving Fiscal Years 2025/2026-2026/2027 Budget Appropriations

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, it is necessary to adopt a District Budget for the Fiscal Years beginning July 1, 2025 and ending June 30, 2026 (FY25/26), and beginning July 1, 2026 and ending June 30, 2027 (FY26/27); and

WHEREAS, the adoption of the FY25/26-FY26/27 Budget Appropriations reflects District goals and programs; and

WHEREAS, the Budget as presented in the Proposed FY25/26-FY26/27 Budget Summary (refer to Exhibit) includes expenditures for: Operation and Maintenance of Sub-Regional Plant Facilities; Recycled Water Program; Household Hazardous Waste Program; Street Sweeping; Bay Point Collection Program; acquisition and construction of Capital Assets, including required reserves; and payment of annual debt service obligations; and

WHEREAS, the funding sources proposed for FY25/26-FY26/27, as described in the Proposed FY25/26-FY26/27 Budget Summary (refer to Exhibit) include Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY25/26 and FY26/27 Property Tax allocation funds; Interest Income; Other Miscellaneous Revenues; and carryover, if any, of prior fiscal year funds.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER:**

The FY25/26-FY26/27 Budget Appropriations are hereby adopted, as presented in the Proposed FY25/26-FY26/27 Budget Summary exhibit attached hereto and by reference made a part hereof.

PASSED AND ADOPTED on June 26, 2025, by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 26, 2025.

ATTEST: _____
Monica Wilson
Board Secretary

EXHIBIT: Proposed FY25/26-FY26/27 Budget Summary

DRAFT

EXHIBIT
DELTA DIABLO FY25/26 PROPOSED BUDGET SUMMARY

Line No.	CATEGORY	WASTEWATER FUND: OPERATIONS & MAINTENANCE	WASTEWATER FUND: CAPITAL ASSET	WASTEWATER FUND: ADVANCED TREATMENT	WASTEWATER FUND: CAPITAL ASSET REPLACEMENT	OTHER FUNDS: WASTEWATER EXPANSION	OTHER FUNDS: RECYCLED WATER	OTHER FUNDS: HOUSEHOLD HAZARDOUS WASTE	OTHER FUNDS: STREET SWEEPING	OTHER FUNDS: BAY POINT	ALL FUNDS TOTAL
	SOURCE OF FUNDS/REVENUES:										
1	Capital Facilities Capacity Charges					$ 1,400,000					$ 1,400,000
2	Service Charges										
3	Sewer Service	$ 26,590,226			$ 15,120,350	$ -	$ -			$ 1,490,424	43,201,000
4	Street Sweeping								$ 656,000		656,000
5	Household Hazardous Waste							$ 663,973			663,973
6	Property Taxes				4,250,034						4,250,034
7	Utility Rebates (from Calpine)	253,000									253,000
8	Interest Income	577,500	118,500	715,500	1,603,500	456,000	271,500	3,000	28,500	212,250	3,986,250
9	Discharge Permits & Fees	116,000									116,000
11	Overhead (from Capital Projects)	850,000									850,000
12	Miscellaneous	200,000									200,000
13	Recycled Water Service Charges						4,507,000				4,507,000
14	***TOTAL REVENUES***	**$ 28,586,726**	**$ 118,500**	**$ 715,500**	**$ 20,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 666,973**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
15	*OTHER FINANCING SOURCES*										
16	Loan and/or Other Financing Sources										0
17	Transfers In/(Out)	(779,037)						779,037			0
18	Interfund Loan			4,000,000	(4,000,000)						0
19	***TOTAL OTHER FINANCING SOURCES***	**$ (779,037)**	**$ -**	**$ 4,000,000**	**$ (4,000,000)**	**$ -**	**$ -**	**$ 779,037**	**$ -**	**$ -**	**$ -**
20	***TOTAL SOURCE OF FUNDS/REVENUES***	**$ 27,807,689**	**$ 118,500**	**$ 4,715,500**	**$ 16,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 1,446,010**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
21											
22	***USE OF FUNDS/EXPENDITURES:***										
23	*OPERATING*										
24	Salaries and Wages	$ 11,458,275					$ 786,695	$ 157,286		$ 436,096	$ 12,838,352
25	Benefits	6,462,631					353,709	106,919		289,251	7,212,510
26	Chemicals	1,862,000					1,755,000				3,617,000
27	Office and Operating Expense	4,402,241					601,469	71,607		48,674	5,123,991
28	Outside Services	2,840,908					44,948	1,053,149	1,418,867	74,850	5,432,722
29	Program Costs (Overhead)						324,000				324,000
30	Utilities	2,250,800					853,000	955			3,104,755
31	Contingency Allowance										0
32	***TOTAL OPERATING EXPENDITURES***	**$ 29,276,856**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,718,821**	**$ 1,389,916**	**$ 1,418,867**	**$ 848,870**	**$ 37,653,330**
33	*CAPITAL IMPROVEMENT PROJECTS*										
34	Debt Service	$ -	161,418		1,370,396	127,587				281,696	1,941,098
35	Capital Projects	$ -		720,000	17,855,500	520,000	850,000	60,000		469,500	20,475,000
36	***TOTAL CAPITAL EXPENDITURES***	**$ -**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 850,000**	**$ 60,000**	**$ -**	**$ 751,196**	**$ 22,416,098**
37	***TOTAL USE OF FUNDS/EXPENDITURES***	**$ 29,276,856**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 5,568,821**	**$ 1,449,916**	**$ 1,418,867**	**$ 1,600,066**	**$ 60,069,428**
38											
39	*CONTRIBUTION/(USE) of RESERVES*	**$ (1,469,167)**	**$ (42,918)**	**$ 3,995,500**	**$ (2,252,012)**	**$ 1,208,413**	**$ (790,321)**	**$ (3,906)**	**$ (734,367)**	**$ 102,608**	**$ 13,829**
40	*Estimated Beginning Fund Equity*	$ 20,434,061	$ 3,312,980	$ 21,319,063	$ 47,471,120	$ 17,345,142	$ 9,093,099	$ 631,385	$ 605,139	$ 6,187,879	$ 126,399,868
41	***Estimated Ending Fund Equity****	**$ 18,964,895**	**$ 3,270,062**	**$ 25,314,563**	**$ 45,219,109**	**$ 18,553,554**	**$ 8,302,778**	**$ 627,479**	**$ (129,228)**	**$ 6,290,487**	**$ 126,413,698**

* Does not include depreciation or amortization expense.

EXHIBIT
DELTA DIABLO FY26/27 PROPOSED BUDGET SUMMARY

Line No.	CATEGORY	WASTEWATER FUND: OPERATIONS & MAINTENANCE	WASTEWATER FUND: CAPITAL ASSET	WASTEWATER FUND: ADVANCED TREATMENT	WASTEWATER FUND: CAPITAL ASSET REPLACEMENT	OTHER FUNDS: WASTEWATER EXPANSION	OTHER FUNDS: RECYCLED WATER	OTHER FUNDS: HOUSEHOLD HAZARDOUS WASTE	OTHER FUNDS: STREET SWEEPING	OTHER FUNDS: BAY POINT	ALL FUNDS TOTAL
	SOURCE OF FUNDS/REVENUES:										
1	Capital Facilities Capacity Charges					$ 1,442,000					$ 1,442,000
2	Service Charges										
3	Sewer Service	$ 26,530,118	$ -		$ 18,749,200	$ -	$ -			$ 1,593,682	46,873,000
4	Street Sweeping								$ 656,000		656,000
5	Household Hazardous Waste							$ 676,643			676,643
6	Property Taxes				4,335,035						4,335,035
7	Utility Rebates (from Calpine)	253,000									253,000
8	Interest Income	433,125	88,875	536,625	1,202,625	342,000	203,625	2,250	21,375	159,188	2,989,688
9	Discharge Permits & Fees	116,000									116,000
11	Overhead (from Capital Projects)	850,000									850,000
12	Miscellaneous	200,000									200,000
13	Recycled Water Service Charges						4,777,000				4,777,000
14	***TOTAL REVENUES***	**$ 28,382,243**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 678,893**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
15	*OTHER FINANCING SOURCES*										
16	Loan and/or Other Financing Sources										0
17	Transfers In/(Out)	(836,974)						836,974			0
18	Interfund Loan										0
19	***TOTAL OTHER FINANCING SOURCES***	**$ (836,974)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 836,974**	**$ -**	**$ -**	**$ -**
20	***TOTAL SOURCE OF FUNDS/REVENUES***	**$ 27,545,269**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 1,515,867**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
21											
22	***USE OF FUNDS/EXPENDITURES:***										
23	*OPERATING*										
24	Salaries and Wages	$ 12,071,837					$ 823,922	$ 163,578		$ 465,907	$ 13,525,244
25	Benefits	6,591,166					360,071	108,844		295,972	7,356,054
26	Chemicals	2,018,000					1,881,000				3,899,000
27	Office and Operating Expense	4,456,840					632,523	74,459		49,871	5,213,693
28	Outside Services	2,702,089					46,191	1,098,232	1,453,976	76,500	5,376,988
29	Program Costs (Overhead)						334,000				334,000
30	Utilities	2,352,524					900,000	993			3,253,517
31	Contingency Allowance										0
32	***TOTAL OPERATING EXPENDITURES***	**$ 30,192,457**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,977,706**	**$ 1,446,106**	**$ 1,453,976**	**$ 888,251**	**$ 38,958,496**
33	*CAPITAL IMPROVEMENT PROJECTS*										
34	Debt Service	$ -	165,344		1,370,286	127,572				281,663	1,944,864
35	Capital Projects	$ -		3,960,000	35,990,000	3,560,000	1,650,000	75,000		1,190,000	46,425,000
36	***TOTAL CAPITAL EXPENDITURES***	**$ -**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 1,650,000**	**$ 75,000**	**$ -**	**$ 1,471,663**	**$ 48,369,864**
37	***TOTAL USE OF FUNDS/EXPENDITURES***	**$ 30,192,457**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 6,627,706**	**$ 1,521,106**	**$ 1,453,976**	**$ 2,359,913**	**$ 87,328,360**
38											
39	*CONTRIBUTION/(USE) of RESERVES*	**$ (2,647,188)**	**$ (76,469)**	**$ (3,423,375)**	**$ (13,073,426)**	**$ (1,903,572)**	**$ (1,647,081)**	**$ (5,239)**	**$ (776,601)**	**$ (607,044)**	**$ (24,159,995)**
40	*Estimated Beginning Fund Equity*	$ 18,964,895	$ 3,270,062	$ 25,314,563	$ 45,219,109	$ 18,553,554	$ 8,302,778	$ 627,479	$ (129,228)	$ 6,290,487	$ 126,413,698
41	***Estimated Ending Fund Equity****	**$ 16,317,707**	**$ 3,193,593**	**$ 21,891,188**	**$ 32,145,684**	**$ 16,649,982**	**$ 6,655,697**	**$ 622,239**	**$ (905,829)**	**$ 5,683,443**	**$ 102,253,704**

* Does not include depreciation or amortization expense.

Wastewater Treatment

Recycled Water

Energy Production

Biosolids Reuse



FY25/26-FY26/27 Biennial Budget

June 2025

Prepared by:
Business Services Department

Submitted to:
Board of Directors

Delta Diablo
TRANSFORMING WASTEWATER TO RESOURCES

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Acknowledgements

Board of Directors



District Executive Management

Vince De Lange .....General Manager

Brian Thomas ..... Deputy General Manager

Nitish Sharma .... Business Services Director

Murat Bozkurt .....Engineering Services Director/District Engineer

(Vacant) ..... Resource Recovery Services Director

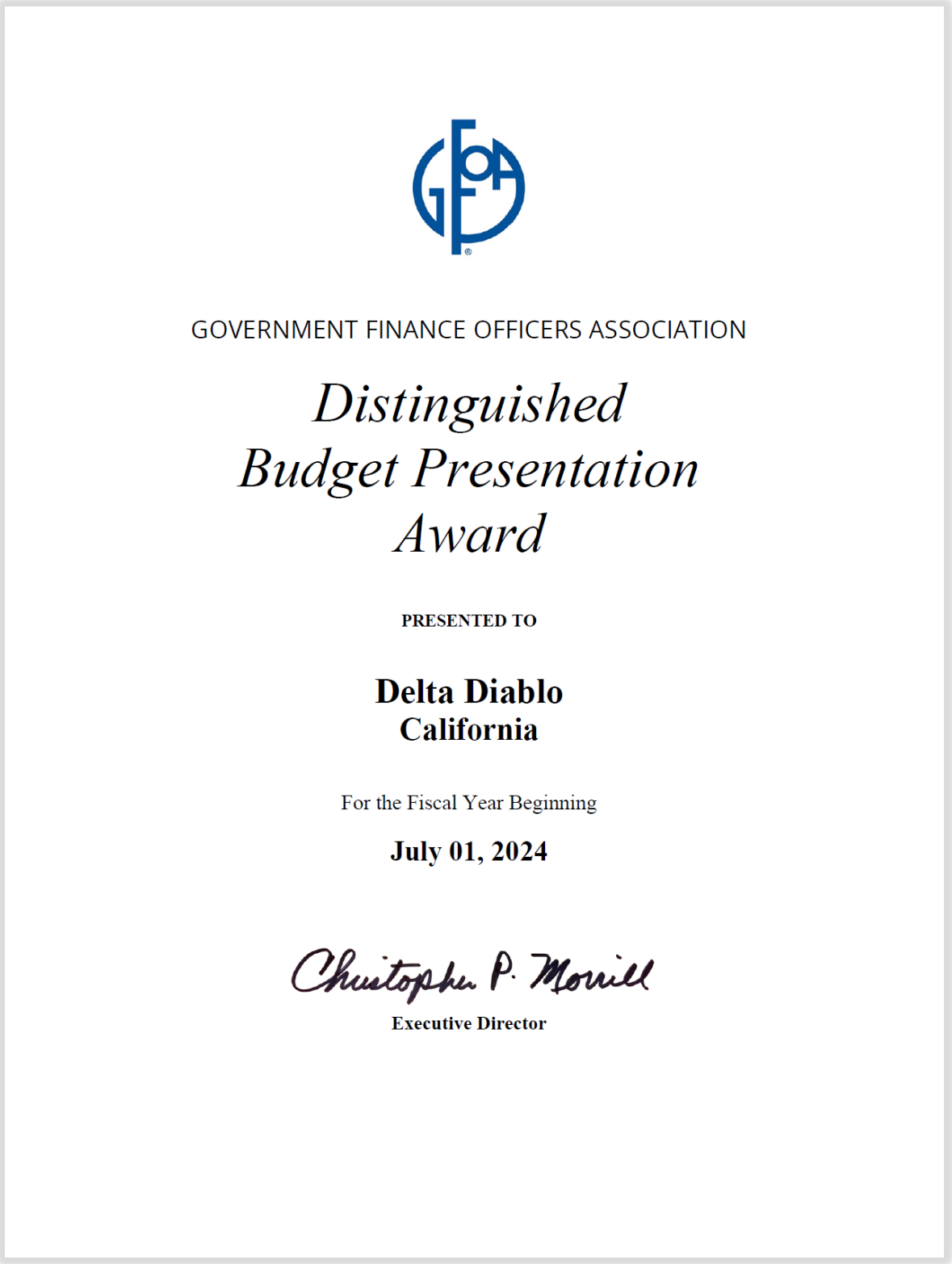
Cecelia Nichols-Fritzler .....Office Manager/Secretary to the Board

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GFOA Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Delta Diablo
California

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

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DELTA DIABLO FY25/26-FY26/27 BIENNIAL BUDGET

Message from the General Manager

Dear Honorable Members of the Board of Directors:

It is my pleasure to present the Delta Diablo (District) Fiscal Year 2025/2026 to Fiscal Year 2026/2027 (FY25/26-FY26/27) Biennial Budget. The FY25/26 Budget totals $58.2 million and reflects operating ($35.8 million), capital ($20.5 million), and debt service ($1.9 million) funding appropriations necessary to continue meeting our core mission of protecting public health and the environment in the year ahead. The FY26/27 Budget totals $85.5 million, which reflects necessary operating ($37.2 million), capital ($46.4 million), and debt service ($1.9 million) funding appropriations.



Jelani Killings
Board Member, Pittsburg Mayor



Shanelle Scales-Preston
Vice Chair, Contra Costa County Supervisor



Monica Wilson
Secretary, Antioch Councilmember

Investing in Critical Aging Wastewater Infrastructure The District has developed a 5-year Capital Improvement Program (CIP) totaling $238.1 million to meet critical infrastructure needs, which represents an increase of $51.0 million from the previous 5-year CIP totaling $187.1 million (approved in June 2024) as detailed design work on several major capital projects has progressed from conceptual planning stages. This continued investment is essential to protecting public health and the environment and maintaining effective and reliable wastewater collection, conveyance, and treatment services, and recycled water production. The District's Wastewater Treatment Plant (WWTP), which includes a combination of physical, biological, and chemical treatment processes, is over 43 years old and requires significant improvements to address aging infrastructure, meet regulatory requirements, and increase treatment process capacity. In addition, we are implementing multiple large-scale capital projects to renew major wastewater system infrastructure, highlighted by six high-priority projects that comprise 85% of planned 5-year CIP expenditures. We have incorporated $70 million of debt financing over the next five years in our financial plan to manage the need for increased revenue from customers, which directly funds most capital projects.

Meeting the Challenge of a New Regulatory Mandate In July 2024, the San Francisco Bay Regional Water Quality Control Board (RWB) implemented a regulatory mandate for all 37 Bay Area wastewater facilities to meet new nutrient removal requirements to reduce the potential for algal blooms in San Francisco Bay with a 10-year compliance timeline. We have identified the WWTP capital project improvements necessary to meet this regulatory mandate at the WWTP over the next ten years via the Secondary Process Improvements Phase 1 and 2 Projects at a cost of $145 million of the total estimated combined project cost of $261.5 million. At the end of FY24/25, we completed 50% design for the Secondary Process Improvements Phase 1 Project, which is needed to address critical aging infrastructure, expand WWTP capacity to meet growth in the District's service area through 2050, and provide foundational infrastructure improvements to support future nutrient removal upgrades to be completed as part of Phase 2.

Effectively Managing Operating Costs Despite significant labor, chemicals, biosolids management, utilities, and outside services cost increases and inflationary pressures in recent

years, the District has been able to achieve an average annualized increase of only 3.4% in the operating budget over the last six years from FY21/22 through FY26/27, including +3.1% ($1.1 million) and +4.0% (+$1.4 million) for FY25/26 and FY26/27, respectively.

Aligning Sewer Service Charges to Meet Capital and Operational Needs In June 2025, we presented *maximum* proposed SSC increases to the Board of Directors for the next five years, which included a proposed FY25/26 SSC increase of 8.5% and 8.8% for Antioch/Pittsburg and Bay Point residential customers, respectively. In addition, proposed maximum SSC increases of 8.5% for FY26/27-FY29/30 were included for all residential customers. If the maximum SSC increases were implemented throughout the next five years, an additional $58.6 million would be generated to support implementation of critical infrastructure renewal capital projects, compliance with the nutrient removal regulatory mandate, and operating costs.

Reinforcing Sustained Organizational Excellence Under the Board's progressive leadership and vision, the District continues to drive organizational excellence by ensuring a strategic approach to addressing near- and long-term challenges and embracing innovative approaches. This approach is critical to navigating competing resource needs and delivering our essential services to the local communities we serve in an effective, reliable, and financially sustainable manner. In the past, the District was recognized as a "Utility of the Future" by the National Association of Clean Water Agencies (NACWA), the Water Environment Federation (WEF), the Water Research Foundation (WRF), and the WateReuse Association for our outstanding industry leadership and progressive commitment to innovation, resource recovery, and "cutting-edge" practices. This prestigious award highlighted our broad regulatory compliance, water recycling, energy management, biosolids reuse, household hazardous waste collection, community engagement, and industry leadership achievements.



Highlighting Key FY24/25 Organizational Achievements

Regulatory Compliance: We applied for the NACWA Silver Peak Performance Award for 2024, which recognizes agencies for complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance. This award requires no more than five NPDES permit violations in a calendar year—the District experienced one permit violation (July 2024) due to an exceedance of acute toxicity test limits included in Self-Monitoring Program requirements.

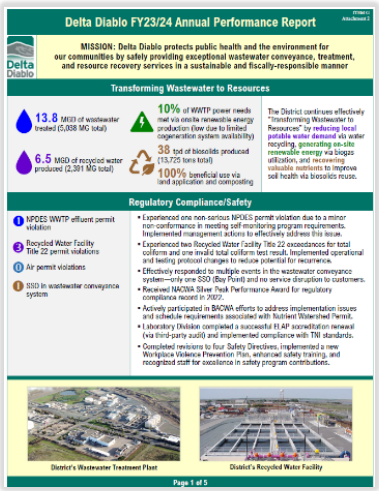
Nutrient Management: In FY24/25, we developed a phased approach to addressing critical aging infrastructure, expanding WWTP capacity to meet future growth-related needs, and addressing nutrient removal regulatory requirements following adoption of the Nutrient Watershed Permit by the RWB in July 2024. This included completing 50% design for the Secondary Process Improvements Phase 1 Project, while also continuing to advocate for development of a Nutrient Trading Program via BACWA and a potential nature-based solution (e.g., constructed wetlands) as a more cost-effective nutrient management approach.

Shore Acres Pump Station (SAPS) Forcemain Sanitary Sewer Overflow (SSO): Following identification of failure of the SAPS forcemain and associated significant SSO in early December 2024, the District effectively repaired the forcemain within 48 hours to restore service and installed a temporary 0.9-mile pipeline to facilitate completion of a permanent infrastructure rehabilitation or replacement project. In February 2025, the District awarded a detailed design services contract for the Shore Acres Forcemain Repair Project, which is estimated to cost $9.0 million in the 5-year CIP. In addition, we presented a summary of the failure analysis, including

root causes and contributing factors, to the Board of Directors in March 2025. The District has submitted detailed, comprehensive SSO response regulatory reports to RWB.



Resource Recovery – Biogas Utilization: Following completion of detailed design in June 2024, the District awarded a construction contract for the $20 million Cogeneration System Improvements Project in August 2024. However, the District is no longer assuming receipt of $6.5 million in federal tax credits under the 2022 Inflation Reduction Act based on changes proposed by the current administration. This project is a critical element of the District's focus on "transforming wastewater to resources" via utilization of biogas generated from the wastewater treatment process in an onsite cogeneration system to meet 50-55% of WWTP power demand.


Delta Diablo FY23/24 Annual Performance Report

MISSION: Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner

Transforming Wastewater to Resources

13.8 MGD of wastewater treated (5,038 MG total)

10% of WWTP power needs met via onsite renewable energy production (low due to limited cogeneration system availability)

6.5 MGD of recycled water produced (2,381 MG total)

38 tpd of biosolids produced (13,725 tons total)

100% beneficial use via land application and composting

The District continues effectively "Transforming Wastewater to Resources" by reducing local potable water demand via water recycling, generating on-site renewable energy via biogas utilization, and recovering valuable nutrients to improve soil health via biosolids reuse.

Regulatory Compliance/Safety

- NPDES WWTP effluent permit violation
- Recycled Water Facility Title 22 permit violations
- Air permit violations
- SSO in wastewater conveyance system

- Experienced one non-serious NPDES permit violation due to a minor non-conformance in meeting self-monitoring program requirements. Implemented management actions to effectively address this issue.
- Experienced two Recycled Water Facility Title 22 exceedances for total coliform and one invalid total coliform test result. Implemented operational and testing protocol changes to reduce potential for recurrence.
- Effectively responded to multiple events in the wastewater conveyance system—only one SSO (Bay Point) and no service disruption to customers.
- Received NACWA Silver Peak Performance Award for regulatory compliance record in 2022.
- Actively participated in BACWA efforts to address implementation issues and schedule requirements associated with Nutrient Watershed Permit.
- Laboratory Division completed a successful ELAP accreditation renewal (via third-party audit) and implemented compliance with TNI standards.
- Completed revisions to four Safety Directives, implemented a new Workplace Violence Prevention Plan, enhanced safety training, and recognized staff for excellence in safety program contributions.

District's Wastewater Treatment Plant

District's Recycled Water Facility

Page 1 of 5

FY23/24 District Annual Performance Report, FY23/24 Strategic Initiatives Update: In August 2024, the District prepared an annual performance report, which was presented to the Board to highlight key outcomes in the resource recovery, regulatory compliance/safety, infrastructure investment, workforce development, fiscal responsibility, strategic planning, sustaining long-term organizational excellence, and industry association awards categories. In addition, staff presented an update on progress toward completing the eleven FY23/24 Strategic Initiatives, which were designed to directly support implementation of goals, strategies, and objectives identified in the District's Strategic Plan. In May 2025, staff presented FY25/26 Strategic Initiatives to the Board. We intend to present the FY24/25 District Annual Performance Report in August 2025.

Sustaining the District's Recycled Water Program: In November 2024, the Board approved Recycled Water Service Charge (RWSC) adjustments, which will increase annual revenue to offset recent increases in chemical and utilities costs at the District's Recycled Water Facility (RWF). In December 2023, the Board awarded a contract for the Recycled Water Master Plan and RWF Condition Assessment Project, which is intended to develop an integrated, strategic planning focused guidance document with in-depth analysis in key areas to inform infrastructure decisions in the near and long term. In FY24/25, we completed this important project to identify necessary capital improvements, while exploring recycled water expansion opportunities, water quality improvements necessary to support expanded uses, multi-benefit projects to support nutrient discharge reductions, and funding opportunities.

Leveraging Information Technology (IT) to Drive Organizational Improvement: In support of the Organizational Change goal and associated strategies and objectives in the District's Strategic Plan, staff continued implementation of key IT initiatives to support improved business processes and overall organizational effectiveness and efficiency. In FY24/25, the District added a Software Developer position to further expand the District's IT capacity and services.



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Reinforcing Community Outreach and Public Education Efforts: In FY24/25, this was a significant organizational focus area, which supported a diverse range of employee participation in representing the District at 23 community outreach events, including workforce development activities (e.g., career fairs), local community groups, educational settings (e.g., STEM events), and plant tours.



Execution of Labor Agreements with Bargaining Units: In July 2024 and June 2025, the District completed labor contract negotiations with the Operation and Maintenance (O&M) and Professional and Technical (P&T) bargaining units, respectively, which represents a significant organizational outcome as the new memoranda of understanding (MOUs) five year terms and are expected to continue aligning our benefits, work practices, and internal processes with peer agencies in the Bay Area, while supporting long-term financial sustainability, retention and recruitment efforts, workforce development, and cost savings over time.

Updated Capital Facilities Capacity Charges (CFCCs): In December 2024, the District updated its completed a CFCC study and a CFCC update to ensure recovery of anticipated capital costs associated with major capital improvement projects that will expand capacity in the District's wastewater conveyance and treatment systems. CFCC revenue is estimated at $1.4 million and $1.442 million in FY25/26 and FY26/27, respectively.

Financial Reporting Excellence: The District received four GFOA awards for preparation of the FY24/25 Budget Book and FY22/23 Annual Comprehensive Financial Report (ACFR), which highlights the District's commitment to excellence in financial reporting, communication, and transparency. Following an audit of our FY23/24 ACFR, the District received a "clean" audit opinion with no material weaknesses.

Workforce Development Focus, FY25/26 Classification Control Plan: The District identified and implemented an FY24/25 Strategic Initiative to: "Encourage employee engagement with peer agency counterparts and applicable industry associations at all levels to support organizational effectiveness and efficiency, continuous improvement through innovation, workforce development, and mentoring opportunities." In May 2025, the Board approved an updated Classification Control Plan for FY25/26, which supports workforce development efforts and succession planning needs, while providing additional clarity regarding maximum staffing levels, position funding, career paths, and promotional opportunities.



The Road Ahead: FY25/26 Priority Organizational Focus Areas



The FY25/26-FY26/27 Biennial Budget will help the District build on its achievements in FY24/25 by continuing to effectively support our Mission: "Delta Diablo protects public health and the environment for our communities by, safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner." In support of continuing to implement the goals, strategies, and objectives identified in the District's Strategic Plan, the following Strategic Initiatives have been identified to guide planned activities in FY25/26:

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FY25/26 Strategic Initiatives	Supports Strategic Plan Goal Area(s)
1) Ensure a **strategic, integrated planning, and cost-effective approach** to implementing capital improvements to **support future nutrient removal** at the District's WWTP.	❶❷❸❹
2) Advocate for development of a regional **Nutrient Trading Program** via active engagement as a member of the Bay Area Clean Water Agencies (BACWA) and evaluate potential application of **nature-based solutions** (e.g., constructed wetlands) to reduce the cost of complying with the **nutrient removal regulatory mandate**.	❶❷❸❹
3) Continue implementing **prioritized capital project delivery enhancements** to support effective project management, use of **alternative project delivery approaches**, teamwork, collaboration, communication, issue resolution, integration of lessons learned, and decision making.	❶❸❺❹❷
4) Develop recommended updates to the District's **Capital Facilities Capacity Charges**, **Street Sweeping Service Charges**, and **fee schedules** to ensure effective cost recovery and appropriate allocation to customers.	❸❻❶
5) Implement **information management technology solutions to enhance compliance** with NPDES permit self-monitoring program requirements, TNI laboratory accreditation standards, and operational data utilization.	❷❹❺❻
6) Implement Information Technology (IT) Roadmap activities to strengthen the District's **cybersecurity measures and protocols**, modernize networking and datacenter infrastructure, and **expand utilization of enterprise resource planning (ERP) software** to streamline human resources and financial management activities.	❸❹❻❺
7) Monitor and evaluate key developments regarding **use of artificial intelligence** (AI) to **drive organizational effectiveness and efficiency**, including key business, operations, and engineering work processes; and consider **development of an AI Use Policy**.	❸❹❺❻
8) Evaluate opportunities to enhance **organizational culture**, **workforce development**, **teamwork**, **engagement**, and **communication**.	❺❹❸❻
9) Encourage **employee engagement** with peer agency counterparts and applicable industry associations **at all levels** to support organizational effectiveness and efficiency, continuous improvement through innovation, **workforce development**, and mentoring opportunities.	❺❹❸❻
10) Reinforce the District's **emergency preparedness** by completing a comprehensive update to the Emergency Management and Action Plan and conducting associated **emergency response drills** to ensure staff training and readiness.	❺❹❷

District Strategic Plan Goals

❶ **Infrastructure Investment** Ensure the long-term effectiveness and reliability of critical infrastructure through prioritized, cost-effective capital investment and maintenance

❷ **Environmental Stewardship** Meet or surpass environmental and public health requirements to maintain public trust

❸ **Fiscal Responsibility** Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates

❹ **Organizational Change** Embrace innovation, engagement, and change to enhance service delivery, work processes, and use of technology to drive sustained improvement in organizational effectiveness and efficiency

❺ **Workforce Development** Support development of an engaged, skilled workforce that is dedicated to organizational excellence and exceptional service delivery

❻ **Customer Services and Engagement** Deliver an exceptional customer service experience and embrace opportunities to enhance service value through engagement and collaboration

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Implementing the Strategic Plan – FY25/26 Key Success Indicators

The District's Strategic Plan identifies Key Success Indicators (KSIs) for each of the six goal areas. A summary of KSI targets for FY25/26 and performance for FY24/25 is provided below.

Strategic Plan Goal Area	Key Success Indicator	Annual Target	FY24/25 Actual
❶ **Infrastructure Investment**	Number of Master Plans included in 5-year CIP	≥3	4
	Meet Completion Schedule for Master Plans, Condition Assessment Activities	varies	varies
	Actual Annual Capital Expenditures as Percent of Budgeted Cash Flow (including carry forward)	≥80%	70%
	Annual Number of Miles of WW Collection System Pipe Inspected (BP only)	14 miles	11.4 miles
❷ **Environmental Stewardship**	Number of Violations or Exceedances of NPDES Permit for District's WWTP	0	1
	Number of Violations or Exceedances of Recycled Water Title 22 Compliance Requirements	0	0
	Number of Violations or Exceedances of Air Permit Title V Compliance Requirements	0	0
	Annual Environmental Compliance Inspections and Permit Issuances Completed on Schedule	100%	100%
	HHW Facility – Compliance with Requirements	100%	100%
	Annual Recycled Water Production and Distribution (% of WWTP influent)	≥50%	40%
	Annual On-site Power Generation (% of WWTP power demand)	≥55%	0%
	Annual Biosolids Beneficial Use (% of biosolids production)	100%	100%
❸ **Fiscal Responsibility**	Maintain Reasonable SSCs when Compared to Peer Agencies in the San Francisco Bay Area	<avg. of peers	Yes
	Received Annual Recognition from GFOA for Excellence in Financial Reporting for ACFR and Budget Book?	Yes	Yes
	Number of "Significant Deficiencies" in Internal Controls or "Material Weaknesses" Identified during Annual Third-party Audit of Financial Reports	0	3
	Minimum Economic Reserves When Compared to Total Operating Budget	≥40%	68%
	Percent of Third-party Financial Audit Findings Resolved within 90 days	100%	100%
	Debt Service Coverage Ratio	≥1.40	6.67
❹ **Organizational Change**	Number of Annual Strategic Initiatives Identified	>8	11
	Critical IT Application Uptime	100%	100%
	IT Customer Satisfaction Results	>95%	98%
❺ **Workforce Development**	Compliance with Mandatory Training Requirements	100%	100%
	Maintain All Required Licenses, Certifications, Training	100%	99%
	Annual Performance Plans Completed on Schedule	>95%	66%
❻ **Customer Services and Engagement**	Initial Response Time for Conveyance/Collection System Emergencies	≤30 minutes	≤30 minutes
	Initial Response Time for Customer Voicemails/Emails (during business hours)	≤2 hours	≤2 hours
	Number of Annual Confirmed Odor Complaints to BAAQMD	0	1
	Number of Annual Unresolved Construction-related Customer Complaints	0	0

Highlighting Key FY25/26-FY26/27 Biennial Budget Outcomes

In support of providing meaningful and understandable context for our customers and other interested parties, Key FY25/26 and FY26/27 Budget highlights are provided below. Following critical review of major budget categories, staff was able to achieve an average annualized increase of 3.4% in the operating budget over a six-year period (FY21/22-FY26/27).

