Delta Diablo

Annual Comprehensive Financial Report

TREATMENT PLANT AND DISTRICT OFFICES

For the Fiscal Years Ended
June 30, 2022 and 2021

Prepared By: Finance Division
2500 Pittsburg-Antioch Highway
Antioch, California 94509

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Delta Diablo, Antioch California

Annual Comprehensive Financial Report

For The Years Ended June 30, 2022 and 2021

Prepared by the Finance Division

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INTRODUCTORY SECTION

TOWER TRICKLING FILTERS AND AERATION BASINS

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December 21, 2022

To the Honorable Board of Directors and Delta Diablo Customers:

Delta Diablo (District) is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022 (FY21/22).

This document has been prepared by the District's Finance Division in compliance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). This report consists of three sections: Introductory, Financial, and Statistical. District Management assumes the responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Because California statutes require special districts to complete an annual financial audit conducted by independent, certified public accountants. This report is published to fulfill that requirement for FY21/22. Cropper Accountancy Corporation has issued an unmodified ("clean") opinion on the District's financial statements for FY21/22. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview, and analysis of the District's basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

As the District developed the ACFR based on recommended guidelines set forth by the Government Finance Officers Association (GFOA), this report will be submitted to GFOA for review and certification.

Profile of the Government

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 the California Health and Safety Code Section 4700 for the purpose of operating, maintaining, and constructing wastewater collection and treatment facilities in the West Pittsburg (now called Bay Point) area. In the early 1970s, the California State Water Resources Control Board adopted a policy encouraging public wastewater agencies to consolidate on a subregional 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. In 2014, the District's name was changed to Delta Diablo to reflect the general industry shift to viewing wastewater treatment plants as water resource recovery facilities via renewable energy production, water recycling, and biosolids reuse.

The District provides services to over 215,000 residents, as well as commercial and industrial customers, in Bay Point, Pittsburg, and Antioch which comprises a service area of approximately 54 square miles. The District's service area is divided into three zones: Zone 1 – Bay Point, Zone 2 – Pittsburg, and Zone 3 – Antioch. It is governed by a three-member Board of Directors with one member appointed to represent each zone, including a 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 Bay Point, which is unincorporated. The Board of Directors 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 peer agencies in the San Francisco Bay Area. Board meetings are open to the public and held on 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 customers to protect public health, the Delta, and San Francisco Bay, now and into the future. As a result, five core resource recovery programs and services 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 reuse 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 Wastewater Treatment Plant (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 plant. Generating an average of 7.5 MGD, this recycled water facility is rated for 12.8 MGD and utilizes a state-of-the-art computerized Supervisory Control and Data Acquisition (SCADA) system. Recycled water produced by the District is distributed for use as cooling water at two power plants, as well as landscape irrigation at several parks and schools, Caltrans rights-of-way, city offices, and the golf course in Antioch. The use of high-quality recycled water for industrial and irrigation applications provides an alternative source of water that is more cost efficient than potable water, promotes water conservation, and is an environmentally sound recapturing of precious water resources compared to discharging the treated water directly to the Delta.

Household Hazardous Waste Program: In partnership with multiple local governmental entities, the District has operated a regional Household Hazardous Waste (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 meeting 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. This facility accepts 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 to Delta receiving waters. Regular street sweeping provides a clean appearance throughout neighborhoods, attracts businesses to downtown areas, and supports regional compliance with state and federal regulations related to the 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 39,500, 25,100, and 7,500 connections in Antioch, Pittsburg, and Bay Point, respectively. These communities are located in the Delta where the Sacramento and San Joaquin Rivers meet at the eastern edge of the greater San Francisco Bay Area (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 district and high-tech 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. During the first half of FY19/20, the local economy within the District's service area experienced solid economic growth with no indication of an economic slowdown in the short term. The unemployment rate within the region was 3.0% in February 2020, slightly lower than prior years[1], and lower than the state average unemployment rate for February 2020 of 3.9%.[2]

However, in March 2020, customers in the District's service area were ordered to shelter in place and economic activity slowed significantly. COVID-19 was declared a global pandemic and local county health orders shut down businesses that were not considered essential. This public health crisis has had significant adverse economic effects.

During the COVID-19 pandemic, the unemployment rate soared to 15.5% in April 2020 in California[2]. In March 2021, the state unemployment rate was 8.3%[2]. As of February 2022, employment rates have almost completely recovered with the regional unemployment rate at 3.9% and the state unemployment rate at 5.9%[1]. There are many unknown factors and uncertainties regarding the financial impacts associated with the COVID-19 pandemic. Growth and development activities will continue to be closely monitored for any unknown impacts to water use and the associated impact to Sewer Service Charge (SSC) revenue in the future. FY21/22 had a decrease in equivalent residential units (ERUs) compared to FY20/21 (703 and 1,407).

Median household income in Bay Point, Pittsburg, and Antioch was $69,464, $83,163, and $80,234, respectively, compared with the Contra Costs County median household income of $103,997 in 2020[3]. Populations in Pittsburg and Antioch have grown from 64,015, and 103,509 in 2011 to 74,498 and 112,848 in 2021, respectively[4]. This information was not separately available for Bay Point as it is an unincorporated area. Median housing prices were $717,500 in Bay Point, $639,000 in Pittsburg, and $650,000 in Antioch, as reported by Realtor.com for March 2022[5].

Long-term Planning

Consistent with GFOA's recommendations, the District has developed a Strategic Plan as a blueprint for how the District will respond to future challenges and changing priorities. Based on the District's mission, vision, values, and goals, Management presents Strategic Initiatives to support Strategic Plan implementation for the Board's review and acceptance each fiscal year.

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

[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/quick facts/fact/table/US/PST045219
[4] California Department of Finance- www.dof.ca.gov/Forecasting/Demographics/Estimates/e-4/
[5] Realtor.com-www.realtor.com/realestateandhomes-search

developed ten Strategic Initiatives to directly support Strategic Plan implementation in FY21/22 in each of the six goal areas.

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

Financial Policies and Best Practices

The District has financial policies and best practices 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 of Directors adopts an Investment Policy pursuant to California Government Code, Sections 53600 et seq. The investment of idle funds is delegated by the Board of Directors to the District's General Manager, who assumes full responsibility for desk top transactions. The Investment Policy objectives are safety, liquidity, yield, and diversity. The District's investments comply with the adopted Investment Policy. See Note 2 – Cash and Investments in the Notes section of this report for detailed investment information.

Reserves:

- *Economic Reserves*: Economic reserves are an essential part of the District's operating requirements and ensure the continued ability to provide services during budget shortfalls or unforeseen circumstances. The purpose of this reserve is to provide adequate funding to mitigate overall rate volatility resulting from economic changes or events that significantly decrease the District's revenues or increase the District's operating costs.

- *Advanced Treatment Reserve*: The District continues to modify its original approach to collecting revenues for the Advanced Treatment Fund, which was proactively established in 2011 to avoid sharp rate increases to customers due to implementation of nutrient removal upgrades at the District's WWTP. The District has successfully collaborated with regulators, the scientific community, and other Bay Area Clean Water Agencies members to focus on nutrient impact analyses and water quality modeling in San Francisco Bay rather than the future imposition of regional nutrient removal permit limits. The outcome of this effort is an approximate 15-year extension in the implementation timeline. Based on this new information and extended timeline for use of these funds, staff continued to suspend collection of the Advanced Treatment Fund SSC component in FY20/21.

Other Post-Employment Benefits (OPEB)Trust Funding: As part of the annual budget development process, the Board of Directors include sufficient funding to cover the annual cost of the Actuarially Determined Contribution (ADC) to be deposited in to the OPEB Trust Fund in accordance with the District's Retiree Heath Funding Plan.

Pension Benefits Trust Funding: The District's intent is to set aside additional funds in a separate, qualified trust fund which may be directed into either the California Public Employees' Retirement System (CalPERS) and/or Contra Costa County Employee's Retirement Association (CCCERA) in the future. Annual budgeted amounts are contributed following the adoption of the budget. Upon fully funding the OPEB Trust Fund, funds that were allocated to the ADC shall be redirected to pension benefit trust funding, provided the OPEB Trust Fund remains fully funded.

Internal Controls: Management is responsible for establishing and maintaining adequate internal controls to ensure that District operations are effective and efficient, applicable laws and regulations are followed, and financial reports are reliable. Internal controls provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the cost-benefit analyses require estimates and judgments by Management.

Financial Highlights

The District's overall financial condition continues to be sound as demonstrated by a stable revenue base, effective cost containment, stable net position, and appropriate fund reserves.

In FY21/22, the District continued to effectively manage its finances and strengthen its financial position by adopting sufficient recycled water and wastewater rates to fund operations, OPEB Trust Fund contributions, and capital infrastructure improvements. The following results of operations indicate a continuing strong and stable fiscal position:

- Total assets plus deferred outflows exceeded total liabilities and deferred inflows by $207.5 million (net position)
- Net position increased by $11.3 million or 5.8% during the year to $207.5 million
- Operating revenue increased $1.4 million or 3.4% to $42.6 million
- Operating expenses increased $4.0 million or 12.5% to $35.6 million
- Capital contributions decreased $3.9 million or -58.4% to $2.8 million

Debt Administration

As of the end of FY21/22, the District had a long-term outstanding debt total of $35.0 million, compared to $33.4 million as of the end of FY20/21. Prudent financial management policies and the District's sound financial position resulted in an "AA" credit rating from Standard & Poor's in November 2015.

Budget and Rates

The adopted total operating and capital budget for FY21/22 was $43.6 million compared to $47.1 million for FY20/21. Wastewater service rates increased by 6.5% and 5.9% for customers in Pittsburg/Antioch, and Bay Point, respectively in FY21/22, compared to 3.5% for Pittsburg/Antioch customers and 3.0% for Bay Point customers for FY20/21 due to updated capital planning needs and implementation of 2022 Cost-of-Service (CoS) Study findings.

In contrast to the previous approach of proposing a three-year operating budget and planning cycle, the District started proposing and adopting a single-year budget in FY18/19 and continued the process in FY21/22. The District's intent is to transition to a budget cycle that better aligns the rate-setting and capital improvement program development process.

FY21/22 Strategic Initiatives

Infrastructure Investment

- Develop a formalized Asset Management Program Implementation Roadmap, including vision, goals, priorities, key actions, and resource needs
- Engage an inter-divisional team to identify and implement measures to improve capital project delivery via enhanced coordination, collaboration, communication, risk management, and integration of key "lessons learned"

Environmental Stewardship

- Advocate for development of a regional nutrient "trading" program via active engagement as a member of the Bay Area Clean Water Agencies (BACWA) "Nutrient Strategy Team"

Fiscal Responsibility

- Develop recommended updates to the District's Capital Facilities Capacity Charges to ensure effective cost recovery and appropriate allocation to customers

Organizational Change

- Effectively implement prioritized, value-added IT enhancements to improve contract administration, budget/cost tracking and reporting, human resources management, e-records management, and customer payment processing (i.e., e-payment for permits)

Workforce Development

- Implement a streamlined, effective approach to the performance planning and appraisal process that supports supervisor-employee engagement and aligns with District needs, behavioral values, and strategic goals and objectives

Customer Service and Engagement

- Implement a process to ensure customers are able to provide feedback and an evaluation of customer service experiences with the District
- Update the Strategic Communications Plan (Oct 2019) to align with the District's Strategic Plan
- Identify critical emergency response scenarios and conduct associated tabletop exercises (minimum of two) with key internal stakeholders
- Enhance public awareness of key District and regional (i.e., Bay Area Pollution Prevention Group) pollution prevention activities through targeted website, community event, and direct contact communications

Long-Term Infrastructure Investment

The District's Capital Improvement Program (CIP) presents project needs and funding requirements to maintain and/or upgrade District infrastructure. Recommended projects in the CIP are based on previous master planning efforts, as well as ongoing condition assessment of existing facilities. The five-year CIP defines and prioritizes projects for each of the Program areas described above. Below is a discussion of the active major capital projects in FY21/22.

- Headworks Improvements – Completed major rehabilitation of the headworks and grit removal facilities to address critical infrastructure needs, provide redundancy, and ensure effective removal of debris/grit to protect downstream equipment.
- Manhole, Gravity Interceptor, and Easement Roadway Improvements – Initiated design of a multi-phase project to repair and replace critical manholes and gravity interceptors, and improve access to critical wastewater conveyance system assets.
- Onsite Fueling Station Replacement – Completed design activities, publicly bid the project, and initiated construction to replace the existing onsite fueling station to comply with regulatory requirements.
- Pump Station Facilities Repair – Most of the construction work was completed to replace isolation gates, electrical conduits, and ductwork; rehabilitate ventilation systems; install protective coating of structures; and implement flood mitigation improvements at the District's remote pump stations.
- Treatment Plant Switchgear Replacement – Initiated construction activities to replace the District's main electrical switchgear to ensure reliable power distribution at the WWTP.
- Bridgehead Pipeline Replacement – Installed a temporary bypass piping system around the failure location and initiated construction work to replace a gravity pipeline to ensure operational reliability of the Bridgehead conveyance system.
- Sand Filter Intermittent System – Completed construction activities to replace the existing sand filtration system with an intermittent backwash process that reduces reject water volume by up to 95%, increases recycled water availability and quality, decreases energy usage, and reduces chemical usage at the Recycled Water Facility.

Awards & Acknowledgements

The District was a proud recipient of several prestigious awards in FY21/22:

- National Association of Clean Water Agencies (NACWA) Silver Peak Performance Award
- NACWA 2021 Utility of the Future Today Award
- GFOA FY21/22 Distinguished Budget Presentation Award
- GFOA Certificate of Achievement for Financial Reporting

GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for FY20/21. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes it's current FY21/22 ACFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to GFOA to determine eligibility for another certificate.

Acknowledgements

The District would like to thank the Board of Directors for its continued interest and dedicated support for maintaining the highest standards of professionalism and integrity in the management of the District's finances. Additionally, this report was prepared through the skill, effort, and dedication of all Finance Division staff, with significant support and contributions from many other staff in providing the data necessary to prepare this report.

Sincerely,

Vincent P. De Lange
General Manager

Brian Thomas
Acting Business Services Director

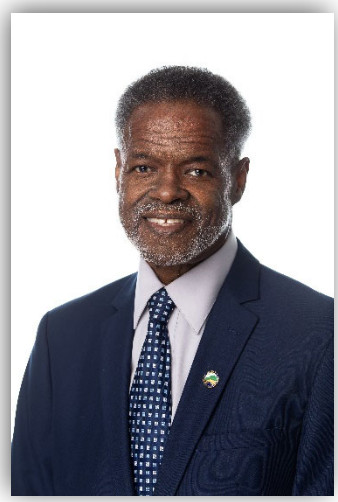
DELTA DIABLO
Principal Officers – June 30, 2022

Board of Directors

Delta Diablo has a three-member Board of Directors consisting of representatives appointed by the governing bodies of the three service areas: unincorporated Bay Point, City of Pittsburg and City of Antioch.