FY25/26 Budget Highlights

- The FY25/26 Budget totals $58.2 million, which includes operating ($35.8 million), capital ($20.5 million), and debt service ($1.9 million) funding appropriations.
- The FY25/26 operating budget represents a $1.1 million increase (+3.1%) from FY24/25 ($34.7 million) and reflects significant budget drivers, including labor (+$0.4 million), HHW/street sweeping program (+$0.26 million), and biosolids management (+$0.21 million) cost increases.
- Planned FY25/26 capital expenditures total $25.0 million, which includes $20.5 million in new appropriations and $4.5 million in estimated carryover from FY24/25. Significant capital projects in FY25/26 include the Cogeneration System Improvements ($7.0 million), Secondary Process Improvements Phase 1 ($4.0 million), and Shore Acres Forcemain Repair ($2.5 million).
- In FY25/26, the District anticipates collecting a total of $60.1 million in revenue, which includes $43.2 million in SSCs, $4.5 million in Recycled Water Service Charges, $4.3 million in ad valorem property taxes, $1.4 million in Capital Facilities Capacity Charges, $4.0 million in interest income, and $2.7 million in other revenue.
- Debt service payments of $1.9 million support repayment of $33.0 million in existing debt obligations (97% of debt is low-interest loans from Clean Water State Revolving Fund and California Energy Commission).

FY26/27 Budget Highlights

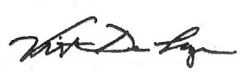
- The FY26/27 Budget totals $85.5 million, which includes operating ($37.2 million), capital ($46.4 million), and debt service ($1.9 million) funding appropriations.
- The FY26/27 operating budget represents a $1.4 million increase (+4.0%) from FY25/26 ($35.83 million) and reflects significant budget drivers, including labor (+$0.86 million), chemicals (+$0.22 million), and utilities (+$0.15 million) cost increases.
- Planned FY26/27 capital expenditures total $46.4 million, which includes $46.4 million in new appropriations. Significant capital projects in FY26/27 include the Secondary Process Improvements Phase 1 ($22.0 million), Shore Acres Forcemain Repair ($4.0 million), and Antioch Pump Station and Conveyance System Improvements ($3.5 million) projects.
- In FY26/27, the District anticipates collecting a total of $63.2 million in revenue, which includes $46.9 million in SSCs, $4.8 million in Recycled Water Service Charges, $4.3 million in ad valorem property taxes, $1.4 million in Capital Facilities Capacity Charges, $3.0 million in interest income, and $2.8 million in other revenue.
- Debt service payments of $1.9 million support repayment of $33.0 million in existing debt obligations (97% of debt is low-interest loans from Clean Water State Revolving Fund and California Energy Commission).

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Driving Sustained Organizational Excellence while Meeting the District's Mission

In addition to providing the resources necessary to continue meeting our core mission of protecting public health and the environment, the FY25/26-FY26/27 Biennial Budget supports the District's focus on achieving sustained organizational excellence. As responsible stewards of the public's resources and trust, this organizational commitment is essential to ensuring delivery of financially sustainable, effective, and reliable wastewater conveyance and treatment services to our customers in the local community. I would like to acknowledge the Board's strong leadership and engagement, as well as the key contributions from each of our dedicated employees.

Sincerely,



Vincent P. De Lange
General Manager



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Annual Budget Resolution

BEFORE THE BOARD OF DIRECTORS
OF DELTA DIABLO
(*a California Special District*)

RESOLUTION NO. 11/2025

MATTER: Approving Fiscal Years 2025/2026 and 2026/2027 Budget Appropriations

---

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, it is necessary to adopt a District Budget for the Fiscal Years beginning July 1, 2025 and ending June 30, 2026 and beginning July 1, 2026 and ending June 30, 2027; and

WHEREAS, the adoption of the Fiscal Years 2025/2026 (FY25/26) and 2026/2027 (FY26/27) Budget Appropriations reflects the agency goals and programs; and

WHEREAS, the Budget as presented in the FY25/26 and FY26/27 Proposed Budget Summary (refer to Exhibit) includes expenditures for: Operation and Maintenance of Sub-Regional Plant Facilities; Recycled Water Program; Household Hazardous Waste Program; Street Sweeping; Bay Point Collection Program; acquisition and construction of Capital Assets, including required reserves; and payment of annual debt service obligations; and

WHEREAS, the funding sources proposed for FY25/26 and FY26/27, as described in the FY25/26 and FY26/27 Proposed Budget Summary (refer to Exhibit) include: Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY25/26 and FY26/27 Property Tax allocation funds; Interest Income; Other Miscellaneous Revenues; and carryover, if any, of prior fiscal year funds.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER:**

The FY25/26 and FY26/27 Budget Appropriations are hereby adopted, as presented in the FY25/26 and FY26/27 Proposed Budget Summary Exhibit attached hereto and by reference made a part hereof.

PASSED AND ADOPTED on June 26, 2025, by the following vote:

AYES:	ABSENT:
NOES:	ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 26, 2025.

ATTEST: _____
Monica Wilson
Board Secretary

EXHIBIT: FY25/26 and FY26/27 Proposed Budget Summary

Page 1 of 1

Exhibit – Delta Diablo FY25/26 Proposed Budget Summary

CATEGORY	OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	ALL FUNDS TOTAL
SOURCE OF FUNDS/REVENUES:										
Capital Facilities Capacity Charges					$ 1,400,000					$ 1,400,000
Service Charges										
Sewer Service	$ 26,590,226			$ 15,120,350	$ -	$ -			$ 1,490,424	43,201,000
Street Sweeping								$ 656,000		656,000
Household Hazardous Waste							$ 663,973			663,973
Property Taxes				4,250,034						4,250,034
Utility Rebates (from Calpine)	253,000									253,000
Interest Income	577,500	118,500	715,500	1,603,500	456,000	271,500	3,000	28,500	212,250	3,986,250
Discharge Permits & Fees	116,000									116,000
Overhead (from Capital Projects)	850,000									850,000
Miscellaneous	200,000									200,000
Recycled Water Service Charges						4,507,000				4,507,000
TOTAL REVENUES	**$ 28,586,726**	**$ 118,500**	**$ 715,500**	**$ 20,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 666,973**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
OTHER FINANCING SOURCES										
Loan and/or Other Financing Sources										0
Transfers In/(Out)	(779,037)						779,037			0
Interfund Loan			4,000,000	(4,000,000)						0
TOTAL OTHER FINANCING SOURCES	**$ (779,037)**	**$ -**	**$ 4,000,000**	**$ (4,000,000)**	**$ -**	**$ -**	**$ 779,037**	**$ -**	**$ -**	**$ -**
TOTAL SOURCE OF FUNDS/REVENUES	**$ 27,807,689**	**$ 118,500**	**$ 4,715,500**	**$ 16,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 1,446,010**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
USE OF FUNDS/EXPENDITURES:										
OPERATING										
Salaries and Wages	$ 10,647,617					$ 539,996	$ 148,482		$ 397,323	$ 11,733,418
Benefits	6,573,029					360,250	111,817		294,314	7,339,410
Chemicals	1,591,000					1,713,000				3,304,000
Office and Operating Expense	4,057,778					625,469	71,607		48,674	4,803,528
Outside Services	2,558,302					44,948	1,053,149	1,418,867	74,850	5,150,116
Program Costs (Overhead)						324,000				324,000
Utilities	2,250,800					853,000	955			3,104,755
Contingency Allowance										0
TOTAL OPERATING EXPENDITURES	**$ 27,678,526**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,460,663**	**$ 1,386,010**	**$ 1,418,867**	**$ 815,161**	**$ 35,759,227**
CAPITAL IMPROVEMENT PROJECTS										
Debt Service	$ -	161,418		1,370,396	127,587				281,696	1,941,098
Capital Projects	$ -		720,000	17,855,500	520,000	850,000	60,000		469,500	20,475,000
TOTAL CAPITAL EXPENDITURES	**$ -**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 850,000**	**$ 60,000**	**$ -**	**$ 751,196**	**$ 22,416,098**
TOTAL USE OF FUNDS/EXPENDITURES	**$ 27,678,526**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 5,310,663**	**$ 1,446,010**	**$ 1,418,867**	**$ 1,566,357**	**$ 58,175,325**
CONTRIBUTION/(USE) of RESERVES	**$ 129,163**	**$ (42,918)**	**$ 3,995,500**	**$ (2,252,012)**	**$ 1,208,413**	**$ (532,163)**	**$ -**	**$ (734,367)**	**$ 136,317**	**$ 1,907,932**
Estimated Beginning Fund Equity	$ 20,880,842	$ 3,312,980	$ 21,319,063	$ 47,471,120	$ 17,345,142	$ 9,107,914	$ 632,888	$ 605,139	$ 6,196,315	$ 126,871,402
Estimated Ending Fund Equity*	**$ 21,010,005**	**$ 3,270,062**	**$ 25,314,563**	**$ 45,219,109**	**$ 18,553,554**	**$ 8,575,751**	**$ 632,888**	**$ (129,228)**	**$ 6,332,632**	**$ 128,779,335**

*Does not include depreciation or amortization expense

Exhibit – Delta Diablo FY26/27 Proposed Budget Summary

CATEGORY	OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	ALL FUNDS TOTAL
SOURCE OF FUNDS/REVENUES:										
Capital Facilities Capacity Charges					$ 1,442,000					$ 1,442,000
Service Charges										
Sewer Service	$ 26,530,118	$ -		$ 18,749,200	$ -	$ -			$ 1,593,682	46,873,000
Street Sweeping								$ 656,000		656,000
Household Hazardous Waste							$ 676,643			676,643
Property Taxes				$ 4,335,035						4,335,035
Utility Rebates (from Calpine)	253,000									253,000
Interest Income	433,125	88,875	536,625	1,202,625	342,000	203,625	2,250	21,375	159,188	2,989,688
Discharge Permits & Fees	116,000									116,000
Overhead (from Capital Projects)	850,000									850,000
Miscellaneous	200,000									200,000
Recycled Water Service Charges						4,777,000				4,777,000
TOTAL REVENUES	**$ 28,382,243**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 678,893**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
OTHER FINANCING SOURCES										
Loan and/or Other Financing Sources										0
Transfers In/(Out)	(836,974)						836,974			0
Interfund Loan										0
TOTAL OTHER FINANCING SOURCES	**$ (836,974)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 836,974**	**$ -**	**$ -**	**$ -**
TOTAL SOURCE OF FUNDS/REVENUES	**$ 27,545,269**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 1,515,867**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
USE OF FUNDS/EXPENDITURES:										
OPERATING										
Salaries and Wages	$ 11,296,781					$ 607,464	$ 153,691		$ 422,501	$ 12,480,437
Benefits	6,791,083					392,317	113,492		301,415	7,598,307
Chemicals	1,698,000					1,828,000				3,526,000
Office and Operating Expense	4,115,958					655,523	74,459		49,871	4,895,811
Outside Services	2,419,983					46,191	1,098,232	1,453,976	76,500	5,094,882
Program Costs (Overhead)						334,000				334,000
Utilities	2,352,524					900,000	993			3,253,517
Contingency Allowance										0
TOTAL OPERATING EXPENDITURES	**$ 28,674,329**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,763,495**	**$ 1,440,867**	**$ 1,453,976**	**$ 850,287**	**$ 37,182,954**
CAPITAL IMPROVEMENT PROJECTS										
Debt Service	$ -	165,344		1,370,286	127,572				281,663	1,944,864
Capital Projects	$ -		3,960,000	35,990,000	3,560,000	1,650,000	75,000		1,190,000	46,425,000
TOTAL CAPITAL EXPENDITURES	**$ -**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 1,650,000**	**$ 75,000**	**$ -**	**$ 1,471,663**	**$ 48,369,864**
TOTAL USE OF FUNDS/EXPENDITURES	**$ 28,674,329**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 6,413,495**	**$ 1,515,867**	**$ 1,453,976**	**$ 2,321,950**	**$ 85,552,818**
CONTRIBUTION/(USE) of RESERVES	**$ (1,129,060)**	**$ (76,469)**	**$ (3,423,375)**	**$ (13,073,426)**	**$ (1,903,572)**	**$ (1,432,870)**	**$ -**	**$ (776,601)**	**$ (569,080)**	**$ (22,384,453)**
Estimated Beginning Fund Equity	$ 21,010,005	$ 3,270,062	$ 25,314,563	$ 45,219,109	$ 18,553,554	$ 8,575,751	$ 632,888	$ (129,228)	$ 6,332,632	$ 128,779,335
Estimated Ending Fund Equity*	**$ 19,880,945**	**$ 3,193,593**	**$ 21,891,188**	**$ 32,145,684**	**$ 16,649,982**	**$ 7,142,881**	**$ 632,888**	**$ (905,829)**	**$ 5,763,552**	**$ 106,394,883**

*Does not include depreciation or amortization expense

Section 1: Introduction and Overview

Delta Diablo's (District's) Fiscal Year 2025/2026 (FY24/25) Budget and Fiscal Year 2026/2027 (FY26/27) Budget assists the District in communicating its planned use of resources to elected officials, District employees, and the public. This section provides the reader with an overview of the essential components included in this budget document, which includes five major sections: 1) Introduction and Overview; 2) Financial Structure, Policies, and Processes; 3) Financial Summaries; 4) Capital and Debt; and 5) Department Information. A summary of the District's financial policies is included in Appendix A.

Introduction and Overview
The Introduction and Overview begins with an overview of District services, funds, local economic conditions, and strategic planning considerations. This section concludes with a Budget Overview that includes more detailed information regarding the District's Sources of Funds and Uses of Funds.

Financial Structure, Policies, and Processes
This section is designed to provide the reader with an overview of the District's Organization, Organizational Chart, Budgeted Positions as of July 1, 2025, and July 1, 2026 (on a full-time equivalent basis), as well as Fund Descriptions and Structure. It also highlights the District's financial bases and policies along with its budget process, calendar, and levels of budgetary control. The reader may find some more detailed information regarding financial and budgetary guidelines here.

Financial Summaries
The Financial Summaries section introduces the Consolidated Financial Schedule and the Fund Equity Summary. In the Consolidated Financial Schedule section, the reader may review the various inflows of revenue (Source of Funds/Revenues) and outflows of expenses (Use of Funds/Expenditures) for the prior year budget, the prior year actual, the current year budget, the current year proposed, the proposed FY25/26 Budget, and the proposed FY26/27 Budget, along with a variance between the current year budget and the proposed FY25/26 Budget and variance between the proposed budgets for FY25/26 and FY26/27. The Fund Equity Summary is organized by fund and presents the beginning and ending fund equity, sources of funds/revenues, and use of funds/expenditures.

Capital and Debt
This two-part section starts with a program overview of the District's FY25/26-FY29/30 Capital Improvement Program (CIP). Next, the consolidated 5-year CIP Summary is provided with planned expenditures over the next five years, which is followed by a comprehensive project description listing by fund for each project with an appropriation in FY25/26. Finally, pertinent information for each major capital project is presented under the Projects in Focus section. The second half of this section presents information regarding outstanding debt obligations, outstanding debt balances by type, debt service requirements, and debt service coverage ratio by fiscal year.

Department Information
This section provides more detailed information regarding departmental functions and responsibilities throughout the fiscal year. In this section, the roles and responsibilities of each division within the District's departments are described, along with a 3-year budget breakdown of operating and maintenance expenses by department.

Budget Comparison Summary

The FY25/26 Budget includes total revenue of $60.1 million, which includes $43.2 million in Sewer Service Charges (SSCs), $4.5 million in Recycled Water Service Charges, $4.3 million in ad valorem property taxes, $1.4 million in Capital Facilities Capacity Charges (CFCCs), $4 million in Interest Income, and $2.7 million in other revenue. Budgeted expenditures total $58.2 million, which includes operating and capital (including debt service) budgets of $35.8 million and $22.4 million, respectively. A budget comparison summary is presented in Table 1 and provides an overview of significant budgetary items, trends, and variances.

The FY26/27 Budget includes total revenue of $63.2 million, which includes $46.9 million in Sewer Service Charges (SSCs), $4.8 million in Recycled Water Service Charges, $4.3 million in ad valorem property taxes, $1.4 million in Capital Facilities Capacity Charges (CFCCs), $3 million in Interest Income, and $2.8 million in other revenue. Budgeted expenditures total $85.6 million, which includes operating and capital (including debt service) budgets of $37.2 million and $48.4 million, respectively. A budget comparison summary is presented in Table 1 and provides an overview of significant budgetary items, trends, and variances.

Table 1 – Budget Comparison Summary

Category	Budget FY24/25	Proposed FY25/26	% Variance FY26 to FY25	Proposed FY26/27	% Variance FY27 to FY26
Sources of Funds/Revenues					
Service Charges	$39,205,001	$43,201,000	10%	$46,873,000	8%
Capacity Charges	1,892,000	1,400,000	-26%	1,442,000	3%
Street Sweeping	656,000	656,000	0%	656,000	0%
Household Hazardous Waste	662,000	663,973	0%	676,643	2%
Recycled Water	4,071,000	4,507,000	11%	4,777,000	6%
Property Taxes	4,166,700	4,250,034	2%	4,335,035	2%
Utility Rebate	253,000	253,000	0%	253,000	0%
Interest Income	2,509,325	3,986,250	59%	2,989,688	-25%
Discharge Permits & Fees	115,825	116,000	0%	116,000	0%
Overhead/Work for others (From Capital Projects)	850,000	850,000	0%	850,000	0%
Miscellaneous	200,000	200,000	0%	200,000	0%
Other Finance Sources	0	0	0%	0	0%
Subtotal Sources of Funds/Revenues	**54,580,851**	**60,083,257**	10%	**63,168,365**	5%
Loans		0	0%	0	0%
Total Source of Funds/Revenues	**54,580,851**	**60,083,257**	10%	**63,168,365**	5%
Use of Funds/Expenditures					
Salaries & Wages	$11,665,010	$11,733,418	1%	$12,480,437	6%
Employee Benefits	7,027,742	7,339,410	4%	7,598,307	4%
Chemicals	3,152,000	3,304,000	5%	3,526,000	7%
Office and Operating Expense	4,473,324	4,803,528	7%	4,895,811	2%
Outside Services	4,894,196	5,150,116	5%	5,094,882	-1%
Program Costs (Overhead)	315,000	324,000	3%	334,000	3%
Utilities	3,170,479	3,104,755	-2%	3,253,517	5%
Contingency Allowance	0	0	0%	0	0%
Operating before Debt and Capital	**34,697,751**	**35,759,227**	3%	**37,182,954**	4%
Debt Service	1,847,480	1,941,098	5%	1,944,864	0%
Operating before Capital	**36,545,231**	**37,700,325**	3%	**39,127,818**	4%
Capital Improvements	19,530,000	20,475,000	5%	46,425,000	127%
Total Use of Funds/Expenditures	**56,075,231**	**58,175,325**	4%	**85,552,818**	47%
CONTRIBUTION/(USE) of RESERVES	**($1,494,380)**	**$1,907,932**		**($22,384,453)**	

Significant Sources of Funds % Difference (variance):

The SSC variance of 10% increase (+$4 million in FY25/26) and 8% (+$3.7 million in FY26/27) is primarily due to an increase in SSCs of 8.5% for Antioch, Pittsburg, and Bay Point customers to fund critical infrastructure investments planned for the next 5-years.

Recycled Water of 11% increase (+$0.4 million in FY25/26) and 6% (+$0.3 million in FY26/27) is due to rate increase.

The CFCC variance of -26% decrease (0.5 million in FY25/26) is due to an anticipated decrease in equivalent residential units (ERUs) (367 estimated ERU's for FY25/26 and 287 for FY26/27 vs. 400 budgeted in FY24/25).

Property Tax variance of 2% ($0.1 million in FY25/26 and FY26/27) assumes an increase in the property tax roll of 2% each year and new property tax revenues driven by growth.

The Interest Income variance of 59% increase (+$4 million in FY25/26) and -25% (-$1 million in FY26/27) is due to investment of more cash in investment accounts with a higher yield. Interest income reduction from FY26/27 to FY25/26 is due to an anticipated lower investment balance due to planned increase in the District's CIP costs in FY26/27.

Significant Use of Funds % Difference (variance):

The Salaries & Wages variance of 1% increase (+$0.1 million in FY25/26) and (+$0.7 million in FY26/27) is due to a combination of factors, including the cost-of-living adjustment (COLA ranging from 2%-3.5%) and a decrease in the vacancy savings in the FY25/26 budget year compared to the FY24/25 budget year. An annual COLA is specified in memoranda of understanding (MOUs) for certain District bargaining units. The MOUs specify that the District will adjust salaries for the first full pay period after July 1 each year, from a minimum of 2.0% up to 5.0% based on the April-to-April change in the Consumer Price Index (CPI), San Francisco/Bay Area Wage Earners. Position Changes: There are 3.25 less full-time equivalents (FTEs) from FY24/25 to FY25/26 and a 0.5 increase in FTE's from FY25/26 to FY26/27. The main drivers are reduction in temporary positions/annuitants, conversion of existing positions with incremental cost differentials. The proposed FY25/26 Classification Control Plan (CCP) includes not filling the Recycled Water Program Coordinator, HR Analyst II, and Environmental Programs Manager positions; instead, the District intends to fill the following positions to meet business needs: Operations Supervisor, HR Assistant, and Senior Engineer. The Operating Budget includes savings in salaries due to anticipated vacancies during recruitment periods.

Employee Benefits variance of 4% (+$0.3 million annually in FY25/26 and FY26/27) driven by actuarial assumptions and investment returns related to California Public Employees' Retirement System (CalPERS) Pensions.

The Chemicals variance of 5% (+$0.2 million) in FY25/26 and 7% (+$0.2 million) in FY26/27 is largely driven by an increase in the cost of polymer and liquid aluminum sulfate. The District participates in the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage purchasing power among the members and receive cost-effective bids. Although this approach allows the District to benefit from the most competitive market prices, supply chain challenges have resulted in increased chemical unit costs. Staff continues to refine total annual chemical usage estimates, while working to optimize chemical consumption, to partially offset the impact of higher chemical supply costs.

The Office and Operating variance of 7% (+$0.3 million) in FY25/26 and 2% (+$0.1 million) in FY26/27 due to expected cost increases for insurance premiums, biosolids hauling services, and

technology systems and applications. Funding for staff training and professional development continues to be a high priority to support the Workforce Development goal in the District's Strategic Plan.

The Outside Services variance of 5% (+$0.3 million) in FY25/26 and -1% (-$0.1 million) in FY26/27 primarily due to reduction in temporary staffing costs, offset by increases in in lab testing services, street sweeping services, landscaping services, equipment repairs, and legal expenses.

The Utilities variance -2% (-$0.1 million) in FY25/26 and 5% (+$0.1 million) in FY26/27 is due to the net impact of decrease in expected natural gas usage in FY25/26 and increase in electricity rates. **Inter-fund Loans/Repayments**: In FY25/26 $4M; FY26/27 $0): In FY19/20, the Board authorized an interfund loan amount for $4.0 million from the Advanced Treatment Fund to the Capital Asset Replacement Fund. The loan will be fully repaid in FY25/26, leaving a total interfund loan balance of $0.

District Overview

Delta Diablo is a special district in the state of California that was originally formed in 1955 as Contra Costa County Sanitation District No. 7-A, pursuant to California Health and Safety Code Section 4700 for the purpose of operating, maintaining, and constructing wastewater collection and treatment facilities in the unincorporated West Pittsburg (now called Bay Point) area. In the early 1970s, the California State Water Resources Control Board (SWRCB) adopted a policy of encouraging public wastewater agencies to consolidate on a sub-regional basis. In 1976, the cities of Pittsburg and Antioch were annexed to the District.

A new sub-regional conveyance system and treatment facility was recommended and subsequently constructed in the current location between the two cities. In 1989, the District's name was changed to Delta Diablo Sanitation District after years of being referred to as such by the public. In 2014, the District's name was changed to Delta Diablo to reflect the general industry shift to viewing wastewater treatment plants (WWTPs) as water resource recovery facilities via renewable energy production, water recycling, and biosolids reuse.

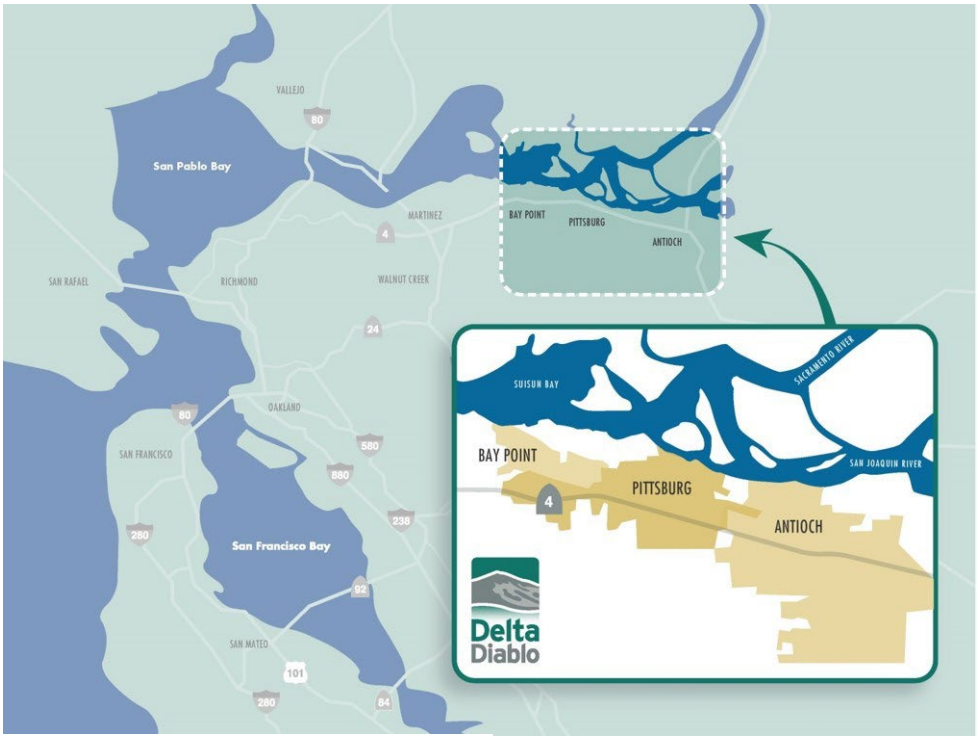


Figure 1 - Map of Delta Diablo Service Area

The District is governed by a three-member Board of Directors (Board) with one member appointed to represent each zone, including a designated councilmember from the City of Pittsburg, the Mayor of the City of Antioch (or designee), and the Contra Costa County Board of Supervisors member representing the unincorporated Bay Point community. The Board establishes overall policies to guide District operations, which are then implemented under the direction of the General Manager, to provide reliable, high-quality wastewater conveyance and treatment services at rates that are below average when compared to other agencies in the San Francisco Bay Area (Bay Area).

Board meetings are open to the public and held the second Wednesday of each month. In addition, committee meetings, workshop sessions, special meetings, and public hearings are occasionally scheduled and noticed.

The District has continually pursued an array of solutions to provide high-quality and environmentally-sound resource recovery services to its service area to protect public health, the Delta, and San Francisco Bay, now and into the future. As a result, five core resource recovery and services programs have been developed: Wastewater, Recycled Water, Household Hazardous Waste, Street Sweeping, and Bay Point Collections. Additional resource recovery services include pollution prevention, energy recovery, and beneficial use of biosolids.

Wastewater Program: The Wastewater Program's primary purpose is to protect public health and the environment by conveying and effectively treating wastewater. Operating 24 hours a day, 365 days a year, the District's WWTP is permitted by the San Francisco Bay Regional Water Quality Control Board (Regional Board) as a secondary wastewater treatment facility with a permitted average dry weather flow capacity of 19.5 million gallons per day (MGD).

Recycled Water Program: Since 2000, the District has been operating an industrial Recycled Water Facility (RWF). Generating an average of 7.7 MGD, the RWF is rated for 12.8 MGD and utilizes a state-of-the-art computerized Supervisory Control and Data Acquisition (SCADA) system. Recycled water is distributed for use as cooling water at two power plants, as well as landscape irrigation at several parks, Caltrans rights-of-way, city offices, and a golf course in Antioch. The use of high-quality recycled water for industrial and landscape irrigation applications provides an alternative source of water that not only is more cost efficient than potable water and promotes water conservation while also serving as an environmentally sound approach to reducing potable water use and discharge of treated wastewater to the Delta.

Household Hazardous Waste Program: In partnership with multiple local governmental entities, the District has operated a regional HHW Program since 1996. The core of the program is operation of the Delta Household Hazardous Waste Collection Facility (DHHWCF), which was constructed in 2003 adjacent to the District's WWTP. The purpose of the HHW Program is to prevent hazardous pollutants from reaching waterways, landfills, and the wastewater system in support of the District's Pollution Prevention Program and compliance with state and federal regulatory requirements. Use of the District's DHHWCF is free of charge for residents and small businesses in East Contra Costa County, and accepts HHW, such as medications, used oil and filters, anti-freeze, paints and stains, batteries, fluorescent and high intensity lamps, cosmetics, pesticides, pool chemicals and household cleaners, cooking oils and grease, and electronic waste.

Street Sweeping Program: Street sweeping is another pollution prevention service offered by the District. One of the best ways to prevent pollutants from entering local waterways is to remove them from streets before wind and rain carries them into storm drains, which flow directly to Delta

receiving waters. Regular street sweeping provides an aesthetic benefit to local neighborhoods, attracts businesses to downtown areas, and supports regional compliance with state and federal regulations related to Clean Water Act implementation.

***Bay Point Collection Program*:** In 1984, the District assumed responsibility from Contra Costa County for the West Pittsburg (Bay Point) collection system. Services provided for this system consists of cleaning, inspection, and maintaining 43 miles of sanitary sewer mains for collection and delivery of untreated wastewater to the WWTP through the District's conveyance system. The cities of Antioch and Pittsburg maintain their own collection systems.

Local Economy

The District provides wastewater conveyance and treatment services in its service area via 73,200 connections (40,400, 25,300, and 7,500 connections in Antioch, Pittsburg, and Bay Point, respectively). These communities are in the Delta region where the Sacramento and San Joaquin Rivers meet at the eastern edge of the greater Bay Area. Housing is affordable relative to the otherwise expensive Bay Area, and there is still significant undeveloped land in the area available for future development. The Bay Area Rapid Transit (BART) Pittsburg-Antioch line and Highway 4 run through the area, connecting commuters in the three communities to jobs in other parts of the Bay Area.

Because the area functions in part as "bedroom communities" to the Bay Area's financial, high-tech, and service industries, housing-related development, construction, and service-related businesses dominate the local economy. In general, the local economy is consistent with the Bay Area economy. Growth and development activities continue to be closely monitored for any impacts to water use and associated impacts to SSC revenue in the future.

Median household income in Bay Point, Pittsburg, and Antioch was $80,684, $101,099, and $94,256, respectively, compared with the Contra Costa County median household income of $125,727 in 2023[3]. Populations in Pittsburg and Antioch have grown from 115,333 and 76,246 in 2020 to 116,781 and 76,374 in 2025, respectively[4]. This information was not separately available for Bay Point as it is an unincorporated area. Median housing prices were $549,000 in Bay Point, $599,000 in Pittsburg, and $619,000 in Antioch, as reported by Realtor.com for May 2025[5].

[1] US Bureau of Labor Statistics - www.bls.gov/regions/west/ca_oakland_md.htm
[2] US Bureau of Labor Statistics - www.bls.gov/regions/west/california.htm
[3] United States Census Bureau - www.census.gov/quickfacts/fact/table/US/PST045219
[4] California Department of Finance - https://dof.ca.gov/forecasting/demographics/estimates/e-4
[5] Realtor.com - www.realtor.com/realestateandhomes-search

Strategic Planning Goals and Objectives

In August 2021, the District completed development of a new Strategic Plan that included new Mission, Vision, and Behavioral Value statements, as well as Goals, Strategies, and Objectives to guide long-term planning, organizational focus areas, resource allocation, and decision-making processes over the next few years. In addition, the District has developed ten Strategic Initiatives to directly support Strategic Plan implementation in FY23/24 in each of the six goal areas.

Mission, Vision, & Behavioral Values

Mission

Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner.



Vision

Delta Diablo will achieve sustained organizational excellence through dedicated commitment to public service, stewardship, innovation, industry leadership, and active engagement at all levels.

Behavioral Value Statements

Delta Diablo has identified Behavioral Value Statements that directly support success in achieving our shared Mission and Vision:

- Serve as responsible stewards of valuable public resources at all levels in the organization
- Maintain public trust and confidence through excellent customer service, community engagement, transparency, and responsiveness
- Ensure a positive, safe, equitable, diverse, and inclusive work environment that promotes honest, transparent, ethical, and respectful interactions
- Communicate with integrity to share knowledge, inspire trust and camaraderie, and maintain authentic professional relationships
- Embrace and manage change to support implementation of innovative approaches that add value and drive sustained organizational improvement over time
- Foster a collaborative, team-based work culture that inspires engagement, solutions-oriented dialogue, and sound decision-making processes to achieve successful outcomes
- Reinforce accountability and ownership to ensure each employee is supported in effectively contributing to the District's overall success
- Model an open, proactive, and productive approach to resolving key issues to enhance organizational unity and alignment
- Actively seeking opportunities to build a "learning" culture by supporting individual and peer professional development; expanding knowledge, skills, and abilities; learning from mistakes and "near misses"; and improving work processes and use of technology

Strategic Plan Implementation – FY25/26 Strategic Initiatives

In May 2025, staff presented nine FY25/26 Strategic Initiatives to support Strategic Plan implementation in each of the six Goal Areas, as highlighted below.

FY25/26 Strategic Initiatives	Strategic Plan Goal Area(s)
1) Ensure a **strategic, integrated planning, and cost-effective approach** to implementing capital improvements to **support future nutrient removal** at the District's WWTP.	❶❷❸❹
2) Advocate for development of a regional **Nutrient Trading Program** via active engagement as a member of the Bay Area Clean Water Agencies (BACWA) and evaluate potential application of **nature-based solutions** (e.g., constructed wetlands) to reduce the cost of complying with the **nutrient removal regulatory mandate**.	❶❷❸❹
3) Continue implementing **prioritized capital project delivery enhancements** to support effective project management, use of **alternative project delivery approaches**, teamwork, collaboration, communication, issue resolution, integration of lessons learned, and decision making.	❶❸❺❹❷
4) Develop recommended updates to the District's **Capital Facilities Capacity Charges**, **Street Sweeping Service Charges**, and **fee schedules** to ensure effective cost recovery and appropriate allocation to customers.	❸❻❶
5) Implement **information management technology solutions to enhance compliance** with NPDES permit self-monitoring program requirements, TNI laboratory accreditation standards, and operational data utilization.	❷❹❺❻
6) Implement Information Technology (IT) Roadmap activities to strengthen the District's **cybersecurity measures and protocols**, modernize networking and datacenter infrastructure, and **expand utilization of enterprise resource planning (ERP) software** to streamline human resources and financial management activities.	❸❹❻❺
7) Monitor and evaluate key developments regarding **use of artificial intelligence** (AI) to **drive organizational effectiveness and efficiency**, including key business, operations, and engineering work processes; and consider **development of an AI Use Policy**.	❸❹❺❻
8) Encourage **employee engagement** with peer agency counterparts and applicable industry associations **at all levels** to support organizational effectiveness and efficiency, continuous improvement through innovation, **workforce development**, and mentoring opportunities.	❺❹❸❻
9) Reinforce the District's **emergency preparedness** by completing a comprehensive update to the Emergency Management and Action Plan and conducting associated **emergency response drills** to ensure staff training and readiness.	❺❹❷

District Strategic Plan Goals

❶ **Infrastructure Investment** Ensure the long-term effectiveness and reliability of critical infrastructure through prioritized, cost-effective capital investment and maintenance

❷ **Environmental Stewardship** Meet or surpass environmental and public health requirements to maintain public trust

❸ **Fiscal Responsibility** Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates

❹ **Organizational Change** Embrace innovation, engagement, and change to enhance service delivery, work processes, and use of technology to drive sustained improvement in organizational effectiveness and efficiency

❺ **Workforce Development** Support development of an engaged, skilled workforce that is dedicated to organizational excellence and exceptional service delivery

❻ **Customer Services and Engagement** Deliver an exceptional customer service experience and embrace opportunities to enhance service value through engagement and collaboration

Budget Assumptions

A budget is an estimate of revenues and expenditures for a set period. Estimates used for budgeting purposes involve a set of assumptions. It is important that the reader of this budget understand the assumptions used in preparing the revenue and expenditure estimates contained herein. Listed below are the primary assumptions used in the creation of this budget.

Sources of Funds/Revenue: The District generates funding from multiple sources, including service charges, capacity charges, Ad Valorem property taxes, and miscellaneous other sources. Sources of funds are presented in Figure 2 and are discussed in further detail.

The District has a stable revenue foundation, with 72% and 74% of the District's total sources of funds/revenues coming from SSCs in FY25/26 and FY26/27, respectively. Other significant revenue sources include recycled water sales, and ad valorem taxes. The proposed FY25-27 Budget includes revenue totaling $60.1 million for FY25/26, and $63.2 for FY26/27 excluding other financing sources. This represents an increase of 10% from FY24/25 to FY25/26 and a 5% from FY25/26 to FY26/27.

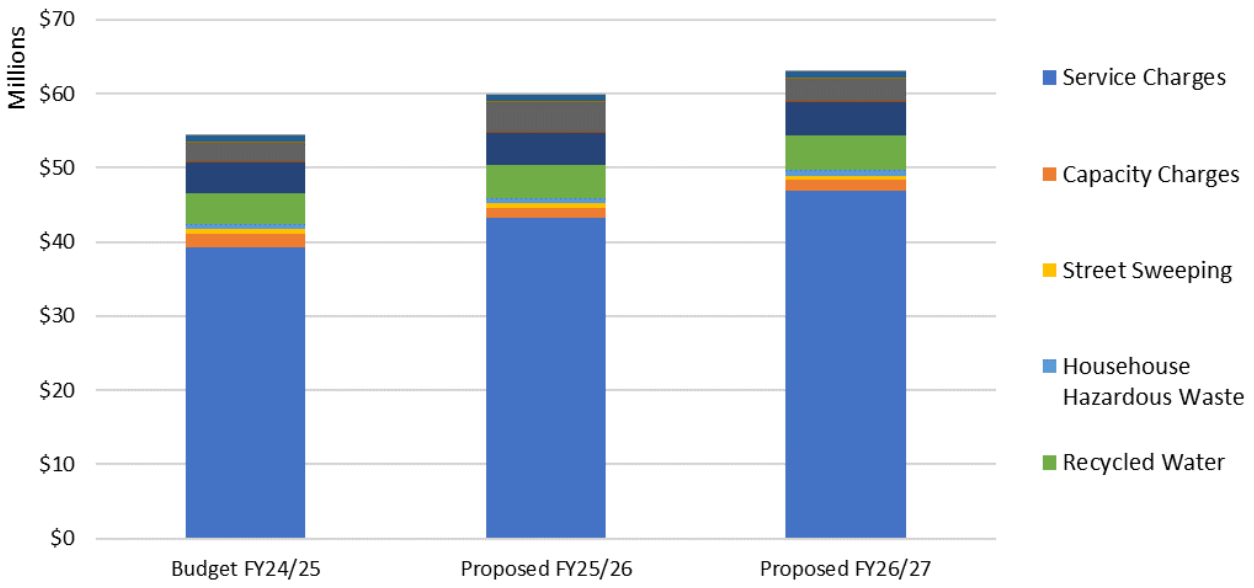


Figure 2 - FY24/25-FY26/27 Sources of Funds/Revenues

SSCs are charges collected from residential and non-residential customers for sewer use. Annual SSC revenues are collected by the Contra Costa County Tax Assessor's Office on the property tax roll and are remitted to the District in December, April, and June. Some non-residential customers are charged monthly or quarterly, rather than annually, based on either water usage or actual sewer flows. SSCs are a highly distributed revenue source for the District with the top ten wastewater service customers representing approximately 6% of annual billing in FY24/25. This lack of concentration equates to a more stable revenue stream and is less susceptible to fluctuations in the economy or local business climate.

SSCs are subject to California's Proposition 218, which requires that SSC increases be noticed to all property owners, with the opportunity to protest the increase via written protests. If there is a majority of the property owners in protest of the SSC increase, the proposed SSC increase cannot be implemented.

On June 26, 2025, following a Proposition 218 notice process, the Board held a public hearing on SSC's, Delinquency Charges, Collection System Charges and Surcharges for FY25/26 and maximum allowable SSC's for FY26/27 through FY29/30. SSC increases were as follows:

- Residential Customers
  - Implement an SSC increase of 8.5% (+$40.25 per year) in FY25/26 for residential customers in Antioch (Zone 3) and Pittsburg (Zone 2). The proposed SSC increase does not include wastewater collection services, which are provided by the respective cities. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board consideration for approval.
  - Implement an SSC increase of 8.8% (+$57.11 per year) in FY25/26 for residential customers in Bay Point (Zone 1). The proposed SSC increase includes wastewater collection services provided by the District. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board consideration for approval.
- Non-residential Customers: Implement an average SSC increase of 7.75% in FY25/26 to specific business classes. The Proposition 218 notice includes annual maximum SSC increases of 8.5% for FY26/27-FY29/30, subject to future Board approval.

CFCCs are fees paid by developers to pay for expanded capacity in the sewer collection and treatment systems to convey and treat wastewater. CFCCs are also paid by commercial or industrial customers who expand the use of sewer services at their facilities.

The SSC Cost-of-Service study financial plan assumes an additional 367 ERUs developed in the current fiscal year that will be added to the District's service area in FY25/26, resulting in $187,000 in additional annual SSC revenue .CFCC revenue is forecasted for the next year based on the cost per ERU and an assumed growth rate of 287 ERUs being developed during the fiscal year.

Recycled Water Service Charges are collected from customers who purchase recycled water from the District. Most recycled water is used by Calpine for cooling its gas-fired plants. Other customers use recycled water for landscape irrigation.

Recycled water usage for FY24/25 is forecasted to be about 7,152 acre-feet (2,330 million gallons). RWSCs increased by 10% following a public hearing on November 6, 2024, which is projected to increase revenue by 11% in FY25/26 compared to FY24/25 and 6% from FY/25/26 to FY26/27.

Ad Valorem Property Taxes are collected on property tax bills and represent 2% of the assessed value of property. The ad valorem property tax paid for a particular parcel is allocated to several agencies for a variety of purposes. As a special district, the District is allocated a portion of these taxes. Ad Valorem Tax revenue is assumed to increase by 2.0% per year in subsequent years..

Street Sweeping Charges: No proposed changes (service level varies by community). District intends to develop updated Street Sweeping Service Charge in FY25/26 to address increased labor costs due to prevailing wages and expanded scope of services for consideration of implementation in FY26/27. Current street sweeping charges are as follows:

- Annual single-family residential: $4.58 for Bay Point, $10.26 for Pittsburg, $5.60 for Antioch
- Annual non-residential unit: $45.80 for Bay Point, $51.35 for Pittsburg, $56.00 for Antioch

Other Financing Sources – The budget for FY25/26 and FY26/27 assume the District will utilize a combination of cash (71%) and debt (29%) funding of the $238.1M 5-year CIP to ensure the lowest cost of capital for customers, which includes a planned public debt offering of $70M in FY26/27 and $50M in FY31/32..

Use of Funds/Expenditures: The District continues to experience increases in annual operating costs over time due to, chemical, energy, materials, supplies, equipment, hauling, and outside services costs, as well as increasingly more stringent regulatory requirements. The FY25/26 Budget is $58.2 million with the operating budget totaling $35.8 million and capital budget (including debt service) totaling $22.4 million. The operating budget represents a $1.1 million increase (3.1%) relative to FY24/25 ($34.7 million) and the capital budget (including debt service) represents a $1.0 million increase (4.9%) relative to FY24/25 ($21.4 million). The FY26/27 Budget is $85.5 million with the operating budget totaling $37.2 million and capital budget (including debt service) totaling $48.3 million. The operating budget increased $1.4 million (4.0%) from FY25/26, and the capital budget (including debt service) increased $26.0 million increase (115.8%) compared to FY25/26 ($22.4 million).

Salaries and Benefits *(FY25/26, $19.1M; FY26/27, $20.0M)*: This category represents 53% and 54% of the District's FY25/26 and FY26/27 Operating Budget, respectively. Salary costs are estimated to increase by $168k and $677k in FY25/26 and FY26/27, respectively. Benefit costs are estimated to increase by $235k and $181k in FY25/26 and FY26/27, respectively.

- Cost-of-Living Adjustment: An annual COLA is specified in the memoranda of understanding (MOUs) for each of the District's three bargaining units. The MOUs specify that the District will adjust salaries for the first full pay period after July 1 each year, from a minimum of 2.0% up to 5.0% based on the April-to-April change in the Consumer Price Index (CPI), San Francisco/Bay Area Wage Earners. The required COLA adjustment for FY25/26 will range from 2.0% to 3.50%, as per the MOUs, which has been incorporated into the FY25/26 Budget. The FY26/27 Budget includes an estimated COLA of 3.5% based on current financial conditions. The actual FY26/27 percentage will be available in May 2026.

- Position Changes: A total of 78.5 full-time equivalent (FTE) positions, including 3.0 FTEs for intern positions, are funded in the proposed FY25/26 Operating Budget, which represents a decrease of 3.25 FTE compared to FY24/25. The proposed FY25/26 Classification Control Plan (CCP) includes not filling the Recycled Water Program Coordinator, HR Analyst II, and Environmental Programs Manager positions; instead, the District intends to fill the following positions to meet business needs: Operations Supervisor, HR Assistant, and Senior Engineer. The FY26/27 Budget includes 79.0 FTE positions, and increase of 0.5 FTE compared to FY25/26.

- Anticipated Labor Savings: Based on potential vacancies and associated recruitment periods in FY25/26, staff incorporated a labor cost savings of ~$0.2 million for FY25/26; however, no labor savings were included in FY26/27 (i.e., assumes all positions are filled).

- Medical Insurance: The District has experienced cost savings due to changes in medical benefit elections by employees; however, those decreases are effectively offset by increased medical premium costs in FY25/26. The cost of other health benefits—vision, Employee Assistance Program, dental, and life insurance—are not expected to increase significantly.

- CalPERS Funding: In November 2011, the Board adopted CalPERS Classic Second Tier (2.0% at age 55), which applies to employees hired between July 1, 2012, and December 31, 2012, or hired on or after January 1, 2013, as a member of a qualified public pension plan (e.g., CalPERS, Contra Costa County Employee Retirement Plan, etc.). Prior to July 1, 2012, 100% of all employees were enrolled in CalPERS Classic Plan (2.7% at age 55). In addition, the Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, established PEPRA membership (2.0% at age 62), which applies to employees hired on or after January 1, 2013, without reciprocity recognized under CalPERS.

  In FY25/26, 80% of all employees are assumed to be in either Classic Second Tier or PEPRA members, compared to 73% in FY24/25. Because new hires are no longer eligible to become members of the Classic plan, the District achieves ongoing savings when employees leave the District and vacant positions are filled by Classic Second Tier or PEPRA members. The District assumes that new journey-level, professional, and management hires will be Classic Second Tier members, because it is probable that they would have been a CalPERS or reciprocal plan member. The District assumes that new entry-level hires will be PEPRA members because it is less likely that these hires would have been CalPERS or a reciprocal plan member. In addition to the lower employer-paid contributions into CalPERS, all new hires pay their full employee contributions into CalPERS.

- CalPERS Pension Unfunded Liability Contribution: This cost is budgeted at $2.2 million, which is an increase of approximately $0.3 million from FY24/25 related to CalPERS actuarial assumptions and investment returns.

- Contra Costa County Employees' Retirement Association (CCCERA) Funding: In July 2014, the Board established Contributed Benefit Savings funding levels of 3.75% of salaries to maintain the integrity of the CCCERA plan for District retirees and employees who remained in the CCCERA system after the District transitioned from the CCCERA pension plan to CalPERS in July 2014. The CCCERA plan was 103% funded as of the last valuation, which was completed three years ago. As such, a pension payment is not due from the District. The next actuarial valuation is planned to be completed in fall 2025.

- OPEB Trust Fund Annual Funding: The Board's adopted OPEB Trust Funding Policy states the intent to fund the District's Actuarially Determined Contribution (ADC) within 30 years, which the District has done each year since the OPEB Trust Fund was established in February 2010. District employees hired prior to the effective dates of the current bargaining unit MOUs pay 3.0% of base salaries into the trust and the District budgets the required 3.0% match for these employees. The ADC for FY25/26 and FY26/27 is $485k and $506k, respectively.

- Retiree Health Savings (RHS) Accounts: The District provides all employees with RHS accounts and contributions based on an employee's date of hire and specified amounts in the three bargaining unit MOUs. Employees may withdraw funds from the RHS accounts upon separation from District. The total budgeted amount for RHS account contributions is $0.4 million for FY25/26 and FY26/27.

Chemicals *(FY25/26, $3.3M; FY26/27, $3.5M)*: This category represents 9% of the FY25/26 and FY26/27 Operating Budgets. In FY25/26, this includes $1.6 million for Wastewater (+$75k) and $1.7 million (+$77k) for Recycled Water. In FY26/27, this includes $1.7 million for Wastewater

(+$107k) and $1.8 million (+$115k) for Recycled Water. The District participates in the Bay Area Chemical Consortium (BACC), which administers an annual bidding process for water and wastewater treatment chemicals, to leverage purchasing power among the members and receive cost-effective bids. Although this approach allows the District to benefit from competitive prices, current market conditions continue to result in some chemical unit costs increases. Staff continues to refine total annual chemical usage estimates, while working to optimize chemical consumption, to partially offset the impact of higher chemical supply costs.

Utilities (FY25/26, $3.1M; FY26/27, $3.3M): This category represents 9% of the FY25/26 and FY26/27 Operating Budgets. Although electricity costs are continuing to increase due to rising rates, the utilities budget includes a decrease of $66k in FY25/26 due to a significant reduction in projected natural gas use due to non-operation of the Cogeneration System and reallocation of 39% of electricity costs ($1.3 million) to the capital budget in FY25/26 and FY26/27 due to facility outages to support construction activities under the Cogeneration System Improvements Project. Utility costs are estimated to increase by $149k in FY26/27 due to anticipated electricity price increases

Office and Operating/Other *(FY25/26, $5.1M; FY26/27, $5.2M):* This category represents 14% of the FY25/26 and FY26/27 Operating Budgets. The budget increased $0.3 million (7%) due to expected cost increases for insurance premiums, biosolids hauling services, and technology systems and applications. Funding for staff training and professional development continues to be a high priority to support the Workforce Development goal in the District's Strategic Plan.

Outside Services (FY25/26, $5.2M; FY26/27, $5.1M): This category represents 15% and 14% of the District's FY25/26 and FY26/27 Operating Budget, respectively. In FY25/26, the budget increased by $0.3 million (5%) compared to FY24/25, which is primarily due to a $0.2 million reduction in temporary staffing services, offset by increases in lab testing services required for various permits and the City of Antioch's Brackish Water Desalination Facility ($0.1 million), street sweeping services for the City of Pittsburg ($0.2 million), maintenance outside services for landscaping and equipment repairs ($0.1 million), and legal expenses ($0.1 million). In FY26/27, the budget includes a reduction of $0.1 million for legal expenses.

Capital Funding Appropriations (FY25/26 $20.5M; FY26/27 $46.4M) include expenses to build or acquire new capital assets, replace existing assets, or rehabilitate existing assets to extend useful life. An estimated carryover of $6.2 million is anticipated from FY24/25 to FY25/26. Planned capital expenditures total $20.5 million in FY25/26 and $46.4 million for FY26/27. Details of these expenditures can be found in the 5-year CIP, which is presented later in this budget document.

Debt Service (FY25/26 $1.9M; FY26/27 $1.9M) the principal and interest payments for the District's outstanding loans. Debt service is approximately $1.9 million, which increased 5% from FY24/25. A detailed breakdown of debt related activities can be found in Section 4.

Inter-fund Loans/Repayment *(FY25/26 $4M; FY26/27 $0):* In FY19/20, the Board authorized an interfund loan amount for $4.0 million from the Advanced Treatment Fund to the Capital Asset Replacement Fund. The loan will be fully repaid in FY25/26, leaving a total interfund loan balance of $0.

Section 2. Financial Structure, Policies, and Processes

Organization

The District is governed by a three-member Board with one member appointed to represent each zone, including a designated councilmember from the City of Pittsburg, the Mayor of the City of Antioch (or designee), and the Contra Costa County Board of Supervisors member representing the unincorporated Bay Point community. The District is managed by a General Manager.

The Financial Auditor and Legal Counsel for the District are contracted services. These functions report directly to the Board. All other functions report directly to the General Manager. The District is organized into four departments—Resource Recovery Services, Engineering Services, Business Services, and Administration. The first three are headed by a Department Director. The fourth department includes the General Manager's Office, the Board, and Administration. There are several divisions under each Department Director, as described below.

- **Resource Recovery Services** includes those divisions associated with operations and maintenance, safety, and overseeing regulatory compliance. They include the following functions:
  - **Collections** includes preventive and corrective maintenance of the Bay Point collection system.
  - **Laboratory/Laboratory Pretreatment** includes all regulatory compliance and reporting functions, including the laboratory, pretreatment, and regulatory reporting. Ensures the District's permitted businesses and industrial customers comply with all applicable pretreatment and requirements. Ensures WWTP effluent meets all water quality standards and evaluates WWTP operations to ensure compliance with all air pollution control standards. Develops and implements new programs as mandated by legislation and/or policy monitors.
  - **Maintenance** includes the preventive and corrective maintenance of all mechanical, electrical, and instrumentation equipment. Maintains the WWTP, wastewater collection and conveyance systems (including pumping stations), RWF and recycled water distribution system, and the buildings and grounds at the District's facility in Antioch.
  - **Operations** includes operation of the wastewater pumping stations, WWTP, and RWF.
  - **Recycled Water** includes coordination and oversight of RWF and distribution systems.
  - **Safety** includes primary objective to reduce injuries, accidents, and environmental impact. This division oversees and administers the District's comprehensive occupational health and safety program; manages the emergency preparedness and response programs; and ensures compliance with federal, state, and local safety requirements and regulations. It also monitors and maintains compliance with industry standards, oversees training, workplace evaluation, incident response and hazardous materials management, and manages regulatory information.

- **Engineering Services** includes those divisions associated with planning and implementing capital projects and asset management, construction inspection and overseeing government affairs and HHW. They include the following functions:
  - **Engineering** includes development review, capital project management, project design/engineering, and inspection.
  - **Government Affairs** includes the funding for and administration of agreements for capital programs and external activities. Also includes the administration of District coalition efforts.
  - **Environmental Programs**, including Household Hazardous Waste, in support of state regulations and the District's Pollution Prevention program, includes the operation of the DHHWCF and regional program in partnership with the cities of Antioch, Brentwood, Oakley and Pittsburg, and Contra Costa County.
- **Business Services** includes finance and accounting services, human resources and risk management, and information technology (IT)..
  - **Finance** includes District financial management functions of the general ledger, budgeting, accounts payable, accounts receivable, fiscal reporting, and payroll.
  - **Human Resources/Risk Management** includes the management of all programs and services related to personnel, employee/labor relations, training, claims, insurance, and employee benefits. In addition, Human Resources manages risks to protect the District from loss or damage to its personnel and assets.
  - **IT** includes operating and maintaining hardware, software, communications, and cloud services, as well as protecting the District from cybersecurity threats.
  - **Public Information** includes media relations, ratepayer communications, stakeholder engagement, community outreach, and student educational programming.
  - **Purchasing** includes procurement management and warehouse and inventory management.
- **Administration** includes support functions for Board meetings and the administrative support for the District.

The Delta Diablo Organization Chart is presented in Figure 3 and includes a graphical representation of the District's budgeted positions as of July 1, 2025. This figure is followed by a summary of Budgeted Positions in Table 2. This table shows a five-year comparison of budget positions for the prior year, the current year, and the new budget years (FY25/26 and FY26/27).

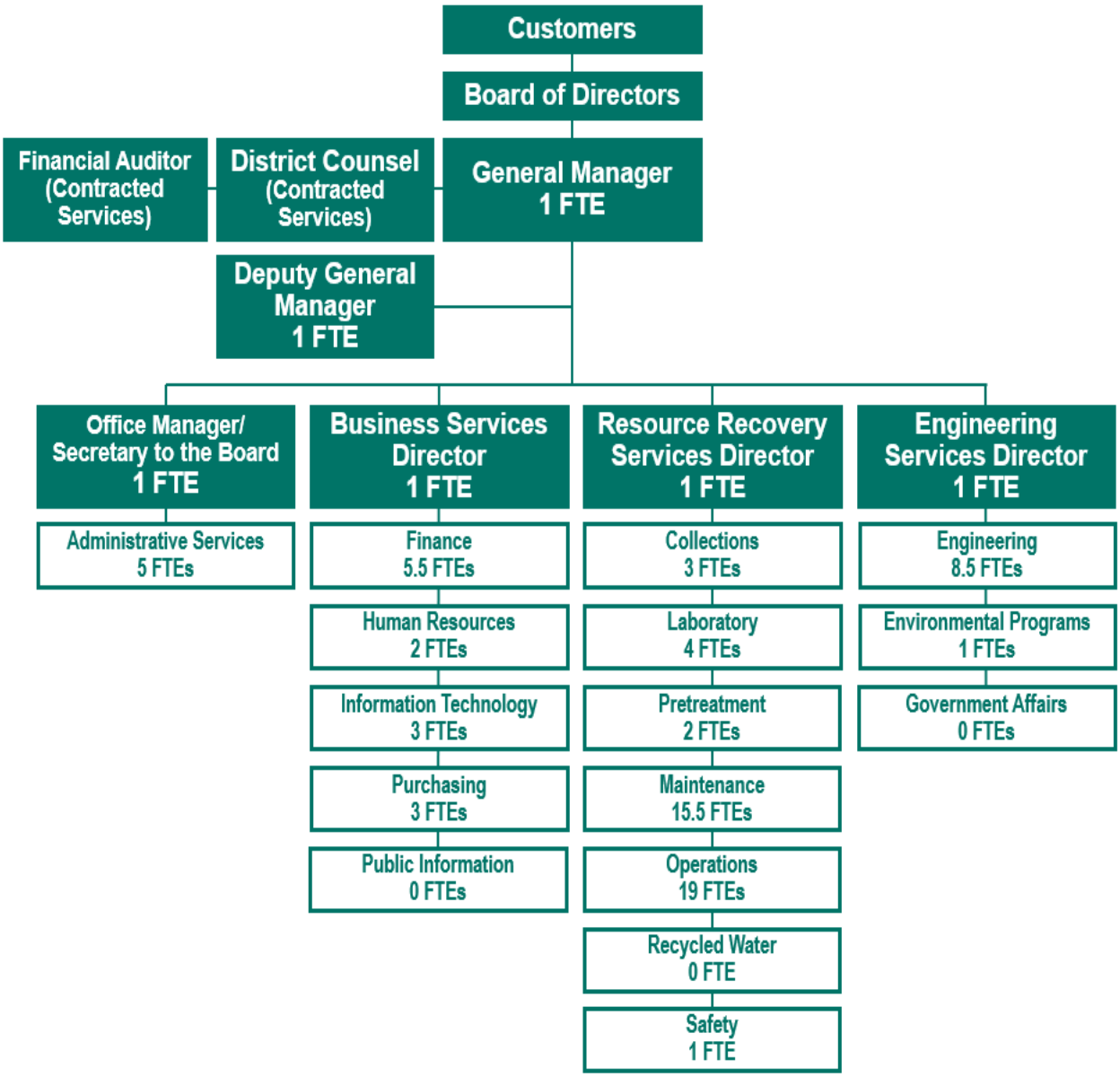


Figure 3 –July 1, 2025 Delta Diablo Organizational Chart

Table 2 – Budgeted Positions by Fiscal Year

Department/Division/Position (excluding Board Members)	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
Administration					
General Manager	1	1	1	1	1
Deputy General Manager	1	1	1	1	1
Office Manager/Secretary to the Board	1	1	1	1	1
Senior Administrative Assistant	1	1	1	1	1
Administrative Assistant II/III	4	4	4	4	4
Administration	**8**	**8**	**8**	**8**	**8**
Business Services Department					
Business Services Director	1	1	1	1	1
Finance					
Finance Manager	1	1	1	1	1
Senior Accountant	1	1	1	1	1
Accounting Technician	3	3	3	3	3
Finance Professional/Retired Annuitant (Temp)	0	0.5	0.5	0	0
Intern (Temp)	0	0	0	0.5	0.5
Human Resources					
Human Resource Manager and Risk Manager	1	1	1	1	1
Human Resource Analyst II	1	1	1	0	0
Intern (Temp)	0	0	0.5	0	0
Human Resource Assistant	0	0	0	1	1
Information Technology					
Information Technology Manager	1	1	1	1	1
Software Developer	1	1	0.5	1	1
Systems Administrator	0	0	1	1	1
Public Information					
Public Information Manager	0	0	0	0	0
Purchasing					
Purchasing Manager/Supervisor	1	1	1	1	1
Buyer	0	0	0	0	0
Warehouse Technician I/II	2	2	2	2	2
Business Services Department	**13.5**	**13.5**	**14.5**	**14.5**	**14.5**
Engineering Services Department					
Engineering Services Director/District Engineer	1	1	1	1	1
Engineering					
Senior Engineer	1	1	1	2	2
Associate Engineer	3	4	4	3	3
Junior Engineer, Assistant Engineer	2	2	2	2	2
Engineering Technician I	0	0	0	0	0
Construction Inspector	1	0	0	1	1
Senior Construction Inspector	0	1	1	0	0
Student Intern	0.5	0.5	0.5	0.5	0.5
Government Affairs					
Government Affairs Manager	0	0	0	0	0

Department/Division/Position (excluding Board Members)	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
Household Hazardous Waste					
Environmental Programs Manager	1	1	1	0	0
Household Hazardous Waste Technician III	1	1	1	1	1
Engineering Services Department	**10.5**	**11.5**	**11.5**	**10.5**	**10.5**
Resource Recovery Services Department					
Resource Recovery Services Director	1	1	1	1	1
Collections					
Collection Systems Worker I/II	2	2	2	2	2
Collection Systems Worker III	1	1	1	1	1
Laboratory					
Laboratory Manager	1	1	1	1	1
Chemist I/II	2	2	2	2	2
Chemist III	1	1	1	1	1
Lab Management Professional/Retired Annuitant (Temp)	0	0.5	0.5	0	0
Intern (Co-op Student)	0.5	0.5	0.5	0	0
Laboratory Pretreatment					
Environmental Compliance Specialist II	2	2	2	2	2
Maintenance					
Maintenance Manager	1	1	1	1	1
Maintenance Supervisor	1	2	1.75	1	1
Control Systems Specialist	1	0	0	0.5	1
Electrical/Instrumentation Technician II	2	3	2.5	2	2
Electrical/Instrumentation Technician III	1	1	1	1	1
Maintenance Mechanic I/II	6	6	7	7	7
Maintenance Mechanic III	1	1	1	1	1
Planner/Scheduler	1	0	0	0	0
Maintenance Worker	1	0	0	0	0
Utility Laborer	0	1	1	1	1
Temporary Resource Recovery Services Assistant	0.5	1	1	1	1
Operations					
Operations Manager	1	1	1	1	1
Operations Supervisor	1	2	1.5	2	2
Wastewater Treatment Plant Operator I/II	9	9	9	7	7
Wastewater Treatment Plant Operator III	3	3	3	4	4
Senior Wastewater Treatment Plant Operator IV/V	3	3	3	4	4
Temporary Resource Recovery Services Assistant	0	1	1	1	1
Operations Construction Coordinator/Retired Annuitant (Temp)	0.5	0.5	0	0	0
Recycled Water					
Recycled Water Program Coordinator	1	1	1	0	0
Safety					
Safety Manager	1	1	1	1	1
Resource Recovery Services Department	**45.5**	**48.5**	**47.75**	**45.5**	**46**
Total Budgeted Positions	**77.5**	**81.5**	**81.75**	**78.5**	**79**

Fund Descriptions and Fund Structure

The District uses six enterprise funds to account for separate business-type activities. The funds are segregated with the intent that resources in the fund are used exclusively for the purpose for which they were collected including payment of debt service and capital needs. Figure 4 below shows the separate funds for Wastewater, Wastewater Expansion, Recycled Water, Household Hazardous Waste, Street Sweeping and Bay Point Collections. The District breaks these funds out further into sub-funds for accounting and budgeting purposes (as shown in Figure 4). When comparing the budget to financial statements these sub-funds are rolled back together for reporting. Functions of sub-funds are described in the following Figure 4.

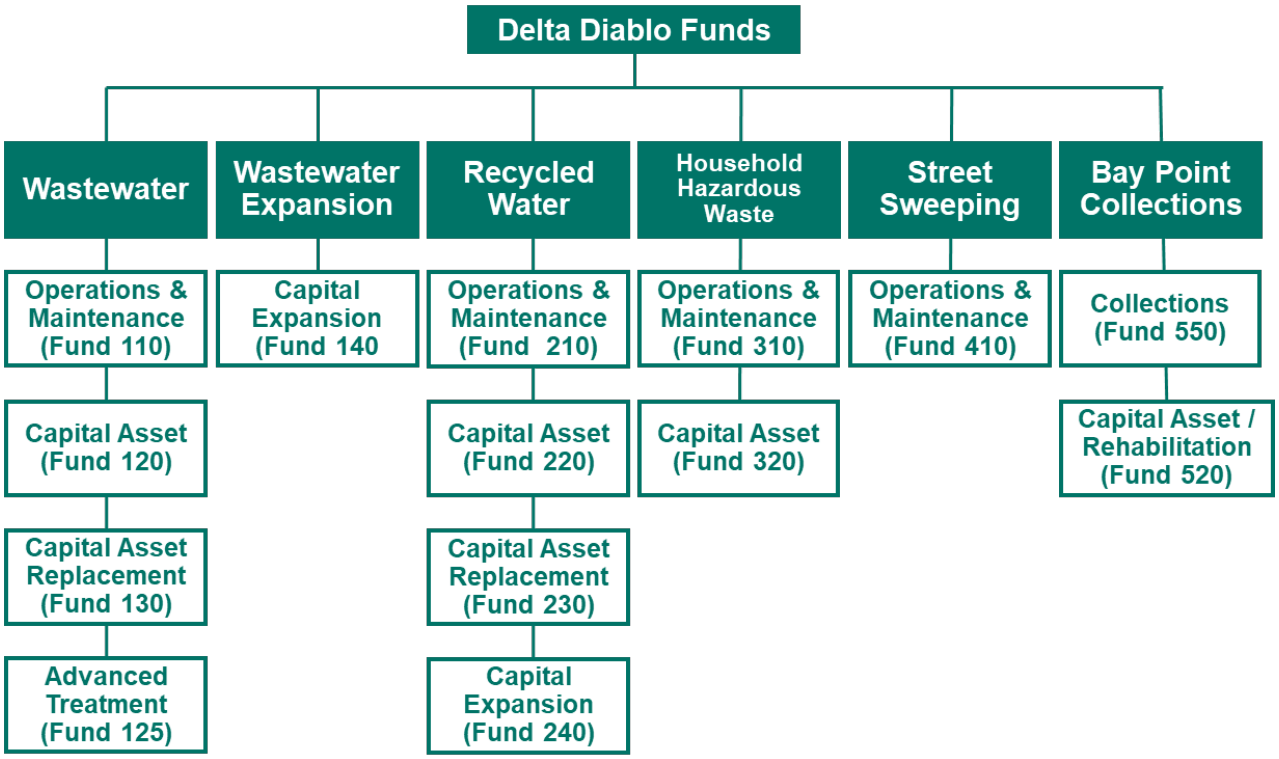


Figure 4 – Delta Diablo Funds

Operations and Maintenance (O&M) Funds: The respective Wastewater (regional wastewater conveyance and treatment), HHW, Recycled Water, and Bay Point Collections Funds provide for operations and maintenance costs. Primary funding is from applicable service charges. Bay Point ratepayers, however, are charged an additional component in the SSC revenues to provide for the added service to maintain their collection system. The Street Sweeping (SS) Operations & Maintenance Fund provides for street sweeping services throughout the District's 54 square mile service area. A flat service fee per customer is charged based on the frequency of sweeping service provided in their area. Primary funding is from applicable service charges.