Monica Wilson
Chair
Appointed by the Antioch City Council, represents the City of Antioch

Juan Antonio Banales
Director
Appointed by the Pittsburg City Council, represents the City of Pittsburg



Federal Glover
Director
Appointed by the Contra Costa County Board of Supervisors, represents unincorporated Bay Point

District Management

Vince De Lange..General Manager

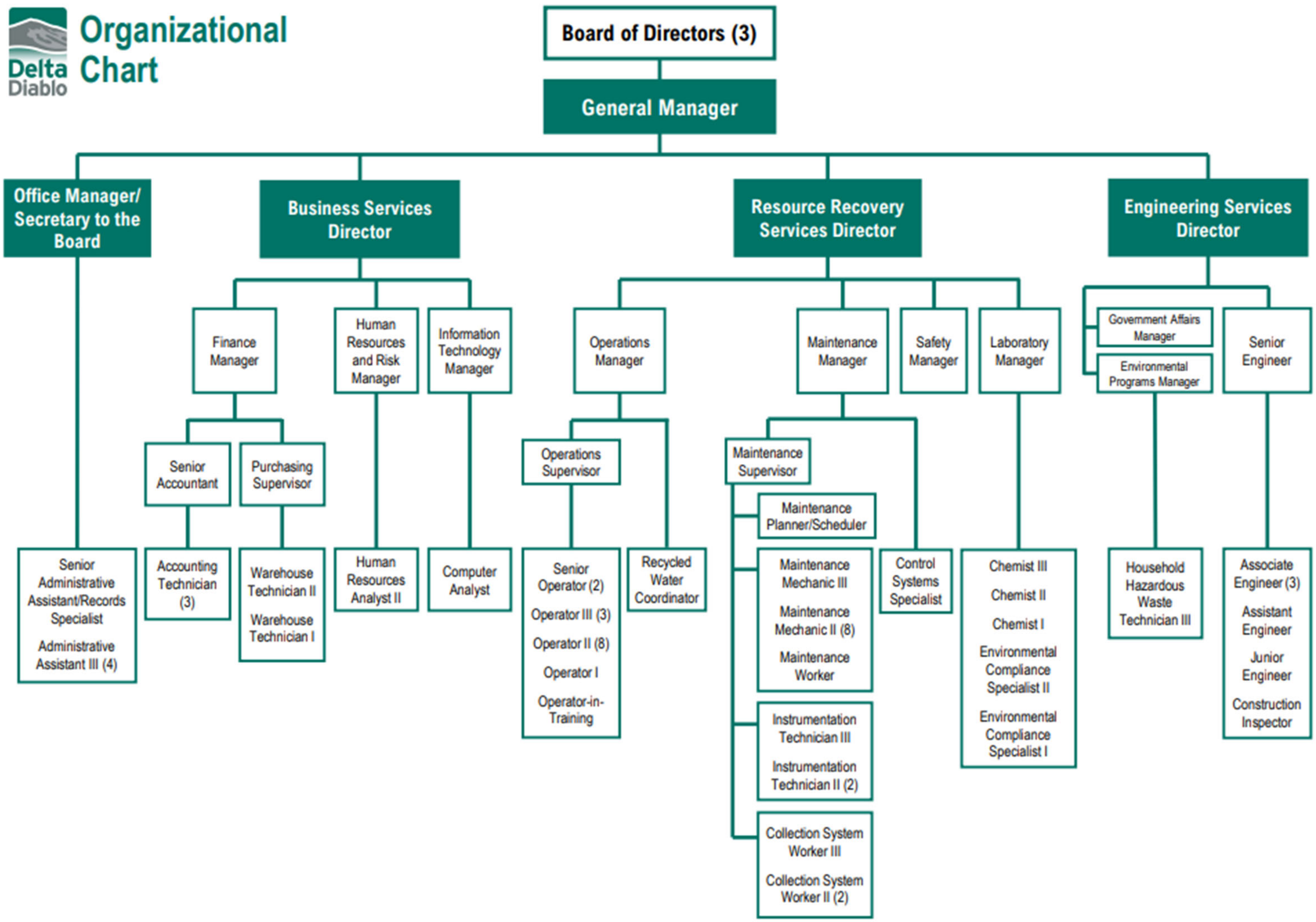
Brian Thomas .... Acting Business Services Director/District Engineer

Thanh Vo.. Acting Engineering Services Director

Dean Eckerson...Resource Recovery Services Director

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

DELTA DIABLO
Organization Chart



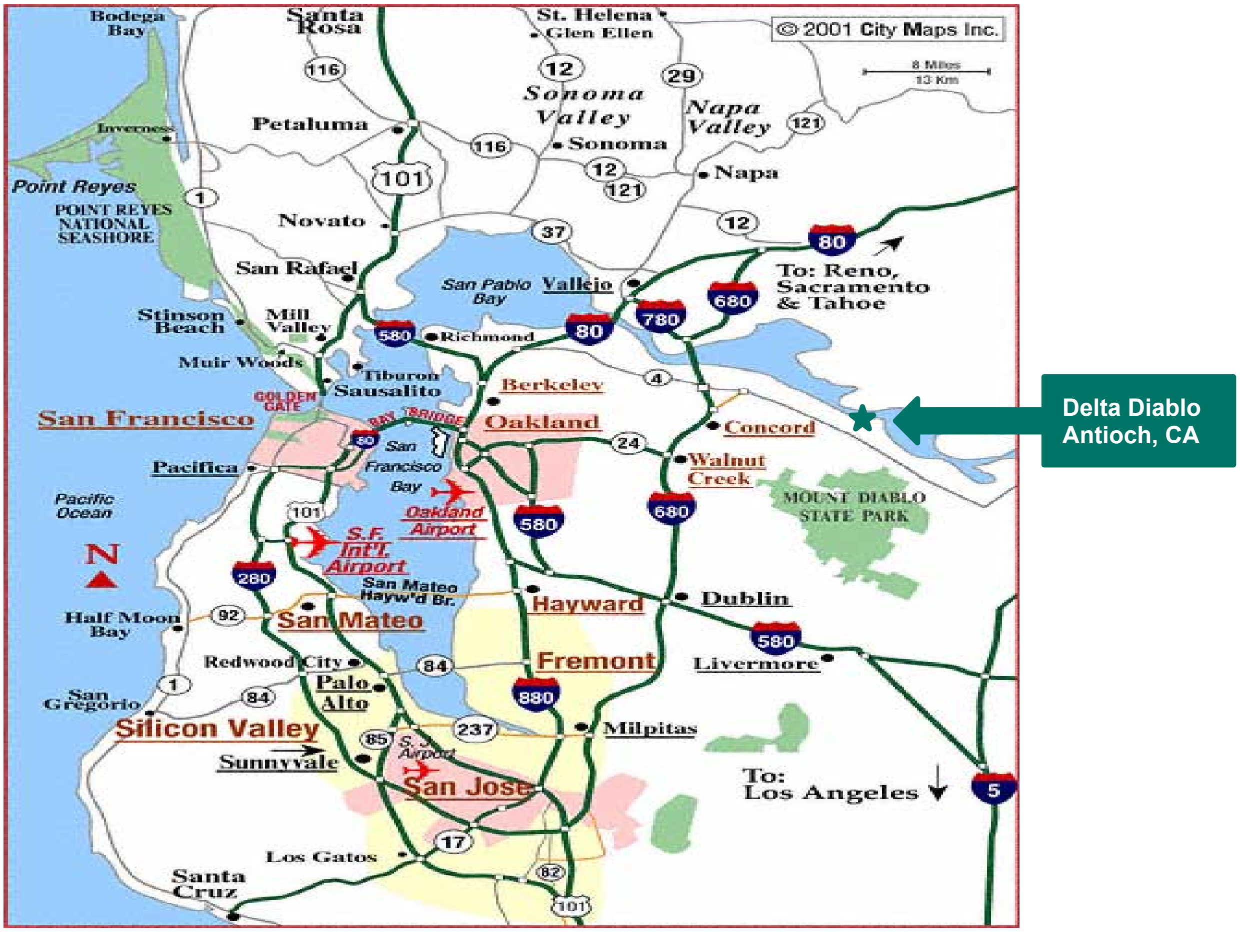
DELTA DIABLO
Vision, Mission, and Behavioral Values

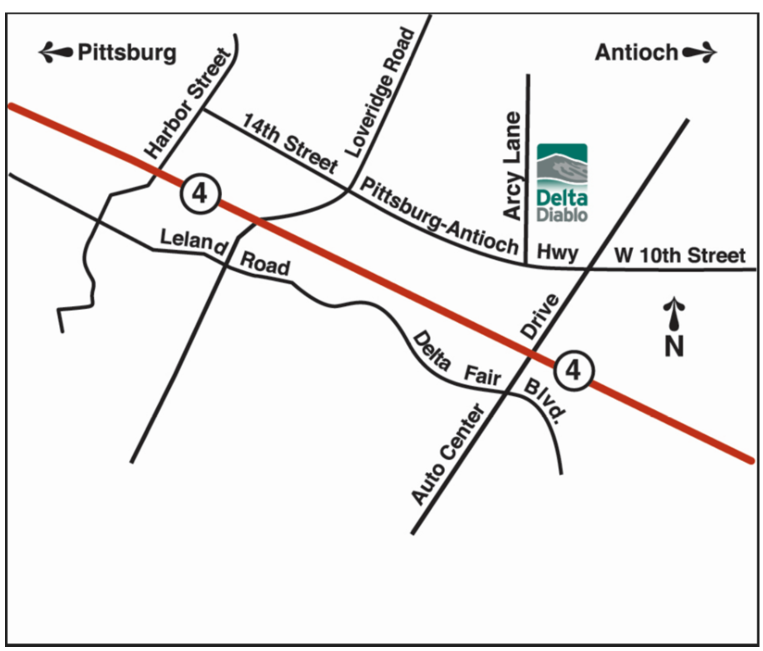
Mission
Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner

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 Values
- 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 seek 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

DELTA DIABLO
Location Map





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delta Diablo
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

TREATMENT PLANT

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CROPPER
an accountancy corporation
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Delta Diablo
Pittsburg, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Delta Diablo, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Delta Diablo's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Delta Diablo, as of June 30, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delta Diablo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Diablo's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delta Diablo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Diablo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension's Schedule of the District's Contributions, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, Schedule of Changes in Net OPEB Liability & Related Ratios, Schedule of the District's Contributions, and all other schedules presented in the required supplementary information (as shown in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Delta Diablo's basic financial statements. The accompanying combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of Delta Diablo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta Diablo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Diablo's internal control over financial reporting and compliance.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 21, 2022

The District's Management Discussion and Analysis (MD&A) provides an overview of the District's financial performance and activities for the fiscal year (FY) ended June 30, 2022 (FY21/22). The MD&A should be read in conjunction with the Letter of Transmittal (pgs. 3-12) and the District's basic financial statements (beginning on pg. 32). The MD&A is presented in a concise format and organized under the following headings:

- Overview of the Financial Statements
- Financial Highlights
- Financial Analysis
- Capital Assets and Debt
- Economic Factors and Next Year's Budget and Rates
- Requests for Information

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of the Financial Statements and Notes to the Financial Statements. The ACFR contains other supplementary information in addition to the basic financial statements.

Financial Statements

As a special-purpose government, the District reports its financial statements in accordance with business-type activities known as enterprise funds. Enterprise funds are used to account for services provided on a total or partial cost-recovery basis to users. Enterprise funds are reported on an "accrual basis" of accounting similar to private sector companies. Accrual basis is the basis of accounting under which revenues and gains are recorded when earned, and all expenses and losses are recorded when incurred.

The financial statements consist of the *Statement of Net Position*; *Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; and Notes to Financial Statements*.

The *Statement of Net Position* reports all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position in a format displaying *assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position*. Over time, increases or decreases in net position serve as an indicator of whether the District's financial position improves or declines.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information on the District's operating results and how the net position changed during the fiscal year. Revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of related cash flows. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges.

The *Statement of Cash Flows* reflects changes in cash and cash equivalents resulting from operating, capital spending, and related financing, non-capital financing, and investing activities. This statement summarizes cash inflows (receipts) and outflows (disbursements) without consideration of the timing of the event giving rise to the obligation or receipt and excludes non-cash transactions such as depreciation and amortization.

The *Notes to the Financial Statements* (beginning on pg. 38) provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the ACFR also presents an introductory section, certain required supplementary information concerning the District’s progress in funding its obligation to provide pension and other post-employment healthcare benefits to its employees, supplementary information by fund, and a statistical section.

FINANCIAL ANALYSIS

Financial Highlights

In FY21/22, the District continued to effectively manage its finances and strengthen its financial position by adopting sufficient service charges to fund operations, capital improvements, future other post-employment benefits (OPEB), and maintain strong financial performance. The District implemented Governmental Accounting Standards Board (GASB) Statement Number 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The new accounting rule did not require any changes to the District’s financial report. The following results of operations in FY21/22 indicate a continuing strong and stable fiscal position:

- Total assets plus deferred outflows of the District exceeded the total liabilities and deferred inflows by $207.5 million (net position)
- Net position increased by $11.3 million, net of the prior period adjustment (5.8%)
- Total assets plus deferred outflows increased $19.2 million (7.5%)
- Total liabilities plus deferred inflow of resources increased by $7.8 million (12.9%)
- Total operating revenue was $42.6 million, an increase of $1.4 million (3.4%)
- Total operating expenses were $35.6 million, an increase of $4.0 million (12.5%)
- Capital contributions were $2.8 million, a decrease of $3.9 million (-58.4%)

Financial Position

In FY21/22, the District’s net position increased by $11.3 million (5.8%) to $207.5 million from $196.2 million. The largest portion of the District’s net position, $130.9 million (63.1%), is invested in capital assets necessary to provide services to its customers. Total assets plus deferred outflows increased by $19.2 million (7.5%) during the year to $276.3 million from $257.1 million.

Total liabilities plus deferred inflow of resources increased by $7.8 million (12.9%) to $68.8 million from $60.9 million.

In FY20/21, the District's net position increased by $19.8 million (11.2%) to $196.2 million from $176.4 million. The largest portion of the District's net position, $130.3 million (66.4%), is invested in capital assets necessary to provide services to its customers. Total assets plus deferred outflows increased by $25.7 million (11.1%) during the year to $257.1 million from $231.4 million. Total liabilities plus deferred inflow of resources increased by $5.9 million (10.8%) to $60.9 million from $55.0 million.

The FY21/22 increase in net position of $11.3 million was primarily due to net operating income of $6.9 million, net nonoperating income of $5.7 million, and a prior period adjustment of -$1.3 million.

Table 1 below presents the District's Condensed Statement of Net Position for the FYs ended June 30, 2022, 2021, and 2020:

Table 1

Condensed Statement of Net Position

	Fiscal Year Ended June 30			2022 vs 2021	2022 vs 2021	2021 vs 2020
	2022	2021	2020	Variance	Variance	Variance
Current and other assets	$ 103,882,159	$ 88,836,740	$ 77,696,399	$ 15,045,419	16.9%	14.3%
Capital assets (net)	165,966,304	163,741,445	148,638,293	2,224,859	1.4%	10.2%
Total assets	269,848,463	252,578,185	226,334,692	17,270,278	6.8%	11.6%
Deferred outflow of resources	6,468,446	4,555,554	5,097,634	1,912,892	42.0%	-10.6%
Current liabilities	7,689,963	6,679,222	8,286,636	1,010,741	15.1%	-19.4%
Long-term liabilities	46,593,702	49,225,590	45,294,112	(2,631,888)	-5.3%	8.7%
Total liabilities	54,283,665	55,904,812	53,580,748	(1,621,147)	-2.9%	4.3%
Deferred inflows of resources	14,487,766	5,028,684	1,434,213	9,459,082	188.1%	250.6%
Net position						
Net investment in capital assets	130,948,976	130,291,859	124,929,747	657,117	0.5%	4.3%
Restricted	1,149,283	1,149,283	1,008,283	-	0.0%	14.0%
Unrestricted	75,447,219	64,759,101	50,479,335	10,688,118	16.5%	28.3%
Total net position	$ 207,545,478	$ 196,200,243	$ 176,417,365	$ 11,345,235	5.8%	11.2%

Results of Operations

In FY21/22, the District's total operating revenue was $42.6 million and total operating expense was $35.6 million, which represented an increase of $1.4 million and an increase of $4.0 million, respectively, from FY20/21.

The major components of the District's financial results in FY21/22 were:

- Operating revenue increased by $1.4 million (3.4%), which included a $2.6 million increase in SSCs and Recycled Water Service Charges (RWSCs) and a decrease of $1.2 million in Other Operating Services Charges primarily related to a decrease in reimbursable projects. SSCs increased by 6.5% and 5.9% for customers in Pittsburg/Antioch, and Bay Point, respectively.

- Labor costs, consisting of salaries and benefits, increased by $2.0 million (14.8%), primarily due a ($2.2) million increase in GASB 68 pension and GASB 75 OPEB expense in FY 21/22.
- Chemicals and utilities increased by $0.7 million (20.4%) primarily due to increased prices for electric and gas utilities.
- Property tax revenue increased $0.2 million (6.9%) due to the increase in property values.
- Capital contributions decreased $3.9 million (-58.4%) due to the issuance of 1,407 new equivalent residential unit (ERU) permits in FY20/21 compared to 703 ERU permits in FY21/22.
- Other non-operating items decreased $0.3 million (-74.9%) due to a decrease in federal and state grants totaling $0.3 million in FY 21/22.