Capital Asset (CA) Funds: The Wastewater, Recycled Water, and HHW Funds ensure that adequate resources are available to fund new capital projects (not related to growth) and to provide debt service for debt which the Board has allocated to these funds. Expenses are non-linear. Reserves in these funds grow in anticipation of large future expenditures and will be depleted as

projects are completed. Primary funding is from applicable service charges and may include other funding sources such as grants and loans.

Capital Asset Replacement (CAR) Funds: The respective Wastewater, Recycled Water, and Bay Point Collections Funds ensure that adequate resources are available to fund replacements, improvements and major refurbishments to existing capital assets and to provide debt service for debt which the Board has allocated to this fund. Reserves will grow in anticipation of large future expenditures and will be depleted as projects are completed. Primary funding is from applicable service charges and may be include other funding sources such as grants and loans.

Advanced Treatment (AT) Fund: This fund is designed to minimize significant future rate increases by providing dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment. Primary funding is from SSCs and may include other funding sources such as grants and loans. The SSC rate component has been suspended based on a revised implementation schedule and capital cost estimate. The 5-year SSC financial plan allocates $25.5M in cash to the Secondary Process Improvements Phase 1 Project, which includes foundational infrastructure improvements to meet the regulatory mandate to remove nutrients at the District's WWTP.

Expansion (WW Exp) Funds: The respective Wastewater and Recycled Water Funds provide for wastewater treatment capacity for new development. The funding is provided through CFCCs collected when new or expanded development occurs. Pursuant to California Government Code §66013(c), the District maintains this separate capital facilities fund for the charges in a manner to avoid any commingling with other monies of the District. For Recycled Water, revenues collected are remitted to Calpine pursuant to District Ordinance 103.

Basis of Accounting and Budgeting

The District's basis of accounting for budgetary purposes generally conforms with the generally accepted accounting principles (GAAP). Financial statements are presented as an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

As the District's financials are accounted for as an enterprise fund, the budget is prepared generally based on the full accrual basis of accounting. Revenues are recognized when earned and costs are recognized when a liability is incurred. Exceptions are as follows: Depreciation and amortization are handled differently in financial reporting and budgetary reporting. In financial reporting, depreciation and amortization are included, and the repayment of the principal on debt is not reported as expenses. In budgetary reporting, depreciation and amortization are excluded, and the repayments of the principal on debt as expenditures are included.

Budget Process

The annual budget process begins each year with a review of expenditures to determine how well the budget plan is working. Unanticipated expenses are identified, and revenue and expenditure patterns are analyzed. With this information, the operational budget directions are provided to staff and line-item proposals are developed. For the capital budget, the Senior Engineer works with department managers to update the 5-year CIP. Operational budget line-item proposals are reviewed by each respective department's Director and the Business Services Director prior to

submittal to the General Manager for final review. Changes are made as appropriate throughout the review process.

The key assumptions for the proposed operating budget and the proposed CIP are provided to the Finance Committee, a subcommittee of the Board, who reviews, comments, and makes recommendations to the full Board.

Key budget assumptions and the CIP are presented to the Board for consideration. A CIP Public Hearing is held to seek input from interested stakeholders and the general public. The Board can direct staff to make changes to the key budget assumptions. All changes are then compiled and presented to the Board for final adoption of the budget.

FY25/26-FY26/27 Budget Development Calendar

December 2024	Budget kickoff meeting with District management is held and budget directions provided to staff.
Jan – May	Staff develops proposed Operating Budget and 5-year CIP.
May 7, 2025	Finance Committee reviews key assumptions for proposed FY25/26-FY26/27 Operating Budget and draft 5-year CIP
May 14, 2025	Board receives report on key assumptions for proposed FY25/26-FY26/27 Operating Budget. Board receives presentation on draft 5-year CIP. Board sets Public Hearing for June 26, 2025, to consider approval of 5-year CIP.
June 26, 2025	Board adopts a resolution approving 5-year CIP after Public Hearing.
June 26, 2025	Board considers FY25/26-FY26/27 Budget.

Budgetary Levels of Control

Board Resolution 6/2001, Establishing Operating Authorities and Modifying Procedures Related to District Fund Accounting, directs that formal budget integration be employed as a management control device throughout the year and outlines the Board and General Manager's authority to implement and amend the budget as follows:

1. The General Manager shall each year prior to June 30, submit to the Board a proposed budget balancing revenues and expenditures for each of the District's program funds.
2. The Board shall consider and adopt no later than the first meeting of July the budget for that fiscal year.
3. Formal budget integration shall be employed as a management control device throughout the year.
4. The Board shall retain the authority for the following:
   a) Approval of program transactions and transfers not specifically included below.
   b) Write-off of uncollectible receivables and unusable inventory.
   c) Final approval of carry forward items into the new fiscal year from a previous year.
   d) Establishment, combination, or elimination of program funds in the District accounting system.
   e) Non-recurring transfers made in compliance with special statues or ordinances which do not qualify as revenues or expenditures to the receiving or disbursing funds.
   f) Approval of the District budget and any revisions thereto during the fiscal year.
   g) Approval of the District audit.
   h) Execute agreements for budgeted services and supplies exceeding $100,000 annually to operate and maintain the District's Wastewater Treatment facilities, Recycled Water facilities and Household Hazardous Waste facilities.

i) Transfer of cash or assets between operating funds, projects, or budgets.
j) Disposal of fixed assets.
k) Approval of monthly financial and investment reports.
l) Approval of increases in expenditures for department budgets in the general fund and for project budgets in other funds.
m) Annual review and approval of a District investment policy.
n) Authorization of long-term obligations on behalf of the District from one or more programs or funds of the District.

5. The General Manager shall have the following authorities, to the extent permitted by law:
   a) Prepare and implement the budget after Board adoption.
   b) Reallocate funds between line items in individual department budgets and projects that do not result in an increase in the approved budget.
   c) Approve contracts, agreements, and expenditures up to $35,000 for items previously approved by the Board in the budget or the Capital Improvement Program.
   d) Execute agreements for budgeted services and supplies agreements and purchase orders under $100,000 annually to operate and maintain the District's Wastewater Treatment facilities, Recycled Water facilities and Household Hazardous Waste facilities.
   e) Approve Progress Payments on all Board approved contracts and obligations.
   f) Carry forward funds into new fiscal year from the previous year for budgeted, committed and/or planned expenses.
   g) Transfer funds for investment purposes between funds and investment institutions based upon Board investment policy.
   h) Distribute interest from investment to the funds based upon appropriate Board policy.
   i) Implement policies and procedures adopted by the Board of Directors.
   j) Settle General Liability and Workers' Compensation claims less than $35,000.
   k) Establish accounts and methods to properly account and manage District funds in accordance with established District policies and procedures and/or standard government accounting practice.
   l) Except in the event of calamities as prescribed by Public Contracts Code § 20783, sign unbudgeted agreements/contracts on behalf of the District up to $35,000 consistent with Board philosophy and direction and subject to a monthly report to the Board of all agreements/contracts signed during the previous month.
   m) In accordance with Resolution 3/96, approve Change Orders to construction contracts.
   n) Manage long-term debt obligations based upon the approved contracts and obligations by the Board.
   o) Execute and/or accept easements, offers of dedication and right-of-way documents and/or drawings for the District.
   p) Negotiate and execute contractual agreements regarding recycled water matters and issues which have been previously presented to the Board and for which they have issued general direction after confirmation from the Recycling Ad Hoc Committee prior to finalization.
   q) Issue requests for qualifications, proposals, construction bids for contracts or construction projects included in the budget or Capital Improvement Program.
   r) Prepare and circulate Initial Studies, Notices of Intent and set hearing dates as required under CEQA.
   s) Circulate Capital Improvement Program (CIP) to planning agencies for review and findings on consistency between District CIP and agency's General or Specific plans.

Financial Planning Policies

The District has financial policies that set forth guidelines to maintain accountability and control over operating revenue and expenses, ensure proper appropriation of reserves and restricted funds, and proactively address the rising costs of pension and other post-employment benefits.

Investments: Annually, the Board adopts an Investment Policy pursuant to California Government Code, Sections 53600 et seq. The investment of idle funds is delegated by the Board to the General Manager, who assumes full responsibility for investment program transactions. Investment Policy objectives include safety, liquidity, yield, and diversity. The District's investments comply with the adopted Investment Policy.

Reserves

- Economic Reserves: Maintaining sufficient economic reserves is an essential part of the District's ability to ensure reliable and cost-effective services now and in the future. The District has established a policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (Wastewater O&M) Fund. In addition, all fund balances are considered in the longer 5-year financial plan. A number of these funds are designated to support multiple District services (beyond wastewater operations) and are constrained as to their use, applicability, and consideration as "available cash." Maintaining economic reserves supports the District's efforts to meet unanticipated operating costs, continue services during unforeseen economic events and emergencies, and address other urgent and/or unusual items. Future capital planning and associated capital fund balances are a cost of current service, because current service does not just include providing wastewater conveyance and treatment service today, but also ensuring ongoing, reliable service into the future.

- Advanced Treatment Reserves: The 5-year SSC financial plan and the 5-year CIP allocates $20.7 million in cash to the Secondary Process Improvements Phase 1 Project, which includes foundational infrastructure improvements to meet future regulatory requirements to remove nutrients at the District's WWTP.

OPEB Trust Funding: Following acceptance of each fiscal year's audited financial statements for the District, the Board makes a determination as to how much of that year's remaining Actuarially Determined Contribution (ADC) (formerly Annual Required Contributions or ARC) will be funded by the District and deposited into the OPEB trust fund from all or part of the following sources in the hierarchical order listed below: 1) unanticipated revenue streams, 2) wastewater service charge revenues exceeding planned levels for the prior fiscal year, 3) unused wastewater operating contingency funds from the prior fiscal year, 4) wastewater operating budget savings from the prior fiscal year, 5) Ad Valorem tax revenues, and 6) wastewater general fund.

Pension Benefits Trust Funding: The District's intent is to set aside additional funds in a separate, qualified trust fund that may be directed to CalPERS and/or CCCERA in the future. Annual budgeted amounts are contributed following budget adoption. Upon fully funding the OPEB Trust Fund, those funding sources previously discussed shall be redirected to pension benefit trust funding, provided the OPEB trust funds remains fully funded.

A complete set of the District's Financial Policies are included in Appendix A.

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Section 3. Financial Summaries

Consolidated Financial Schedule

The District's Consolidated Financial Schedule is presented in Table 3. It includes major funding sources/revenues and the use of funds/expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the District for the Budget FY23/24, Actual FY23/24, Budget FY24/25, Projected FY24/25, Proposed FY25/26, and Proposed FY26/27. The percentage Differences from FY25/26 to FY24/25 and FY26/27 to FY25/26 are shown for comparison.

Table 3 – FY25/26-FY26/27 Consolidated Financial Schedule

Funding Sources/Use of Funds								
Category	Budget FY23/24	Actual FY23/24	Budget FY24/25	Projected FY24/25	Proposed FY25/26	Proposed FY26/27	% Difference FY26 to FY25	% Difference FY27 to FY26
Sources of Funds/Revenues								
Service Charges	$36,736,672	$37,290,688	$39,205,001	$39,424,588	$43,201,000	$46,873,000	10%	8%
Capacity Charges	2,392,000	2,236,655	1,892,000	1,106,838	1,400,000	1,442,000	-26%	3%
Street Sweeping	650,000	656,612	656,000	651,143	656,000	656,000	0%	0%
Household Hazardous Waste	554,400	708,400	662,000	701,077	663,973	676,643	0%	2%
Recycled Water	3,719,963	3,917,025	4,071,000	3,675,204	4,507,000	4,777,000	11%	6%
Property Taxes	3,000,000	4,465,208	4,166,700	4,440,350	4,250,034	4,335,035	2%	2%
Utility Rebate	200,000	255,282	253,000	258,133	253,000	253,000	0%	0%
Interest Income	2,196,591	4,767,963	2,509,325	5,308,874	3,986,250	2,989,688	59%	-25%
Discharge Permits & Fees	250,000	156,610	115,825	106,935	116,000	116,000	0%	0%
Overhead/Work for others (From Capital Projects)	700,000	1,049,320	850,000	932,827	850,000	850,000	0%	0%
Miscellaneous	200,000	181,378	200,000	126,532	200,000	200,000	0%	0%
Other Finance Sources	0		0	71,201	0	0	0%	0%
Subtotal Sources of Funds/Revenues	**50,599,626**	**55,685,142**	**54,580,851**	**56,803,703**	**60,083,257**	**63,168,365**	10%	5%
Loans	0	109,909	0	1,930,683	0	0	0%	0%
Total Source of Funds/Revenues	**50,599,626**	**55,795,050**	**54,580,851**	**58,734,386**	**60,083,257**	**63,168,365**	10%	5%
Use of Funds/Expenditures								
Salaries & Wages	$10,570,079	$10,478,921	$11,665,010	$10,699,210	$11,733,418	$12,480,437	1%	6%
Employee Benefits	6,789,941	6,266,114	7,027,742	6,915,899	7,339,410	7,598,307	4%	4%
Chemicals	2,984,300	2,693,940	3,152,000	3,228,734	3,304,000	3,526,000	5%	7%
Office and Operating Expense	4,105,100	4,306,973	4,473,324	4,417,773	4,803,528	4,895,811	7%	2%
Outside Services	4,539,855	4,443,181	4,894,196	4,708,558	5,150,116	5,094,882	5%	-1%
Program Costs (Overhead)	320,000	408,281	315,000	305,000	324,000	334,000	3%	3%
Utilities	2,788,982	2,882,270	3,170,479	2,963,085	3,104,755	3,253,517	-2%	5%
Contingency Allowance	250,000	0	0	0	0	0	0%	0%
Operating before Debt and Capital	**32,348,257**	**31,479,680**	**34,697,751**	**33,238,259**	**35,759,227**	**37,182,954**	3%	4%
Debt Service	1,946,116	1,961,991	1,847,480	1,847,480	1,941,098	1,944,864	5%	0%
Operating before Capital	**34,294,373**	**33,441,671**	**36,545,231**	**35,085,739**	**37,700,325**	**39,127,818**	3%	4%
Capital Improvements	11,950,000	12,047,867	19,530,000	19,530,000	20,475,000	46,425,000	5%	127%
Total Use of Funds/Expenditures	**46,244,373**	**45,489,538**	**56,075,231**	**54,615,739**	**58,175,325**	**85,552,818**	4%	47%
CONTRIBUTION/(USE) of RESERVES	**$4,355,253**	**$10,305,513**	**($1,494,380)**	**$4,118,647**	**$1,907,932**	**($22,384,453)**		

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Fund Equity

The District's Fund Equity is presented in Table 4 and includes the proposed FY25/26 and FY26/27 Budget for all major funds, by major category.

Table 4 – Fund Equity Summary FY25/26

CATEGORY	OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	ALL FUNDS TOTAL
SOURCE OF FUNDS/REVENUES:										
Capital Facilities Capacity Charges					$ 1,400,000					$ 1,400,000
Service Charges										
Sewer Service	$ 26,590,226			$ 15,120,350	$ -	$ -			$ 1,490,424	43,201,000
Street Sweeping								$ 656,000		656,000
Household Hazardous Waste							$ 663,973			663,973
Property Taxes				4,250,034						4,250,034
Utility Rebates (from Calpine)	253,000									253,000
Interest Income	577,500	118,500	715,500	1,603,500	456,000	271,500	3,000	28,500	212,250	3,986,250
Discharge Permits & Fees	116,000									116,000
Overhead (from Capital Projects)	850,000									850,000
Miscellaneous	200,000									200,000
Recycled Water Service Charges						4,507,000				4,507,000
TOTAL REVENUES	**$ 28,586,726**	**$ 118,500**	**$ 715,500**	**$ 20,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 666,973**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
OTHER FINANCING SOURCES										
Loan and/or Other Financing Sources										0
Transfers In/(Out)	(779,037)						779,037			0
Interfund Loan			4,000,000	(4,000,000)						0
TOTAL OTHER FINANCING SOURCES	**$ (779,037)**	**$ -**	**$ 4,000,000**	**$ (4,000,000)**	**$ -**	**$ -**	**$ 779,037**	**$ -**	**$ -**	**$ -**
TOTAL SOURCE OF FUNDS/REVENUES	**$ 27,807,689**	**$ 118,500**	**$ 4,715,500**	**$ 16,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 1,446,010**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
USE OF FUNDS/EXPENDITURES:										
OPERATING										
Salaries and Wages	$ 10,647,617					$ 539,996	$ 148,482		$ 397,323	$ 11,733,418
Benefits	6,573,029					360,250	111,817		294,314	7,339,410
Chemicals	1,591,000					1,713,000				3,304,000
Office and Operating Expense	4,057,778					625,469	71,607		48,674	4,803,528
Outside Services	2,558,302					44,948	1,053,149	1,418,867	74,850	5,150,116
Program Costs (Overhead)						324,000				324,000
Utilities	2,250,800					853,000	955			3,104,755
Contingency Allowance										0
TOTAL OPERATING EXPENDITURES	**$ 27,678,526**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,460,663**	**$ 1,386,010**	**$ 1,418,867**	**$ 815,161**	**$ 35,759,227**
CAPITAL IMPROVEMENT PROJECTS										
Debt Service	$ -	161,418		1,370,396	127,587				281,696	1,941,098
Capital Projects	$ -		720,000	17,855,500	520,000	850,000	60,000		469,500	20,475,000
TOTAL CAPITAL EXPENDITURES	**$ -**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 850,000**	**$ 60,000**	**$ -**	**$ 751,196**	**$ 22,416,098**
TOTAL USE OF FUNDS/EXPENDITURES	**$ 27,678,526**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 5,310,663**	**$ 1,446,010**	**$ 1,418,867**	**$ 1,566,357**	**$ 58,175,325**
CONTRIBUTION/(USE) of RESERVES	**$ 129,163**	**$ (42,918)**	**$ 3,995,500**	**$ (2,252,012)**	**$ 1,208,413**	**$ (532,163)**	**$ -**	**$ (734,367)**	**$ 136,317**	**$ 1,907,932**
Estimated Beginning Fund Equity	$ 20,880,842	$ 3,312,980	$ 21,319,063	$ 47,471,120	$ 17,345,142	$ 9,107,914	$ 632,888	$ 605,139	$ 6,196,315	$ 126,871,402
Estimated Ending Fund Equity*	**$ 21,010,005**	**$ 3,270,062**	**$ 25,314,563**	**$ 45,219,109**	**$ 18,553,554**	**$ 8,575,751**	**$ 632,888**	**$ (129,228)**	**$ 6,332,632**	**$ 128,779,335**

Table 4 – Fund Equity Summary FY26/27 (cont'd)

CATEGORY	OPERATIONS & MAINTENANCE	CAPITAL ASSET	ADVANCED TREATMENT	CAPITAL ASSET REPLACEMENT	WASTEWATER EXPANSION	RECYCLED WATER	HOUSEHOLD HAZARDOUS WASTE	STREET SWEEPING	BAY POINT	ALL FUNDS TOTAL
SOURCE OF FUNDS/REVENUES:										
Capital Facilities Capacity Charges					$ 1,442,000					$ 1,442,000
Service Charges										
Sewer Service	$ 26,530,118	$ -		$ 18,749,200	$ -	$ -			$ 1,593,682	46,873,000
Street Sweeping								$ 656,000		656,000
Household Hazardous Waste							$ 676,643			676,643
Property Taxes				4,335,035						4,335,035
Utility Rebates (from Calpine)	253,000									253,000
Interest Income	433,125	88,875	536,625	1,202,625	342,000	203,625	2,250	21,375	159,188	2,989,688
Discharge Permits & Fees	116,000									116,000
Overhead (from Capital Projects)	850,000									850,000
Miscellaneous	200,000									200,000
Recycled Water Service Charges						4,777,000				4,777,000
TOTAL REVENUES	**$ 28,382,243**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 678,893**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
OTHER FINANCING SOURCES										
Loan and/or Other Financing Sources										0
Transfers In/(Out)	(836,974)						836,974			0
Interfund Loan										0
TOTAL OTHER FINANCING SOURCES	**$ (836,974)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 836,974**	**$ -**	**$ -**	**$ -**
TOTAL SOURCE OF FUNDS/REVENUES	**$ 27,545,269**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 1,515,867**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
USE OF FUNDS/EXPENDITURES:										
OPERATING										
Salaries and Wages	$ 11,296,781					$ 607,464	$ 153,691		$ 422,501	$ 12,480,437
Benefits	6,791,083					392,317	113,492		301,415	7,598,307
Chemicals	1,698,000					1,828,000				3,526,000
Office and Operating Expense	4,115,958					655,523	74,459		49,871	4,895,811
Outside Services	2,419,983					46,191	1,098,232	1,453,976	76,500	5,094,882
Program Costs (Overhead)						334,000				334,000
Utilities	2,352,524					900,000	993			3,253,517
Contingency Allowance										0
TOTAL OPERATING EXPENDITURES	**$ 28,674,329**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,763,495**	**$ 1,440,867**	**$ 1,453,976**	**$ 850,287**	**$ 37,182,954**
CAPITAL IMPROVEMENT PROJECTS										
Debt Service	$ -	165,344		1,370,286	127,572				281,663	1,944,864
Capital Projects	$ -		3,960,000	35,990,000	3,560,000	1,650,000	75,000		1,190,000	46,425,000
TOTAL CAPITAL EXPENDITURES	**$ -**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 1,650,000**	**$ 75,000**	**$ -**	**$ 1,471,663**	**$ 48,369,864**
TOTAL USE OF FUNDS/EXPENDITURES	**$ 28,674,329**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 6,413,495**	**$ 1,515,867**	**$ 1,453,976**	**$ 2,321,950**	**$ 85,552,818**
CONTRIBUTION/(USE) of RESERVES	**$ (1,129,060)**	**$ (76,469)**	**$ (3,423,375)**	**$ (13,073,426)**	**$ (1,903,572)**	**$ (1,432,870)**	**$ -**	**$ (776,601)**	**$ (569,080)**	**$ (22,384,453)**
Estimated Beginning Fund Equity	$ 21,010,005	$ 3,270,062	$ 25,314,563	$ 45,219,109	$ 18,553,554	$ 8,575,751	$ 632,888	$ (129,228)	$ 6,332,632	$ 128,779,335
Estimated Ending Fund Equity*	**$ 19,880,945**	**$ 3,193,593**	**$ 21,891,188**	**$ 32,145,684**	**$ 16,649,982**	**$ 7,142,881**	**$ 632,888**	**$ (905,829)**	**$ 5,763,552**	**$ 106,394,883**

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Section 4. Capital and Debt

Capital

The FY25/26-FY29/30 CIP provides the financial plan for use of various District financial resources for acquisition, planning, design, and construction of major capital improvements within the District's facilities for the Wastewater, Recycled Water, Bay Point Collections, and HHW programs. This section summarizes the financial plan for major capital projects required to meet District infrastructure investment needs. The CIP reflects long-range capital planning efforts by identifying specific projects, the timing of expenditures, and the estimated impact on future operating budgets.

Definition of Capital Expenditures

Capital expenditures, or capital outlays, are cash outlays by the District that result in the acquisition or construction of a capital asset. A capital asset is any asset of significant value (over $5,000) that has a useful life of over one year. Examples include land, buildings, machinery, vehicles, and equipment. All capital assets acquired or constructed are included in the CIP. Land is always considered a capital asset, regardless of value.

A capital project is usually considered a one-time expenditure that may or may not be funded over several years. The District adopts a 5-year CIP to identify funding needs for multiyear projects and inform future long-term financial plans and rate-setting processes. By presenting the CIP in this format, the Board provides staff with appropriations and an expectation of when projects are to be completed. It also provides staff with a planning tool to help procure resources necessary to meet the expectations of the public and the Board.

Program Description

The FY25/26-FY29/30 CIP guides planning, design, construction, and financing of prioritized capital projects in the District's wastewater conveyance, collection, and treatment systems and recycled water system. These critical projects are necessary to ensure the continued effective and reliable operation of existing infrastructure, address future service needs, and meet current and future regulatory requirements. The 5-year CIP is updated annually to reflect current priorities, address new project needs, and adjust estimated project costs and implementation schedules. In addition, this process assists in identifying long-term financial and resource needs and budget appropriations required to support project implementation at the start of each fiscal year. The 5-year CIP was used to develop the SSCs for FY25/26, as well as the maximum allowable SSCs for FY26/27 through FY29/30. Following Board approval each year, the applicable SSCs will be implemented and placed on the County tax roll.

Supporting documentation used during CIP development includes city collection system master plans and detailed master plans prepared by the District for its wastewater treatment, recycled water, and conveyance system facilities. The District completed a Conveyance System Master Plan update in April 2010 and a Recycled Water Master Plan in August 2013 and the Resource Recovery Facility Master Plan (RRFMP) updated in December 2022. District staff coordinated with planning agencies in the District's service area (i.e., the cities of Antioch and Pittsburg, and Contra Costa County) to ensure that recommended projects in the CIP are consistent with the respective agency's applicable specific and general plans.

Key CIP highlights include the following:

- *Meeting the Challenge of a New Regulatory Mandate:* In July 2024, the San Francisco Bay Regional Water Quality Control Board (RWB) implemented a regulatory mandate for all 37 Bay Area wastewater facilities to meet new nutrient removal requirements to reduce the potential for algal blooms in San Francisco Bay with a 10-year compliance timeline. We have identified the WWTP capital project improvements necessary to meet this regulatory mandate at the WWTP over the next ten years via the Secondary Process Improvements Phase 1 and 2 Projects at a cost of $145 million of the total estimated combined project cost of $261.5 million. At the end of FY24/25, we completed 50% design for the Secondary Process Improvements Phase 1 Project, which is needed to address critical aging infrastructure, expand WWTP capacity to meet growth in the District's service area through 2050, and provide foundational infrastructure improvements to support future nutrient removal upgrades to be completed as part of Phase 2.
- *Investing in Existing Wastewater Infrastructure Renewal*: The District has developed a 5-year Capital Improvement Program (CIP) totaling $238.1 million to meet critical infrastructure needs, which represents an increase of $51.0 million from the previous 5-year CIP totaling $187.1 million (approved in June 2024) as detailed design work on several major capital projects has progressed from conceptual planning stages. This continued investment is essential to protecting public health and the environment and maintaining effective and reliable wastewater collection, conveyance, and treatment services, and recycled water production. The District's Wastewater Treatment Plant (WWTP), which includes a combination of physical, biological, and chemical treatment processes, is over 43 years old and requires significant improvements to address aging infrastructure, meet regulatory requirements, and increase treatment process capacity. In addition, we are implementing multiple large-scale capital projects to renew major wastewater system infrastructure, highlighted by six high-priority projects that comprise 85% of planned 5-year CIP expenditures. We have incorporated $70 million of debt financing over the next five years in our financial plan to manage the need for increased revenue from customers, which directly funds most capital projects.
- *CIP Prioritization:* To support incorporation of new projects, staff worked to prioritize and defer implementation of previously identified projects.
- *Cash Funding Maximization:* Cash fund the majority of CIP projects, except for significant debt funding of the Secondary Process Improvements Project; align the long-term debt funding approach with the extended project completion timeline (10-12 years) to meet the regulatory mandate issued by San Francisco Bay Regional Water Quality Control Board (RWB); and stagger public bond issuances to align with major construction phases. The planned capital financing plans assumes the District will utilize a combination of cash (71%) and debt (29%) funding of the $238.1M 5-year CIP to ensure the lowest cost of capital for customers, which includes a planned public debt offering of $70M in FY26/27 and $50M in FY31/32..
- *Ensuring Integrity of Bay Point Collection System:* The District owns and operates 43 miles of gravity sewers in Bay Point. The CIP includes $6.0 million to support inspection, repair, and rehabilitation of prioritized segments over the next five years.

- *Planning for the Future*: The 5-year CIP includes $1.2 million for various master planning efforts to identify near- and long-term strategies, needs, and priorities associated with specific focus areas, including supervisory control and data acquisition (SCADA) systems ($0.3 million in FY25/26), electrical systems ($0.5 million in FY26/27), and biosolids management ($0.4 million in FY27/28).).

FY25/26-FY29/30 CIP Budget Documents

A description of key documents providing more detailed information regarding the 5-year CIP is provided below. Capital projects in these documents are generally organized by District fund (refer to Section 2 for detailed descriptions of each District fund).

CIP Program Summary: The updated FY25/26-FY29/30 CIP includes approximately $238.1 million in infrastructure investment needs. The required FY25/26 and FY26/27 CIP budget appropriations are $20.5 million and $46.4 million and estimated FY25/26 and FY26/27 CIP expenditures total $25.0 million and $46.4 million, respectively.

- Secondary Process Improvements Project: As the District has progressed to completing 30% design for Phase 1, the estimated cost for Phase 1 and Phase 2 has increased from $110 million to $140.5 million (+$30.5 million) and from $100 million to $121 million (+$21 million), respectively. Because this project is expected to be implemented over the next 10 to 12 years, $145 million is included in the 5-year CIP with the remaining $116.5 million in Years 6 to 10.
- Shore Acres Forcemain Repair Project: Following identification of the Shore Acres Pump Station forcemain failure in December 2024, the District is proceeding with implementation of a permanent repair project to maintain effective wastewater flow conveyance. This unplanned project adds approximately $9.0 million to the 5-year CIP.
- Cogeneration System Improvements Project: Based on meeting specific requirements (i.e., project must be in construction by December 2024), the District assumed receipt of $6.5 million in tax credits under the federal Inflation Reduction Act in the funding plan for the current 5-year CIP; however, based on funding concerns associated with the recent presidential election outcome, staff is recommending that receipt of federal tax credits be excluded going forward, which results in $17.3 million being included in the CIP for this project.
- Construction Cost Escalation for Two Large CIP Projects: Based on updated construction schedules, staff has updated the cost estimate for the Antioch Pump Station and Conveyance System Improvements ($24 million, +$2.0 million) and the Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 Project ($14 million, +$3.0 million).
- Addressing New Infrastructure Needs: The proposed 5-year CIP includes five new projects totaling $1.1 million, including $0.2 million for the PPS Automatic Transfer Switch Project and $0.4 million for the Pump Station Pump Replacement Project to address infrastructure renewal needs.

FY25/26 – FY26/27 CIP Project Descriptions: This document summarizes the project scope, identifies the project budget and the total project budget, and serves as a consolidated reference for active capital projects.

Detailed Project Descriptions: Each significant capital project has a dedicated planning level document that describes its scope, schedule, budget, risk assessment, funding type and source(s), inter-relationship to other capital projects, and other information to adequately justify the project need and timing.

Table 5 – FY25/26-FY29/30 CIP Totals by District Fund *

Fund	FY25/26 Budget ($M)	% of FY25/26 Total	FY26/27 Budget ($M)	% of FY26/27 Total	5-Year CIP Total** ($M)	% of 5-Year CIP Total
Wastewater						
Capital Asset	$0.0	0.0%	$0.0	0.0%	$0.0	0.0%
Capital Asset Replacement	$17.9	87.2%	$36.0	77.5%	$178.0	76.2%
Expansion	$0.5	2.5%	$3.6	7.7%	$22.5	9.6%
Advanced Treatment	$0.7	3.5%	$4.0	8.5%	$24.4	10.5%
Recycled Water						
Capital Asset	$0.0	0.0%	$0.0	0.0%	$0.0	0.0%
Capital Asset Replacement	$0.9	4.2%	$1.7	3.6%	$2.5	1.1%
Expansion	$0.0	0.0%	$0.0	0.0%	$0.0	0.0%
Bay Point Collection	$0.5	2.3%	$1.2	2.6%	$5.7	2.4%
Household Hazardous Waste	$0.1	0.3%	$0.1	0.2%	$0.5	0.2%
Total	**$20.5**	**100.0%**	**$46.4**	**100.0%**	**$233.6**	**100.0%**

* Detail funding distribution is shown on Table 6 and uses % shown for projects.