The major components of the District's financial results in FY20/21 were:

- Operating revenue increased by $2.7 million (6.9%), $1.6 million is due to increases in SSCs and Recycled Water Service Charges (RWSCs). SSCs increased by 3.5% for customers in Pittsburg and Antioch while Bay Point customers has a 3% increase. RWSCs also increased by 2.0%. In addition to increased Sewer Service Charges, Other Operating Services Charges increased $1.1 million for reimbursable projects.
- Labor costs, consisting of salaries and benefits, decreased by $2.5 million (15.2%), primarily due a $2.2 million decrease in GASB 68 pension and GASB 75 OPEB expense. Savings from vacant positions, offset by employee Memoranda of Understanding (MOU) cost-of-living adjustment (COLA) increases in salaries and benefits also contributed to the savings.
- Other operating items decreased $0.7 million (19.9%) for expenses related to the east county bioenergy project that was discontinued in FY19/20.
- Property tax revenue increased $0.3 million (10.9%) due to the increase in property values.
- Interest income decreased $1.0 million (80.6%), primarily due to a decreased rate-of-return from a weighted average of 2.0% in FY19/20 to 0.4% and a decrease of $3.0 million invested throughout FY20/21.
- Capital contributions increased $5.2 million (338.6%) due to the issuance of 1,407 new equivalent residential unit (ERU) permits in FY20/21 compared to 304 ERU permits in FY19/20.
- Other non-operating items increased $0.3 million (255.1%) due to the receipt of federal and state grants totaling $0.3 million (compared to $0.1 million in FY19/20).

Table 2 below presents the District's Condensed Statement of Revenues, Expenses and Changes in Net Position for the FYs ended June 30, 2022, 2021, and 2020:

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended June 30			2022 vs 2021	2022 vs 2021	2021 vs 2020
	2022	2021	2020	Variance	Variance	Variance
Service charges	$ 41,451,868	$ 38,867,117	$ 37,312,576	$ 2,584,751	6.7%	4.2%
Other operating revenues	1,139,998	2,343,975	1,295,349	(1,203,977)	-51.4%	81.0%
Operating revenue	42,591,866	41,211,092	38,607,925	1,380,774	3.4%	6.7%
Salaries and benefits	15,849,013	13,805,207	16,279,300	2,043,806	14.8%	-15.2%
Chemicals and utilities	4,242,411	3,523,564	3,073,901	718,847	20.4%	14.6%
Outside services and maintenance	5,608,812	4,693,849	5,410,194	914,963	19.5%	-13.2%
Depreciation and amortization	7,179,370	6,961,060	7,202,996	218,310	3.1%	-3.4%
Other operating expenses	2,769,880	2,704,832	3,371,729	65,048	2.4%	-19.8%
Operating expense	35,649,486	31,688,512	35,338,120	3,960,974	12.5%	-10.3%
Operating Income/(Loss)	6,942,380	9,522,580	3,269,805	(2,580,200)	-27.1%	191%
Nonoperating income (expense)						
Property Taxes	3,686,204	3,449,560	3,111,068	236,644	6.9%	10.9%
Interest income	291,901	241,502	1,243,479	50,399	20.9%	-80.6%
Capital Contributions	2,808,983	6,757,343	1,540,614	(3,948,360)	-58.4%	338.6%
Interest expense	(1,238,048)	(597,771)	(432,608)	(640,277)	107.1%	38.2%
Other non-operating	102,967	409,664	101,384	(306,697)	-74.9%	304.1%
Nonoperating Income/(Expense), Net	5,652,007	10,260,298	5,563,937	(4,608,291)	-44.9%	84.4%
Net income	12,594,387	19,782,878	8,833,742	(7,188,491)	-36.3%	123.9%
Net position - beginning of year, as previously stated	196,200,243	176,417,365	167,583,623	19,782,878	11.2%	5.3%
Prior period adjustment	(1,249,152)	-	-	(1,249,152)	100.0%	0.0%
Net position - beginning of year, as restated	194,951,091	176,417,365	167,583,623	18,533,726	10.5%	5.3%
Net position - end of year	$ 207,545,478	$ 196,200,243	$ 176,417,365	$ 12,594,387	6.4%	11.2%

Capital Assets

The District had capital assets (net of depreciation) of $165.9 million, $163.7 million, and $148.6 million as of June 30, 2022, 2021, and 2020, respectively. The District invests in a broad range of capital assets including land, buildings, improvements, wastewater treatment facilities, water reclamation facilities, hazardous waste facilities, transmission and conveyance systems, pump stations, and machinery and equipment. In FY21/22, capital assets increased $2.2 million, primarily due $2.1 million in new construction for major projects, $0.1 million in new equipment, and a net change of $7.2 million in accumulated depreciation. The District capitalized $23.9 million construction-in-progress expenses.

Table 3 presents the District's Capital Assets, net of depreciation, for FY21/22, FY20/21, and FY19/20:

Table 3

Schedule of Capital Assets, Net of Depreciation

	Fiscal Year Ended June 30			2022 vs 2021	2021 vs 2020
	2022	2021	2020	Variance	Variance
Land	$ 6,490,355	$ 6,490,355	$ 6,490,355	0.0%	0.0%
Construction in progress	24,762,524	39,393,899	24,154,621	-37.1%	63.1%
Treatment & collection system	133,859,045	117,182,461	117,826,216	14.2%	-0.5%
Equipment	784,650	674,730	167,101	16.3%	303.8%
Capital Assets, Net of Depreciation	$ 165,896,574	$ 163,741,445	$ 148,638,293	1.3%	10.2%

The District's net revenue, long-term debt, property tax revenue, and contributions from customers are used to finance capital investments.

This year's major capital expenditures included:

Project	**Amount**
Headworks Improvements	$ 1,023,748
Treatment Plant Electrical Switchgear Replacement	4,831,692
Bridgehead Pipeline Replacement	702,291
Shore Acres Interceptor Emergency Repair	749,235
Pump Station Facility Repair	808,694
Sand Filter Intermittent Backwash System	720,258
Total	$ 8,835,918

The District's Capital Improvement Program (CIP) prioritizes capital needs with funding sources for a five-year period. The plan is updated annually and presented to the District's Board of Directors for approval. Each year, the District continues to expand and improve its wastewater and recycled water treatment facilities, and conveyance and distribution systems to comply with more stringent environmental regulations and minimize wastewater overflows and/or disruptions of service. For additional information, see accompanying *Notes to the Financial Statements* Note 5 – Capital Assets.

Debt Administration

The District had total net long-term debt outstanding of $35.0 million, $33.4 million, and $23.7 million as of June 30, 2022, 2021, and 2020, respectively. In FY21/22, long-term debt increased by $1.6 million (4.7%) due to an increase of $2.7 million in the State of California Water Resources Control Board's State Revolving Fund (SRF) loans for the Wastewater Infrastructure Repair and

Rehabilitation Projects, which was offset by scheduled principal repayments. The District did not issue any new bonded debt in FY21/22.

Table 4 presents the District's Long-Term Debt for the FY21/22, FY20/21, and FY19/20.

Table 4
Schedule of Long-Term Debt

	Fiscal Year Ended June 30			2022 vs 2021	2021 vs 2022
	2022	2021	2020	Variance	Variance
2010 RW State Revolving Fund (SRF) Loan	$ 2,858,472	$ 3,174,859	$ 3,491,004	-10.0%	-9.1%
2011 WW Installment Note Payable	1,184,838	1,270,253	1,348,274	-6.7%	-5.8%
2011 WW SRF Loan	3,087,679	3,327,521	3,561,285	-7.2%	-6.6%
2015 WW California Energy Commission Loan	363,614	413,518	462,927	-12.1%	-10.7%
2015 Bay Point SRF Loan	955,617	988,509	1,020,787	-3.3%	-3.2%
2016 WW/Bay Point SRF Loan	10,145,465	10,460,294	10,769,253	-3.0%	-2.9%
2016 WW SRF Loan	1,736,497	1,793,200	1,848,847	-3.2%	-3.0%
2019 WW SRF Loan	11,569,317	8,822,698	1,206,169	31.1%	100.0%
2020 WW SRF Loan	3,115,829	3,198,734	-	100.0%	0%
Total Long-Term Debt	$ 35,017,328	$ 33,449,586	$ 23,708,546	4.7%	41.1%

The outstanding debt issued was used to fund improvements, replacements, and expansion of the wastewater treatment and recycled water treatment facilities, conveyance and distribution systems, and wastewater collection systems. The primary funding source for repayment of debt issued for expansion purposes is the Capital Facilities Capacity Charge (CFCC).

The District received a reaffirmation of its "AA" credit rating from Standard & Poor's in November 2015, which represents the District's very strong capacity to meet its financial commitments. The primary reason for the reaffirmation was the District Board's willingness to continue to adjust rates incrementally, and the very prudent approach to collect and set aside funds for the acquisition or construction of new capital assets and for the maintenance, rehabilitation, and replacement of current 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.

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGETS AND RATES

Economic Factors

The District operates as an enterprise fund and is therefore self-supporting. The District charges rates and fees to users to cover the costs of operations and capital improvements. Economic factors that may affect the District include, but are not limited, to the following:

- Economic cycle, which impacts CFCCs as new development projects are highly sensitive to the economic cycle. Economic cycle including the uncertainty regarding COVID-19 also impacts the federal and state budgets and legislation, which could affect the District's ability to secure grant funding and low-interest loans.
- Interest rate and/or investment return, which directly impact investment earnings, borrowing costs, and pension and OPEB Trust Fund contribution rates.
- Consumer price index (CPI), which is a measure of inflation. CPI for San Francisco/Bay Area Wage Earners directly impacts COLAs provided in the employee MOUs and costs for supplies and expenses.
- Crude oil prices impact the energy market for electricity and gas prices and the chemicals used for wastewater treatment. The District's chemical and utilities expenses ranged from $4.2 million to $3.1 million in the three-year period ending FY21/22.
- Changes in assessed property values, which affect the District's property tax revenue. When the housing market improves, the assessed property values increase, thereby increasing the District's property tax receipts. Conversely, any decline in the housing market will decrease property values and correspondingly decrease property tax receipts for the District.

These factors, to the extent known, were considered in preparing the District's FY22/23 Budget.

Next Fiscal Year's Budget and Rates:

In June 2022, the Board adopted the FY22/23 Budget, which included operating and capital budgets including debt service of $31.7 million and $12.1 million, respectively. For a summary of the District's FY22/23 Budget, please visit the District's website at www.deltadiablo.org.

In April 2022, Proposition 218 (Prop. 218) notices were mailed to customers to communicate the proposed FY22/23 rates and the associated public hearing date and location. The District proposed an increase of 4.5% in SSCs for customers. In June 2022, a public hearing was held and the Board of Directors subsequently approved FY22/23 SSCs for implementation in July 2022.

REQUESTS FOR INFORMATION

The ACFR is designed to provide members of the public, legislative and oversight bodies, customers, taxpayers, investors, and creditors with the District's finances and demonstrate the District's accountability for the funding it receives. If you have questions regarding the information provided in this report or need additional financial information, please visit the District's website at www.deltadiablo.org or the District office at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509.

DELTA DIABLO
STATEMENTS OF NET POSITION
JUNE 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2022	2021
CURRENT ASSETS		
Cash (Note 2)	$ 34,712,590	$ 20,354,091
Investments (Note 2)	4,651,315	8,691,385
Restricted cash (Note 2)	-	498,551
Restricted investments (Note 2)	1,149,283	1,149,283
Committed investments (Note 2)	55,687,271	52,223,629
Accounts receivable	1,683,515	1,493,923
Interest receivable	106,558	137,655
Notes receivable, current portion (Note 3)	347,198	342,903
Leases receivable, current portion (Note 5)	83,167	-
Employee computer loans receivable, current portion (Note 4)	3,617	2,490
Materials and supplies (Note 1H)	892,768	850,585
Prepaid expenses	119,279	72,824
Total current assets	99,436,561	85,817,319
NON-CURRENT ASSETS		
Capital Assets (Note 6):		
Capital assets, non depreciable	31,252,879	45,884,254
Depreciable capital assets, net of accumulated depreciation	134,643,695	117,857,191
Intangible right-to-use lease asset, net of accumulated amortization	69,730	-
Total capital assets, net	165,966,304	163,741,445
Other Non-Current Assets:		
Notes receivable, less current portion (Note 3)	2,670,969	3,018,167
Leases receivable, less current portion (Note 5)	1,770,147	-
Employee computer loans receivable, less current portion (Note 4)	4,482	1,254
Total other non-current assets	4,445,598	3,019,421
Total noncurrent assets	170,411,902	166,760,866
TOTAL ASSETS	269,848,463	252,578,185
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions (Note 9)	4,412,030	4,371,169
Related to OPEB (Note 10)	2,056,416	184,385
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,468,446	4,555,554

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENTS OF NET POSITION
JUNE 30, 2022 and 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES	2022	2021
Accounts payable	4,073,904	2,352,409
Accrued payroll and benefits	331,617	752,177
Deposits payable	1,069,901	1,486,109
Unearned revenue	71,314	73,707
Compensated absences - current portion (Note 7)	862,499	765,798
Current portion of lease liability (Note 5)	15,053	-
Current portion of long-term debt (Note 8)	1,200,020	1,178,877
Accrued interest payable	65,655	70,145
Total current liabilities	7,689,963	6,679,222
NON-CURRENT LIABILITIES		
Long-term debt, net of current portion (Note 8)		
State revolving fund and California energy commission loans	32,725,731	31,085,871
Installment sales agreement	1,091,577	1,184,838
Total long-term debt, net of current portion	33,817,308	32,270,709
Compensated absences - net of current portion (Note 6)	18,926	269,687
Lease liability - noncurrent (Note 5)	55,822	-
Net pension liability (Note 9)	9,736,670	18,127,698
Net OPEB liability (Note 10)	2,964,976	(1,442,504)
Total long-term liabilities	46,593,702	49,225,590
TOTAL LIABILITIES	54,283,665	55,904,812
DEFERRED INFLOWS OF RESOURCES		
Related to leases (Note 5)	1,838,689	-
Related to pensions (Note 9)	11,090,224	653,234
Related to OPEB (Note 10)	1,558,853	4,375,450
TOTAL DEFERRED INFLOWS OF RESOURCES	14,487,766	5,028,684
NET POSITION (Note 12)		
Net investment in capital assets	130,948,976	130,291,859
Restricted for debt service	1,149,283	1,149,283
Unrestricted	75,447,219	64,759,101
TOTAL NET POSITION	$ 207,545,478	$ 196,200,243

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Service charges	$ 41,451,868	$ 38,867,117
Discharge permits	122,425	140,700
Household hazardous waste permits	543,987	552,305
Miscellaneous	387,038	345,200
Work for others	86,548	1,305,770
Total operating revenues	42,591,866	41,211,092
OPERATING EXPENSES		
Salaries and benefits	15,849,013	13,805,207
Chemicals	1,555,667	1,478,113
Depreciation (Note 6)	7,176,966	6,961,060
Amortization (Note 6)	2,404	-
Office and operating expense	2,528,359	2,466,319
Outside service and maintenance	5,608,812	4,693,849
Utilities	2,686,744	2,045,451
Other	241,521	238,513
Total operating expenses	35,649,486	31,688,512
OPERATING INCOME (LOSS)	6,942,380	9,522,580
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(1,238,048)	(597,771)
Interest income	291,901	241,502
Capital facilities capacity charges (Note 1I)	2,808,983	6,757,343
Lease revenue (Note 5)	96,452	85,872
Gain on sale of asset	6,515	517
Federal grants	-	323,275
Property taxes	3,686,204	3,449,560
Total nonoperating revenues (expenses), net	5,652,007	10,260,298
NET INCOME	12,594,387	19,782,878
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	196,200,243	176,417,365
PRIOR PERIOD ADJUSTMENT (Note 14)	(1,249,152)	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	194,951,091	176,417,365
NET POSITION, END OF YEAR	$ 207,545,478	$ 196,200,243