** Includes estimated carryovers

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Table 6 – FY25/26 - FY29/30 CIP Summary

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Wastewater Capital Asset (Fund 120)																				
Asset Management Program	19109	ES	$ 1,000,000	224,035	0	224,035	200,000	24,035	0	24,035	0	0	0	0	0	0	0	0	$ -	$ 24,035
See Multi-Fund Projects for additional projects with WW CA funding													0							
Wastewater Capital Asset Replacement (Fund 130)																				
Treatment Plant Switchgear Replacement	17120	ES	$ 13,001,305	0	800,000	800,000	800,000	0	500,000	500,000	0	0	0	0	0	0	0	0	$ 500,000	$ 500,000
Emergency Retention Basin Improvements	19110	ES	$ 500,000	491,740	0	491,740	350,000	141,740	500,000	641,740	500,000	500,000	0	0	0	0	0	0	$ 1,000,000	$ 1,141,740
Triangle Pump Station and Force Main Replacement	19111	ES	$ -	0	0	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	$ 500,000	$ 500,000
Aboveground Fuel Storage Tank Rehabilitation	20113	ES	$ 400,000	100,000	0	100,000	0	100,000	200,000	300,000	0	0	0	0	0	0	0	0	$ 200,000	$ 300,000
Cogeneration System Improvements	22114	ES	$ 6,400,000	0	3,550,000	3,550,000	3,550,000	0	7,000,000	7,000,000	4,900,000	4,900,000	5,400,000	5,400,000	0	0	0	0	$ 17,300,000	$ 17,300,000
CCT Analyzer Building Improvements	22123	ES	$ 600,000	355,492	200,000	555,492	250,000	305,492	0	305,492	0	0	0	0	0	0	0	0	$ -	$ 305,492
Cathodic Protection and Manhole Monitoring Program	22124	ES	$ 200,000	200,000	0	200,000	50,000	150,000	0	150,000	0	0	100,000	100,000	0	0	100,000	100,000	$ 200,000	$ 350,000
CCT Assessment and Repair	24110	ES	$ 700,000	137,692	200,000	337,692	0	337,692	0	337,692	0	0	0	0	0	0	0	0	$ -	$ 337,692
Treatment Plant Outfall Pipeline Cleaning and Inspection	24115	ES	$ 700,000	378,594	100,000	478,594	250,000	228,594	100,000	500,000	0	0	0	0	0	0	0	0	$ 100,000	$ 500,000
Unanticipated WW Treatment and Conveyance Infrastructure Repairs	24209	RRS	$ 75,000	0	750,000	750,000	750,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Lab Equipment Replacement	24210	BS	$ 75,000	0	75,000	75,000	75,000	0	200,000	200,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 450,000	$ 450,000
IT Equipment Replacement	24211	RRS	$ 50,000	0	50,000	50,000	50,000	0	250,000	250,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	$ 500,000	$ 500,000
Vehicle Replacements	24213	ES	$ 600,000	0	600,000	600,000	600,000	0	350,000	350,000	250,000	250,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 900,000	$ 900,000
SCADA Master Plan Update	25114	ES	$ 250,000	0	500,000	500,000	200,000	300,000	0	300,000	0	0	0	0	0	0	0	0	$ -	$ 300,000
Primary Clarifiers Controls System Improvements	25115	ES	$ 350,000	0	250,000	250,000	0	250,000	150,000	350,000	550,000	550,000	0	0	0	0	0	0	$ 700,000	$ 900,000
Digester Nos. 1 and 3 Rehabilitation	25116	ES	$ 250,000	0	350,000	350,000	200,000	150,000	1,000,000	1,150,000	1,250,000	1,250,000	500,000	500,000	0	0	0	0	$ 2,750,000	$ 2,900,000
Treatment Plant Structural Assessment and Rehabilitation	25117	ES	$ 450,000	200,000	250,000	450,000	0	450,000	0	450,000	900,000	900,000	0	0	0	0	0	0	$ 900,000	$ 1,350,000
POC HVAC System Improvements	25118	ES	$ 500,000	0	100,000	100,000	100,000	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Zero Emission Compliance	25119	ES	$ 200,000	0	200,000	200,000	90,000	110,000	0	110,000	0	0	0	0	0	0	0	0	$ -	$ 110,000
Server and PLC Backup Power	25120	ES	$ 50,000	0	50,000	50,000	0	50,000	0	50,000	0	0	0	0	0	0	0	0	$ -	$ 50,000
Headwork Overflow Improvements	25121	ES	$ 80,000	0	80,000	80,000	0	80,000	0	80,000	0	0	0	0	0	0	0	0	$ -	$ 80,000
Remote Site Diversion Pump Replacement	25122	RRS	$ 300,000	0	300,000	300,000	0	300,000	0	0	300,000	300,000	0	0	300,000	300,000	0	0	$ 600,000	$ 600,000
Shore Acres Forcemain Repair	25124	ES	$ 600,000	0	600,000	600,000	600,000	0	3,500,000	3,500,000	4,000,000	4,000,000	1,500,000	1,500,000	0	0	0	0	$ 9,000,000	$ 9,000,000
Biosolids Management Master Plan	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	$ 400,000	$ 400,000
Electrical System Master Plan and Arc Flash Study	TBA	ES	$ -	0	0	0	0	0	0	0	500,000	500,000	0	0	0	0	0	0	$ 500,000	$ 500,000
Primary Clarifier Nos. 1-4 Coating	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	500,000	500,000	500,000	500,000	0	0	$ 1,400,000	$ 1,400,000
RAS Pump Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	$ 300,000	$ 300,000
WAS Pump Station Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	50,000	50,000	0	0	0	0	0	0	$ 50,000	$ 50,000
RAS Meter Pit Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	300,000	300,000	0	0	0	0	0	0	$ 300,000	$ 300,000
Chemical Canopy Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	350,000	350,000	450,000	450,000	0	0	$ 800,000	$ 800,000
FEB Slide Gate Replacements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Centrifuge Platform Area Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	2,000,000	2,000,000	$ 3,500,000	$ 3,500,000
Improvements at Secondary Effluent Feed to RWF	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	150,000	150,000	150,000	150,000	$ 300,000	$ 300,000
CCT Sluice Gates and Chemical Mixer Replacements	TBA	RRS	$ -	0	0	0	0	0	0	0	0	0	400,000	400,000	1,100,000	1,100,000	0	0	$ 1,500,000	$ 1,500,000
Ops Control Room Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	400,000	400,000	0	0	0	0	0	0	$ 400,000	$ 400,000
Broadway Diversion Facility Water Service Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	$ 250,000	$ 250,000
PPS Slide Gate and Wetwell Ventilation Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	$ 400,000	$ 400,000
Portable Generator Procurement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	300,000	300,000	$ 300,000	$ 300,000
PLC Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	350,000	350,000	2,150,000	2,150,000	0	0	0	0	$ 2,500,000	$ 2,500,000
PPS Pump Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	500,000	500,000	2,500,000	2,500,000	$ 3,000,000	$ 3,000,000
Montezuma Interceptor Repair	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
PPS Automatic Transfer Switch Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	0	0	0	0	0	0	0	0	$ 200,000	$ 200,000
Dewat Polymer Separation Improvements	TBA	RRS	$ -	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	0	0	$ 150,000	$ 150,000
TP and BHPS Card Reader Repairs	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
Pump Station Pump Replacement	TBA	RRS	$ -	0	0	0	0	0	200,000	200,000	200,000	200,000	0	0	0	0	0	0	$ 400,000	$ 400,000
CCT Service Water Spray Bar and Header Replacement	TBA	RRS	$ -	0	0	0	0	0	0	0	150,000	150,000	0	0	0	0	0	0	$ 150,000	$ 150,000
See Multi-Fund Projects for additional projects with WW CAR funding																				
Wastewater Expansion (Fund 140)																				
			$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with WW Exp funding																				
Advanced Treatment (Fund 125)																				
See Multi-Fund Projects for additional projects with AT funding																				

Table 6 – FY25/26 - FY29/30 CIP Summary (cont'd)

Project Name	Project No.	Lead Dept.	Total Approved Budget	Adjusted Budget FY23/24 to FY24/25	Approved Budget FY24/25	Total FY24/25 Budget Appropriation	Projected FY24/25 Cash Flow (as of Jan)	Estimated Carryover Budget FY24/25 to FY25/26	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		First 5-Year Total Budget	First 5-Year Total Cashflow
									Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow	Estimated Budget	Estimated Cashflow		
Recycled Water Capital Asset (Fund 220)																				
Small RWF Capital Asset Project	25203	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF IPS, Process Line Modification, and Blowdown	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
TP Flow Equalization Improvements - ESB	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CA funding																				
Recycled Water Capital Asset Replacement (Fund 230)																				
RWF Sand Pump Piping Replacement	22127	RRS	$ 500,000	10,000	0	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Unanticipated Recycled Water Infrastructure Repairs	25104	RRS	$ 100,000	0	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Recycled Water Distribution System Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC and CCT Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Storage Tank Rehabilitation	TBA	ES	$ -	0	0	0	0	0	850,000	850,000	1,650,000	1,650,000	0	0	0	0	0	0	$ 2,500,000	$ 2,500,000
Sand Filter and Filter Cover Improvements	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
DEC Tank Isolation Valves Replacement	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
RWF Clarifier Liner Rehabilitation	TBA	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW CAR funding																				
Recycled Water Expansion (Fund 240)																				
Recycled Water Distribution System Expansion	18110	ES	$ -	0	0	0		0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
See Multi-Fund Projects for additional projects with RW Exp funding																				
Bay Point Collection (Fund 520)																				
Bay Point Collection System Point Repairs	23119	ES	$ 650,000	316,363	200,000	516,363	516,363	0	250,000	250,000	0	0	0	0	0	0	0	0	$ 250,000	$ 250,000
Unanticipated Bay Point Repairs	25106	ES	$ 100,000	0	100,000	100,000	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	$ 500,000	$ 500,000
Bay Point Overlay Manhole Adjustments	20116	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	0	0	$ -	$ -
Bay Point Sewer Repairs - Phase 5	TBA	ES	$ -	0	0	0	0	0			0	0	0	0	0	0	500,000	500,000	$ 500,000	$ 500,000
See Multi-Fund Projects for additional projects with BP Coll funding																				
Household Hazardous Waste (Fund 310)																				
Household Hazardous Waste Improvements	25105	ES	$ 25,000	0	25,000	25,000	25,000	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000	300,000	$ 400,000	$ 400,000
See Multi-Fund Projects for additional projects with HHW funding																				
Multi-Fund Projects																				
Antioch Pump Station and Conveyance System Improvements	20121	ES	$ 2,650,000	120,000	1,300,000	1,420,000	450,000	970,000	0	970,000	3,500,000	3,500,000	7,000,000	7,000,000	9,000,000	9,000,000	1,850,000	1,850,000	$ 21,350,000	$ 22,320,000
Wastewater Capital Asset Replacement (80%)			$ 2,120,000	96,000	1,040,000	1,136,000	360,000	776,000	0	776,000	2,800,000	2,800,000	5,600,000	5,600,000	7,200,000	7,200,000	1,480,000	1,480,000	$ 17,080,000	$ 17,856,000
Wastewater Expansion (20%)			$ 530,000	24,000	260,000	284,000	90,000	194,000	0	194,000	700,000	700,000	1,400,000	1,400,000	1,800,000	1,800,000	370,000	370,000	$ 4,270,000	$ 4,464,000
Site Security Improvements	21113	ES	$ 586,503	233,773	350,000	583,773	100,000	483,773	350,000	486,503	500,000	500,000	0	0	0	0	0	0	$ 850,000	$ 986,503
Wastewater Capital Asset Replacement (70%)			$ 410,552	163,641	245,000	408,641	70,000	338,641	245,000	340,552	350,000	350,000	0	0	0	0	0	0	$ 595,000	$ 690,552
Bay Point Collection (20%)			$ 117,301	46,755	70,000	116,755	20,000	96,755	70,000	97,301	100,000	100,000	0	0	0	0	0	0	$ 170,000	$ 197,301
Household Hazardous Waste (10%)			$ 58,650	23,377	35,000	58,377	10,000	48,377	35,000	48,650	50,000	50,000	0	0	0	0	0	0	$ 85,000	$ 98,650
Manhole, Gravity Interceptor, and Easement Road Improvements, Phase 2	24112	ES	$ 1,000,000	500,000	500,000	1,000,000	350,000	650,000	150,000	800,000	3,000,000	3,000,000	7,000,000	7,000,000	2,850,000	2,850,000	0	0	$ 13,000,000	$ 13,650,000
Wastewater Capital Asset Replacement (67%)			$ 670,000	335,000	335,000	670,000	234,500	435,500	100,500	536,000	2,010,000	2,010,000	4,690,000	4,690,000	1,909,500	1,909,500	0	0	$ 8,710,000	$ 9,145,500
Bay Point Collection (33%)			$ 330,000	165,000	165,000	330,000	115,500	214,500	49,500	264,000	990,000	990,000	2,310,000	2,310,000	940,500	940,500	0	0	$ 4,290,000	$ 4,504,500
Secondary Process Improvements Phase 1	22126	ES	$ 8,350,000	0	3,500,000	3,500,000	3,500,000	0	4,000,000	4,000,000	22,000,000	22,000,000	41,000,000	41,000,000	37,000,000	37,000,000	31,750,000	31,750,000	$ 135,750,000	$ 135,750,000
Wastewater Capital Asset Replacement (69%)			$ 4,381,500	0	2,415,000	2,415,000	2,415,000	0	2,760,000	2,760,000	15,180,000	15,180,000	28,290,000	28,290,000	25,530,000	25,530,000	21,907,500	21,907,500	$ 93,667,500	$ 93,667,500
Wastewater Expansion (13%)			$ 825,500	0	455,000	455,000	455,000	0	520,000	520,000	2,860,000	2,860,000	5,330,000	5,330,000	4,810,000	4,810,000	4,127,500	4,127,500	$ 17,647,500	$ 17,647,500
Advanced Treatment (18%)			$ 1,143,000	0	630,000	630,000	630,000	0	720,000	720,000	3,960,000	3,960,000	7,380,000	7,380,000	6,660,000	6,660,000	5,715,000	5,715,000	$ 24,435,000	$ 24,435,000
Secondary Process Improvements Phase 2	22126	ES	$ -	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000	3,000,000	3,000,000	$ 4,500,000	$ 4,500,000
Wastewater Capital Asset Replacement (87%)			$ -	0	0	0	0	0	0	0	0	0	0	0	1,305,000	1,305,000	2,610,000	2,610,000	$ 3,915,000	$ 3,915,000
Wastewater Expansion (13%)			$ -	0	0	0	0	0	0	0	0	0	0	0	195,000	195,000	390,000	390,000	$ 585,000	$ 585,000
All Funds Total			**$ 75,810,713**	**$6,191,568**	**$17,030,000**	**$23,211,568**	**$17,005,102**	**$6,206,466**	**$20,475,000**	**$25,030,462**	**$46,425,000**	**$46,425,000**	**$67,525,000**	**$67,525,000**	**$55,275,000**	**$55,275,000**	**$43,900,000**	**$43,900,000**	**$ 233,600,000**	**$ 238,155,462**
Wastewater Capital Asset Fund Total			$1,050,000	$224,035	$50,000	$274,035	$250,000	$24,035	$0	$24,035	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ 24,035
Wastewater Capital Asset Replacement Fund Total			$68,014,262	$4,828,611	$14,608,000	$19,436,611	$14,116,710	$5,319,901	$17,855,500	$21,937,476	$35,990,000	$35,990,000	$50,980,000	$50,980,000	$40,744,500	$40,744,500	$32,397,500	$32,397,500	$ 177,967,500	$ 182,049,476
Wastewater Expansion Fund Total			$1,355,500	$24,000	$715,000	$739,000	$545,000	$194,000	$520,000	$714,000	$3,560,000	$3,560,000	$6,730,000	$6,730,000	$6,805,000	$6,805,000	$4,887,500	$4,887,500	$ 22,502,500	$ 22,696,500
Advanced Treatment Fund Total			$1,518,000	$204,449	$730,000	$934,449	$780,000	$154,449	$720,000	$720,000	$3,960,000	$3,960,000	$7,380,000	$7,380,000	$6,660,000	$6,660,000	$5,715,000	$5,715,000	$ 24,435,000	$ 24,435,000
Recycled Water Capital Asset Fund Total			$375,000	$204,449	$100,000	$304,449	$150,000	$154,449	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Recycled Water Capital Asset Replacement Fund Total			$600,000	$10,000	$100,000	$110,000	$110,000	$0	$850,000	$850,000	$1,650,000	$1,650,000	$0	$0	$0	$0	$0	$0	$ 2,500,000	$ 2,500,000
Recycled Water Expansion Fund Total			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	$ -
Bay Point Collections Fund Total			$2,814,301	$662,646	$667,000	$1,329,646	$1,018,392	$311,255	$469,500	$711,301	$1,190,000	$1,190,000	$2,410,000	$2,410,000	$1,040,500	$1,040,500	$600,000	$600,000	$ 5,710,000	$ 5,951,801
Household Hazardous Waste Fund Total			$83,650	$23,377	$60,000	$83,377	$35,000	$48,377	$60,000	$73,650	$75,000	$75,000	$25,000	$25,000	$25,000	$25,000	$300,000	$300,000	$ 485,000	$ 498,650

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions

WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130)
FY 25/26 Total: $17,855,500 FY 26/27 Total: $35,990,000

Treatment Plant Switchgear Replacement

FY 25/26: $500,000 **FY26/27: $0**

This project includes design and construction of a new electrical switchgear to replace the existing main electrical switchgear at the District's Wastewater Treatment Plant that was originally constructed and placed into operation in 1982 to address power distribution reliability.

Emergency Retention Basin Improvements

FY 25/26: $500,000 **FY26/27: $500,000**

This multi-phase project will repair and/or replace the aboveground diesel/oil storage tanks at the District's Wastewater Treatment Plan focuses on removing overgrown vegetation from the Emergency Retention Basin (ERB) to comply with regulatory requirements with a subsequent phase that includes assessment, design, and implementation of ERB improvements to address capacity concerns.

Aboveground Fuel Storage Tank Rehabilitation

FY 25/26: $200,000 **FY26/27: $0**

This project will repair and/or replace the aboveground diesel/oil storage tanks at the District's Wastewater Treatment Plant and pump stations to address infrastructure deficiencies.

Cogeneration System Improvements

FY 25/26: $7,000,000 **FY26/27: $4,900,000**

This project will renew aging infrastructure to support continued generation of onsite renewable energy via biogas utilization by replacing the existing 0.8-megawatt cogeneration engine, and supporting biogas conditioning equipment and control systems at the WWTP. Construction commenced in fall 2024 with completion anticipated in summer 2028.

CCT Analyzer Building Improvement

FY 25/26: $0 **FY26/27: $0**

This project will replace and reconfigure existing analyzers and associated piping and modify existing ventilation and drainage systems to address safety concerns.

Cathodic Protection and Manhole Monitoring Program

FY 25/26: $0 **FY26/27: $0**

This project will update the 2019 Cathodic Protection System Survey to determine capital investment needs and evaluate options for monitoring conveyance and collection systems manholes to ensure ongoing operational reliability.

CCT Assessment and Repair

FY 25/26: $0 **FY26/27: $0**

This project will assess and repair damage to the Chlorine Contact Tanks (CCTs) concrete at the District's Wastewater Treatment Plant.

Treatment Plant Outfall Pipeline Cleaning and Inspection

FY 25/26: $100,000 **FY26/27: $0**

This project will assess, inspect, and clean the existing 42-inch outfall pipeline at the District's Wastewater Treatment Plant.

Unanticipated WW Treatment & Conveyance Infrastructure Repairs

FY 25/26: $100,000 **FY26/27: $100,000**

This project allowance is for the design and implementation of unplanned repair/replacement/improvement of treatment plant and conveyance assets that have an unexpected failure during fiscal year.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130) – cont'd

Lab Equipment Replacement

FY 25/26: **$200,000** **FY26/27: $100,000**

This project allowance is for the repair/replacement/improvement of lab equipment that is not functioning properly or is scheduled for replacement.

IT Equipment Replacement

FY 25/26: **$250,000** **FY26/27: $100,000**

This project allowance is for the repair/replacement/improvement of IT equipment that is not functioning properly or is scheduled for replacements.

Vehicle Replacements

FY 25/26: **$350,000** **FY26/27: $250,000**

This project allowance is for the repair/replacement of District vehicles.

SCADA Master Plan Update

FY 25/26: **$0** **FY26/27: $0**

This project will update the District's 2011 Supervisory Control and Data Acquisition (SCADA) to identify strategic opportunities to improve and standardize the District's SCADA system. In addition, this project will determine capital investment needs based on condition assessment findings. Master planning is currently underway and is anticipated to be completed in June 2026.

Primary Clarifiers Controls System Improvements

FY 25/26: **$150,000** **FY26/27: $550,000**

This project will assess and replace existing primary clarifier controls system to ensure consistent and reliable monitoring for efficient process control and decision-making.

Digester Nos. 1 and 3 Rehabilitation

FY 25/26: **$1,000,000** **FY26/27: $1,250,000**

This project consists of cleaning, demolition of various components, and installation of miscellaneous equipment and piping associated with Digester Nos. 1 and 3.

Treatment Plant Structural Assessment & Rehabilitation

FY 25/26: **$0** **FY26/27: $900,000**

This project will inspect and assess existing above and below ground structures at the District's Wastewater Treatment Plant to inform future infrastructure renewal plan.

POC HVAC System Improvements

FY 25/26: **$200,000** **FY26/27: $200,000**

This multi-phase project involves replacing aging components in the POC Administration Building HVAC system that have caused ineffective temperature control. Phase 1 consists of replacing the existing software and main field controllers. Phase 2 will evaluate each individual zones to determine if additional replacements are needed.

Zero Emission Compliance

FY 25/26: **$0** **FY26/27: $0**

This project will assess and install facilities to ensure compliance with California Air Resources Board regulations pertaining to electrical/hydrogen vehicle fleet.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130) – cont'd

Server and PLC Backup Power

FY 25/26: **$0** **FY26/27: $0**

This project consists of installing a centralized lithium-ion battery backup targeted at 12+ hours of backup for main PLCs, servers, and control room computers to ensure operational reliability at the District's Wastewater Treatment Plant.

Headwork Overflow Improvements

FY 25/26: **$0** **FY26/27: $0**

This project will install curbs and berms to eliminate the risk of overflow at the WWTP headworks due to major storm events similar to the December 31, 2022 storm event.

Remote Site Diversion Pump Replacement

FY 25/26: **$0** **FY26/27: $300,000**

This allowance permits replacement of the diversion pumps at the five remote pump stations to ensure ongoing operational reliability.

Shore Acres Forcemain Repair

FY 25/26: **$3,500,000** **FY26/27: $4,000,000**

This project consists of rehabilitating and/or replacing the existing 16-inch discharge forcemain from Shore Acres Pump Station, including installation of a potential redundant forcemain, to ensure conveyance reliability of wastewater flows from Bay Point.

Electrical System Master Plan and Arc Flash Study

FY 25/26: **$0** **FY26/27: $500,000**

This project will assess the District's electrical system, including conducting an arc flash study, to identify strategic opportunities to improve and standardize the District's electrical system and also determine capital investment needs.

Primary Clarifier Nos. 1-4 Coating

FY 25/26: **$0** **FY26/27: $400,000**

This project will repair and recoat the primary clarifiers at the District's Wastewater Treatment Plant to ensure ongoing operational reliability.

WAS Pump Station Rehabilitation

FY 25/26: **$0** **FY26/27: $50,000**

This project will rehabilitate the WAS Pump Station at the District's Wastewater Treatment Plant to ensure ongoing operational reliability.

RAS Meter Pit Improvements

FY 25/26: **$0** **FY26/27: $300,000**

This project primarily involves improvements to the RAS Meter Pit to increase operational efficiency and reliability.

Ops Control Room Improvements

FY 25/26: **$0** **FY26/27: $400,000**

This project will update the Operations Control Room to accommodate future SCADA system upgrades and address security and safety concerns in this area.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130) – cont'd

PLC Replacement

FY 25/26: **$0** **FY26/27: $350,000**

This project will replace the Programmable Logic Controllers at the District's Wastewater Treatment Plant with limited replacement parts and/or components that are no longer available.

PPS Automatic Transfer Switch Replacement

FY 25/26: **$200,000** **FY26/27: $0**

This project will replace the existing manual transfer switch with an automatic transfer switch at the Pittsburg Pump Station to ensure ongoing operational reliability.

Dewat Polymer Separation Improvements

FY 25/26: **$150,000** **FY26/27: $0**

This project will repair and/or replace various components associated with the existing aging Dewat polymer separation to ensure operational reliability.

TP and BHPS Card Reader Repairs

FY 25/26: **$0** **FY26/27: $150,000**

This project will repair the existing access card readers at the District's Wastewater Treatment Plant and Bridgehead Pump Station that no longer functional.

Pump Station Pump Replacement

FY 25/26: **$200,000** **FY26/27: $200,000**

This allowance permits replacement of the pumps at the five remote pump stations to ensure ongoing operational reliability.

CCT Service Water Spray Bar and Header Replacement

FY 25/26: **$0** **FY26/27: $150,000**

This project will replace the CCT service water spray bar and header at the District's Wastewater Treatment Plant to improve operational efficiency and reliability.

Antioch Pump Station and Conveyance System Improvements-*Multi-fund project

FY 25/26: **$0** **FY26/27: $2,800,000**
(Fund 130 80% portion) **(Fund 130 80% portion)**

This multi-year, multiphase project will assess the Antioch Conveyance System, which consists of two 24-inch diameter force mains – Antioch Force Main 101 (AFM 101) and Antioch Force Main (102). The initials phase will identify portions of the force mains that need to be repaired immediately to ensure near-term operational reliability. The future phases will include conducting preliminary design activities of the Antioch conveyance system, including the Antioch Pump Station, to develop a major project to address deficiencies in these systems to ensure long-term operational reliability.

Site Security Improvements- *Multi-fund project

FY 25/26: $245,000 **FY26/27: $350,000**
(Fund 130 70% portion) **(Fund 130 70% portion)**

This multiphase project includes design and construction of security improvements at the District's Wastewater Treatment Plant and remote pump station sites. The initial phase will provide foundational access control to all entrances to the administrative buildings. The second phase will include physical barriers to limit access to secured areas at the WWTP and remote sites.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

WASTEWATER CAPITAL ASSET REPLACEMENT (FUND 130) – cont'd

Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 - *Multi-fund project

FY 25/26: $100,500 (Fund 130 67% portion) — **FY26/27: $2,010,000** (Fund 130 67% portion)

This is the next phase of the Manhole, Gravity Interceptor, and Easement Road Improvements Phase 1 Project. This project will assess and repair/replace additional at-risk manholes and improve access to critical assets in the Shore Acres and Willow Pass Systems. The project will also rehabilitate the Arcy Lane Junction Structure.

Secondary Process Improvements - *Multi-fund project

FY 25/26: $2,760,000 (Fund 130 69% portion) — **FY26/27: $15,180,000** (Fund 130 69% portion)

The project includes addressing aging infrastructure, expand secondary treatment capacity, and implementing foundational infrastructure improvements to support future nutrient removal at the District's WWTP. The project will be constructed in two phases. Phase 1 involves the replacement of existing tower trickling filters with new aeration basin capacity, providing additional aeration basin volume for growth, and establishing foundational infrastructure for future nutrient removal. Specific improvements include constructing new aeration basins, a sixth secondary clarifier, a new return activated sludge pump station, and other necessary infrastructure components. The District anticipates nearing completion of construction of Phase 1 during the term of this permit. The Secondary Process Improvements Phase 2 Project would follow completion of Phase 1 with a focus on constructing additional aeration basin volume and associated improvements to meet nutrient removal requirements.

RECYCLED WATER CAPITAL ASSET REPLACEMENT (FUND 230)

FY 25/26 Total: $850,000 — **FY 26/27 Total: $1,650,000**

DEC Storage Tank Rehabilitation

FY 25/26: $850,000 — **FY26/27: $1,650,000**

This project will assess and recoat the existing DEC Storage Tank at the District's Recycled Water Facility to address corrosion concerns and ensure ongoing operational reliability.

BAY POINT COLLECTION (FUND 520)

FY 25/26 Total: $469,500 — **FY 26/27 Total: $1,190,000**

Bay Point Collection System Point Repairs

FY 25/26: $250,000 — **FY26/27: $0**

This project consists of performing point repairs of 14 sewer segments with various localized structural defects (i.e. sever offsets, major cracks) in different areas of the Bay Point collection system.

Unanticipated Bay Point Repairs

FY 25/26: $100,000 — **FY26/27: $100,000**

This project allowance is for small, high-priority collection system renewal/replacement improvements that cannot be deferred until the next rehabilitation project.

Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 - *Multi-fund project

FY 25/26: $49,500 (Fund 520 33% portion) — **FY26/27: $990,000** (Fund 520 33% portion)

This is the next phase of the Manhole, Gravity Interceptor, and Easement Road Improvements Phase 1 Project. This project will assess and repair/replace additional at-risk manholes and improve access to critical assets in the Shore Acres and Willow Pass Systems. The project will also rehabilitate the Arcy Lane Junction Structure.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

BAY POINT COLLECTION (FUND 520) – cont'd

Site Security Improvements- *Multi-fund project

FY 25/26: $70,000 (Fund 520 20% portion) | **FY26/27: $100,000** (Fund 520 20% portion)

This multiphase project includes design and construction of security improvements at the WWTP and remote pump station sites. The initial phase will provide foundational access control to all entrances to the administrative buildings. The second phase will include physical barriers to limit access to secured areas at the WWTP and remote sites.

HOUSEHOLD HAZARDOUS WASTE (FUND 310)

FY 25/26 Total: $60,000 **FY 26/27 Total: $75,000**

Household Hazardous Waste Improvements

FY 25/26: $25,000 | **FY26/27: $25,000**

This project allowance is for minor projects or equipment repair/replacement at the HHW Facility.

Site Security Improvements- *Multi-fund project

FY 25/26: $35,000 (Fund 310 10% portion) | **FY26/27: $50,000** (Fund 310 10% portion)

This multiphase project includes design and construction of security improvements at the WWTP and remote pump station sites. The initial phase will provide foundational access control to all entrances to the administrative buildings. The second phase will include physical barriers to limit access to secured areas at the WWTP and remote sites.

WASTEWATER EXPANSION (FUND 140)

FY 25/26 Total: $520,000 **FY 26/27 Total: $3,560,000**

Antioch Pump Station and Conveyance System Improvements-*Multi-fund project

FY 25/26: $0 (Fund 140 20% portion) | **FY26/27: $700,000** (Fund 140 20% portion)

This multi-year, multiphase project will assess the Antioch Conveyance System, which consists of two 24-inch diameter force mains – Antioch Force Main 101 (AFM 101) and Antioch Force Main (102). The initials phase will identify portions of the force mains that need to be repaired immediately to ensure near-term operational reliability. The future phases will include conducting preliminary design activities of the Antioch conveyance system, including the Antioch Pump Station, to develop a major project to address deficiencies in these systems to ensure long-term operational reliability.

Secondary Process Improvements - *Multi-fund project

FY 25/26: $520,000 (Fund 140 13% portion | **FY26/27: $2,860,000** (Fund 140 13% portion)

The project includes addressing aging infrastructure, expand secondary treatment capacity, and implementing foundational infrastructure improvements to support future nutrient removal at the District's WWTP. The project will be constructed in two phases. Phase 1 involves the replacement of existing tower trickling filters with new aeration basin capacity, providing additional aeration basin volume for growth, and establishing foundational infrastructure for future nutrient removal. Specific improvements include constructing new aeration basins, a sixth secondary clarifier, a new return activated sludge pump station, and other necessary infrastructure components. The District anticipates nearing completion of construction of Phase 1 during the term of this permit. The Secondary Process Improvements Phase 2 Project would follow completion of Phase 1 with a focus on constructing additional aeration basin volume and associated improvements to meet nutrient removal requirements.

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FY25/26 – FY26/27
Capital Improvement Program
Project Descriptions (cont'd)

ADVANCED TREATMENT (FUND 125)

FY 25/26 Total: $720,000 **FY 26/27 Total: $3,960,000**

Secondary Process Improvements - *Multi-fund project

FY 25/26: $720,000
(Fund 125 18% portion)

FY26/27: $3,960,000
(Fund 125 18% portion)

The project includes addressing aging infrastructure, expand secondary treatment capacity, and implementing foundational infrastructure improvements to support future nutrient removal at the District's WWTP. The project will be constructed in two phases. Phase 1 involves the replacement of existing tower trickling filters with new aeration basin capacity, providing additional aeration basin volume for growth, and establishing foundational infrastructure for future nutrient removal. Specific improvements include constructing new aeration basins, a sixth secondary clarifier, a new return activated sludge pump station, and other necessary infrastructure components. The District anticipates nearing completion of construction of Phase 1 during the term of this permit. The Secondary Process Improvements Phase 2 Project would follow completion of Phase 1 with a focus on constructing additional aeration basin volume and associated improvements to meet nutrient removal requirements.

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Project Name	Cogeneration System Improvements	Project No.	CIP-22114



Priority	1-Urgent (12-24 months)	
Project Budget	FY24/25 Carryover	$0.0M
	FY25/26 Budget	$7.0M
	FY26/27 Budget	$4.9M
	Future FY Budget	$5.4M
	Est. Total Project Cost	$17.3M
Funding Source (Total)	District Funds	$17.3M
	Debt	-
	Grant (tax credit)	-
Fund Sources	WW CAR: $17.3M, 100%	

Description/Justification

This project will renew aging infrastructure to support continued generation of onsite renewable energy via biogas utilization by replacing the existing 0.8-megawatt cogeneration engine, and supporting biogas conditioning equipment and control systems at the WWTP. Construction commenced in fall 2024 with completion anticipated in summer 2028.

Project Risk Assessment

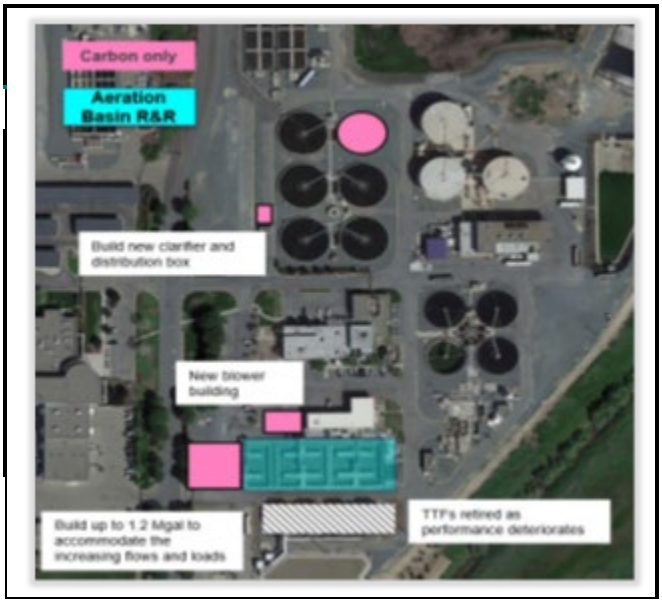
This project may affect the District's ability to operate the new switchgear. The CIP includes a project to replace the existing switchgear prior to the start of this project, which is anticipated to be completed in fall 2025.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	$7.0M	$4.9M	$5.4M	-	-	$17.3M
Funding Source						
WW CAR	$7.0M	$4.9M	$5.4M	-	-	$17.3M
Debt	-	-	-	-	-	-
Grant (Tax Credits)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Design (Completed)										
Construction										
Notes	Design completed May 2024 Construction completion by June 2028									

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Project Name	Secondary Process Improvements Phase 1	Project No.	CIP-22126



Priority	1-Urgent (12-24 months)	
Project Budget	FY24/25 Carryover	$0.0M
	FY24/25 Budget	$4.0M
	FY 26/27 Budget	$22.0M
	Future FY Budget	$109.75M
	Estimated Total Project Cost	$135.75M
Funding Source (Total)	District Funds	$XXM
	Debt	$XXM
	Grant(s)	-
Fund Sources	WW CAR: $93.66M, 69% WW EXP: $17.65M, 13% AT: $24.44M, 18%	

Description/Justification

This multi-year, multi-phase project will address aging infrastructure, accommodate growth, and long-term nutrient management at the WWTP. Phase 1 will replace existing tower trickling filters with new aeration basin capacity, providing additional aeration basin volume for growth, and establishing foundational infrastructure for future nutrient removal. Phase 2 will follow with a focus on constructing additional aeration basin volume and associated improvements to meet nutrient removal requirements.