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 42,313,333	$ 39,668,562
Payments to employees	(15,948,832)	(15,378,030)
Payments to utilities	(2,686,744)	(2,045,451)
Payments to contractual/professional services	(5,442,984)	(8,447,797)
Payments to suppliers	(3,033,205)	(1,864,613)
Other receipts (payments)	(154,973)	1,067,257
Net cash provided by operating activities	15,046,595	12,999,928
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxes	3,686,204	3,449,560
State, federal, and sub grants	-	323,275
Receipts (payments) on employee computer loans	(4,355)	1,670
Cash flows from noncapital financing activities	3,681,849	3,774,505
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(9,262,366)	(22,064,214)
Proceeds from sale of capital assets	6,515	517
Proceeds from loan agreements	2,746,619	10,815,263
Interest paid on long-term debt	(1,242,538)	(593,964)
Payment of long-term debt	(1,178,877)	(1,074,221)
Connection fees	2,808,983	6,757,343
Cash flows from capital and related financing activities	(6,121,664)	(6,159,276)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption and (acquisition) of investments	576,428	(10,171,546)
Receipts on note	342,903	338,782
Interest received on investments	317,268	241,502
Revenues from leases	16,569	129,367
Cash flows from investing activities	1,253,168	(9,461,895)
NET INCREASE IN CASH	13,859,948	1,153,262
CASH, BEGINNING OF YEAR	20,852,642	19,699,380
CASH, END OF YEAR	$ 34,712,590	$ 20,852,642
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash - Unrestricted	$ 34,712,590	$ 20,354,091
Cash - Restricted	-	498,551
	$ 34,712,590	$ 20,852,642
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 6,942,380	$ 9,522,580
Adjustments to reconcile operating loss to cash flows from operating activities		
Depreciation	7,176,966	6,961,060
Amortization	2,404	
Changes in assets and liabilities		
(Increase) decrease in receivables, net	(189,592)	(234,343)
(Increase) decrease in materials and supplies	(42,183)	92,114
(Increase) decrease in prepaid expenses	(46,455)	(57,251)
Increase (decrease) in A/P and accrued expenses	1,721,495	(2,275,835)
Increase (decrease) in accrued payroll and related	(602,751)	101,328
Increase (decrease) in deposits payable	(416,208)	566,843
Increase (decrease) in unearned revenue	(2,393)	(2,417)
Increase (decrease) in net pension liability	784,080	(390,245)
Increase (decrease) in net OPEB liability	(281,148)	(1,283,906)
Net cash provided by operating activities	$ 15,046,595	$ 12,999,928
SCHEDULE OF NON CASH ACTIVITY		
Change in fair value of investments	$ (732,756)	$ 4,710

DELTA DIABLO
STATEMENTS OF FIDUCIARY NET POSITION
FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
JUNE 30, 2022 AND 2021

ASSETS	2022	2021
Investments with Trustees:		
Cash equivalents (Note 2)	$ 1,221,499	$ 203,026
Fixed income mutual funds (Note 2)	6,216,405	7,374,760
Equity mutual funds (Note 2)	9,809,238	12,809,923
Total investments	17,247,142	20,387,709
Total Assets	$ 17,247,142	$ 20,387,709
NET POSITION		
Net Position restricted for OPEB	$ 17,247,142	$ 20,387,709

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

ADDITIONS	2022	2021
Contributions:		
District	$ 549,868	$ 1,205,106
Total contributions	549,868	1,205,106
Investment income:		
Interest, dividends and other	(2,767,818)	4,390,526
Less: investment expenses	(45,028)	(81,697)
Net investment income	(2,812,846)	4,308,829
Total additions	(2,262,978)	5,513,935
DISTRIBUTIONS		
Payments made to retirees	877,589	934,733
Total distributions	877,589	934,733
Change in net position	(3,140,567)	4,579,202
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	20,387,709	15,808,507
End of year	$ 17,247,142	$ 20,387,709

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Delta Diablo (District), formerly known as Delta Diablo Sanitation District, was formed in 1955 and later incorporated in October 1976 to serve the cities of Antioch and Pittsburg and the unincorporated community of Bay Point. Treatment of the wastewater collected from the three communities began in 1982.

The District constructs and operates subregional wastewater facilities and is responsible for maintenance of the collection system in Bay Point.

The District is divided into three separate zones and may impose different service charges for each area in accordance with the benefits received by those areas.

The Other Post-Employment Benefit Trust Fund is an irrevocable trust to account for contributions and investment income restricted to pay medical benefits. Benefit and contribution provisions are established by the Board of Directors. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Board established by action of the Board. The financial activities of the Plan have been included in these financial statements in the OPEB Trust Fund. The Plan does not issue separate financial statements.

B. Reporting Entity

As required by generally accepted accounting principles (GAAP), these basic financial statements present Delta Diablo and its component unit. The component unit discussed in the following paragraph is included in the District's reporting entity because of the significance of is operational or financial relationships with the District.

<u>Blended Component Unit</u> – The Delta Diablo Integrated Financing Corporation (Corporation) was organized November 1, 1988, under the Non-Profit Public Benefit Corporation Law of the State of California solely for the purpose of providing financial assistance to the District by acquiring, constructing, improving and financing various facilities, land and equipment, and by leasing or selling certain facilities, land and equipment for the use and benefit of the public served by the District. The Corporation has no members and the Board of Directors of the Corporation consists of the same persons who are serving as the Board of Directors of the District. There are no separate basic financial statements for the Corporation.

C. Basis of Accounting

Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position display information about Delta Diablo. Eliminations have been made to minimize the double counting of internal activities. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. 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 cost and expenses, including depreciation, of providing goods or services to its customers be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expense incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds are used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and liabilities of the enterprise are recorded on its statement of net position, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

In addition to the District's enterprise activities, the District maintains a fiduciary fund to account for the assets held in a trustee capacity. Fiduciary funds are also accounted for using the economic resources measurement focus and accrual basis of accounting. The District reports the following fiduciary fund:

The Other Post-Employment Benefits Trust Fund (OPEB Trust Fund) is an irrevocable trust fund used to account for assets held by the District as Trustee for the other postemployment benefits as further described in Note 10.

D. Budgets and Budgetary Accounting

The District annually prepares and presents a proposed annual operating and capital budget to the District's Board of Directors. The budget is reviewed and adopted by the Board. The District has a five-year Capital Improvement Program which is updated annually and adopted by the Board. Budgetary controls are used and maintained by the District to facilitate compliance with the annually appropriated budget.

E. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Compensated Absences

The total amount of liability for compensated absences is reflected in the basic financial statements. See Note 7 for additional information regarding compensated absences.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District defines cash and cash equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition.

H. Materials and Supplies

Inventories consist of operational materials and supplies, which are valued using the weighted average costing method.

I. Revenues – Capital Facilities Capacity Charges

Capital Facilities Capacity Charges (CFCC) are a one-time, non-discriminatory charge imposed at the time a structure is connected to the District's system, directly or indirectly, or an existing structure or category of use is expanded or increased. The charge is to pay for District facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged.

Revenues derived from these charges are used for the acquisition, construction and reconstruction of the wastewater collection, conveyance, treatment and disposal facilities of the District, to repay principal and interest on debt instruments, or to repay federal or state loans for the construction and reconstruction of the sewerage facilities, together with costs of administration and provisions for necessary reserves.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that apply to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that apply to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

L. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2022.

GASB 87 – ***Leases***– The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019 (fiscal 2021) but were postponed 18 months by GASBS No. 95. Earlier application is encouraged.

The implementation of the pronouncement resulted in a change in principle. See note 5 for more information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* - The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The implementation of this Statement did not have a material effect on the District's financial statements.

GASB Statement No. 92, ***Omnibus 2020*** - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit, accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities. The implementation of this Statement did not have a material effect on the District's financial statements.

GASB Statement No. 93, ***Replacement of Interbank Offered Rates* -** The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offer Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of *reference rate,* as it is used in Statement 53, as amended.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The removal of London IBOR as an appropriate benchmark interest rate were originally effective for reporting periods ending after December 31, 2021 (fiscal year 2022-23). All other requirements of this Statement were to be effective for reporting periods beginning after June 15, 2020 (fiscal year 2020-21). The effective date for all provisions of this Statement were postponed one year by GASBS No. 95. The implementation of this Statement did not have a material effect on the District's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (fiscal year 2021-22). For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021 (fiscal year 2021-22).

The implementation of this Statement did not have a material impact on the financial statements of Delta Diablo.

GASB Statement No. 98, *The Annual Comprehensive Financial Report* - This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of this Statement did not have a material effect on the District's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Leases

Delta Diablo Lessee: The District is a lessee for a noncancellable equipment lease. The District recognizes a lease liability and an intangible right-to-use asset (lease asset) in its financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses its estimated state revolving fund loan borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as intangible right-to-use asset and lease liability is reported with long-term liabilities on the statement of net position.

Delta Diablo Lessor: The District is a lessor for three land leases. The lessees retain the option to terminate the lease agreement by providing a thirty-day written notice to the District. The District recognizes a lease receivable and a deferred inflows of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The District uses the California Local Agency Investment Fund (LAIF) rates as the discount rate for leases with adjustment for applicable lease terms.

Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 2 – CASH AND INVESTMENTS

A. Policies

The District and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the District employs the Trust Department of a bank as the custodian of all District managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the District's case, fair value equals fair market value, since all District's investments are readily marketable.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted.

	June 30, 2022	June 30, 2021
Cash and cash equivalents	$ 34,712,590	$ 20,354,091
Investments	4,651,315	8,691,385
Restricted cash and cash equivalents	-	498,551
Restricted investments	1,149,283	1,149,283
Committed investments	55,687,271	52,223,629
Cash and investments held with OPEB trust	17,247,142	20,387,709
Total Cash and Investments	$ 113,447,601	$ 103,304,648

The District's cash and investments consist of the following as of:

	June 30, 2022	June 30, 2021
Cash on hand	$ 600	$ 600
Cash with County Treasury Pool	2,226,257	2,176,777
Deposits with financial institutions	32,485,736	18,675,265
Investments	61,487,866	62,064,297
Cash and investments held with OPEB trust	17,247,142	20,387,709
Total Cash and Investments	$ 113,447,601	$ 103,304,648

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the District's Investment Policy, where it is more restrictive, that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years		100%	No Limit
United States Government Agency Obligations	5 years		100%	No Limit
State of California Obligations	5 years		100%	No Limit
Local Agency Obligations	5 years		100%	No Limit
Banker's Acceptances	180 days		40%	30%
Commercial Paper	270 days	A-1	25%	10%
United States Medium-Term Corporate Notes	5 years	AA	30%	No Limit
Supranationals	5 years	AA	30%	No Limit
Negotiable Certificates of Deposit	1 year	AA	30%	No Limit
Local Agency Investment Fund	n/a		$ 75 million per account	No Limit
Local Government Investment Pools	n/a	AAA	100%	No Limit
Money Market Mutual Funds	n/a		15%	10%
Insured savings or money market accounts	n/a		100%	No Limit

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity which is required by the District's Investment Policy.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call dates, at June 30, 2022:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	$ 56,182,193	$ 56,182,193
California Asset Management Program	5,304,130	5,304,130
Money Market Mutual Funds	1,544	1,544
Total Investments	$ 61,487,867	$ 61,487,867

NOTE 2 – CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call dates, at June 30, 2021:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	$ 56,772,578	$ 56,772,578
California Asset Management Program	5,290,337	5,290,337
Money Market Mutual Funds	1,382	1,382
Total Investments	$ 62,064,297	$ 62,064,297

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022 and 2021, these investments matured in an average of 311 and 291 days, respectively.

The District is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. At June 30, 2022 and 2021, these investments had an average maturity of 28 and 52 days, respectively.

Money market mutual funds are available for withdrawal on demand. At June 30, 2022 and 2021 these investments had an average of 10 and 28 days, respectively.

The District has authorized staff to deposit cash with the Contra Costa County Treasurer in a series of pooled accounts with cash from various other governmental entities within the County, for investment purposes. The County's investment policies are governed by State statutes. In addition, the County has an investment committee, which prescribes written investment policies regarding the types of investments that may be made. The policies limit amounts that may be invested in any one financial institution or amounts, which may be invested in long-term instruments. Interest earned from such time deposits and investments is allocated quarterly to the District based on its average daily cash balances. The fair value of the account at June 30, 2022 and 2021 was provided by the County Treasurer.

NOTE 2 – CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2022 for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Total
Money Market Mutual Funds	$ 1,544	$ 1,544
Total	$ 1,544	1,544
Not Rated:		
California Local Agency Investment Fund		56,182,193
California Asset Management Program		5,304,130
Total Investments		$61,487,867

Presented below is the actual rating as of June 30, 2021 for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Total
Money Market Mutual Funds	$ 1,382	$ 1,382
Total	$ 1,382	1,382
Not Rated:		
California Local Agency Investment Fund		56,722,578
California Asset Management Program		5,290,337
Total Investments		$62,064,297

G. Concentration Risk

There are no instances of concentration risk at June 30, 2022 and June 30, 2021.

NOTE 2 – CASH AND INVESTMENTS (Continued)

H. Restricted Cash and Investments

The District segregates cash and investments into funds that are “Restricted” and “Unrestricted.” Funds are “restricted” when limitations on use of the resources are imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or by enabling legislation. “Unrestricted” resources are designated by the Board of Directors through policy adoption, or constrained for a specific purpose by committees or officials with authority delegated by the Board.

Restricted for Debt Service – State Revolving Fund Loan – The District has restricted investments in reserves as required by the agreement between the District and the California State Water Resources Control Board State Revolving Fund Loan (SRF) in the amount of $1,149,283 and $1,149,283 at June 30, 2022 and 2021, respectively.

Restricted for Escrow – Headworks Improvement Project – The District held $0 and $498,551 at June 30, 2022 and 2021, respectively, in escrow related to retentions on the construction project.

I. Board Committed Investments

The District has the following committed investments as of June 30:

Committed for Economic Uncertainty – The District has committed investments to ensure the continued ability to provide wastewater services during budget shortfalls or unforeseen circumstances and provide adequate funding to mitigate overall rate volatility resulting from economic changes or events that significantly decrease the District’s revenues or increase the District’s operating costs. Funding amounted to $9,686,871 and $9,633,028 at June 30, 2022 and 2021, respectively.

Committed for Advanced Treatment (AT) – The District has committed investments for advanced treatment projects to meet more stringent anticipated discharge regulations (e.g., nutrient removal). Funding amounted to $19,685,341 and $16,642,409 at June 30, 2022 and 2021, respectively.

Committed for Self-Insurance – The District has committed investments to cover self-insured losses. Funding amounted to $500,000 at June 30, 2022 and 2021.

J. Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2022:

Investment Type	Total
Investments Measured at Amortized Cost:	
Money Market Mutual Funds	$ 1,544
Investments Exempt from Fair Value Hierarchy:	
California Local Agency Investment Fund	56,182,193
Investments Measured at Net Asset Value Per Share	
California Asset Management Program	5,304,130
Total Investments	$ 61,487,867

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2021:

Investment Type	Total
Investments Measured at Amortized Cost:	
Money Market Mutual Funds	$ 1,382
Investments Exempt from Fair Value Hierarchy:	
California Local Agency Investment Fund	56,772,578
Investments Measured at Net Asset Value Per Share	
California Asset Management Program	5,290,337
Total Investments	$ 62,064,297

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NOTE 3 – NOTES RECEIVABLE

Notes receivable at June 30 consisted of the following:

	2022	2021
Recycled Water:		
City of Antioch	$ 2,259,527	$ 2,509,621
City of Antioch - Surcharge	666,323	718,699
City of Pittsburg - Surcharge	39,476	77,313
Household Hazardous Waste:		
Contra Costa County	52,841	55,437
Total Notes Receivable	3,018,167	3,361,070
Less: Current Portion	(347,198)	(342,903)
Long-Term Portion	$ 2,670,969	$ 3,018,167

Recycled Water (RW): City of Antioch – The District and the City of Antioch (City) entered into a Joint Powers Agreement on November 18, 2003, for the purpose of development and operation of a "Recycled Water Program" (the Project). Under the provisions of the agreement, the Project is to be jointly funded (50/50) by the District and the City. The District is authorized to design, construct, own, operate and regulate the facilities.

In fiscal year 2010/2011 (FY 2011), the District recognized a Note Receivable in the amount of $5,753,348 from the City of Antioch for their net share of the costs for this project. This note has an interest rate of .077% with principal and interest due annually commencing December 31, 2011 and maturing on December 31, 2030. On June 10, 2012, the District and the City of Antioch amended the Joint Powers Agreement to cap this Notes Receivable to a maximum of $5,000,000. As of June 30, 2022 and 2021, the outstanding balance was $2,259,527 and $2,509,621, respectively.

In FY 2012, additional project cost share incurred in excess of $5 million in the amount of $1,102,272 will be financed by the District at an interest rate of 4.25% with principal and interest due monthly over a 20-year term commencing July 1, 2012 and maturing on June 1, 2032. This monthly installment is billed to the City of Antioch as a Recycled Water Surcharge and annually amounts to $81,908. The outstanding balance as of June 30, 2022 and 2021 was $666,323 and $718,699, respectively.

City of Pittsburg – The District and the City of Pittsburg (City) entered into a Joint Powers Agreement on November 24, 1999, for the purpose of development and operation of a "Recycled Water Program" (the Project). The goal of this project is to construct a conveyance system and transport recycled water to the City's golf course and certain parks to reduce the City's reliance on treated drinking water for irrigation. Under the provisions of the agreement, the Project is to be jointly funded by the District and the City. The City is responsible for the design and construction of the Project. The District will operate and maintain after construction is completed. The original project was completed, however, it was discovered that a portion of the previously existing line needs to be rehabilitated in order to ensure reliability. The estimated cost for this rehabilitation project was $1,500,000. Of this amount, the City has agreed to pay a maximum of $375,000 payable over a 10-year term with an interest of 4.25 percent (prime plus 1 percent).

NOTE 3 – NOTES RECEIVABLE (Continued)

The actual cost of this rehabilitation amounted to $328,583. The District recognized a Note Receivable for this amount with principal and interest due monthly commencing July 1, 2013 and maturing on June 1, 2023. This monthly installment is billed to the City of Pittsburg as a Recycled Water Surcharge and annually amounts to $40,391. The outstanding balance as of June 30, 2022 and 2021 was $39,476 and $77,313, respectively.

Household Hazardous Waste (HHW) – The District owns and operates a Household Hazardous Waste (HHW) and a Conditionally Exempt Small Quantity Generator (CESQG) waste collection facility. In an agreement dated July 1, 2002, Contra Costa County, Ironhouse Sanitary District and the Cities of Antioch, Brentwood and Pittsburg (Subscribers) agreed to reimburse the District for capital costs in planning and constructing the household hazardous waste facility.

On April 9, 2008, this agreement was amended and includes capital cost sharing minus any grants received for the planning and construction of the new facility expansion. The Delta Household Hazardous Waste Collection Facility (DHHWCF) expansion was completed in September 2009. Per the provisions of this amendment, the outstanding principal balance from the original facility construction will be combined with the new facility expansion costs, to be re-paid over a 25-year period with interest at 6% per annum. Total capital costs were allocated to the Subscribers based on the number of housing units in each Subscriber's jurisdiction. The City of Brentwood and Ironhouse Sanitary District have paid their respective shares in full. The total outstanding balance of the loan as of June 30, 2022 and 2021 were $52,841 and $55,437, respectively.

NOTE 4 – EMPLOYEE COMPUTER LOANS RECEIVABLE

The District provides a zero interest loan to its employees for the purchase of personal computers. These loans are payable in a maximum of 78 equal payroll deductions (3 years). The maximum amount each employee may borrow is $2,500. The loan receivable balances were as follows as of June 30:

	2022	2021
Employee computer loans	$ 8,099	$ 3,744
Less: Current portion	(3,617)	(2,490)
Long-term portion	$ 4,482	$ 1,254

NOTE 5 – LEASES

The District has several leasing arrangements, summarized below.

A. Lessee Activities

The District has accrued liabilities for one equipment lease. The discount rate used in the calculation of the lease liability was 1.9%. The remaining liability for the lease is $70,875 as of June 30, 2022. Right to use assets, net of amortization, for the lease is $69,730 as of June 30, 2022. The District is required to make monthly principal and interest payments of $1,259. Principal payments of $1,259 were recognized in the year ended June 30, 2022. Final payment on these leases is expected in fiscal year 2027.

NOTE 5 – LEASES (Continued)

The District's schedule of future payments included in the measurement of the lease liability are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 15,053	$ 1,316	$ 16,369
2024	14,173	937	15,110
2025	14,444	666	15,110
2026	14,721	389	15,110
2027	12,484	109	12,593
	$ 70,875	$ 3,417	$ 74,292

B. Lessor Activities

The District has accrued a receivable for three land leases. The remaining receivable for these leases was $1,853,314 for the year ended June 30, 2022. Deferred inflows related to these leases were $1,838,689 as of June 30, 2022. Interest revenue recognized on these leases was $5,730 for the year ended June 30, 2022. Principal receipts of $96,452 were recognized as revenue during the fiscal year. Final receipt is expected in fiscal year 2050.

Delta Energy Center, LLC (DEC) and Calpine Corporation entered into an operating lease with the District, effective December 11, 2002, to lease real property located at 2600 Pittsburg-Antioch Highway, in Pittsburg, for a cooling tower site. The base rent for the leased land started at $32,500 per year and is set to escalate every five years based on changes in the Consumer Price Index. The current rate is $36,540 per year. The area leased is 260 feet by 50 feet, on land that is not targeted for District improvements. The agreement terminates May 31, 2050. Minimum future rentals total $985,275 at June 30, 2022. The lessee, DEC, retains an option to terminate the lease agreement by providing a thirty-day written notice to the District.

American Tower entered into an operating lease with the District, effective August 1, 2014, to lease a cell phone tower on the District's property. The base rent for the leased tower started at $2,400 per month and is set to increase 3% each year during the term. The current rate is $2,952 per month. The agreement terminates on August 1, 2024, with three automatic successive 5-year extension periods, unless American Tower terminates it at the end of the then current term. Minimum future rentals total $772,910.

Bridgehead Tower entered into an operating lease with the District, effective March 1, 2013, to lease a cell phone tower on the District's property. The base rent for the leased tower started at $1,000 per month and is set to increase 3% each year during the term. The current rate is $1,305 per month. The agreement terminates on March 1, 2023, with a 5-year extension period, unless Bridgehead Tower terminates it at the end of the then current term. Minimum future rentals total $95,129.

NOTE 5 – LEASES (Continued)

The total remaining minimum future rental receipts for the three leasing arrangements are as follows:

For the Year Ending June 30	Minimum Future Rentals
2023	$ 83,167
2024	85,010
2025	86,907
2026	88,858
2027	90,866
2028 – 2032	400,724
2033 – 2037	431,064
2038 – 2042	298,032
2043 – 2047	181,449
2048 – 2050	107,237
	$1,853,314

NOTE 6 – CAPITAL ASSETS

Property, plant and equipment are recorded at the time of purchase and are capitalized at cost. The District capitalizes as part of the asset cost, any significant interest incurred during the construction phase of the asset. Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assts received in a service concession arrangement are reported at acquisition value rather than fair value. The District defines capital assets as property, plant and equipment with an initial individual cost of $5,000 and an estimated useful life in excess of one year.

Depreciation is provided using the straight-line method for assets other than land and construction in progress. Estimated useful lives are as follows:

Conveyance and collection systems	50 years
Treatment plant	40 years
Office furniture	15 years
Shop, lab and other equipment	10 years
Computer equipment	3 years
Vehicles	3 years

The District’s right-of-use asset for oxygen tanks has a cost of $72,134, and accumulated amortization of $2,404.

NOTE 6 – CAPITAL ASSETS (Continued)

Changes in property, plant and equipment, and construction in progress are summarized below for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Transfers	Expensed (CIP) or Retired	Balance at June 30, 2022
Capital assets not being depreciated:					
Land	$ 6,490,355	$ -	$ -	$ -	$ 6,490,355
Construction in progress	39,393,899	11,092,328	(23,858,030)	(1,865,673)	24,762,524
Total capital assets not being depreciated	45,884,254	11,092,328	(23,858,030)	(1,865,673)	31,252,879
Capital assets being depreciated:					
Treatment & Collection System	256,896,964	-	23,180,526	-	280,077,490
Equipment	5,777,533	105,440	677,504	(27,539)	6,532,938
Total capital assets being depreciated	262,674,497	105,440	23,858,030	(27,539)	286,610,428
Less accumulated depreciation for:					
Treatment & Collection System	139,714,503	6,503,942	-	-	146,218,445
Equipment	5,102,803	673,024	-	(27,539)	5,748,288
Total accumulated depreciation	144,817,306	7,176,966	-	(27,539)	151,966,733
Net capital assets being depreciated	117,857,191	(7,071,526)	23,858,030	-	134,643,695
Total Capital Assets, net	$ 163,741,445	$ 4,020,802	$ -	$ (1,865,673)	$ 165,896,574

Changes in property, plant and equipment, and construction in progress are summarized below for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Transfers	Expensed (CIP) or Retired	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	$ 6,490,355	$ -	$ -	$ -	$ 6,490,355
Construction in progress	24,154,621	23,478,944	(6,785,466)	(1,454,200)	39,393,899
Total capital assets not being depreciated	30,644,976	23,478,944	(6,785,466)	(1,454,200)	45,884,254
Capital assets being depreciated:					
Treatment & Collection System	250,758,525	-	6,138,439	-	256,896,964
Equipment	5,091,039	-	686,494	-	5,777,533
Total capital assets being depreciated	255,849,564	-	6,824,933	-	262,674,497
Less accumulated depreciation for:					
Treatment & Collection System	132,932,309	6,782,194	-	-	139,714,503
Equipment	4,923,938	178,865	-	-	5,102,803
Total accumulated deprecition	137,856,247	6,961,059	-	-	144,817,306
Net capital assets being depreciated	117,993,317	(6,961,059)	6,824,933	-	117,857,191
Total Capital Assets, net	$ 148,638,293	$ 16,517,885	$ 39,467	$ (1,454,200)	$ 163,741,445

Construction in progress represents construction of treatment facilities and conveyance systems.

NOTE 7 – COMPENSATED ABSENCES

Accumulated unpaid vacation and compensatory time have been accrued at year end. Accumulated unpaid sick pay is not included in the amount for accrued benefits due to the contingent nature of any future payment.

The changes in compensated absences were as follows for the fiscal years ended June 30:

	2022	2021
Beginning Balance	$ 1,035,485	$ 1,056,402
Additions	838,950	776,960
Payments	(993,010)	(797,877)
Ending Balance	$ 881,425	$ 1,035,485
Current Portion	862,499	765,798
Non-Current Portion	18,926	269,687

In addition, the Board has set up a Catastrophic Leave Bank, which accumulates up to 40 hours from each terminated employee's forfeited sick leave. Employees may also donate vacation hours. This time may be used by employees who have used all their sick leave due to catastrophic illness and need additional time off. Accumulated Catastrophic Leave at June 30, 2022 and 2021 was $12,046 and $32,765, respectively, and is included in the balance of Accrued Payroll and Benefits on the Statements of Net Position.

NOTE 8 – LONG-TERM DEBT

A. Current Year Transactions and Balances

The changes in the District's long-term obligations during the year ended June 30, 2022 consisted of the following:

Direct Borrowings	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
2010 RW State Revolving Fund Loan						
.077% due 04/03/2030	$ 6,325,503	$ 3,174,860	$ -	$ (316,388)	$ 2,858,472	$ 316,631
2011 WW Installment Sale Agreement						
4.90% due 06/24/2031	2,344,210	1,270,253	-	(85,416)	1,184,837	93,260
2011 WW State Revolving Fund Loan						
2.60% due 04/03/2033	5,041,873	3,327,521	-	(239,842)	3,087,679	246,078
2015 WW California Energy Commission Loan						
1.00 % due 6/22/2029	700,000	413,518	-	(49,904)	363,614	50,405
2015 Bay Point State Revolving Fund Loan						
1.90% due 11/01/2044	1,188,820	988,509	-	(32,892)	955,617	33,517
2016 Pittsburg State Revolving Fund Loan						
1.90% due 11/01/2046	12,000,000	10,460,294	-	(314,829)	10,145,465	320,810
2016 WW State Revolving Fund Loan						
1.90% due 12/30/2046	2,054,000	1,793,201	-	(56,703)	1,736,498	57,780
2019 WW State Revolving Fund Loan						
1.90% due 12/01/2050	13,500,000	8,822,698	2,746,619	-	11,569,317	-
2020 WW State Revolving Fund Loan						
1.90% due 12/1/2050	3,198,734	3,198,734	-	(82,905)	3,115,829	81,539
Total Long-Term Debt		33,449,588	$ 2,746,619	$ (1,178,879)	35,017,328	$ 1,200,020
Less:						
Amounts due within one year		(1,178,877)			(1,200,020)	
Total Long-Term Debt, net		$ 32,270,711			$ 33,817,308	

NOTE 8 – LONG-TERM DEBT (Continued)

The changes in the District's long-term obligations during the year ended June 30, 2021 consisted of the following:

Direct Borrowings	Original Issue Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Amount due within one year
2010 RW State Revolving Fund Loan						
.077% due 04/03/2030	$6,325,503	$ 3,491,004	$ -	$ (316,145)	$ 3,174,859	$ 316,387
2011 WW Installment Sale Agreement						
4.90% due 06/24/2031	2,344,210	1,348,274	-	(78,021)	1,270,253	85,415
2011 WW State Revolving Fund Loan						
2.60% due 04/03/2033	5,041,873	3,561,285	-	(233,764)	3,327,521	239,842
2015 WW California Energy Commission Loan						
1.00 % due 6/22/2029	700,000	462,927	-	(49,409)	413,518	49,905
2015 Bay Point State Revolving Fund Loan						
1.90% due 11/01/2044	1,188,820	1,020,787	-	(32,278)	988,509	32,892
2016 Pittsburg State Revolving Fund Loan						
1.90% due 11/01/2046	12,000,000	10,769,253	-	(308,959)	10,460,294	314,828
2016 WW State Revolving Fund Loan						
1.90% due 12/30/2046	2,054,000	1,848,847	-	(55,647)	1,793,200	56,703
2019 WW State Revolving Fund Loan						
1.90% due 12/01/2050	13,500,000	1,206,169	7,616,529	-	8,822,698	-
2020 WW State Revolving Fund Loan						
1.90% due 12/1/2050	3,198,734	-	3,198,734	-	3,198,734	82,905
Total Long-Term Debt		23,708,546	$ 10,815,263	$ (1,074,223)	33,449,586	$ 1,178,877
Less:						
Amounts due within one year		(1,074,221)			(1,178,877)	
Total Long-Term Debt, net		$ 22,634,325			$ 32,270,709	

B. 2010 RW State Revolving Fund Loan

The District entered into a loan contract with the State of California Water Resources Control Board on July 8, 2009, for the purpose of financing the Antioch/Delta Diablo Sanitation District Recycled Water Project. The loan amount totals $6,325,503 with a stated interest rate of .077% per annum over a 20-year term. The City of Antioch owes the District $5,000,000 of this amount as part of their cost share for the Recycled Water Antioch Project (see Note 3 - Notes Receivable). Principal payments are due annually beginning on December 31, 2011 through the fiscal year 2030/31 and are paid from revenue received from the City of Antioch.

C. 2011 Installment Sale Agreement

On June 9, 2011, the District entered into an installment sale agreement (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 totals $2,344,210 with a stated interest of 4.9% per annum, and is payable from revenues of the District. 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 directing borrowings contain a provision that in an event of default, they declare all principal components of the unpaid installment payments, together with all accrued and unpaid interest components immediately due.

NOTE 8 – LONG-TERM DEBT (Continued)

D. 2011 WW State Revolving Fund Loan

The District entered into a loan contract with the State of California Water Resources Control Board on March 25, 2011, for the purpose of financing the Aeration System Improvement Project. The loan amount totals $5,041,873 with a stated interest rate of 2.60% per annum. Principal payments are due annually beginning on April 3, 2014 through the fiscal year 2033.

E. 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 to be installed at the Wastewater Treatment Plant. The loan amount totals $700,000 at 1.00% interest per annum on the unpaid principal. Principal and interest payments are due semi-annually beginning on December 22, 2015 through the fiscal year 2029.

F. 2015 Bay Point State Revolving Fund Loan

On October 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 1). The loan principal totals $1,188,820 with a 30-year term and stated interest of 1.9% per annum. 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.

G. 2016 Pittsburg State Revolving Fund Loan

On October 24, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Pittsburg Forcemain Improvement Project. The loan principal totals $12,000,000 with a 30-year term and stated interest of 1.9% per annum. 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 Waste Water Fund (75%) and Bay Point Collection Fund (25%).

H 2016 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 3). The loan principal totals $2,054,000 with a 30-year term and stated interest of 1.9% per annum. 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.

NOTE 8 – LONG-TERM DEBT (Continued)

I. 2019 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Pump Station Facility Repair (Phase 2). The loan principal totals $13,500,000 with a 30-year term and stated interest of 1.9% per annum. Principal payments are due annually on December 31, and interest payments are due semi-annually, on June 30 and December 31. Payments commence on December 31, 2023 and mature on December 31, 2052. As of June 30, 2022, the District has drawn down a total of $11,569,317.

J. 2020 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing 2017 Sewer Pipeline Repair (Phase 4). The loan principal totals $3,198,734 with a 30-year term and stated interest of 1.9% per annum. Principal payments are due annually on December 1, and interest payments are due semi- annually, on December 1 and June 1. Payments commenced on December 1, 2021 and mature on December 1, 2050.

K. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt as of June 30, 2022:

	Direct Borrowings		
For The Year Ending June 30	Principal	Interest	Total
2023	$ 1,200,022	$ 441,345	$ 1,641,367
2024	1,516,006	748,696	2,264,702
2025	1,547,249	610,588	2,157,837
2026	1,579,477	582,047	2,161,524
2026	1,612,734	552,467	2,165,301
2028 – 2032	7,930,190	2,289,269	10,219,459
2033 – 2037	5,204,081	1,620,043	6,824,124
2038 – 2042	5,368,140	1,125,037	6,493,177
2043 – 2047	5,702,761	593,115	6,295,876
2048 – 2052	2,912,724	182,930	3,095,654
2053	443,944	4,774	448,718
Total payments due	$ 35,017,328	$ 8,750,411	$ 43,797,739

NOTE 9 – RETIREMENT

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. *General Information about the Pension Plans*

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Rate Plan. The District's Miscellaneous Rate Plan are part of the public agency cost-sharing multiple-employer, which is administered by the California Public Employees' Retirement System (CalPERS). The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Tier I	Miscellaneous Tier II	Tier III
Hire date	Prior to 6/30/12	6/30/12 to 12/31/12 and employees hired on or after 1/1/13 who are not a "new member"	On or after 1/1/13; new member
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%	2.00%
Required employee contribution rates	8.00%	7.00%	7.25%
Required employer contribution rates	14.35%	11.12%	7.70%

CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The District's total UALs for 2022 and 2021 were $1,393,591 and $1,178,443, respectively.

NOTE 9 – RETIREMENT (Continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, the contributions to the Plan were as follows:

	2022 Miscellaneous Tier I, II & III	2021 Miscellaneous Tier I, II & III
Contributions - employer	$2,348,213	$2,273,068

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	2022 Proportionate Share of Net Pension Liability	2021 Proportionate Share of Net Pension Liability
CCCERA Plan (12/31)	$ (565,545)	$ 16,641
Miscellaneous Tier I, II & III	10,302,215	18,111,057
Total Net Pension Liability	$ 9,736,670	$18,127,698

NOTE 9 – RETIREMENT (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	Miscellaneous Tier I, II & III
Proportion - June 30, 2020	0.16646%
Proportion - June 30, 2021	0.19049%
Change - Increase (Decrease)	0.02403%

For the year ended June 30, 2022, the District's recognized actuarial pension expense of $3,801,368 for Miscellaneous Tiers I, II, and III. The At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Tier I, Tier II, & III	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 2,348,213	$ -
Differences between actual and expected experience	1,155,282	-
Changes in assumptions		-
Change in employer's proportion	473,094	-
Net differences in actual contributions and proportionate contributions		(527,362)
Net differences between projected and actual earnings on pension plan investments	-	(8,993,289)
Total	$ 3,976,589	$ (9,520,651)

Deferred outflows of $2,348,213 related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous -Tier I, II, & III	
Year Ended June 30	Annual Amortization
2023	$ (1,615,809)
2024	(1,775,514)
2025	(2,015,670)
2026	(2,485,282)
Thereafter	-

NOTE 9 – RETIREMENT (Continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Tier I, Tier II, & III	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 2,273,068	$ -
Differences between actual and expected experience	933,317	-
Changes in assumptions	-	(129,175)
Changes in employer's proportion	626,766	-
Net differences in actual contributions and proportionate contributions	-	(524,059)
Net differences between projected and actual earnings on pension plan investments	538,018	-
Total	$ 4,371,169	$ (653,234)

Deferred outflows of $2,273,068 related to contributions subsequent to the measurement date, was recognized as a reduction of the net pension liability in the current fiscal year.

Actuarial Assumptions – The total pension liability in the June 30, 2020 valuation was determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality	Derived using CalPERS Membership data for all Funds. The mortality table used was developed based on CalPERS-specific data, The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on the table, please refer to the December 2017 experience study report (based on CalPERS demographics data from 1997 to 2015) that can be found on the CalPERS website.
Post Retirement Benefit Increases	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

NOTE 9 – RETIREMENT (Continued)

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building- block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The expected rate of return was then set equal to the single equal rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects expected real rate of return by asset class.

Asset Class	Current Target Allocation	Real Return[1] Years 1 – 10[2]	Real Return[1] Years 1 – 10[3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	100%		

1. Figures are based on previous 2017 ALM.
2. An expected inflation of 2.00% used for this period.
3. An expected inflation of 2.92% used for this period.

NOTE 9 – RETIREMENT (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate at June 30, 2021 measurement date:

	6.15% (1% decrease)	7.15% (Current rate)	8.15% (1% increase)
Net Pension Liability	$ 20,418,175	$ 10,302,215	$ 1,939,495

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Contra Costa County Employees Retirement Association Closed Plan

The District discontinued participation in the Contra Costa County Employees Retirement Association (CCCERA) effective June 20, 2004. The termination agreement provides for an evaluation of any additional liability owed to CCCERA every three years. CCCERA retained certain assets contributed by the District and they remain responsible for retiree benefits for retirees and deferred vested members who were not transferred to the CalPERS system. The designation of 3.75% of payroll annually for Employee Benefit Costs will be a source of funds to address this or other liabilities due. CCCERA's actuary has conducted and determined the District's termination liability using the triennial experience analysis as of December 31, 2015. Based on this analysis and in accordance with the termination agreement with CCCERA, the District's unfunded obligation of $2,017,307 is to be amortized over 15 years, resulting in annual payments of $221,489 starting December 31, 2016. The next triennial actuarial valuation is expected on November 2022. As of June 30, 2022, in accordance with GASB 68, the District recorded a net pension asset of $565,545 under the CCCERA plan, as well as deferred outflows of $435,441 and deferred inflows of $1,569,573.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description and Funding Policy

The District provides post-retirement health care benefits to eligible retirees in accordance with Memorandums of Understanding (MOU) with employee groups. In accordance with the MOU, the District contracts with CalPERS to provide post-retirement health benefits through the CalPERS PEMHCA program, which provides for vesting at age 50 with five (5) years of service. The District implemented the California State Vesting Program for Retiree Health Care as regulated by Government Code 22893 by resolution (8/2008).

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

All District employees hired after the implementation date (01/01/2009), will be enrolled in the State's Vesting Program, which starts fifty percent (50%) medical benefit at age 50 with 10 years of service, increasing by 5% for each additional year of service to 100% with 20 years of service. The District contribution for eligible retirees (and spouses) is continued at the rate in effect each year. The cost of the benefits provided by the plan is currently being pre-funded in an irrevocable trust by the District. The District's plans to fund the benefits provided under the plan over a 30- year horizon, with minimal impacts to District rate payers. As part of the annual budget development process, the District Board include sufficient funding to cover the Actuarially Determined Contributions (ADC) to be deposited into the OPEB Trust Fund in accordance with the District Retiree Health Funding Plan.

On July 14, 2010, the Board adopted the District's Retiree Health Funding Plan which outlines that employees will begin contributing 1% of their salaries to the OPEB Trust in July 2010; that these contributions will increase to 2% of salaries in July 2011 and to 3% of salaries in July 2012. It also covers all of the other key elements of the Principles of Agreement such as 1) employee contributions are made on a pre-tax basis and are included in employee compensation for CalPERS retirement purposes; 2) the District at least match the annual employee contributions; 3) the District make a good faith effort to fully fund the remaining ADC each year; and 4) that in recognition of the employees' initiative in assisting in funding the OPEB obligation, the terms of the bargaining units' MOU with the District be extended by three years.

	Fiscal Years Ended June 30, 2022 and 2021
Plan Type	Single Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30:

	2022	2021
Active plan members	64	73
Inactive employees or beneficiaries currently receiving benefit payments	69	64
Inactive employees entitled to but not yet receiving benefit payments	5	5
Total	138	142

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions – The District net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020 that was rolled forward to determine the $20,231,442 total OPEB liability June 30, 2022, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Contribution Policy	• Pre-funded through PARS with the Balanced Portfolio. • District contributes at least the actuarially determined contribution. Employees contribute 3% of reported PERSable payroll until plan is 100% funded.
Discount Rate and Long-Term Expected Rate of Return on Assets	• 6.00% at June 30, 2022 • 6.25% at June 30, 2021 • Expected District contributions projected to keep sufficient plan assets to pay all benefits from trust.
Inflation	• 2.75% annually
Mortality, Retirement, Disability, Termination	• CalPERS 1997-2015 experience study
Mortality Improvement	• Mortality projected fully generations with Scale MP-2019
Salary Increases	• Aggregate – 3.00% annually • Merit – CalPERS 1997-2015 Experience Study
Medical Trend	• Non-Medicare – 7% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Non-Kaiser) – 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Kaiser) – 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Participation at Retirement	• Actives covered & surviving spouse hired < 1/1/09 – 100% • Actives covered & surviving spouse hired 1/1/09 – 0% with < 10 years of service, 90% with 10-14 years, 95% with 15-19 years, and 100% with 20+ • Actives waived – 80% of above assumption for covered actives • Retirees & surviving spouses – 100% if covered, 20% at 65 if waived <65, 0% waived 65

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a June 30, 2020 actuarial experience study for the period of July 1, 2019 to June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables.

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables as of June 30:

2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58%	4.82%
Fixed Income	35%	1.47%
REITs	2%	3.76%
Cash	5%	0.06%
Total	100%	

Assumed Long-Term Rate of Inflation	2.75%
Expected Long-Term Net Rate of Return	6.00%

2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58%	4.82%
Fixed Income	35%	1.47%
REITs	2%	3.76%
Cash	5%	0.06%
Total	100%	

Assumed Long-Term Rate of Inflation	2.75%
Expected Long-Term Net Rate of Return	6.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.25% for 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability follows as of June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021	$18,945,205	$ 20,387,709	$ (1,442,504)
Changes Recognized for the Measurement Period:			
Service Cost	681,842	-	681,842
Interest on the total OPEB liability	1,190,784	-	1,190,784
Difference between expected and actual experience	-	-	-
Changes of assumptions	562,616	-	562,616
Contributions from the employer	-	611,177	(611,177)
Contributions from the employees	-	273,177	(273,177)
Net investment income	-	(2,812,836)	2,812,836
Administrative expenses	-	(43,756)	43,756
Benefit payments and refunds	(1,149,005)	(1,149,005)	-
Net Changes during July 1, 2021 to June 30, 2022	1,286,237	(3,121,243)	4,407,480
Balance at June 30, 2022	$ 20,231,442	$ 17,266,466	$ 2,964,976

The changes in the Net OPEB Liability follows as of June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020	$20,011,910	$15,808,508	$ 4,203,402
Changes Recognized for the Measurement Period:			
Service Cost	794,754	-	794,754
Interest on the total OPEB liability	1,264,614	-	1,264,614
Difference between expected and actual experience	(956,197)	-	(956,197)
Changes of assumptions	(1,024,220)	-	(1,024,220)
Contributions from the employer	-	1,139,773	(1,139,773)
Contributions from the employees	-	278,341	(278,341)
Net investment income	-	4,347,665	(4,347,665)
Administrative expenses	-	(40,922)	40,922
Benefit payments and refunds	(1,145,656)	(1,145,656)	-
Net Changes during July 1, 2020 to June 30, 2021	(1,066,705)	4,579,201	(5,645,906)
Balance at June 30, 2021	$ 18,945,205	$ 20,387,709	$ (1,442,504)

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

D. *Sensitivity of the Net OPEB Liability*

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as of June 30:

Plan's Net OPEB Liability (Asset) at June 30, 2022		
Discount Rate -1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate -1% (7.00%)
$ 5,503,964	$ 2,964,976	$ 861,321

Plan's Net OPEB Liability (Asset) at June 30, 2021		
Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate -1% (7.25%)
$ 889,392	$ (1,442,504)	$ (3,378,058)

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage- point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Plan's Net OPEB Liability (Asset) at June 30, 2022		
1% Decrease	Current Trend	1% Increase
$ 256,282	$ 2,964,976	$ 6,310,729

Plan's Net OPEB Liability (Asset) at June 30, 2021		
1% Decrease	Current Trend	1% Increase
$ (3,773,468)	$ (1,442,504)	$ 1,421,571

E. *OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended June 30, 2022, the District recognized actuarial OPEB expense of $330,029. As of June 30, 2022 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ (865,027)
Changes of assumptions	596,777	(693,826)
Net difference between projected and actual earnings on OPEB plan investments	1,459,639	-
Total	$ 2,056,416	$ (1,558,853)

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The District did not have any contributions subsequent to the measurement date to report as deferred outflows of resources as of June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Annual Amortization
2023	$ (23,560)
2024	(25,475)
2025	(85,022)
2026	586,614
2027	26,860
Thereafter	18,146

For the year ended June 30, 2021, the District recognized actuarial OPEB income of $144,133. As of June 30, 2021 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ (1,122,718)
Changes of assumptions	184,385	(859,023)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,393,709)
Total	$ 184,385	$ (4,375,450)

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 60 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays an annual premium to CSRMA for its general liability, property damage, workers compensation insurance and automobile coverage.

CSRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

CSRMA is not a component unit of the District and the District’s share of assets, liabilities, and equity has not been calculated.

NOTE 11 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies in force carried by the District as of June 30, 2022:

Type of Coverage	Limits	Deductibles
General Liability	$15,500,000	$100,000
Excess General Liability	10,000,000	None
Worker's Compensation	1,000,000	None
Excess Worker's Compensation Liability	Statutory Limit	None
Special Form Property	212,867,392	25,000
Public Entity Pollution Liability	2,000,000	None
Cyber Liability Coverage	2,000,000	None
Master Crime Liability	2,000,000	2,500

The District also maintains employee fidelity bonds to protect against the risk of employee theft or defalcation. Settled claims for CSRMA or employee fidelity bonds have not exceeded coverage in any of the past three fiscal years. Audited financial statements of CSRMA may be obtained at 560 Mission Street, 6th Floor, San Francisco, CA 94105.

The District did not record a liability for outstanding claims at fiscal year-end, as management believes that the claims were minimal.

NOTE 12 – NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three categories. These captions apply only to Net Position, which is determined only at the District-wide level, and are described below:

Net investment in Capital Assets describes the portion of Net Positions which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Purchase Commitments

The District has a number of purchase commitments for ongoing operating and capital projects that involves multi-year contracts. Purchase commitments related to these multi-year contracts are approximately $11,153,292 and $15,109,480 as of June 30, 2022 and 2021, respectively.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

As mentioned in Note 9C, Contra Costa County Employees' Retirement Association closed its plan in 2004. Delta Diablo continues to contribute towards the unfunded obligation of $2,017,307.

It was noted in the December 31, 2021 CCCERA Schedule of Employer Allocations and Schedule of Pension Amounts by Employer that the District was recording a liability for the net pension obligation, but had omitted $1,221,021 related to prior years' deferred inflows and outflows of resources.

An OPEB liability account with a balance of $28,131 that was misclassified as a non-operating income item in 2021.

The aforementioned errors in the 2021 financial statements resulted in a prior period adjustment to net position as shown below:

Beginning net position, as previously stated	$ 196,200,243
CCCERA deferred inflows/outflows not previously recorded	(1,221,021)
OPEB liability shown as income in 2021	(28,131)
Total prior period adjustment	(1,249,152)
Beginning net position as restated	$ 194,951,091

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REQUIRED SUPPLEMENTARY INFORMATION

DELTA DIABLO
Cost-Sharing Multiple-Employer Defined Pension Plan
Schedule of Proportionate Share of Net Pension Liability
Last 10 Years*

	Fiscal Year End June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of net pension liability	0.19049%	0.16646%	0.16218%	0.38230%	0.37570%	0.38170%	0.37470%	0.33450%
Proportionate share of the net pension liability	$ 10,302,215	$ 18,111,057	$ 16,618,622	$ 15,143,491	$ 15,484,151	$ 13,258,795	$ 10,279,890	$ 10,961,818
Covered payroll	$ 9,484,075	$ 9,370,990	$ 9,473,230	$ 9,739,463	$ 8,705,573	$ 8,075,458	$ 8,138,640	$ 7,681,566
Proportionate share of the net pension liability as a percentage of covered payroll	108.63%	193.27%	175.43%	155.49%	177.86%	164.19%	126.31%	142.70%
Plan's fiduciary net position	$ 66,315,908	$ 56,855,501	$ 52,339,949	$ 50,164,464	$ 45,367,518	$ 40,904,049	$ 40,032,145	$ 39,249,319
Plan's fiduciary net position as a percentage of the Plan's total pension liability	88.29%	75.10%	75.26%	75.26%	73.31%	75.44%	78.40%	79.82%

Schedule of Pension Contributions
Last 10 Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions (actuarially determined)	$ 2,348,213	$ 2,273,068	$ 2,071,446	$ 1,880,696	$ 1,710,608	$ 1,663,037	$ 1,669,912	$ 1,251,178
Contributions in relation to actuarially determined contributions	(2,348,213)	(2,273,068)	(2,071,446)	(1,880,696)	(1,710,608)	(1,663,037)	(1,669,912)	(1,251,178)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,903,746	$ 9,484,075	$ 9,370,990	$ 9,473,230	$ 9,783,463	$ 8,705,573	$ 8,075,458	$ 8,138,640
Contributions as a percentage of covered payroll	26.37%	23.97%	22.10%	19.85%	17.48%	19.10%	20.68%	15.37%

Notes to Schedule:

Valuation Date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Remaining amortization periods	Differs by employer rate plan, but not more than 29 years
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increase	Varies by entry age and service
Discount rate	7.00% (net of administrative expenses)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
Post-retirement benefit increase	

* Fiscal year ending June 30, 2015, was the first year of implementation, therefore only eight years are shown.