Project Risk Assessment

This project not only addresses aging infrastructure associated with the secondary process, but also includes modifications to improve operational efficiency as a result of projected loads. The secondary process is considered high risk and therefore, failure of this process would result in major regulatory compliance and operational issues.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	$4.0M	$22.0M	$41.0M	$37.0M	$31.75M	$135.75M
Funding Source						
WW CAR	$2.76M	$15.18M	$28.29M	$25.53M	$21.90M	$93.66M
WW EXP	$0.52M	$2.86M	$5.33M	$4.81M	$4.13M	$17.65M
AT	$0.72M	$3.96M	$7.38M	$6.66M	$5.72M	$24.44M
Debt	$70.0M	-	-	-	-	$70.0M

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Design										
Construction										
Notes	Design completion by December 2026 Construction completion by June 2030									

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Project Name	Shore Acres Forcemain Repair	Project No.	CIP-25124



Priority	1-Urgent (12-24 months)	
Project Budget	FY24/25 Carryover	$0.0M
	FY25/26 Budget	$3.5M
	FY 26/27 Budget	$4.0M
	Future FY Budget	$1.5M
	Estimated Total Project Cost	$9.0M
Funding Source (Total)	District Funds	$9.0M
	Debt	-
	Grant(s)	-
Fund Sources	WW CAR: $9.0M, 100%	

Description/Justification

This project consists of rehabilitating and/or replacing the existing 16-inch discharge forcemain from Shore Acres Pump Station, including installation of a potential redundant forcemain, to ensure conveyance reliability of wastewater flows from Bay Point.

Project Risk Assessment

The existing 16-inch discharge forcemain failed in December 2024 requiring an emergency repair. Further failure of this forcemain will impact the District's ability to convey wastewater flows to the District's Wastewater Treatment Plant for treatment.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	$3.5M	$4.0M	$1.5M	-	-	$9.0M
Funding Source						
WW CAR	$3.5M	$4.0M	$1.5M	-	-	$9.0M
Debt	-	-	-	-	-	-
Grant(s)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Design										
Construction										
Notes	Design completion by March 2026 Construction completion by June 2028									

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Project Name	Antioch Pump Station and Conveyance System Improvements	Project No.	CIP-20121



Priority	2 – High Priority (3-5 years)	
Project Budget	FY24/25 Carryover	$0.97M
	FY25/26 Budget	$0.0M
	FY 26/27 Budget	$3.5M
	Future FY Budget	$17.85M
	Estimated Total Project Cost	$22.32M
Funding Source (Total)	District Funds	$22.32M
	Debt	-
	Grant(s)	-
Fund Sources	WW CAR: $17.86M, 80% WW EXP: $4.46M, 20%	

Description/Justification

This multi-year project will assess the Antioch conveyance system, which consists of two 24-inch force mains—AFM 101, AFM 102. The project primarily involves conducting alignment study and design activities related to Antioch conveyance system, including the Antioch and Bridgehead Pump Stations, to develop a major project to address deficiencies and ensure long-term operational reliability.

Project Risk Assessment

AFM 101 and AFM 102 have experienced multiple failures due to severe corrosion from corrosive gases over the past ten years, with the most recent occurring on AFM 102 in December 2019. There are operational issues at the Antioch Pump Station that also affect force main operating conditions.

Funding Schedule	FY25/26	FY26/27	FY27/25	FY28/29	FY29/30	5-year Total
Budget	$0.0M	$3.50M	$7.0M	$9.0M	$1.85M	$21.35M
Funding Source						
WW CAR	$0.0M	$2.80M	$5.6M	$7.2M	$1.48M	$17.08M
WW EXP	$0.0M	$0.70M	$1.4M	$1.8M	$0.37M	$4.27M
Grant(s)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Design										
Construction										
Notes	Design completion by December 2026 Construction completion by June 2030									

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Project Name	Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2	Project No.	CIP-24112



Priority	1-Urgent (12-24 months)	
Project Budget	FY24/25 Carryover	$0.65M
	FY25/26 Budget	$0.15M
	FY 26/27 Budget	$3.0M
	Future FY Budget	$9.85M
	Estimated Total Project Cost	$13.65M
Funding Source (Total)	District Funds	$13.65M
	Debt	-
	Grant(s)	-
Fund Sources	WW CAR: $9.15M, 67% BP COLL: $4.5M, 33%	

Description/Justification

This is the next phase of the Manhole, Gravity Interceptor, and Easement Road Improvements Phase 1 Project. This project will assess and repair/replace additional at-risk manholes and improve access to critical assets in the Shore Acres and Willow Pass Systems. The project will also rehabilitate the Arcy Lane Junction Structure. Design was initiated in FY24/25 with construction beginning in FY26/27.

Project Risk Assessment

The 2020 Final Report for the Facility Condition Assessment Project identified this project as a high priority. Failure of the manholes and gravity interceptors with limited site access can lead to sanitary sewer overflows and potential adverse public health and environmental impacts due to insufficient and/or unreliable conveyance capacity.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	$0.15M	$3.0M	$7.0M	$2.85M	-	$13.0M
Funding Source						
WW CAR	$0.1M	$2.0M	$4.7M	$1.9M	-	$8.7M
BP COLL	$0.05M	$1.0M	$2.3M	$0.95M	-	$4.3M
Grant(s)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Design										
Construction										
Notes	Design completion by June 2026 Construction completion by June 2029									

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Project Name	Digester Nos. 1 and 3 Rehabilitation	Project No.	CIP-25116



Priority	1-Urgent (12-24 months)	
Project Budget	FY24/25 Carryover	$0.15M
	FY25/26 Budget	$1.0M
	FY 26/27 Budget	$1.25M
	Future FY Budget	$0.5M
	Estimated Total Project Cost	$2.9M
Funding Source (Total)	District Funds	$2.9M
	Debt	-
	Grant(s)	-
Fund Sources	WW CAR: $2.9M, 100%	

Description/Justification

This project consists of cleaning and assessing the existing condition of Digester Nos. 1 and 3 and demolishing various components, installing miscellaneous equipment, and piping associated with these digesters.

Project Risk Assessment

Failure of one of the three digesters at the WWTP would reduce resiliency and operational reliability of the solids handling component of the wastewater treatment process.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	$1.0M	$1.25M	$0.5M	-	-	$2.75M
Funding Source						
WW CAR	$1.0M	$1.25M	$0.5M	-	-	$2.75M
Debt	-	-	-	-	-	-
Grant(s)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Design										
Construction										
Notes	Design completion by March 2026 Construction completion by June 2028									

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Project Name	SCADA Master Plan Update	Project No.	CIP-25114



Priority	2-High Priority (3-5 years)	
Project Budget	FY24/25 Carryover	$0.3M
	FY25/26 Budget	$0.0M
	FY 26/27 Budget	$0.0M
	Future FY Budget	$0.0M
	Estimated Total Project Cost	$0.3M
Funding Source (Total)	District Funds	$0.3M
	Debt	-
	Grant(s)	-
Fund Sources	WW CAR: $0.3M, 100%	

Description/Justification

This project will update the District's 2011 Supervisory Control and Data Acquisition (SCADA) to identify strategic opportunities to improve and standardize the District's SCADA system. In addition, this project will determine capital investment needs based on condition assessment findings. Master planning is currently underway and is anticipated to be completed in June 2026.

Project Risk Assessment

An updated SCADA master plan will serve as a roadmap for optimizing and modernizing the District's SCADA system to fully support existing and future capitals projects and improving operational efficiency, including enhancing cybersecurity.

Funding Schedule	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	5-year Total
Budget	-	-	-	-	-	-
Funding Source						
WW CAR	-	-	-	-	-	-
Debt	-	-	-	-	-	-
Grant(s)	-	-	-	-	-	-

Project Schedule	FY25/26		FY26/27		FY27/28		FY28/29		FY29/30	
Planning										
Notes	Planning completion by June 2026 Construction completion by N/A									

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Debt

The District typically secures long-term debt financing for construction of significant capital assets. Debt service is the annual or semi-annual payments. The District's Debt Management and Continuing Disclosure Policy is included in Appendix A.

Outstanding debt issued was used to fund improvements, replacements, and expansion of the WWTP and RWF facilities, conveyance and distribution systems, and wastewater collection systems. The primary funding source for repayment of debt issued for expansion purposes are CFCCs.

The District received a reaffirmation of its "AA" credit rating from Standard & Poor's in November 2015, which represents the District's strong capacity to meet its financial commitments. The primary reason for the reaffirmation was the Board's willingness to continue to adjust rates incrementally, and the very prudent approach to collect and set aside funds for acquisition or construction of new capital assets and maintenance, rehabilitation, and replacement of existing capital assets. Additionally, the District's strong financial performance, debt service coverage, and strong liquidity built on competitive rates; manageable capital plan with expansion costs historically financed from capacity fees; and, a stable and diverse customer base largely collected through the County's Teeter Plan supported the AA credit rating.

Current Debt Obligations

2010 Recycled Water SRF Loan

The District entered into a loan contract with the SWRCB on July 8, 2009, for the purpose of financing the Antioch/Delta Diablo Sanitation District Recycled Water Project. The loan amount totaled $6,325,503 with a stated interest rate of 0.077% per year over a 20-year term. The City of Antioch owed the District $6.1 million of this amount as part of its cost share for the Antioch Recycled Water Project. As of June 30, 2025, the amount owed to the SWRCB by the District and from the City of Antioch to the District is $1.9 million. Principal payments are due annually beginning on December 31, 2011, through FY30/31 and are paid from revenue received from the City of Antioch.

2011 Installment Sale Agreement

On June 9, 2011, the District entered into an installment sale agreement with Municipal Finance Corporation, which was subsequently assigned to City National Bank on June 22, 2011, for the purpose of financing a solar energy project. The agreement amount totaled $2,344,210 with a stated interest of 4.9% per year and is payable from District revenues. Principal and interest payments are due semi-annually on December 24 and June 24, commencing December 24, 2011, and maturing on June 24, 2031. The outstanding loan, from a direct borrowing, contains a provision that, in an event of default, all principal components of the unpaid installment payments, together with all accrued and unpaid interest components, are immediately due.

2011 Wastewater State Revolving Fund Loan

The District entered into a loan contract with SWRCB on March 25, 2011, for the purpose of financing the Aeration System Improvement Project. The loan amount totaled $5,041,873 with a stated interest rate of 2.60% per year. Principal payments are due annually beginning on April 3, 2014, through the FY32/33.

2015 California Energy Commission Loan
The District entered into a loan agreement with the California Energy Resources Conservation Development Commission on October 10, 2013, for the purpose of financing the Energy Savings Project. The project consists of energy savings projects at the WWTP. The loan amount totaled $700,000 at 1.0% interest per year on the unpaid principal. Principal and interest payments are due semi-annually beginning on December 22, 2015, through FY28/29.

2015 Bay Point SRF Loan
On October 8, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 1). The loan principal totaled $1,188,820 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing on November 1, 2015, and maturing on November 1, 2044.

2016 Pittsburg SRF Loan
On October 24, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Pittsburg Force Main Improvement Project. The loan principal totaled $12,000,000 with a 30-year term and stated interest rate of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing November 1, 2017, and maturing on November 1, 2046, from the Wastewater Capital Asset Replacement Fund (75%) and Wastewater Expansion Fund (25%).

2016 Wastewater SRF Loan
On August 8, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 3). The loan principal totaled $2,054,000 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing on November 1, 2016, and maturing on November 1, 2045.

2020 Wastewater SRF Loan
On October 24, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Pump Station Facilities Repair Project. The loan principal totaled $13,500,000 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on June 30 and December 31, commencing on December 31, 2023, and maturing on December 31, 2052. As of June 30, 2025, the District has received the $13.5 million in loan proceeds.

2021 Bay Point SRF Loan
On August 8, 2014, the District entered into a loan agreement with SWRCB for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Final Phase 4). The loan principal totaled $3,198,734 with a 30-year term and stated interest of 1.9% per year. Principal and interest payments are due semi-annually, on December 1 and June 1, commencing on December 1, 2021, and maturing on December 1, 2050.

Planned Debt Financing Assumptions
The 5-year maximum SSC increases assume the District will utilize a combination of cash (71%) and debt (29%) funding of the $238.1M 5-year CIP to ensure the lowest cost of capital for

customers, which includes a planned public debt offering of $70M in FY26/27 and $50M in FY31/32.

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Current Year Debt Transactions and Balances

The Long-Term Obligation Balances as of June 30, 2024, are presented in Table 7 and include changes (additions and retirements) to long-term obligations during the year and estimated balances as of June 30, 2025.

Table 7 – Long-Term Obligation Changes and Balances estimated as of June 30, 2025

Direct Borrowings:	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
2010 RW SRF Loan	$6,325,503	$2,224,966		(317,119)	$1,907,847
2011 WW Installment Note Payable	2,344,210	989,993		(110,410)	879,583
2011 WW SRF Loan	5,041,873	2,589,125		(259,040)	2,330,085
2015 WW CEC Loan	700,000	262,307		(51,420)	210,887
2015 Bay Point SRF Loan	1,188,820	887,947		(34,802)	853,145
2016 WW CAR/WW Exp SRF Loan	12,000,000	9,497,749		(333,117)	9,164,632
2016 WW SRF Loan	2,054,000	1,619,839		(59,997)	1,559,842
2020 WW SRF Loan	13,500,000	11,627,132	$1,930,683	(304,274)	13,253,541
2021 WW SRF Loan	3,198,734	2,956,392		(84,816)	2,871,576
Total	**$46,353,140**	**$32,655,450**	**$1,930,683**	**($1,554,995)**	**$33,031,138**

Outstanding Debt by Type

Outstanding Debt by Type for the past ten years is presented in Table 8 along with the population estimates and debt per capita for each year.

Table 8 – Outstanding Debt by Type

Fiscal Year	Wastewater COPs [1]	SRF Loans	Installment Note	CEC Loan	Total	Population Estimates [2]	Debt Per Cap [3]
15/16	$3,310,000	$11,570,850	$1,594,676	$655,696	$17,131,222	203,759	84
16/17		19,464,968	1,542,156	608,219	21,615,343	204,971	105
17/18		20,258,304	1,483,830	560,267	22,302,401	207,057	108
18/19		21,624,398	1,419,331	511,833	23,555,562	214,327	110
19/20		21,897,345	1,348,274	462,927	23,708,545	214,862	110
20/21		31,765,815	1,270,253	413,518	33,449,586	215,394	155
21/22		32,268,857	1,184,838	363,613	33,817,308	218,683	155
22/23		32,664,363	989,993	262,307	33,916,663	218,281	155
23/24		31,403,150	989,993	262,307	32,655,450	215,507	152
24/25		31,940,668	879,583	210,887	33,031,138	217,945	152

Source: Delta Diablo Audited Financial Statements

Notes:
1) Certificates of Participation (COPs) Debt amounts exclude premiums, discounts, or other amortization amounts.
2) State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2024-2025.
3) Debt per Capita = Total Debt/Population Estimate.

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Debt Service Requirements

All principal, interest, and annual debt service requirements are presented in Table 9 for all long-term debt as of June 30, 2025. Beyond FY29/30, amounts are shown in five-year increments.

Table 9 – All Principal, Interest, and Annual Debt Service

Fiscal Year	Principal	Interest	Total
25/26	$1,636,270	$623,659	$2,259,929
26/27	1,670,607	593,089	2,263,696
27/28	1,706,034	561,522	2,267,556
28/29	1,742,599	528,912	2,271,511
29/30	1,726,291	495,356	2,221,647
30/31-34/35	6,453,980	2,017,071	8,471,051
35/36-39/40	5,525,872	1,460,541	6,986,413
40/41-44/45	6,071,161	910,062	6,981,223
44/45-48/49	4,458,128	376,234	4,834,362
49/50-53/54	2,040,196	58,690	2,098,886
Total Payments Due	**$33,031,138**	**$7,625,136**	**$40,656,274**

The Historical Fiscal Year Debt Service Summary by Loan is presented in Figure 5. This figure shows the total amount of debt service from each over the past ten years.

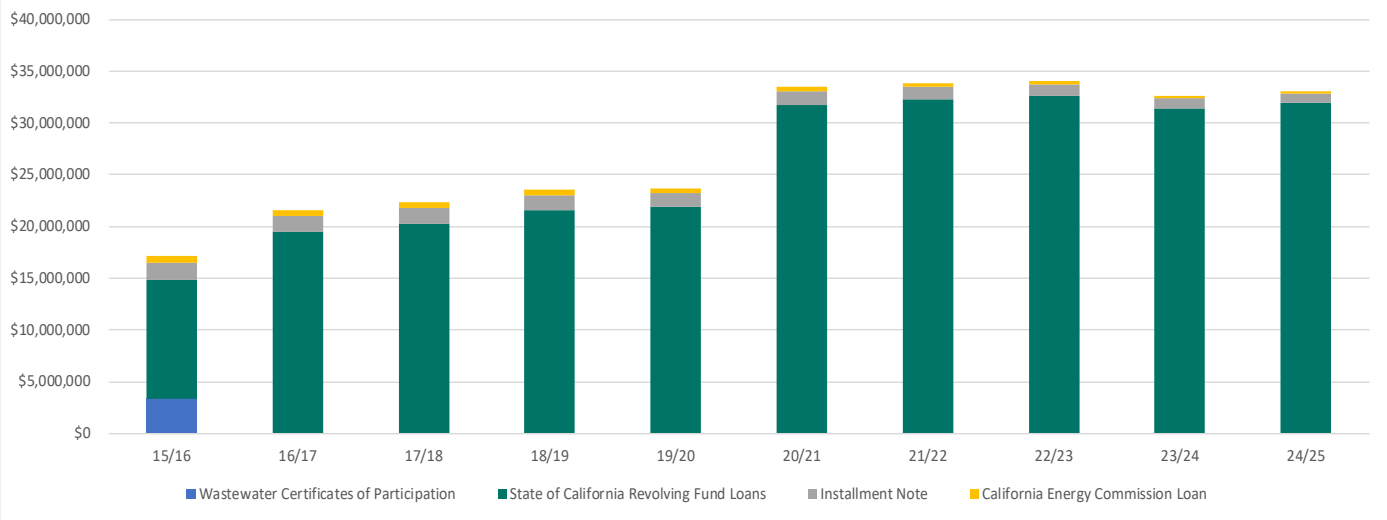


Figure 5 – Historical Fiscal Year Debt Service Summary by Loan

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Debt Service Coverage Ratio

The District's historical Net Revenue and Debt Service Coverage Ratio is presented in Table 10 and includes both the Net Revenue Available for Debt Service and the Debt Service Coverage. Existing District loan agreements include a required debt service coverage ratios of approximately 1.25. However, in order to ensure the highest credit ratings possible, the District's Debt Management and Continuing Disclosure Policy 3075 targets a more conservative ratio of at least 1.40 for financial planning and rate-setting purposes. This ratio also limits the amount of debt the District can participate in.

As can be seen in Table 10, the debt service coverage ratio was significantly lower before FY17/18. This is due to the fact that the Delta Diablo Integrated Finance Corporation (IFC) 1991 Certificates of Participation expired in FY16/17 which caused a reduction in the District's annual debt service. Since then, the District's debt service coverage ratio has substantially increased and exceeds the minimum requirement of 1.40.

Table 10 – Net Revenue and Debt Service Coverage Ratio

Fiscal Year	Operating Revenue [1]	Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
14/15	$35,286,790	$21,959,461	$13,327,329	$4,194,555	$233,724	$4,428,279	3
15/16	37,518,348	23,704,164	13,814,184	4,253,312	226,260	4,479,572	3
16/17	38,922,690	26,392,906	12,529,784	4,178,887	221,286	4,400,173	3
17/18	38,307,711	29,154,382	9,153,329	1,000,849	381,817	1,382,666	7
18/19	44,886,542	29,119,248	15,767,294	973,476	412,175	1,385,651	11
19/20	44,604,470	28,567,732	16,036,738	1,053,186	437,985	1,491,171	11
20/21	52,069,161	25,325,223	26,743,938	1,074,221	420,278	1,494,499	18
21/22	49,481,921	29,708,164	19,773,757	1,179,018	489,530	1,668,548	12
22/23	55,705,760	28,703,778	27,001,982	1,200,166	441,448	1,641,614	16
23/24	55,685,142	31,479,680	24,205,462	1,523,610	757,214	2,280,824	11

[1] All revenues including capacity charges and other capital contributions.
[2] Does not include depreciation and amortization.

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Section 5. Department Information

Administration Department



The Administration Department consists of the Board, the General Manager's Office, Deputy General Manager, the Office Manager/Secretary to the Board, and administrative staff. In addition to the three Department Directors, the Office Manager/Secretary and the Deputy General Manager to the Board reports directly to the General Manager and oversees administrative staff who provide and administrative support for the District. The Administration Department Budget is presented in Table 11.

Board of Directors
The Board represents customers in the service area in guiding and directing District activities at a policy level. Key responsibilities for the Board include:

- Establishing District policies to guide regulatory, financial, and operational activities
- Guiding prioritized organizational strategic focus areas through the SBP and associated initiatives
- Reviewing and approving appropriate rates, CIPs, and associated budgets
- Providing support to the General Manager's implementation of key duties and responsibilities
- Conducting performance reviews for the General Manager and establishing associated compensation levels

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General Manager's Office and Administration

Key responsibilities for the General Manager include:

- Overseeing all aspects of District operations to ensure the District meets its core mission of protecting public health and the environment
- Fostering a culture of organizational excellence and sustained improvement
- Implementing a strategic, effective, and efficient approach to providing a high level of service to the District's customers
- Working under the guidance and direction provided by the Board, in accordance with established District policies and procedures and the SBP
- Ensuring high-quality Board communications to support effective decision making and organizational excellence
- Providing day-to-day guidance and direction to direct reports

Office Manager/Secretary to the Board

Key responsibilities for the Office Manager/Secretary to the Board include:

- Managing the Board and Committee meeting processes
- Preparing and distributing the agendas and minutes
- Publicizing the of notices of public hearings
- Coordinating compliance with Fair Political Practices Commission and the Brown Act
- Receiving of legal claims against the District
- Coordinating elections with the County Elections Office
- Arranging ethics training and Brown Act training for the Board and staff
- Managing the District's Records Management Program
- Responding to Public Records Act requests

Table 11 – Administration Department Budget

Administration Department						
Operating Budget Category	**Budget FY23/24**	**Actual FY23/24**	**Budget FY24/25**	**Projected FY24/25**	**Proposed Budget FY25/26**	**Proposed Budget FY26/27**
Salaries & Wages	$1,242,409	$1,370,837	$1,376,318	$1,363,734	$1,411,557	$1,464,395
Employee Benefits	678,603	673,307	768,415	732,391	833,706	846,717
Office & Operating	264,350	174,523	166,997	172,652	162,400	168,221
Outside Services	216,800	135,446	191,440	156,940	192,708	198,189
Chemicals	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Contingency Allowance	250,000	-	-	-	-	-
Program Costs (Overhead)	-	-	-	-	-	-
Total Operating Expense	**$2,652,162**	**$2,354,113**	**$2,503,171**	**$2,425,717**	**$2,600,371**	**$2,677,522**

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Business Services Department



The Business Services Department consists of five divisions, including Finance, Human Resources and Risk Management, Information Technology, Purchasing, and Public Information that report to the Business Service Director. The Business Services Department Budget is presented in Table 12. Key focus areas incorporate a range of finance and administrative priorities including:

- Developing rate-setting models and financial analyses for 5-year financial planning activities
- Developing and administering the operating budget and annual budget appropriations, including securing Board approval
- Completing the annual financial audit and Comprehensive Annual Financial Report
- Overseeing debt issuance and financial tracking
- Developing the CIP funding plan
- Managing OPEB and pension liabilities and related trust funds
- Ensuring Governmental Accounting Standards Board (GASB) updates are implemented
- Administrative focus areas include:
  - Overseeing labor relations including contract negotiations.
  - Overseeing regular upgrades of the District's ERP system.
- Managing the District's human resources, IT, procurement, and finance functions.

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Table 12 – Business Services Department Budget

Business Services Department						
Operating Budget Category	**Budget FY23/24**	**Actual FY23/24**	**Budget FY24/25**	**Projected FY24/25**	**Proposed Budget FY25/26**	**Proposed Budget FY26/27**
Salaries & Wages	$1,984,701	$1,821,744	$2,259,415	$2,178,328	$2,324,076	$2,435,829
Employee Benefits	998,932	860,055	1,303,575	1,201,993	1,419,343	1,444,407
Office & Operating	1,179,666	1,174,927	1,373,433	1,511,957	1,618,172	1,614,163
Outside Services	873,064	768,583	921,045	1,013,739	631,658	584,383
Chemicals	-	-	-	-	-	-
Utilities	180,000	118,815	190,800	190,800	190,800	196,524
Contingency Allowance	-	-	-	-	-	-
Program Costs (Overhead)	-	-	-	-	-	-
Total Operating Expense	**$5,216,363**	**$4,744,124**	**$6,048,268**	**$6,096,817**	**$6,184,049**	**$6,275,306**

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Engineering Services Department



The Engineering Services Department consists of three divisions, including Environmental Programs, Government Affairs, and Engineering Services that report to the Engineering Services Director/District Engineer. The Engineering Services Department Budget is presented in Table 13.

Key focus areas for the Engineering Services Department include:

- CIP Development and Implementation: Ensuring development of a targeted, prioritized CIP and guiding effective execution of complex projects during the planning, design, and construction phases.
- Infrastructure Inspection and Condition Assessment: Developing and managing an asset management-based program to ensure timely and robust inspection of wastewater collection and treatment system infrastructure elements.
- Master Planning: Overseeing preparation of planning documents to guide major decision making in the near term, while positioning the District to cost effectively address regulatory compliance issues and infrastructure upgrade considerations in the long term.
- Nutrient Management: Maintaining strong engagement in regional efforts to assess the need for future nutrient removal requirements, while leading assessments of innovative technologies that may support future, cost-effective plant upgrades to meet this need.
- Managing the HHW Program.
- Organizational Improvement: Identifying opportunities to improve workflow and department-wide capital project delivery, use of technology, internal and external communications, contractor oversight, and team-based approaches to project implementation.

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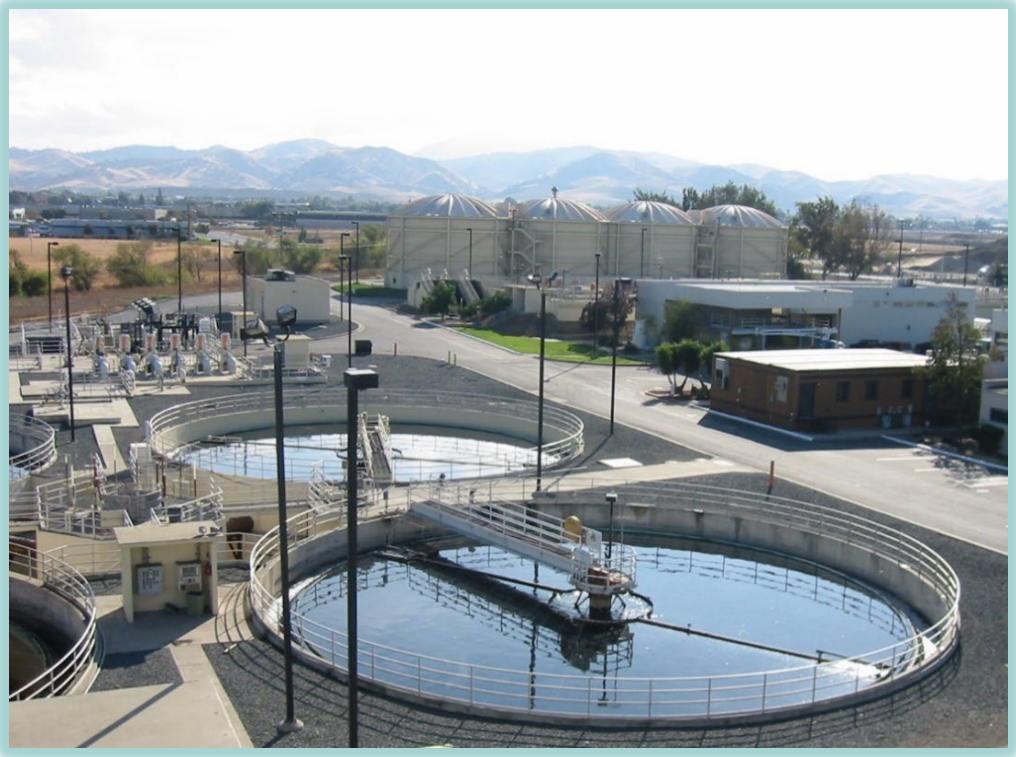
- Regional program and legislative activities.
- Updating and enforcing compliance with District Standards: Reviewing development plans for conformance with District standards and inspection of newly constructed facilities.
- Technical assistance to the operational departments in support of various District initiatives.

Table 13 – Engineering Services Department Budget

Engineering Services Department						
Operating Budget Category	**Budget FY23/24**	**Actual FY23/24**	**Budget FY24/25**	**Projected FY24/25**	**Proposed Budget FY25/26**	**Proposed Budget FY26/27**
Salaries & Wages	$798,854	$1,041,969	$1,216,551	$1,098,454	$1,004,980	$1,145,929
Employee Benefits	747,574	696,793	576,174	767,376	531,515	588,192
Office & Operating	526,686	452,072	559,679	527,359	596,957	627,517
Outside Services	1,233,915	1,394,959	1,263,126	979,327	1,340,126	1,385,129
Chemicals	-	-	-	-	-	-
Utilities	982	838	927	927	955	993
Contingency Allowance	-	-	-	-	-	-
Program Costs (Overhead)	-	824	-	-	-	-
Total Operating Expense	**$3,308,011**	**$3,587,456**	**$3,616,458**	**$3,373,442**	**$3,474,533**	**$3,747,760**

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Resource Recovery Services Department



The Resource Recovery Services Department consists of four divisions, including Operations; Maintenance; Laboratory, and Safety that report to the Resource Recovery Services Director. The primary function of this department is to safely collect, treat, and dispose of wastewater in compliance with regulatory requirements, and to treat a portion of the treated wastewater for distribution and reuse as Title 22 recycled water.

Significant activities include operations and maintenance of pipelines, pumping stations, treatment facilities and power generation systems; fleet maintenance; and management of computerized process monitoring and control equipment. The Laboratory Division provides sample collection and analysis, interpretation of testing results, and preparation and submittal of laboratory data to regulatory agencies, ensuring the wastewater effluent and recycled water meets all applicable discharge requirements and water quality standards.

Key focus areas for the Resource Recovery Services Department include:

- Wastewater Treatment: Enhance the process monitoring and control system capabilities to ensure continued compliance with more stringent regulatory permit requirements.
- Master Planning: Directly engage in the Resource Recovery Master Plan development to support prioritization and implementation of capital asset investment and optimization of operations and maintenance activities.
- Laboratory Testing Data: Integrate process monitoring and laboratory testing data for tracking via “dashboard”.

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- Energy Efficiency: Support development of a formalized Energy Management Plan to identify and implement energy conservation and efficiency measures.
- Asset Management: Participate in the development of a comprehensive AMP to optimize repair, rehabilitation, and replacement of capital assets

Table 14 – Resource Recovery Services Department Budget

Resource Recovery Services Department						
Operating Budget Category	**Budget FY23/24**	**Actual FY23/24**	**Budget FY24/25**	**Projected FY24/25**	**Proposed Budget FY25/26**	**Proposed Budget FY26/27**
Salaries & Wages	$6,544,115	$6,244,371	$6,812,726	$6,058,694	$6,992,805	$7,434,284
Employee Benefits	4,364,832	4,035,958	4,379,577	4,214,139	4,554,846	4,718,991
Office & Operating	2,134,398	2,505,451	2,373,215	2,205,805	2,425,999	2,485,910
Outside Services	2,216,076	2,144,193	2,518,585	2,558,552	2,985,624	2,927,181
Chemicals	2,984,300	2,693,940	3,152,000	3,228,734	3,304,000	3,526,000
Utilities	2,608,000	2,762,617	2,978,752	2,771,358	2,913,000	3,056,000
Contingency Allowance	-	-	-	-	-	-
Program Costs (Overhead)	320,000	407,457	315,000	305,000	324,000	334,000
Total Operating Expense	**$21,171,721**	**$20,793,986**	**$22,529,854**	**$21,342,283**	**$23,500,274**	**$24,482,366**

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Appendix A – Glossary & Financial Policies

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Delta Diablo

ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Fixed Asset Policy**
POLICY NUMBER: **202**
PROCEDURE: **N/A**
DATE ADOPTED: **October 8, 2003**
DATE SUPERSEDED: **April 11, 2001 (Reso. No. 8/2001)**

PURPOSE: To establish District Policy for financial reporting of capital assets, and to provide for the assignment of responsibilities to identify the need for effective control procedures over District fixed assets.

POLICY

A. General Policy / Responsibility

It is the policy of Delta Diablo Sanitation District that fixed assets be properly accounted for and secured. It is the responsibility of the Finance Department to ensure fixed assets will be tagged and inventoried on a regular basis, and, as appropriate, accounted for by fund and asset category. It is the responsibility of District Division and Department Heads to ensure proper budgeting and purchasing guidelines are followed, and that fixed assets are adequately controlled and used for appropriate District purposes and to secure such fixed assets. The General Manager shall ensure administrative procedures are in place to implement this policy.

B. Capitalization Threshold

For financial reporting purposes, the District shall establish a capitalization threshold of $5,000 for all items with an expected life of greater than one year.

C. Fixed Assets

In general, all fixed assets, including furniture & fixtures, buildings, machinery, and equipment, with an original cost equal to or greater than the capitalization threshold, will be subject to accounting and reporting (capitalization). All costs associated with purchase or construction should be considered, including ancillary costs such as: taxes, freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition.

D. Capital Assets / Infrastructure Projects

Assets constructed by the District shall be capitalized if the project is in the nature of a significant addition; or major betterment, improvement, or replacement that significantly prolongs the capital asset's life or expands its usefulness beyond three years. The basis of valuation for capital assets constructed by District personnel should be the costs of

material, direct labor and overhead costs that are identifiable to the project. Projects constructed under contract for the District shall also include the contract cost.

A capital asset is real or personal property that has a cost equal to or greater than the capitalization threshold and has an estimated useful life extending beyond three years. Capital assets should be reported at their original historical cost/purchase price (including capitalized interest costs, if applicable) plus ancillary charges necessary to place the asset into its intended use. Ancillary charges include costs directly attributable to asset acquisition, such as transportation, installation, and site preparation costs. Capital assets donated to the District must be capitalized at their estimated fair value (plus any ancillary costs) at the date of receipt.

If the project represents a routine, recurring expenditure, or ordinary repair that maintains the existing condition of the asset or restores it to normal operating efficiency, the project should not be capitalized, regardless of the amount of the project, but should be expensed as repairs and maintenance in the year incurred.

E. Inventory Control

The General Manager shall ensure procedures are implemented to inventory and track the fixed assets. In general, the inventory control is applied to movable fixed assets and not capital assets. Where appropriate, this will include inventory which do not meet the capitalization threshold and are not depreciated.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Investment of District Funds**
POLICY NUMBER: **3020**
PROCEDURE: **N/A**
DATE ADOPTED: **February 12, 2020** ***(Supersedes 2/13/19)***
DATE SUPERSEDED: **February 13, 2019**

3020.1 Introduction

The purpose of this policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and organize and formalize investment-related activities.

The investment policies and practices of Delta Diablo (District) are based on state law and prudent money management. All funds governed by this policy will be invested in accordance with this policy and Article 2 of Chapter 4 of the California Government Code Sections 53600 through 53659, the authority governing investments for the District.

3020.2 Scope

This policy applies to all financial assets of the District under its direct control and authority and accounted for in the annual Basic Financial Statements, unless explicitly excluded. Excluded funds may have different criteria or legal bases related to allowed investments.

Proceeds of debt issuances are governed by provisions of their specific bond indentures or resolutions. If the bond documents are silent as to the permitted investments, bond proceeds shall be invested in accordance with investment objectives of this policy. The identification of alternatives by the Board of Directors shall follow the Objectives of this policy.

This policy does not cover funds held by retirement systems, the Deferred Compensation program, or the Other Post-Employment Benefits (OPEB) Trust.

3020.3 Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

3020.3.1 Safety. Safety of principal is the foremost objective of the investment program. District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

3020.3.2 Liquidity. The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.

3020.3.3 Return on Investment. The District's investment portfolio shall be designed with the objective of attaining a rate-of-return on its investments that exceeds

the Local Agency Investment Fund (LAIF) and is comparable to the six-month Treasury index consistent with the constraints imposed by the prevailing economic conditions and by its safety objective and cash flow considerations.

In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided diversification has been implemented.

3020.3.4 Benchmark for Investment. The performance of the portfolio will be measured against a benchmark with similar characteristics to the District's portfolio. This benchmark will be used to provide a comparison of risk and return in evaluating the District's investment strategy over time.

3020.3.5 Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. This shall also conform with applicable sections of the Government Code.

3020.3.6 Prudence. All persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor" standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion. "Timely" reporting means notification of the General Manager and the Board within five business days of any determination that a deviation exists or has occurred.

3020.4 Delegation of Authority

Management responsibility for the investment program is hereby delegated to the General Manager. This delegation is a factor that may be reviewed as part of the annual presentation of an investment policy to the Board of Directors. The General Manager may delegate to appropriately experienced subordinate staff, the responsibility for all transactions undertaken in conformance with this policy. The General Manager shall assure the establishment of a system of controls to regulate the activities of subordinate officials and their procedures.

District staff shall follow the policy and established procedures and such other written instructions as are provided.

The Finance Committee will periodically review the implementation of the District's investment program to determine whether it is consistent with the investment policy as approved by the Board. The Committee shall review annually and as otherwise needed to determine general strategies and monitor results.

3020.5. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by the District's Conflict of Interest Code, California Government Code Section 1090 et seq. and the California Political Reform Act (California Government Code Section 81000 et seq.) as it exists now or may be modified by the State Legislature in the future.

3020.6 Internal Controls

The General Manager shall assure the development and implementation of such administrative procedures and internal controls which are considered prudent, given the size of the organization and the complexity of investments. The internal controls will be reviewed with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, or imprudent actions by employees or officers of the District.

3020.7 Qualified Financial Institutions and Broker/Dealers

The District shall transact investment business only with banks, savings and loans, and registered securities dealers. All broker/dealers should be dealers regularly reporting to the Federal Reserve Bank and shall maintain an office in the State of California. The District will solicit multiple bids and offers on investment transactions from the District's approved broker/dealers. If an investment adviser is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes. All financial institutions and broker/dealers who desire to become bidders for investment transactions must provide the District with the following:

- Audited financial statements
- Three local government references, preferably California special districts
- Proof of National Association of Securities Dealers' certification
- Proof of California registration
- Certification of having read and agreeing to abide by the District Investment Policy

A periodic review of the financial condition and registrations of approved financial institutions and broker/dealers shall be conducted, including recertification of having read and agreeing to abide by the District's investment policy.

3020.8 Investments

California Government Code Section 53601 governs the investments permitted for purchase by the District. Within the investments permitted by Code, the District seeks to further restrict eligible investment to the investments listed under Authorized Instruments below. Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the Business Services Director shall notify the General Manager and the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Authorized Instruments

3020.8.1 U.S. Treasuries. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

3020.8.2 Federal Agency securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

3020.8.3 State of California or any local agency within the State. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by one or more nationally-recognized statistical rating organization (NRSRO).

3020.8.4 Bankers' Acceptances. Bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptances may not exceed 180 days maturity. Eligible banker's acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more NRSROs. Investments in banker's acceptances are further limited to 40 percent of the District's investment portfolio with no more than 30 percent invested in the bankers' acceptances of any one commercial bank.

3020.8.5 Commercial Paper. Commercial paper rated in the highest category by one or more NRSROs. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

3020.8.5.1 The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation, (B) Has total assets in excess of five hundred million dollars ($500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

3020.8.5.2 The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company, (B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (C) Has commercial paper that is rated A-1" and/or "P-1" or its equivalent or higher by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Investments in commercial paper are limited to a maximum of 25 percent of the District's investment portfolio.

3020.8.6 U.S. Corporate Debt. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A" or its equivalent or better by an NRSRO.

Purchase of medium-term corporate notes may not exceed 30 percent of the District's investment portfolio.

3020.8.7 Negotiable Certificates of Deposit. As authorized in Government Code Section 53601(i), no more than 30 percent of the District's investment portfolio may be invested in negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal savings association, a state or federal credit union, or by a state-licensed branch of a foreign bank. The District may not invest in certificates of deposit issued by a state or federal credit union if any member of the District Board, General Manager, or any other employee with investment decision-making authority also serves on the Board of directors, or any committee appointed by the Board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the certificate of deposit.

Purchase of negotiable certificates of deposit may not exceed 30 percent of the District's investment portfolio and are limited to a maximum maturity of five years.

3020.8.8 Supranational. The District may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO.

Purchases of supranational shall not exceed 30 percent of the agency's monies that may be invested pursuant to this section.

3020.8.9 State of California's Local Agency Investment Fund (LAIF). The District may invest in LAIF. Investment in each LAIF account may not exceed the current approved maximum deposit allowed by LAIF.

3020.8.10 Local Government Investment Pools (LGIP). Upon approval of the Board of Directors by adoption of a Resolution the District may participate in other public agency investment pools, which serve to invest public agency funds in conformance with applicable California law and are rated "AAA" by one or more NRSROs. Participation in such a pool shall be consistent with the objectives stated as part of this policy.

3020.8.11 Shares of beneficial interest issued by a joint powers authority (JPA). Organized pursuant to Section 6509.7 that invests in the securities and obligations authorized by subdivisions (a) to (q) of California Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible under this section, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria:

3020.8.11.1 The entity meets the following criteria: (A) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (B) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) of California Government Code 53601, inclusive. (C) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

3020.8.12 Insured savings account or money market account. All savings account or money market accounts must be collateralized in accordance with California Government Code Section 53561. The District, at its discretion, may waive

the collateralization requirements for any portion of the deposit that is covered by federal insurance.

3020.8.13 Money Market Mutual Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §. 80a-1, et seq.)

The District may invest in shares of beneficial interest issued by company shall have met either of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (2) Retained an investment adviser registered or exempt from registration with the securities and exchange commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. Investments in Money Market Mutual Funds are further limited to 15 percent of surplus funds.

3020.8.14 Mortgage-backed and Asset-backed Securities: Mortgage pass-through securities; collateralized mortgage obligations; mortgage- backed or other pay-through bonds; equipment lease-backed certificates; consumer receivable pass-through certificates; or consumer receivable-backed bonds rated "AA" or its equivalent or better by an NRSRO and with a remaining maturity of five years or less. The combined base value of this instrument is not to exceed 20 percent of the agency's surplus monies.

3020.9 Maximum Maturity

Selection of investment maturities in conformance with the Government Code restrictions shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

Unless otherwise specified in this section, no investment shall be made in any security, other than a security underlying a repurchase, reverse repurchase, or investment agreement as authorized by this section that at the time of the investment has a term remaining to maturity in excess of five years.

3020.10. Sales Prior to Maturity

Securities shall not be purchased directly by Staff for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement; or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment opportunities may involve the

recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, and (3) estimation of time necessary to recoup the loss.

3020.11 Reporting Requirements

Quarterly, District staff shall present the Board with a report which conforms with the requirements of Government Code Section 53646(b). The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District funds, investments, or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available. The quarterly report shall be submitted by the second regularly scheduled meeting of the Board of Directors following the end of the quarter.

3020.12 Safekeeping and Custody

All securities purchased by or on behalf of the agency, whether negotiable, bearer, registered, or non-registered, shall be delivered, either by book entry or physical delivery, to the District's third-party custodian, and held in the District's name. The third-party custodian shall be independent from the company or firm which sold the security and from its investment adviser if it chooses one.

The only exceptions to the foregoing are LAIF, LGIPs, Certificates of Deposit, and money market funds since the purchased securities are not deliverable. In all cases, purchased securities shall be held in the District's name.

3020.13 Investment Policy Review

Annually, District staff may present the Board with a statement of investment policy, which the Board must consider at a public meeting. Any changes to the policy shall also be considered by the Board at a public meeting.

3020.14 Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

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BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CAMP (the California Asset Management Program): A California Joint Powers Authority (CAJPA) established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. For bond proceeds, the objective of CAMP is to invest and account of such proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Service. The program includes the California Asset Management Trust, a California common law trust organized in 1989. The Trust currently offers a professionally managed money market investment portfolio, the Cash Reserve Portfolio, to provide public agencies with a convenient method of pooling funds for temporary investment pending their expenditure. The Trust also provides recordkeeping, custodial and arbitrage rebate calculation services for bond proceeds. As part of the program, public agencies may also establish individual, professionally managed investment accounts.

The pool seeks to attain as high a level of current income as is consistent with the preservation of principal. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the (entity). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per entity.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

JOINT POWERS AUTHORITY POOLS: JPA Pools are local government investment pools comprised of at least two entities and accredited by the CAJPA. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible, the JPA issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) the adviser is registered or exempt from registration with the Securities and Exchange Commission, (2) the adviser has not less than five years of experience investing in the securities and obligations in Section 53601, subdivisions (a) to (n), and (3) the adviser has assets under management in excess of five hundred million dollars ($500,000,000).

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it

is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Other Post-Employment Benefits Trust Funding**
POLICY NUMBER: **3025**
PROCEDURE: **N/A**
DATE ADOPTED: **February 10, 2010**

3025.1 Purpose: It is the intent of the District to fund its Other Post Employment Benefit (OPEB) Trust Fund within 30 years with minimal impacts on District rate payers. Such funding will be based on the actuarially calculated OPEB liability, which shall be updated at least bi-annually.

3025.2 Budgeted Retiree Medical Premiums: Following the adoption of each fiscal year's operating budget, District staff shall transfer all funds budgeted for retiree medical premiums to be paid that year to the District's OPEB Trust Fund.

3025.3 Annual Additional Funding: Following the acceptance of each fiscal year's audited financial statements for the District, the Board will make a determination as to how much of that year's remaining annual required contribution (ARC) will be funded by the District and deposited to the OPEB trust fund from all or part of the following sources in the order listed below:

1. Unanticipated revenue streams (either one-time or ongoing)
2. Sewer Service Charge revenues exceeding planned levels for the prior fiscal year
3. Unused wastewater operating contingency funds from the prior fiscal year
4. Wastewater operating budget savings from the prior fiscal year
5. Ad valorem tax revenues
6. The wastewater general fund

This approach gives the Board the discretion to make OPEB funding decisions annually, taking into account then current economic conditions and other factors.

3025.4 Employee Contributions to the OPEB Trust: Any future provision for employee's funding part of the OPEB obligation would be established through an amendment to each bargaining unit's Memorandum of Understanding, and would require that all bargaining units participate under the same terms and conditions.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Pension Benefits Trust Funding**
POLICY NUMBER: **3030**
PROCEDURE: **N/A**
DATE ADOPTED: **July 13, 2016**

3030.1 Purpose: It is the intent of the District to make its full actuarially determined contributions into the California Public Employees' Retirement System (CalPERS) and Contra Costa County Employees' Retirement Association (CCCERA) pension trust funds. In addition, the District desires to set aside additional funds in a separate qualified trust fund, the Public Agencies Post-Employment Benefits Trust (PAPEBT) with the Public Agency Retirement Services (PARS), which may in the future be directed into either the CalPERS and/or CCCERA pension trust funds.

3030.2 Existing and Budgeted Contributed Benefit Savings Funds: Upon establishment of the District's PAPEBT, all funds then residing in the District's Contributed Benefit Savings reserve shall be transferred to the PAPEBT, along with any additional funds set-aside for that purpose prior to adoption of the next fiscal year's operating budget. Following the adoption of each fiscal year's operating budget, District staff shall transfer all funds budgeted for Contributed Benefit Savings set-aside that year into the District's PAPEBT. This provides the greatest potential for enhanced returns on investment for such funds.

3030.3 Future Additional Funding: Once the District's Other Post-Employment Benefits (OPEB) Trust Fund is fully funded pursuant to the Board's approved Administrative Policy No. 3025 – *Other Post-Employment Benefits Trust Funding*, additional funding, primarily unanticipated revenue streams (either one-time or ongoing), as described in Section 3025.3 of that policy shall be redirected to the PAPEBT as long as the OPEB Trust Fund remains fully funded.

3030.4 Investment of Funds: Funds invested with PARS shall be placed in the Balanced HighMark Active Plus portfolio.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Sewer Service Charge Refund/Adjustments**
POLICY NUMBER: **3035**
PROCEDURE: **N/A**
DATE ADOPTED: **November 4, 2009**

PURPOSE: To establish standard policy and for the issuance of refunds for previously levied sewer service charges for the annual sewer operations and maintenance charges. Typically, sewer service charges are calculated annually and the majority of the charges are collected by the Contra Costa County Tax Collector as part of the annual property tax bill.

3035.1 General Policy/Responsibility

It is the policy of Delta Diablo Sanitation District that all refunds shall be issued in accordance with this policy. The General Manager has the authority to issue and shall ensure that administrative procedures are in place to implement this policy.

3035.2 Claim Submittal

A written claim for refund must be filed at the District Offices at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. In order to be considered, the claim must be in writing and be dated and signed by the claimant. The claim shall identify the property for which the refund is requested and explain what the billing discrepancy is. In order to be considered for a refund, the claimant must have been the property owner and paid the sewer service charges for the period in question. Finance Staff shall investigate all claims received to determine their validity. All information submitted by the customer shall be considered.

In the event that the District Staff discovers billing errors before a claim is filed, the District may work directly with the property owner to initiate a refund based on proper documentation and without requiring the filing of a written claim.

3035.3 Statute of Limitations for Refunds and/or Billing Adjustments

All claims for refunds and/or adjustments to billed sewer service charges shall only be considered if the claim for an adjustment is filed within four years of the date the billing was issued.

3035.4 Form of Refund

In the event that an adjustment is warranted, and payment of the disputed bill has been verified, and with approval by the General Manager or his designee, District Staff may issue a payment directly to the property owner in accordance with this policy. In the event that an adjustment is warranted, and the disputed bill has not been paid, a corrected billing shall be issued. Interest shall not be paid on any amount refunded or credited as the result of an adjustment of charges.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Purchasing Policy**
POLICY NUMBER: **3050**
PROCEDURE: **N/A**
DATE ADOPTED: **June 11, 2008**

3050.1 Purpose. The purpose of this chapter is to set forth policy for the purchase of supplies, material, equipment and services and to clearly define the authority of the purchasing function. This chapter shall not apply to public works projects.

3050.2 Definitions.

"Professional services" means the services rendered by persons who are members of a recognized profession or who possess a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance. "Professional services" includes any type of professional service that may be lawfully rendered but does not include work performed under a contract for a public works project.

"Public works project" means the erection, construction, improvement, or alteration, excluding repair and maintenance, of (1) public buildings and other works; (2) streams, bays, waterfronts, embankments or other work for protection against overflow; (3) streets and related improvements, including lighting and signaling systems; (4) sewer and water systems; (5) parks, playgrounds, recreational and scenic areas.

"Responsible bidder" means a person or entity that has the capability in all respects to perform fully the contract requirements.

"Responsive bidder" means a person or entity who has submitted a bid which conforms in all material respects to the invitations for bids or requests for proposals.

"Services" means any and all work performed and any and all services rendered by independent contractors, with or without the furnishing of material, excluding 1) professional services and 2) work performed under contracts for public works projects.

"Supplies," "materials," and "equipment" mean any and all articles or things which shall be furnished to or used by any department of the District, including those items purchased by the District and furnished to contractors for use in public works projects.

3050.3 Establishment of centralized purchasing. In order to 1) implement efficient procedures for the purchase of supplies, material, equipment and services at the lowest possible cost, with appropriate fitness for purpose and quality needed, 2) exercise positive financial control over purchases, and 3) clearly define authority for the purchasing function, a centralized purchasing system is established.

3050.4 Purchasing organization. There is created a centralized purchasing organization in which is vested authority to 1) purchase supplies, material, equipment and services, 2) create and maintain policies for the management of inventory, and 3) perform duties as assigned by ordinance or regulation.

3050.5 Exemptions from centralized purchasing. The Purchasing Manager may authorize, in writing, any department to purchase or contract for specified supplies, material, equipment and services, independently of the Purchasing Department, but shall require that such purchases or contracts be made in conformity with the policies established by this chapter and administrative procedures as approved by the General Manager. The Purchasing Manager may also rescind such authorization with written notice to the department concerned.

3050.6 Award authority.

3050.6.1 If the amount of any purchase or contract for operation and maintenance of the District's facilities exceeds $100,000, the purchase or contract shall be awarded by the Board of Directors. If the amount of any purchase or contract for operation and maintenance of the District's facilities is less than $100,000 and is included in the Board authorized annual budget, the purchase or contract shall be awarded by the General Manager or designee.

3050.6.2 Except as specifically provided in this chapter or by ordinance or resolution now or in the future, the District is not bound by any contract unless the same shall be in writing and signed by the General Manager, after Board approval, or by such other officer of the District as authorized by ordinance, resolution, or action of the Board.

3050.6.3 No purchase by any person other than the above shall be binding upon the District or constitute a lawful charge against any District funds.

3050.6.4 Modifications to contracts or purchase orders which represent no change in the scope or character of material or services provided in the original contract or purchase order may be approved by the General Manager or designee if the dollar value of the modification is within their award authority.

3050.7 Competitive procurement process.

3050.7.1 All purchases of and contracts for supplies, material, equipment and services, shall be based, wherever possible, on a competitive procurement process, as described in this chapter.

3050.7.2 It shall be the responsibility of the Purchasing Manager to evaluate each purchase and to initiate the appropriate method of purchase which will be most cost effective for the District.

3050.7.3 Emergency purchases and contracts for supplies, material, equipment or services may be made without using a competitive procurement process when the purchase or contract for the item or items is immediately necessary for the continued operation of a department or for the preservation of life and property, or when such purchase is required for the health, safety, and welfare of the people or for the protection of property, provided that there is a present, immediate, and existing emergency. Determination and declaration that such an emergency exists shall be made at the same level of authority as set forth in Section 3050.6 of this chapter.

3050.7.4 If limitations on the source of supply, necessary restrictions in specifications, necessary standardization, quality considerations, or other valid reasons for waiving a competitive procurement process appear, then purchases may be made without recourse to the competitive procurement process provisions of this chapter. Approval of waiver of a competitive procurement process shall be given by the General Manager or his designee.

3050.8 Standard purchase procedure.

All purchases for goods and services shall be made in accordance with the standard purchase procedures unless the General Manager or designee determines it is in the best interest of the District to use the formal purchase procedure. Award shall be made to the lowest responsive and responsible bidder through request for quotations, or to the offeror whose proposal is determined to be the most advantageous to the District through request for proposals following procedures promulgated by the Purchasing Manager and approved by the General Manager.

3050.9 Formal purchase procedure. Formal purchase procedures are competitive sealed bidding or competitive sealed proposals as provided for in purchasing procedures promulgated by the Purchasing Manager and approved by the General Manager.

3050.10 Cooperative purchasing programs. Where advantageous to the District and to the extent consistent with state law, purchases of supplies, material, equipment or services made under a cooperative purchasing program, utilizing purchasing agreements maintained by the state, county, or other public agencies are exempt from the requirements of this chapter. To the extent possible, cooperative purchases joined will be competitively awarded, and documentation as to the advantage of the cooperative purchase will be retained.

3050.11 Professional services. Contracts for professional services may be negotiated by the District based on the vendor's demonstrated competence and professional qualifications for the service required. Whenever possible, quotes should be obtained from at least three sources using the request for quote or the request for proposal process. Vendor selection, without obtaining three quotes, shall require justification to the Purchasing Manager, except in the case of contracts for specialized legal services.

3050.12 Authority to resolve protested solicitations and awards.

3050.12.1 Right to Protest. Any person or entity that submits a quote, proposal or bid for a contract or purchase order and who objects to the award of that contract or purchase order may protest to the Purchasing Manager within ten (10) business days of the award announcement.

3050.12.2 Authority to Resolve Protests. The Purchasing Manager shall have authority, prior to award, to settle and resolve a protest.

3050.12.3 Decision Process. If the protest is not resolved by mutual agreement, the Purchasing Manager shall issue a decision in writing, stating the decision and facts supporting the decision and informing the protestant of its right to appeal the decision first to the General Manager or designee, and if resolution is not reached, then to the Board of Directors in accordance with Administrative Handbook Policy No. 1030, *Public Complaints*, which provides that such an appeal must be filed within ten (10) business days of receiving the General Manager or designee's decision. A copy of the decision shall be mailed or otherwise furnished to the protesting bidder. Unless a timely appeal is filed, the Purchasing Manager's decision shall be final.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Environmentally Preferable Purchasing**
POLICY NUMBER: **3065**
PROCEDURE: **N/A**
DATE ADOPTED: **May 10, 2006**

Purpose. The Delta Diablo Sanitation District (District) intends to serve as a model for environmental leadership by conserving resources such as water, raw materials, and energy. By incorporating environmental considerations into purchasing procedures, the District can reduce its burden on the environment while remaining fiscally responsible. Environmental factors that should be considered include, but are not limited to, toxicity, energy use, greenhouse gas impacts, disposal options, recycled content, and waste reduction.

Definition. Environmentally preferable means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

Policy. The District's Environmentally Preferable Purchasing (EPP) Policy is based on the following guiding principles:

Environmental Excellence: The District shall consistently meet or exceed all regulatory standards and comply with environmental legislation.

Environmental Responsibility: The District shall contribute to long term preservation and enhancement of the environment.

Environmental Progress: The District shall continuously improve its environmental performance.

Goal. It is the goal of the District to move its operations toward environmental sustainability by minimizing waste and maximizing efficiency. The District's Purchasing Manager and/or his/her designee will:

Ensure that contracting procedures do not discriminate against reusable, recycled, or environmentally preferable products without justification

Evaluate environmentally preferable products to determine the extent to which they may be used by the District and its contractors

Review and revise contracting procedures to maximize the specification of designated environmentally preferable products where practicable

Facilitate data collection on purchases of designated environmentally preferable products by the agencies and its contractors

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Objectives. The Delta Diablo Sanitation District Environmentally Preferable Purchasing Policy has the following objectives:

Ensure to the extent practicable, all printing and copy paper products shall consist of a minimum of 30% post-consumer recycled fiber.

Ensure that all contractors shall submit requested documents to the District on recycled paper. This shall include, but not be limited to, drafts, reports, bids, and training materials.

The District shall engage in the practice of two-sided copies for all memos and mailings.

All business cards, letterhead stationary, envelopes, business forms and documents shall be printed on recycled paper. If sufficient documentation and certification is available, reasonable efforts shall be undertaken to specifically indicate the percentage of recycled post-consumer content.

Any RFPs or bids for services request by the District will include a statement that the District prefers working with businesses that adhere to our environmental principles.

All departments shall ensure that they and their contractors/consultants use double sided copying.

Purchased or leased equipment, including photocopiers, computers, printers, lighting systems, HVAC, kitchen appliances, and energy management systems must meet US Environmental Protection Agency (EPA) or Department of Energy (DOE) energy efficiency standards. Where applicable, the energy efficiency function shall remain enabled on all energy efficient equipment.

Reporting. District staff shall prepare and deliver to the Board periodic reports on the progress of efforts related to the EPP Policy.

Performance, Price, and Availability. Nothing contained in this policy shall be construed as requiring a department or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.

Fiscal Impact. It is currently estimated that the cost to implement this policy will be minimal and primarily include staff time to meet the goals and objectives the policy. Cost savings may be realized in the waste minimization and energy efficiency objectives of the policy.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **Surplus**
POLICY NUMBER: **3070**
PROCEDURE: **2000-3**
DATE ADOPTED: **January 14, 2009**

3070.1 The purpose of this policy is to provide an auditable process for the disposal of surplus District personal property.

3070.2 The General Manager, or his/her designee, is authorized to approve property items deemed unsuitable or unnecessary for District purposes as surplus. Such assets shall be disposed of in a manner which is in the best interest of the District, pursuant to procedures approved by the General Manager. The goal is to maximize surplus revenues net of staff time and other processing costs while disposing of surplus items in a manner that meets all statutes and regulations and reflects a high level of environmental stewardship.

3070.3 An annual report will be provided to the Board of Directors listing all assets that were surpluses during the prior fiscal year, the method of disposal and the amount received (if any) for each item.

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ADMINISTRATIVE POLICY HANDBOOK
POLICY TITLE: **DEBT MANAGEMENT AND CONTINUING DISCLOSURE**
POLICY NUMBER: **3075**
PROCEDURE: **N/A**
DATE APPROVED: **March 13, 2024**

It is the policy of Delta Diablo (District) to: Issue, manage, and report debt obligations associated with financing capital improvement and capacity expansion projects and provide a foundation to take sound financial management actions for all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation (IFC).

Purpose

The Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive written debt management policies as a best management practice to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital financial planning. Additionally, Government Code Section 8855(i) requires public agency issuers of debt to adopt comprehensive written debt management policies. This Debt Management and Continuing Disclosure Policy (Debt Policy) is intended to comply with Government Code Section 8855(i). The purpose of this Debt Policy is to organize and formalize debt issuance and management related policies and procedures for Delta Diablo. This Debt Policy governs all debt issuances by the District and by the Delta Diablo Integrated Financing Corporation. Except where any provision of this Debt Policy refers separately to the IFC, each use of the term "District" in this Debt Policy means the District and the IFC.

State and federal laws and regulations govern the District's activities under this Debt Policy. In its implementation of this Debt Policy, the District must comply with all applicable state and federal laws and regulations, including but not limited to laws and regulations limiting the types of debt the District may issue and how that debt may be issued, and any applicable appropriations limits and debt limits. Those state and federal laws and regulations may limit the application of this Debt Policy. If any provision of this Debt Policy conflicts with any state or federal law or regulation, either (a) if feasible, the conflicting provision of this Debt Policy shall be modified to be compliant with the applicable conflicting state or federal law or regulation, or (b) if the conflicting provision of this Debt Policy cannot be so modified, it shall not be implemented by District staff.

Policy Requirements

Objectives

The primary objectives the of the District's debt and financing related activities are as follows:

- Maintain cost-effective access to public and private capital markets through prudent management policies and practices;
- Specify parameters related to the prudent use of debt in the context of the District's rates and financial planning;

Policy Requirements

- Ensure debt proceeds are expenditures for permissible uses as defined in this policy, and in accordance with bond covenants and other applicable requirements;
- Minimize debt service commitments through effective planning and cash management;
- Ensure the District is compliant with all applicable federal and state securities laws;
- Protect the District's creditworthiness and achieve the highest practical credit ratings; and,
- Maintain the District's sound financial position.

Scope and Delegation of Authority.

This Debt Policy will govern the issuance and management of all debt issued by the District, including the selection and management of related financial and advisory services and products, and the investment of bond proceeds, all in accordance with state and federal laws and regulations. The District's Board of Directors retains authority to modify, repeal, or replace this Debt Policy. Responsibility for implementation of the Debt Policy, and day-to-day responsibility for structuring, implementing, and managing the District's debt and finance program, will reside with the General Manager or his/her designee. The General Manager may develop procedures consistent with this Debt Policy to direct the implementation of this Debt Policy by District staff. The Board's adoption of the District's Annual Budget and Capital Improvement Program (CIP), or review of the financial plan, does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board of Directors specifically authorize each debt financing in accordance with all applicable state and federal laws and regulations.

The Board of Directors recognizes that changes in the public and private capital markets, District programs, and other unforeseen circumstances may, from time to time, produce situations that are not covered by the Debt Policy and will require modifications or exceptions to achieve policy goals. In these cases, the Board of Directors may consider modifying this Debt Policy to provide District staff with flexibility to respond to changed circumstances, while ensuring this policy remains compliant with state and federal laws and regulations.

Roles and Responsibilities

- General Manager or his/her designee – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Executive Director of the IFC – Provides oversight of debt program and prepares recommendations on debt to the Board of Directors.
- Business Services Director – Has primary responsibility for implementing the General Manager's direction on debt issuance

recommendations, financing transaction execution, oversight of bond proceeds expenditures, and ongoing debt management.
- Board of Directors – Sets debt policy and authorizes individual transactions.

Policy Requirements

Ethics and Conflicts of Interest. Members of the Board of Directors and District staff members who have roles and responsibilities under this Policy: (a) will not engage in any personal business activities that could conflict with proper and lawful execution of securing capital financing, (b) will comply with the District's Conflict of Interest Code, as may be updated from time to time; and (c) will comply with all other applicable state and federal conflict of interest laws and regulations.

Integration with Other Financial Policies and Documents. The District is committed to long-term capital and financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. Policies related to these topics are adopted separately but affect this Debt Policy. If debt service is a component of proposed new or increased fees or charges (e.g., Sewer Service Charges), at the time the Board of Directors is asked to approve those new or increased fees or charges, the Board of Directors will be presented with financial information in support of the proposed fees or charges, including but not limited to the District budget, any relevant provisions of the CIP, and the anticipated terms of any debt service repaid by the fees or charges. When appropriate and aligned with the District's planning goals and objectives, the District may consider incorporating a "Green Bonds" label to its bond issuances.

Standards for Use of Debt Financing. In financial planning, the District will evaluate the use of various alternatives including, but not limited to, current year funding of capital projects through rates, various forms of debt financing, use of reserves, and inter-fund loans and transfers. The District will utilize the most advantageous financing alternative and balance the goals of long-term cost minimization, risk exposure, and compliance with generally-accepted rate-setting principles. The District's debt management program will consider debt issuance where public policy, equity (including intergenerational equity), generally-accepted rate-setting principles, economic efficiency, and compliance with long-term financial planning parameters favor financing over cash funding.

Policy Requirements

Use and Timing of Debt. The District will integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are planned when needed in furtherance of the District's public purposes (as articulated in, inter alia, the District's Mission, Vision, and Goals) and are consistent with the District's budget, any applicable debt or appropriations limits, and other financial information the General Manager

or Business Services Director deems relevant. When the Board of Directors is asked to approve new or increased fees or charges (e.g., Sewer Service Charges), the Board of Directors will be provided all legally-required financial information in support of the new or increased fees or charges, and additional financial information the General Manager or Business Services Director deems relevant.

Debt financing will be used to finance eligible capital projects, including the acquisition, construction, or rehabilitation of capital facilities, when funding requirements cannot be met with current revenues, cash reserves or interfund loans and/or transfers or the use of such funds would be contrary to rate-setting principles and when it is estimated that sufficient revenues will be available to service the debt through its maturity.

Long-term debt financings for capital projects are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District's ratepayers.

The proceeds derived from long-term borrowing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects.

Debt will be issued as fixed-rate debt unless the District makes a specific determination as to why a variable-rate issue would be beneficial to the District in a specific circumstance.