DELTA DIABLO
Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement date June 30:	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 681,842	$ 794,754	$ 771,606	$ 779,569	$ 725,000	$ 702,000
Interest on the OPEB liability	1,190,784	1,264,614	1,206,322	1,203,775	1,122,000	1,056,000
Differences between actual and expected experience	-	(956,197)	-	(631,144)	-	-
Change of benefit terms	-	-	-	-	182,000	(12,000)
Changes of assumptions	562,616	(1,024,220)	-	362,822	-	-
Benefits paid to retirees	(1,149,005)	(1,145,656)	(991,130)	(859,910)	(781,000)	(720,000)
Net change in total OPEB liability	1,286,237	(1,066,705)	986,798	855,112	1,248,000	1,026,000
Total OPEB Liability - beginning	18,945,205	20,011,910	19,025,112	18,170,000	16,922,000	15,896,000
Total OPEB Liability - ending (a)	$ 20,231,442	$ 18,945,205	$ 20,011,910	$ 19,025,112	$ 18,170,000	$ 16,922,000
Plan Fiduciary Net Position						
Employer contributions	$ 611,177	$ 1,139,773	$ 1,202,808	$ 1,208,525	$ 1,592,000	$ 1,505,000
Employee contributions	273,177	278,341	278,048	281,058	282,000	262,000
Net investment income	(2,812,836)	4,347,665	467,104	896,214	935,000	1,236,000
Benefits paid to retirees	(1,149,005)	(1,145,656)	(991,130)	(859,910)	(781,000)	(720,000)
Administrative expense	(43,756)	(40,922)	(36,736)	(34,473)	(33,000)	(26,000)
Net change in plan fiduciary position	(3,121,243)	4,579,201	920,094	1,491,414	1,995,000	2,257,000
Plan fiduciary net position- beginning	20,387,709	15,808,508	14,888,414	13,397,000	11,402,000	9,145,000
Plan fiduciary net position- ending (b)	$ 17,266,466	$ 20,387,709	$ 15,808,508	$ 14,888,414	$ 13,397,000	$ 11,402,000
Net OPEB liability (asset) - ending (a) - (b)	$ 2,964,976	$ (1,442,504)	$ 4,203,402	$ 4,136,698	$ 4,773,000	$ 5,520,000
Plan fiduciary net position as a percentage of the total OPEB liability	85.34%	107.61%	79.00%	78.26%	73.73%	67.38%
Covered-employee payroll	$ 9,111,767	$ 9,283,462	$ 9,254,288	$ 9,371,057	$ 9,385,000	$ 8,724,000
Net OPEB liability as a percentage of covered-employee payroll	32.54%	-15.54%	45.42%	44.14%	50.86%	63.27%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB No. 75 is applicable. Future years' information will be displayed, up to 10 years, as information becomes available

The term Covered-employee payroll is used because there are employees receiving benefits not based on wages.

DELTA DIABLO
Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	$ 614,000	$ 831,000	$ 878,000	$ 910,000	$ 920,000	$ 926,000
Contributions in relation to the ADC	(611,177)	(1,139,773)	(1,202,808)	(1,208,525)	(1,592,000)	(1,642,483)
Contribution deficiency (excess)	$ 2,823	$ (308,773)	$ (324,808)	$ (298,525)	$ (672,000)	$ (716,483)
Covered-employee payroll	$ 9,111,767	$ 9,283,462	$ 9,254,288	$ 9,371,057	$ 9,385,000	$ 8,724,000
Contributions as a percentage of covered-employee payroll	6.71%	12.28%	13.00%	12.90%	16.96%	18.83%

Method and assumptions used to determine contribution:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, Level % of pay
Amortization Method	Level % of pay
Amortization Period	17-year fixed period for 2021/22
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Discount rate	6.25%
Medical trend	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality improvement	Post-retirement mortality projected fully general with Scale MP-2019

SUPPLEMENTARY INFORMATION

DELTA DIABLO
SUPPLEMENTARY SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
June 30, 2022

	Wastewater	Wastewater Expansion	Recycled Water Facility
ASSETS			
CURRENT ASSETS			
Cash	$ 22,523,324	$ 5,084,938	$ 2,613,274
Investments	4,572,918	78,397	-
Restricted cash	-	-	-
Restricted investment	726,023	133,222	-
Committed investments	45,163,573	3,316,779	3,776,753
Accounts receivable	528,376	-	980,413
Interest receivable	87,905	147	8,493
Current portion of notes receivable	-	-	344,408
Current portion of lease receivable	83,167		
Current portion of employee computer loans receivable	3,617	-	-
Inventory	815,099	-	77,669
Prepaid expenses	101,387	-	17,892
Total current assets	74,605,389	8,613,483	7,818,902
NON-CURRENT ASSETS			
CAPITAL ASSETS			
Capital assets, non depreciable	31,252,879	-	-
Depreciable capital assets, net of accumulated depreciation	97,472,475	-	27,773,771
Intangible right-to-use lease asset, net of accumulated amortization	69,730	-	-
Total capital assets, net	128,795,084	-	27,773,771
OTHER NON-CURRENT ASSETS			
Notes receivable, less current portion	-	-	2,620,919
Leases receivable, less current portion	1,770,147	-	-
Interfund receivables	4,000,000	-	-
Employee computer loans receivable, less current portion	4,482	-	-
Total other non-current assets	5,774,629	-	2,620,919
TOTAL ASSETS	209,175,102	8,613,483	38,213,592
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	4,412,030	-	-
Related to OPEB	2,056,416	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,468,446	-	-
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	3,455,291	-	267,505
Accrued payroll and benefits	315,748	-	8,318
Deposits payable	1,049,017	-	20,884
Unearned revenue	18,474	-	-
Compensated absences - current portion	862,499	-	-
Lease liability - current portion	15,053	-	-
Current portion of long-term debt	630,352	80,201	316,631
Accrued interest payable	44,199	7,998	-
Total current liabilities	6,390,633	88,199	613,338
NON-CURRENT LIABILITIES			
Long-term debt, net of current portion			
State revolving fund loans	22,092,618	2,456,164	2,541,841
Installment sales agreement	1,091,577	-	-
Compensated absences - due in more than one year	18,926	-	-
Lease liability - noncurrent portion	55,822	-	-
Interfund payable	4,000,000	-	-
Net pension liability	9,736,670	-	-
Net OPEB liability	2,964,976	-	-
Total non-current liabilities	39,960,589	2,456,164	2,541,841
TOTAL LIABILITIES	46,351,222	2,544,363	3,155,179
DEFERRED INFLOWS OF RESOURCES			
Related to leases	1,838,689	-	-
Related to pensions	11,090,224	-	-
Related to OPEB	1,558,853	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	14,487,766	-	-
NET POSITION			
Net investment in capital assets	104,980,537	(2,536,365)	24,915,299
Restricted for debt service	726,023	133,222	-
Unrestricted	49,098,000	8,472,263	10,143,114
TOTAL NET POSITION	$ 154,804,560	$ 6,069,120	$ 35,058,413

Hazardous Waste	Street Sweeping	Bay Point	Total
$ 69,360	$ (713,878)	$ 5,135,572	$ 34,712,590
-	-	-	4,651,315
-	-	-	-
-	-	290,038	1,149,283
160,000	2,128,442	1,141,724	55,687,271
135,096	1,285	38,345	1,683,515
-	1,829	8,184	106,558
2,790	-	-	347,198
			83,167
-	-	-	3,617
-	-	-	892,768
-	-	-	119,279
367,246	1,417,678	6,613,863	99,436,561
-	-	-	31,252,879
1,195,070	-	8,202,379	134,643,695
-	-	-	69,730
1,195,070	-	8,202,379	165,966,304
50,050	-	-	2,670,969
-	-	-	1,770,147
-	-	-	4,000,000
-	-	-	4,482
50,050	-	-	8,445,598
1,612,366	1,417,678	14,816,242	273,848,463
-	-	-	4,412,030
-	-	-	2,056,416
-	-	-	6,468,446
67,542	204,244	79,322	4,073,904
2,637	-	4,914	331,617
-	-	-	1,069,901
52,840	-	-	71,314
-	-	-	862,499
-	-	-	15,053
-	-	172,836	1,200,020
-	-	13,458	65,655
123,019	204,244	270,530	7,689,963
-	-	5,635,108	32,725,731
-	-	-	1,091,577
-	-	-	18,926
-	-	-	55,822
-	-	-	4,000,000
-	-	-	9,736,670
-	-	-	2,964,976
-	-	5,635,108	50,593,702
123,019	204,244	5,905,638	58,283,665
-	-	-	1,838,689
-	-	-	11,090,224
-	-	-	1,558,853
-	-	-	14,487,766
1,195,070	-	2,394,435	130,948,976
-	-	290,038	1,149,283
294,277	1,213,434	6,226,131	75,447,219
$ 1,489,347	$ 1,213,434	$ 8,910,604	$ 207,545,478

DELTA DIABLO
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Wastewater	Wastewater Expansion
OPERATING REVENUES		
Service charges	$ 35,534,214	$ -
Discharge permits	122,425	-
Household hazardous waste permits	-	-
Miscellaneous	386,591	-
Work for others	84,131	-
Total operating revenues	36,127,361	-
OPERATING EXPENSES		
Salaries and benefits	14,629,189	-
Chemicals	895,434	-
Depreciation	5,567,303	-
Amortization	2,404	-
Office and operating expense	2,314,280	-
Outside service and maintenance	4,054,054	-
Utilities	2,071,928	-
Other	178,179	-
Total operating expenses	29,712,771	-
OPERATING INCOME (LOSS)	6,414,590	-
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(1,049,145)	(48,656)
Interest income	212,744	302
Capital facilities capacity charges	-	2,808,983
Lease revenue	96,452	-
Gain on sale of asset	6,515	-
Federal grants	-	-
Property taxes	3,315,404	370,800
Total nonoperating revenues (expenses), net	2,581,970	3,131,429
NET INCOME (LOSS) BEFORE TRANSFERS	8,996,560	3,131,429
Transfers in	23,018,954	-
Transfers out	(23,041,293)	-
Total transfers in (out)	(22,339)	-
NET INCOME (LOSS) AFTER TRANSFERS	8,974,221	3,131,429
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	147,079,491	2,937,691
PRIOR PERIOD ADJUSTMENT	(1,249,152)	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	145,830,339	2,937,691
NET POSITION, END OF YEAR	$ 154,804,560	$ 6,069,120

Recycled Water Facility	Hazardous Waste	Street Sweeping	Bay Point	Total
$ 4,028,007	$ -	$ 651,270	$ 1,238,377	$ 41,451,868
-	-	-	-	122,425
-	543,987	-	-	543,987
95	352	-	-	387,038
-	2,417	-	-	86,548
4,028,102	546,756	651,270	1,238,377	42,591,866
667,998	247,210	-	304,616	15,849,013
660,028	-	-	205	1,555,667
1,358,429	36,024	-	215,210	7,176,966
-	-	-	-	2,404
153,582	58,485	-	2,012	2,528,359
224,015	606,788	644,139	79,816	5,608,812
614,604	212	-	-	2,686,744
63,342	-	-	-	241,521
3,741,998	948,719	644,139	601,859	35,649,486
286,104	(401,963)	7,131	636,518	6,942,380
(2,445)	-	-	(137,802)	(1,238,048)
53,031	4,088	3,875	17,861	291,901
-	-	-	-	2,808,983
-	-	-	-	96,452
-	-	-	-	6,515
-	-	-	-	-
-	-	-	-	3,686,204
50,586	4,088	3,875	(119,941)	5,652,007
336,690	(397,875)	11,006	516,577	12,594,387
				-
-	368,072	-	-	23,387,026
(315,829)	-	-	(29,904)	(23,387,026)
(315,829)	368,072	-	(29,904)	-
20,861	(29,803)	11,006	486,673	12,594,387
35,037,552	1,519,150	1,202,428	8,423,931	196,200,243
-	-	-	-	(1,249,152)
35,037,552 -	1,519,150	1,202,428	8,423,931	194,951,091
$ 35,058,413	$ 1,489,347	$ 1,213,434	$ 8,910,604	$ 207,545,478

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Delta Diablo

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Delta Diablo, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Delta Diablo's basic financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delta Diablo's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delta Diablo's internal control. Accordingly, we do not express an opinion on the effectiveness of Delta Diablo's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Diablo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 21, 2022

STATISTICAL SECTION

RECYCLED WATER FACILITY – CHLORINE CONTACT TANKS

This section of the District's annual comprehensive financial report provides detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. Information provided in this section is not subject to an independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the District's current level of outstanding debt and its ability to issue additional debt in the future.

Demographics and Economic Information

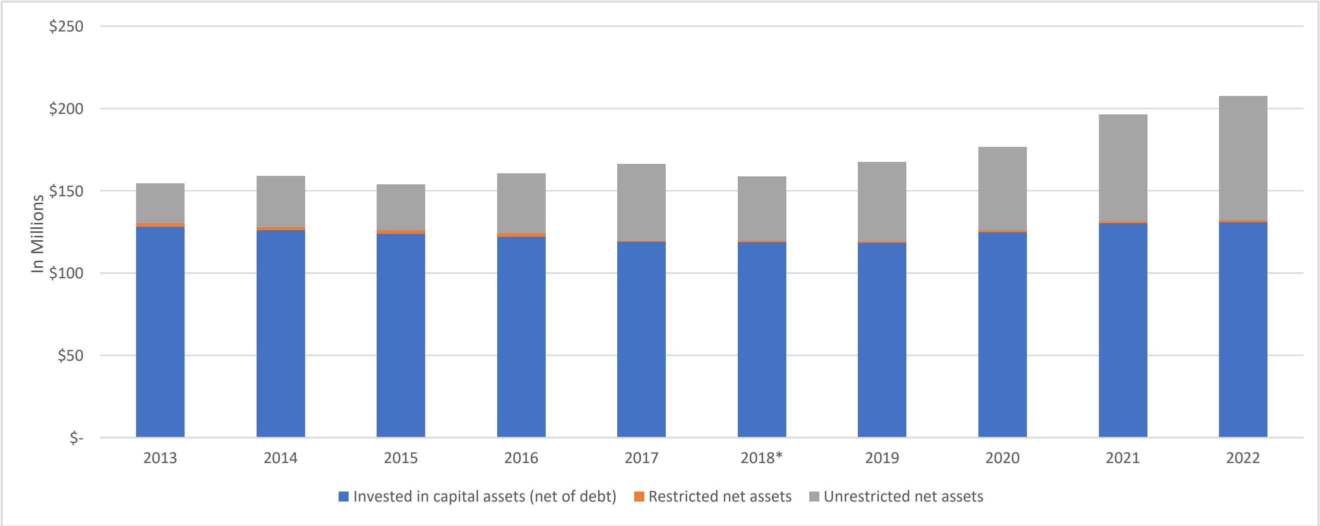
These schedules contain demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities/programs it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual audited financial reports for the relevant year.

DELTA DIABLO
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)



Net Position Component	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022
Net investment in capital assets	$ 128,104,632	$ 125,917,417	$ 123,992,770	$ 122,139,055	$ 119,128,874	$ 118,740,378	$ 118,356,795	$ 124,929,747	$ 130,291,859	$ 130,879,246
Restricted net assets	2,088,821	2,088,848	2,087,120	2,086,398	378,358	929,736	1,008,283	1,008,283	1,149,283	1,149,283
Unrestricted net assets	24,176,242	31,151,027	27,642,843	36,317,897	46,684,135	39,072,410	48,218,545	50,479,335	64,759,101	75,516,950
Total Net Position	**$ 154,369,695**	**$ 159,157,292**	**$ 153,722,733**	**$ 160,543,350**	**$ 166,191,367**	**$ 158,742,524**	**$ 167,583,623**	**$ 176,417,365**	**$ 196,200,243**	**$ 207,545,479**

Source: Delta Diablo Audited Financial Statements
* Includes GASB 68 prior year adjustment of $6M and a $3.7M write-off of construction in progress.