With respect to debt repayment and amortization, the debt repayment period will be structured so that the weighted average maturity of the debt does not exceed the expected average useful life of the project being financed by more than 20%.

Policy Requirements

Credit Quality. All District debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest practical credit ratings consistent with the District's debt management objectives and compliant with legal terms and covenants of outstanding debt obligations. As debt service coverage is a key ratings consideration, the District shall target a debt service coverage ratio of at least 1.40 for financial planning and rate-setting purposes.

Policy Requirements

Ongoing Debt Administration and Internal Controls. The District will maintain all debt-related records according to the District's Retention Policy or debt financing documents, whichever retention timeline is longer. The District will maintain internal controls to ensure compliance with the Debt Policy (including use of bond proceeds for purposes specified in the applicable financing documents and in compliance with this debt policy), all debt covenants, and any applicable requirements of federal and state law, including but not limited to the following: initial bond disclosure, continuing disclosure (including, for example, obligations under the Securities and Exchange Commission [SEC] Rule 15c2-12), tax-exemption, post-issuance compliance (including, for example, any tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements), investment of bond proceeds, and annual transparency reporting to California Debt and Investment Advisory Commission.

Rebate Policy and System. The District will develop a system of reporting interest earnings that relates to and complies with Internal Revenue Code requirements relating to rebate, yield limits, and arbitrage. The District will accurately account for all interest earnings in debt-related funds to ensure that the District is compliant with all debt covenants and with state and federal laws. The District will invest funds in accordance with the investment parameters set forth in each respective bond indenture, and as permitted by the District's Investment of District Funds (Policy No. 3020).

Financing Criteria. When staff intends to recommend that the District incur indebtedness, or when requested by the Board of Directors, the General Manager will provide a report to the Board that, among other things:

- Describes the intended use of the financing proceeds (i.e., funding for new projects or to refund existing bonds);
- Recommends a specific debt type to include duration, type, interest rate characteristics, call features, credit enhancement, or anticipated use of financial derivatives in the transaction;
- Presents the impact of the bonds on the District's forecasted rates based on the anticipated maturity schedule; and,
- For refunding transactions, includes a comprehensive report on the debt to be redeemed, the replacement debt, and the anticipated benefits of the transaction shall be provided.

Terms and Conditions of Debt. The Board of Directors will approve all terms and conditions relating to the issuance of debt, and will approve the control, management, and investment of all debt proceeds. The proposed debt terms, coupon structure, debt service structure, redemption features,

any use of capitalized interest, and lien structure must be approved by the Board of Directors.

Policy Requirements

Types of Debt. Subject to the approval of the Board of Directors in accordance with applicable state and federal laws and regulations, the following types of debt are allowable under this Debt Policy:

- State Revolving Fund loans
- California Infrastructure and Economic Development Bank loans
- Revenue bonds
- Lease revenue bonds, lease-purchase financings, and certificates of participation
- Commercial paper
- General obligation bonds
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Refunding Obligations
- Bond or grant anticipation notes
- Tax and revenue anticipation notes
- Federal loans
- Lines of credit
- Conduit debt

Derivatives. The District will not use municipal derivative products in connection with its borrowing needs.

Credit Enhancements. The District may consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or other measurable advantages can be shown will the Board of Directors consider authorizing the enhancement.

Refunding Outstanding Debt. Refundings are important debt management strategies for the District. Refundings are commonly used to lower future debt service costs but can also be used to change existing legal terms/covenants or restructure debt service. The District will periodically evaluate outstanding bond issues for refunding opportunities and will bring to the attention of the Board those opportunities that are in the District's interest. Reports to the Board on potential refunding shall describe anticipated savings and the structure of refunding and refunded debt, and any refunding transaction executed will be followed with a report on actual savings. Unless necessary or beneficial to do so, the District's refundings will not extend the final maturity of the debt being refunded.

There are two types of refundings: current refundings and advance refundings. These two refunding types differ by the timing in which they occur.

Current Refunding. A current refunding is one in which the refinancing is closed within 90 days of the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set minimum Present Value (PV) Savings threshold of 3% of refunded par for a current refunding.

Advance Refunding. An advance refunding is one in which the refinancing is closed more than 90 days prior to the date on which the refunded debt is redeemed. In most circumstances, the District's Board of Directors will set a minimum PV Savings threshold of 5% of refunded par for an advanced refunding. Lower savings thresholds for both current and advance refundings may be justified in certain circumstances. In those situations, the Business Services Director, in consultation with the District's financial advisor, will recommend an appropriate action by the Board of Directors.

Methods of Issuance. District bonds may be sold by way of a competitive sale, negotiated sale, or private placement. A recommendation regarding the proposed use method will be prepared by the Business Services Director and General Manager, or his/her designee, and provided to the Board of Directors at the time the Board of Directors is asked to consider approval a proposed bond issuance.

The District will consider the following factors when determining the appropriate method of sale:

Policy Requirements

Competitive Sale. In a competitive sale, the District's bonds will be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- Bond prices are stable and/or demand is strong
- Market timing and interest rate sensitivity are not critical to the pricing
- There are no complex explanations required during marketing regarding the District's projects, media coverage, political structure, political support, funding, or credit quality
- The bond type and structure are conventional
- The bonds carry strong credit ratings
- Issuer is well known to investors

Negotiated Sale. The District recognizes that some securities are best sold through negotiation under the following conditions:

- Bond prices are volatile

- Demand is weak or supply of competing bonds is high
- Market timing is important, such as for refundings
- The bonds will carry lower credit ratings or are not rated
- Issuer is not well known to investors
- The bond type and/or structural features are unusual, such as for a forward delivery bond sale, issuance of variable rate bonds
- Bond insurance is not available
- Early structuring and market participation by underwriters are desired
- Demand for the bonds by retail investors is expected to be high

Private Placement. If authorized by law, the District may elect to privately place its debt under certain conditions. Such placement will only be considered where a cost savings can be achieved by the District relative to other methods of debt issuance, or to enable the financing to be completed within a shorter timeframe. Private placements will include not only direct placements with investors or lenders, but also state and federal loan programs.

Market Relationships

- **Rating Agencies and Investors.** The General Manager and Business Services Director will be responsible for maintaining the District's relationships with rating agencies.
- **Board Communication.** The General Manager will make available to the Board any ratings report or other relevant feedback provided from rating agencies and/or investors regarding the District's financial strengths and weaknesses and recommendations for addressing any weaknesses.
- **Continuing Disclosure**. The District will remain in compliance with SEC Rule 15c2-12, which addresses continuing disclosure obligations. The District will also comply with state reporting requirements as specified in Senate Bill (SB) 1029, which requires initial and ongoing debt reporting requirements for California public agencies.
- **Rebate Reporting.** The use and investment of bond proceeds shall be monitored to ensure compliance with arbitrage restrictions.
- **Other Jurisdictions.** From time to time, the District may issue bonds to fund projects that provide a benefit to other public entities that the District serves. The District will conduct such analyses as deemed necessary to assure adequate cost recovery for such funding and mitigate risks to the District (including consideration of the use of limited bonding capacity).

Consultants

- **Selection of Financing Team Members.** The Business Services Director will make recommendations for all financing team members, and the Board of Directors providing final approval. Financing team members may include a financial advisor, bond counsel, disclosure

counsel (which may be the same firm as bond counsel), and underwriter. In the event of a competitive bond sale, the District's debt will be awarded to the underwriter offering the lowest true interest cost.

Policy Requirements

- **Financial Advisor.** The District may utilize a financial advisor to assist in its debt issuance and debt administration processes as is deemed prudent and necessary by the Board of Directors and in compliance with applicable Municipal Securities Rulemaking Board (MSRB) regulations. The District's financial advisor should be independent and not provide underwriting services and make all required disclosures including conflicts of interest.
- **Bond Counsel.** District debt will include a written opinion by legal bond counsel affirming that the District is authorized to issue the proposed debt, and that the District has met all constitutional and statutory requirements necessary for issuance and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by bond counsel with extensive experience in public finance and tax issues. Bond counsel will be approved by the Board of Directors.
- **Disclosure Counsel.** The District may utilize a separate law firm to serve as disclosure counsel whenever the Board of Directors deems necessary. If cost effective, the Board of Directors may retain the same firm to serve both as bond counsel and as disclosure counsel.

Policy Requirements

- **Underwriter.** The District's Board of Directors will have the right to approve a senior manager for a proposed negotiated sale, as well as co-managers and selling group members, as appropriate.
- **Conflict of Interest Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosures relative to agreements with other financing team members and outside parties. The extent of each disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted that could compromise the firm's ability to provide independent advice that is solely in the District's interests (to the extent the firm's role involves a duty to do so) or which could reasonably be perceived as a conflict of interest.

Initial and Continuing Disclosure Compliance

Disclosure Coordinator and Overall Requirements for Initial and Continuing Disclosure

- The Business Services Director or his/her designee will be the disclosure coordinator of the District (Disclosure Coordinator). The Disclosure Coordinator will perform the following functions:
- Ensure that any Official Statement meets appropriate standards and is approved by the Board of Directors, as required.

- Ensure that initial and continuing disclosure obligations undertaken by the District related to each debt issuance are met, including State of California requirements, and MSRB requirements that the District commits to undertake in the Continuing Disclosure Certificate or Agreement over the life of the bonds to investors.
- Initial Disclosure requirements include preparation of the Bond Official Statement and reports on the issuance to the California Debt and Investment Advisory Commission (CDIAC).
- Ongoing disclosure requirements include annual reports filed with the MSRB Electronic Municipal Market Access (EMMA) system and CDIAC.

Exceptions. In the event there are any deviations or exceptions from the Debt Policy when a certain bond issue is structured, those exceptions will be discussed in the staff report at the time that the bond proposal is presented to the Board of Directors for its consideration.

Policy Review. Any proposed changes to this Debt Policy must be approved by the Board of Directors.

Authority

Adopted by Board of Directors, March 13, 2024

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Glossary

Accrual Basis of Accounting	The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. An example of accrual basis occurs when an invoice is sent out for services: a receivable is booked and revenue is recorded even though no cash has been received at the time the invoice is mailed to the customer. (See Cash Basis of Accounting and Modified Accrual Basis of Accounting.)
Ad Valorem Tax	Are Property Taxes collected on property tax bills and represent 1% of the assessed value of the property. The ad valorem property tax paid for a particular parcel is allocated to several agencies for a variety of purposes. As a special district, the district is allocated a portion of these taxes.
Adopted Budget	A balanced financial plan for a specific period authorized by the Board for expenditure or obligation.
Amended Budget	An adopted balanced financial plan reflecting budgetary transfers that occurred since adoption of the budget. The total budget amount must stay within the Board-approved appropriation limit.
Amortization	The action or process of gradually writing off the initial cost of an asset, the action or process of reducing or paying off a debt with regular payments, or a period in which debt is reduced or paid off by regular payments.
Annual Comprehensive Financial Report (ACFR)	The ACFR is prepared at the close of each fiscal year to show the actual audited condition of Delta Diablo's funds and serves as the official public record of Delta Diablo's financial status and activities.
Arbitrage	Borrowing in one market (such as bonds) at one interest rate and investing in another market (such as certificates of deposit) at a higher interest rate. Such activities are highly restricted by the federal government, and any excess interest earned in this manner is not tax-exempt and is subject to rebate to the Federal Government.
Asset	An economic resource owned by the entity that is expected to benefit future operations. Examples of assets are cash, investments, receivables, and capital or fixed assets.
	The District's budget is balanced for each budgeted fund. The budget is considered balanced when

Balanced Budget	total expenditures are less than or equal to total revenues. The budget is also balanced in situations when the District spends fund balances that are available from previous years on one-time or non-routine expenditures, such as for non-recurring capital improvement projects. In these situations, reserve funds must still be maintained at or above Board-approved targets.
Board of Directors	The three public officials elected to represent Delta Diablo's service area. Also known as the Board.
Bonds	A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with a periodic interest amount paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements. Debt service payments are made to repay the bond holders.
Budget	A plan of financial operation, embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates).
Capacity Fee	Also called CFCC, this is a charge paid at the time of connection to compensate Delta Diablo for capital facilities that provide wastewater treatment (i.e., interceptors, primary and secondary treatment facilities) to new connections. A fee charged when new or additional Equivalents Residential Unit (ERU) connect to the sewer to contribute their fair share of service and facility costs.
Capital Assets	Land, improvements to land, easements, furniture & fixtures, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
Capital Budget	A financial plan for providing the purchase, construction, or rehabilitation of fixed assets such as equipment, facilities, and systems. The capital budget is usually enacted as a part of the complete annual budget, which includes both operating and capital outlays. The capital budget should be based on a longer-term capital improvement program (CIP).
Capital Expenditures	Expenditures related to the purchase or construction of furniture & fixtures, buildings, machinery and equipment, building structures, which have a useful life greater than one year and

	a cost greater than $5,000. All costs associated with purchase or construction should be considered, including ancillary charges, professional fees, and legal costs directly attributable to asset acquisition.
Capital Improvement Program (CIP)	A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.
Cash Reserves	Easily liquidated cash and investments available to meet operating, capital, self-insurance, and debt service obligations. Reserves may be restricted or unrestricted. The O&M and Capital Funds Available are unrestricted cash reserves, made up of cash and investments.
Commercial Paper	Commercial paper, in the global financial market, is an unsecured promissory note with a fixed maturity of rarely more than 270 days. In layperson terms, it is like an "IOU" but can be bought and sold because its buyers and sellers have some degree of confidence that it can be successfully redeemed later for cash, based on their assessment of the creditworthiness of the issuing company.
Connection Fees	See Capacity Fee
Contra Costa County Employees' Retirement Association	The retirement association for 16 local agencies in Contra Costa County, including the County itself. CCCERA's retirement benefit structure is based upon the County Employees Retirement Law (CERL) of 1937, commonly referred to as the "37 Act."
Conveyance System	Pipelines and pumping stations that convey wastewater from customers to the treatment Plant.
Cost of Service Study	Equitably assigns cost responsibility to customers through rates and charges developed as part of the study.
Credit Rating	A rating assigned by a nationally recognized statistical rating agency, providing an indication to creditors of the ability of Delta Diablo to meet its financial obligations when due. Delta Diablo currently has a credit rating from Standard & Poor's. This good credit rating allows Delta Diablo

	to borrow at a lower cost than a less favorable credit rating.
Debt Policy	A policy adopted by the Board that discusses when and how bonds and other forms of indebtedness may be used by Delta Diablo.
Debt Service	Expenditures for interest and principal repayment on bonds or other debt.
Debt Service Coverage	The ratio of net revenues to debt service requirements, calculated in accordance with bond documents. Delta Diablo's debt policy specifies that Delta Diablo will target a debt service coverage ratio of at least 1.40 for financial planning and rate-setting purposes.
Debt-Funded	Expenditures for capital projects which are funded by bonds, state loans, or other debt.
Deficit	The excess of expenditures or expenses over revenues during a single accounting period.
Delta Household Hazardous Waste Collection Facility (DHHWCF)	The service and facility operated by Delta Diablo providing for the safe disposal of items that, in the absence of this service, could be inappropriately disposed of through the sewer system, risking pollution of the Bay.
Department	A major organizational unit with overall managerial responsibility for functional programs.
Depreciation	A reduction in the value of an asset with the passage of time, due in particular to wear and tear.
District Code	A system of rules, which are compiled and arranged by a municipal corporation, and are adopted and used to regulate the conduct of its inhabitants and government.
Division	A major organizational unit of a department. Most departments have several divisions, each providing different services.
Encumbrance	The obligated and unspent portion of a contingent liability established through a purchase order that is chargeable to an account. It ceases to be an encumbrance when it is paid by the recording of an invoice or a reduction of the purchase order's outstanding balance occurs.

Enterprise Funds	In governmental accounting, these are used to account for self-sustaining activities that derive the major portion of their revenue from user fees. Enterprise Fund Accounting is used operations financed and operated in a manner similar to business enterprises, and for which preparation of an income statement is desirable. Delta Diablo uses six enterprise funds to account for separate business-type activities.
Equivalent Residential Unit (ERU)	A measure of sewage volume and strength equivalent to a typical residential household.
Expenditure	The payment of an obligation from Delta Diablo's cash amounts.
Fiscal Year	The 12-month period that begins on July 1 and ends on June 30 of the following year.
Full-Time Equivalent (FTE)	An employee who works full time counts as 1 FTE.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives. One type of government fund is an enterprise fund and is the only type of government fund used by Delta Diablo.
Fund Balance (Net Assets)	Assets minus liabilities (also called net assets).
Funded Position	Authorized position for which the Board has appropriated funding in a fiscal year.
GASB 45	An accounting requirement published in 2004 by the Governmental Accounting Standards Board (GASB) that addresses how the accounting and financial reporting for post- employment benefits other than pensions (OPEB) should be performed. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.
GASB 68	An accounting requirement of the Governmental Accounting Standards Board effective in 2014 that addresses Accounting and Financial Reporting for Pensions, which revises and establishes new financial reporting requirements for most state and

	local governments that provide their employees with pension benefits.
General Manager	The Chief Executive Officer of Delta Diablo, hired by the Board.
General Obligations (GO) Bonds	When a government pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (GO) bonds. Sometimes, the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.
Generally Accepted Accounting Principles (GAAP)	Generally Accepted Accounting Principles are the accounting rules that are required to be followed by organizations in the U.S. These Principles are established by two organizations: The Financial Accounting Standards Board for commercial and not-for-profit entities, and the Governmental Accounting Standards Board for governmental entities in the United States.
Goal	The long-term continuing mission of a department, division, or program. Goals define the strategic results to be achieved and therefore indicate the relevance, permanence, scope, and effectiveness of that outcome.
Government Finance Officers Association (GFOA)	Government Finance Officers Association represents public finance officials throughout the U.S. and Canada; it provides best practice guidance, consulting, networking opportunities, publications, training programs, and recognition programs to its members.
Governmental Accounting Standards Board (GASB)	Governmental Accounting Standards Board is the body that specifies the accounting rules for governmental agencies in the U.S. The Board issues GASB statements that can require significant changes to an agency's financial reporting.
Infrastructure	The tangible physical components that ensure delivery of reliable, high-quality wastewater service now and in the future. Typical components are reservoirs, pumping plants, pipelines, and anaerobic digesters.

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Internal Control	The plan of organization and all other coordinated methods and procedures adopted to safeguard assets; check the operations data; promote operational efficiency, economy, and effectiveness; and encourage adherence to prescribed managerial policies that will accomplish the objectives of the organization.
Key Performance Indicators (KPI)	Indicators with specific targets that measure how well Delta Diablo is progressing in achieving its goals under the Key Metrics of the Strategic Plan.
Liability	A debt of the business; an amount owed to creditors, employees, government bodies, and others; a claim against assets.
Modified Accrual Basis of Accounting	The accrual basis of accounting adapted to the government fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.
Modified Cash Flow Basis	Income and expense accounting method that records revenue when cash is received and records expenses when cash is paid.
Net Assets	See *Fund Balance.*
One-Time Revenue	A revenue that cannot reasonably be expected to continue, such as a single-purpose federal grant, an interfund transfer, or use of a reserve. Continual use of one-time revenues to balance the annual budget can indicate that the revenue base is not strong enough to support current service levels.
Operating Appropriation	Board-approved funding for operating expenses. Unspent appropriations do not rollover to the next fiscal year.
Operating Budget	A financial plan to fund ongoing operations costs incurred to operate Delta Diablo, excluding the building of capital assets, which are included in the capital budget.
Operating Deficit	When current expenditures exceed current revenues.

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Operating Departments	The units of Delta Diablo that carry out the mission of the agency: Administration, Business Services, Engineering, and Resource Recovery Services.
Operating Labor	The portion of Delta Diablo's labor costs supporting day-to-day operations.
Other Post- Employment Benefits (OPEB)	In addition to pensions, many state and local governmental employers provide other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment healthcare, as well as other forms of post-employment benefits (e.g., life insurance) when provided separately from a pension plan.
Pay as You Go	A term used to describe paying expenses as they are incurred, as opposed to pre-paying, pre-funding, or setting money aside for future expenses. Used primarily to refer to the strategy of paying for capital projects.
Performance Measures	Specific quantitative measures of work performed within an activity or program (e.g., total miles of pipes cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to a new street lighting program).
Program	Broadly defined group of related reference projects combined to facilitate planning and decision making.
Project	Project level identified in the CIP comprised of a set of tasks that can be carried out independently but require coordination with other projects to ensure overall program success.
Proposed Budget	The recommended balanced financial plan for a specific period of time submitted for consideration to the Board prior to the start of the Proposition 218 notification process.
Proprietary Fund	Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis.

Public Employees' Pension Reform Act (PEPRA)	California's Public Employees' Pension Reform Act established a new less costly retirement tier for employees newly hired or which did not have prior service with a reciprocal retirement system prior to January 1, 2013.
Rate (or Cash) Funded Expenditures	Annual operations and maintenance expenses as well as the portion of the capital program that are funded from current revenues.
Rates	Charges for services to customers that cover the costs of such services while allowing Delta Diablo to remain reserve neutral.
Regular Position	Full-time, civil service position.
Reserve Policy	A document outlining minimum reserve thresholds, identifying current and potential reserves, and explaining what reserves are, or will be used for.
Reserves	See *Cash Reserves.*
Restricted Reserves	Monies that, by action of the Board, State Law, or Bond Covenants, are required to be spent on specific programs or held for specified purposes.
Restricted Revenue	Monies that are legally earmarked for a specific use, as may be required by state law, bond covenants, or grant requirements. For instance, capacity fees must be used within the Sewer Construction Fund; the revenue cannot be transferred to O&M.
Revenue	Monies received from rates, charges, and other sources. Revenues are used to pay for expenditures.
Revenue Bonds	Bonds (instruments and indebtedness) issued by the public sector to finance a facility or equipment purchase, which, unlike general obligation bonds, are not backed by the full faith and credit of the government. Instead, their revenues are generated from the facility or equipment that they finance. Because they are state or local government bonds, their interest earnings are typically tax-exempt under the Internal Revenue Code.
Revenue-Funded Capital	Expenditures on capital projects which are funded by revenues of Delta Diablo rather than by debt, grants, or other funds.

Service Area	The cities and areas served by Delta Diablo, including Antioch, Pittsburg and Bay point in Contra Costa County.
Statement of Net Assets (Balance Sheet prior to GASB 34)	A statement reporting the present financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date. Assets minus liabilities equal fund balance (also called Net Assets).
Strategic Plan	The document that provides a blueprint for how Delta Diablo will respond to future challenges and changing priorities. It outlines specific goals, strategies, and objectives to guide Delta Diablo and establishes criteria to measure progress.
Strategy	Highest level of capital improvement activities, generally a grouping of related programs. Represents key capital objectives as defined in the Mission Statement, Strategic Plan, and Board policies and directives.
Unfunded Actuarial Accrued Liability (UAAL)	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance that obligation. This is a term used in connection with pension plans or commitments to provide other post-employment benefits (OPEB) to employees.
Unfunded Liability	Liability that has been incurred during the current or a prior year, which does not have to be paid until a future year, and for which reserves have not been set aside. This is similar to a long-term debt in that it represents a legal commitment to pay at some time in the future.
Working Capital	The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

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List of Acronyms

ADC	Actuarial Determined Contribution
AMP	Asset Management Program
AT	Advanced Treatment
BACC	Bay Area Chemical Consortium
CA	Capital Asset
CAR	Capital Asset Replacement Fund
CBS	Contributed Benefit Savings
CCCERA	Contra Costa County Retirees' Association
CFCC	Capital Facilities Capacity Charges
CIP	Capital Improvement Program
ECBP	East County Bioenergy Project
ERP	Enterprise Resource Planning
ERU	Equivalent Residential Unit
HHW	Household Hazardous Waste
IFC	Delta Diablo Integrated Finance Corporation
MGD	Million Gallons per Day
NPDES	National Pollution Discharge Elimination System
OPEB	Other Post-Employment Benefits
PARS	Public Agency Retirement Services
PEMHCA	Public Employees Medical & Hospital Care Act
RRFMP	Resource Recovery Facility Master Plan
RWF	Recycled Water Facility
SCADA	Supervisory Control and Data Acquisition
SSC	Sewer Service Charge
SWRCB	State Water Resources Control Board
WWTP	Wastewater Treatment Plant

DELTA DIABLO FY25/26 PROPOSED BUDGET SUMMARY

Line No.	CATEGORY	WASTEWATER FUND: OPERATIONS & MAINTENANCE	WASTEWATER FUND: CAPITAL ASSET	WASTEWATER FUND: ADVANCED TREATMENT	WASTEWATER FUND: CAPITAL ASSET REPLACEMENT	OTHER FUNDS: WASTEWATER EXPANSION	OTHER FUNDS: RECYCLED WATER	OTHER FUNDS: HOUSEHOLD HAZARDOUS WASTE	OTHER FUNDS: STREET SWEEPING	OTHER FUNDS: BAY POINT	ALL FUNDS TOTAL
	SOURCE OF FUNDS/REVENUES:										
1	Capital Facilities Capacity Charges					$ 1,400,000					$ 1,400,000
2	Service Charges										
3	Sewer Service	$ 26,590,226			$ 15,120,350	$ -	$ -			$ 1,490,424	43,201,000
4	Street Sweeping								$ 656,000		656,000
5	Household Hazardous Waste							$ 663,973			663,973
6	Property Taxes				4,250,034						4,250,034
7	Utility Rebates (from Calpine)	253,000									253,000
8	Interest Income	577,500	118,500	715,500	1,603,500	456,000	271,500	3,000	28,500	212,250	3,986,250
9	Discharge Permits & Fees	116,000									116,000
11	Overhead (from Capital Projects)	850,000									850,000
12	Miscellaneous	200,000									200,000
13	Recycled Water Service Charges						4,507,000				4,507,000
14	***TOTAL REVENUES***	**$ 28,586,726**	**$ 118,500**	**$ 715,500**	**$ 20,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 666,973**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
15	*OTHER FINANCING SOURCES*										
16	Loan and/or Other Financing Sources										0
17	Transfers In/(Out)	(779,037)						779,037			0
18	Interfund Loan			4,000,000	(4,000,000)						0
19	***TOTAL OTHER FINANCING SOURCES***	**$ (779,037)**	**$ -**	**$ 4,000,000**	**$ (4,000,000)**	**$ -**	**$ -**	**$ 779,037**	**$ -**	**$ -**	**$ -**
20	***TOTAL SOURCE OF FUNDS/REVENUES***	**$ 27,807,689**	**$ 118,500**	**$ 4,715,500**	**$ 16,973,884**	**$ 1,856,000**	**$ 4,778,500**	**$ 1,446,010**	**$ 684,500**	**$ 1,702,674**	**$ 60,083,257**
21											
22	***USE OF FUNDS/EXPENDITURES:***										
23	*OPERATING*										
24	Salaries and Wages	$ 11,458,275					$ 786,695	$ 157,286		$ 436,096	$ 12,838,352
25	Benefits	6,462,631					353,709	106,919		289,251	7,212,510
26	Chemicals	1,862,000					1,755,000				3,617,000
27	Office and Operating Expense	4,402,241					601,469	71,607		48,674	5,123,991
28	Outside Services	2,840,908					44,948	1,053,149	1,418,867	74,850	5,432,722
29	Program Costs (Overhead)						324,000				324,000
30	Utilities	2,250,800					853,000	955			3,104,755
31	Contingency Allowance										0
32	***TOTAL OPERATING EXPENDITURES***	**$ 29,276,856**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,718,821**	**$ 1,389,916**	**$ 1,418,867**	**$ 848,870**	**$ 37,653,330**
33	*CAPITAL IMPROVEMENT PROJECTS*										
34	Debt Service	$ -	161,418		1,370,396	127,587				281,696	1,941,098
35	Capital Projects	$ -		720,000	17,855,500	520,000	850,000	60,000		469,500	20,475,000
36	***TOTAL CAPITAL EXPENDITURES***	**$ -**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 850,000**	**$ 60,000**	**$ -**	**$ 751,196**	**$ 22,416,098**
37	***TOTAL USE OF FUNDS/EXPENDITURES***	**$ 29,276,856**	**$ 161,418**	**$ 720,000**	**$ 19,225,896**	**$ 647,587**	**$ 5,568,821**	**$ 1,449,916**	**$ 1,418,867**	**$ 1,600,066**	**$ 60,069,428**
38											
39	*CONTRIBUTION/(USE) of RESERVES*	**$ (1,469,167)**	**$ (42,918)**	**$ 3,995,500**	**$ (2,252,012)**	**$ 1,208,413**	**$ (790,321)**	**$ (3,906)**	**$ (734,367)**	**$ 102,608**	**$ 13,829**
40	*Estimated Beginning Fund Equity*	$ 20,434,061	$ 3,312,980	$ 21,319,063	$ 47,471,120	$ 17,345,142	$ 9,093,099	$ 631,385	$ 605,139	$ 6,187,879	$ 126,399,868
41	***Estimated Ending Fund Equity****	**$ 18,964,895**	**$ 3,270,062**	**$ 25,314,563**	**$ 45,219,109**	**$ 18,553,554**	**$ 8,302,778**	**$ 627,479**	**$ (129,228)**	**$ 6,290,487**	**$ 126,413,698**

* Does not include depreciation or amortization expense.

DELTA DIABLO FY26/27 PROPOSED BUDGET SUMMARY

Line No.	CATEGORY	WASTEWATER FUND: OPERATIONS & MAINTENANCE	WASTEWATER FUND: CAPITAL ASSET	WASTEWATER FUND: ADVANCED TREATMENT	WASTEWATER FUND: CAPITAL ASSET REPLACEMENT	OTHER FUNDS: WASTEWATER EXPANSION	OTHER FUNDS: RECYCLED WATER	OTHER FUNDS: HOUSEHOLD HAZARDOUS WASTE	OTHER FUNDS: STREET SWEEPING	OTHER FUNDS: BAY POINT	ALL FUNDS TOTAL
	SOURCE OF FUNDS/REVENUES:										
1	Capital Facilities Capacity Charges					$ 1,442,000					$ 1,442,000
2	Service Charges										
3	Sewer Service	$ 26,530,118	$ -		$ 18,749,200	$ -	$ -			$ 1,593,682	46,873,000
4	Street Sweeping								$ 656,000		656,000
5	Household Hazardous Waste							$ 676,643			676,643
6	Property Taxes				4,335,035						4,335,035
7	Utility Rebates (from Calpine)	253,000									253,000
8	Interest Income	433,125	88,875	536,625	1,202,625	342,000	203,625	2,250	21,375	159,188	2,989,688
9	Discharge Permits & Fees	116,000									116,000
11	Overhead (from Capital Projects)	850,000									850,000
12	Miscellaneous	200,000									200,000
13	Recycled Water Service Charges						4,777,000				4,777,000
14	***TOTAL REVENUES***	**$ 28,382,243**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 678,893**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
15	*OTHER FINANCING SOURCES*										
16	Loan and/or Other Financing Sources										0
17	Transfers In/(Out)	(836,974)						836,974			0
18	Interfund Loan										0
19	***TOTAL OTHER FINANCING SOURCES***	**$ (836,974)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 836,974**	**$ -**	**$ -**	**$ -**
20	***TOTAL SOURCE OF FUNDS/REVENUES***	**$ 27,545,269**	**$ 88,875**	**$ 536,625**	**$ 24,286,860**	**$ 1,784,000**	**$ 4,980,625**	**$ 1,515,867**	**$ 677,375**	**$ 1,752,870**	**$ 63,168,365**
21											
22	***USE OF FUNDS/EXPENDITURES:***										
23	*OPERATING*										
24	Salaries and Wages	$ 12,071,837					$ 823,922	$ 163,578		$ 465,907	$ 13,525,244
25	Benefits	6,591,166					360,071	108,844		295,972	7,356,054
26	Chemicals	2,018,000					1,881,000				3,899,000
27	Office and Operating Expense	4,456,840					632,523	74,459		49,871	5,213,693
28	Outside Services	2,702,089					46,191	1,098,232	1,453,976	76,500	5,376,988
29	Program Costs (Overhead)						334,000				334,000
30	Utilities	2,352,524					900,000	993			3,253,517
31	Contingency Allowance										0
32	***TOTAL OPERATING EXPENDITURES***	**$ 30,192,457**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,977,706**	**$ 1,446,106**	**$ 1,453,976**	**$ 888,251**	**$ 38,958,496**
33	*CAPITAL IMPROVEMENT PROJECTS*										
34	Debt Service	$ -	165,344		1,370,286	127,572				281,663	1,944,864
35	Capital Projects	$ -		3,960,000	35,990,000	3,560,000	1,650,000	75,000		1,190,000	46,425,000
36	***TOTAL CAPITAL EXPENDITURES***	**$ -**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 1,650,000**	**$ 75,000**	**$ -**	**$ 1,471,663**	**$ 48,369,864**
37	***TOTAL USE OF FUNDS/EXPENDITURES***	**$ 30,192,457**	**$ 165,344**	**$ 3,960,000**	**$ 37,360,286**	**$ 3,687,572**	**$ 6,627,706**	**$ 1,521,106**	**$ 1,453,976**	**$ 2,359,913**	**$ 87,328,360**
38											
39	*CONTRIBUTION/(USE) of RESERVES*	**$ (2,647,188)**	**$ (76,469)**	**$ (3,423,375)**	**$ (13,073,426)**	**$ (1,903,572)**	**$ (1,647,081)**	**$ (5,239)**	**$ (776,601)**	**$ (607,044)**	**$ (24,159,995)**
40	*Estimated Beginning Fund Equity*	$ 18,964,895	$ 3,270,062	$ 25,314,563	$ 45,219,109	$ 18,553,554	$ 8,302,778	$ 627,479	$ (129,228)	$ 6,290,487	$ 126,413,698
41	***Estimated Ending Fund Equity****	**$ 16,317,707**	**$ 3,193,593**	**$ 21,891,188**	**$ 32,145,684**	**$ 16,649,982**	**$ 6,655,697**	**$ 622,239**	**$ (905,829)**	**$ 5,683,443**	**$ 102,253,704**

* Does not include depreciation or amortization expense.