DELTA DIABLO
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues										
Service charges [1]	$ 25,824,829	$ 27,151,658	$ 28,626,113	$ 30,755,640	$ 31,572,922	$ 32,389,604	$ 35,484,438	$ 37,312,576	$ 38,867,117	$ 41,451,868
Discharge permits	186,200	167,150	158,950	145,750	124,250	161,900	144,000	150,600	140,700	122,425
Household hazardous waste operating fees	457,034	437,394	450,714	468,206	472,479	471,923	497,828	424,924	552,305	543,987
Miscellaneous	554,666	641,136	641,137	699,005	613,001	499,084	465,796	471,531	345,200	387,038
Work for Others [2]	1,479,705	915,624	896,889	676,712	912,159	170,081	215,136	248,294	1,305,770	86,548
Total operating revenues	28,502,434	29,312,962	30,773,803	32,745,313	33,694,811	33,692,592	36,807,198	38,607,925	41,211,092	42,591,866
Operating Expenses										
Salaries and benefits	17,593,719 [3]	13,500,132	12,304,139	12,796,436	16,951,986	18,083,303	17,604,581	16,279,300	13,805,207	15,849,013
Chemicals	1,311,718	1,160,309	1,078,924	1,160,518	1,027,234	1,178,138	1,405,512	1,299,877	1,478,113	1,555,667
Depreciation (Note 5)	6,506,348	6,821,159	6,959,201	6,993,567	6,881,767	6,897,318	6,926,195	7,202,996	6,961,060	7,179,370
Office expense and operating expense	1,743,582	1,709,046	1,844,178	1,942,438	1,998,743	2,100,498	1,901,272	1,944,002	2,466,319	2,528,359
Outside service and maintenance	3,810,858	4,071,441	4,445,466	5,265,128	4,137,773	5,352,273	5,652,901	5,410,194	4,693,849	5,608,812
Utilities	1,444,024	1,606,954	1,488,843	1,488,734	1,745,270	1,730,048	1,799,370	1,774,024	2,045,451	2,686,744
Other	128,920	130,976	62,813	171,067	160,809	137,165	85,252	1,427,727 [5]	238,513	241,521
Total operating expenses	32,539,169	29,000,017	28,183,564	29,817,888	32,903,582	35,478,743	35,375,083	35,338,120	31,688,512	35,649,486
Operating Income/(Loss)	**(4,036,735)**	**312,945**	**2,590,239**	**2,927,425**	**791,229**	**(1,786,151)**	**1,432,115**	**3,269,805**	**9,522,580**	**6,942,380**
Non-Operating Revenues (Expenses)										
Interest expense	(868,105)	(695,818)	(735,098)	(662,132)	(371,091)	(572,957)	(670,360)	(432,608)	(597,771)	(1,238,048)
Interest income	189,139	174,179	207,369	297,905	359,034	678,535	1,606,118	1,243,479	241,502	291,901
Capital facilities capacity charges	2,280,985	2,250,790	1,926,982	2,031,409	2,359,761	992,717	2,636,962	1,540,614	6,757,343	2,808,983
Lease revenue	36,125	36,125	36,125	36,125	36,540	36,332	36,540	36,540	85,872	96,452
Gain (Loss) on sale of asset	20,382	(415,681)	4,034	(217,711)	3,739	29,357	11,277	13,086	517	6,515
State grants	(1,742)	512,404	160,683	37,500	-	-	-	-	-	-
Federal grants	205,043		-	-	-	194,014	519,391	51,758	323,275	-
Subgrants	272,185	914,469	203,021	139,638	13,298	4,567	291,476			-
Property taxes	1,627,706	1,698,184	1,974,773	2,230,458	2,455,507	2,679,597	2,977,580	3,111,068	3,449,560	3,686,204
Total non-operating revenues/(expenses), net	3,761,718	4,474,652	3,777,889	3,893,192	4,856,788	4,042,162	7,408,984	5,563,937	10,260,298	5,652,007
Net Income/(Loss)	**(275,017)**	**4,787,597**	**6,368,128**	**6,820,617**	**5,648,017**	**2,256,011**	**8,841,099**	**8,833,742**	**19,782,878**	**12,594,387**
Net Position, Beginning of Year	154,644,712	154,369,695	159,157,292	153,722,733	160,543,350	166,191,367	158,742,524	167,583,623	176,417,365	196,200,243
Prior Period Adjustment [4]			(11,802,687)			(9,704,854)				(1,249,151)
Net Position, End of Year	$ 154,369,695	$ 159,157,292	$ 153,722,733	$ 160,543,350	$ 166,191,367	$ 158,742,524	$ 167,583,623	$ 176,417,365	$ 196,200,243	$ 207,545,479

Source: Delta Diablo Audited Financial Statements

Note: (1) Service Charges is comprised of Wastewater Sewer Service, Recycled Water, Street Sweeping, and Bay Point Collection Charges.

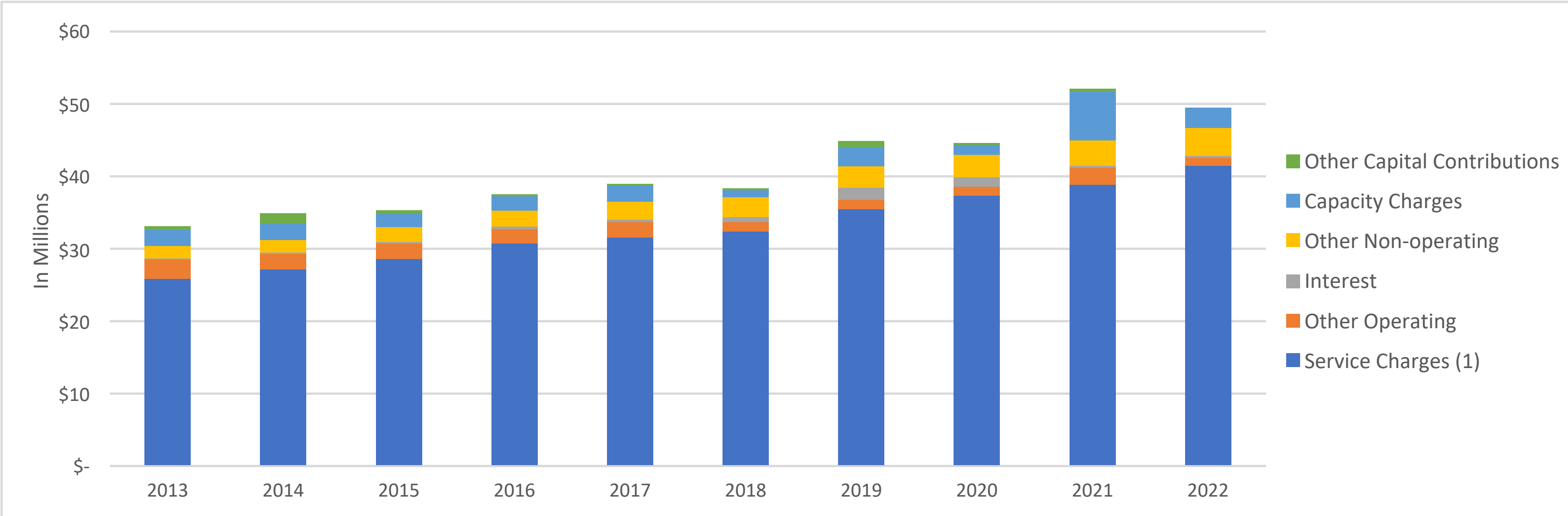
(2) Prior to FY18/19, overhead from capital projects was reported as Work for Others. Commencing FY18/19, reported as transfer and eliminated for entity-wide statements.

(3) Includes a one-time side fund payment made to CalPERS of $3.9M.

(4) Implementation of GASB 68 and 75; write-off of construction in progress.

(5) Write-off of construction in progress.

DELTA DIABLO
Total Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)



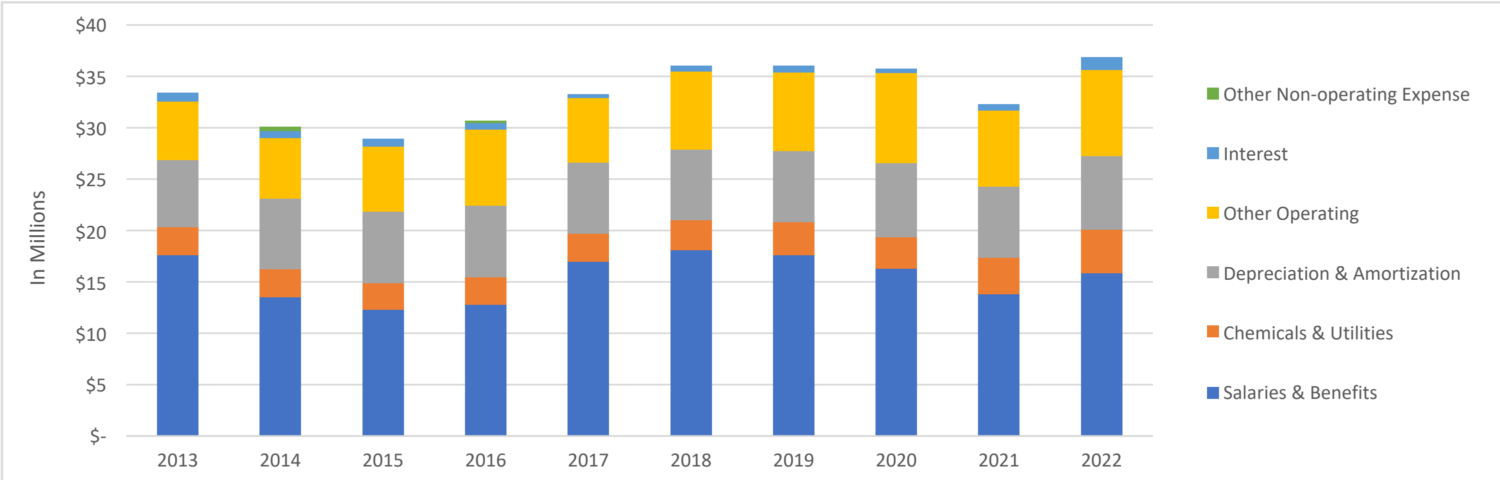
Revenue Sources							
Fiscal Year	Service Charges [(1)]	Other Operating	Interest	Other Non-Operating	Capacity Charges	Other Capital Contributions [(2)]	Total
2013	$ 25,824,829	$ 2,677,605	$ 189,139	$ 1,684,213	$ 2,280,985	$ 475,486	$ 33,132,257
2014	27,151,658	2,161,304	174,179	1,734,309	2,250,790	1,426,873	34,899,113
2015	28,626,113	2,147,690	207,369	2,014,932	1,926,982	363,704	35,286,790
2016	30,755,640	1,989,673	297,905	2,266,583	2,031,409	177,138	37,518,348
2017	31,572,922	2,121,889	359,034	2,495,786	2,359,761	13,298	38,922,690
2018	32,389,604	1,302,988	678,535	2,745,286	992,717	198,581	38,307,711
2019	35,484,438	1,322,760	1,606,118	3,025,397	2,636,962	810,867	44,886,542
2020	37,312,576	1,295,349	1,243,479	3,160,694	1,540,614	51,758	44,604,470
2021	38,867,117	2,343,975	241,502	3,535,949	6,757,343	323,275	52,069,161
2022	41,451,868	1,139,998	291,901	3,789,171	2,808,983	-	49,481,921

Source: Delta Diablo Audited Financial Statements

Note: [(1)] Service Charges is comprised of Wastewater Sewer Service, Recycled Water, Street Sweeping, and Bay Point Collection Charges.

[(2)] The District received capital contributions either in the form of State, Subgrants and/or Federant grants.

DELTA DIABLO
Total Expense By Category
Last Ten Fiscal Years
(accrual basis of accounting)



Expense Categories

Fiscal Year	Salaries & Benefits	Chemicals & Utilities	Depreciation & Amortization	Other Operating	Interest	Other Non-operating	Total
2013	$ 17,593,719	$ 2,755,742	$ 6,506,348	$ 5,683,360	$ 868,105		$ 33,407,274
2014	13,500,132 [1]	2,767,263	6,821,159	5,911,463	695,818	415,681 [3]	30,111,516
2015	12,304,139	2,567,767	6,959,201	6,352,457	735,098		28,918,662
2016	12,796,436	2,649,252	6,993,567	7,378,633	662,132	217,711 [3]	30,697,731
2017	16,951,986	2,772,504	6,881,767	6,297,325	371,091		33,274,673
2018	18,083,303 [2]	2,908,186	6,897,318	7,589,936	572,957		36,051,700
2019	17,604,581 [2]	3,204,882	6,926,195	7,639,425	670,360		36,045,443
2020	16,279,300	3,073,901	7,202,996	8,781,923	432,608		35,770,728
2021	13,805,207	3,523,564	6,961,060	7,398,681	597,771		32,286,283
2022	15,849,013	4,242,411	7,179,370	8,378,692	1,238,048		36,887,534

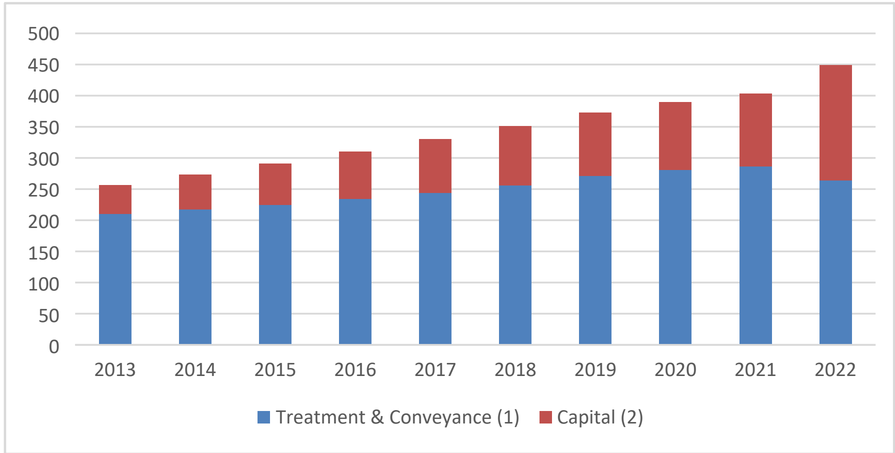
Source: Delta Diablo Audited Financial Statements

Note: [1] Includes a one-time side fund payment made to CALPERS of $3.9M.

[2] Includes adjustment for Implementation of GASB 68.

[3] Loss on disposition of capital assets.

DELTA DIABLO
Major Revenue Base and Rates
Last Ten Fiscal Years



Fiscal Year	Annual Sewer Service Charge: Treatment & Conveyance [(1)]	Capital [(2)]	Total	Capacity Charges [(3)]
2013	211	46	257	$4,444
2014	218	55	273	4,444
2015	225	66	291	4,444
2016	234	76	310	4,444
2017	244	86	330	4,444
2018	256	95	352	4,444
2019	271	102	373	4,444
2020	281	109	389	4,444
2021	286	117	403	4,444
2022	264	185	449	4,444

Source: Delta Diablo Rate Ordinance

Note: [(1)] Average annual flat fee (Zone 1-3) per Equivalent Residential Unit (ERU). Multi-family properties, multiply # of ERU x annual flat fee. Commercial user charges consist of an annual rate x hundred cubic feet (HCF) of water consumed except for customers with less than 90 HCF of water consumed, which are assessed an annual flat fee.

[(2)] Average annual flat fee (Zone 1-3) for Capital Asset and Capital Asset Replacement. Starting in FY11-12 through FY19-20 includes an Advance Treatment Plant component.

[(3)] Average Capital Facilities Capacity Charges (Zone 1-3) for new users per ERU connecting to the wastewater system.

DELTA DIABLO
Service Charges and Service Charges as a Percentage of Total Operating Revenue
Last Ten Fiscal Years

	2012 - 2013	2021 - 2022
Service Charges:		
Waste Water Sewer	$ 20,641,440	$ 35,534,214
Recycled Water	3,707,951	4,028,007
Street Sweeping	593,526	651,270
Baypoint	881,912	1,238,377
Total Service Charges	$ 25,824,829	$ 41,451,868
Total Operating Revenues	$ 28,502,434	$ 42,591,866
Service Charges as a Percentage of Total Operating Revenue	91%	97%

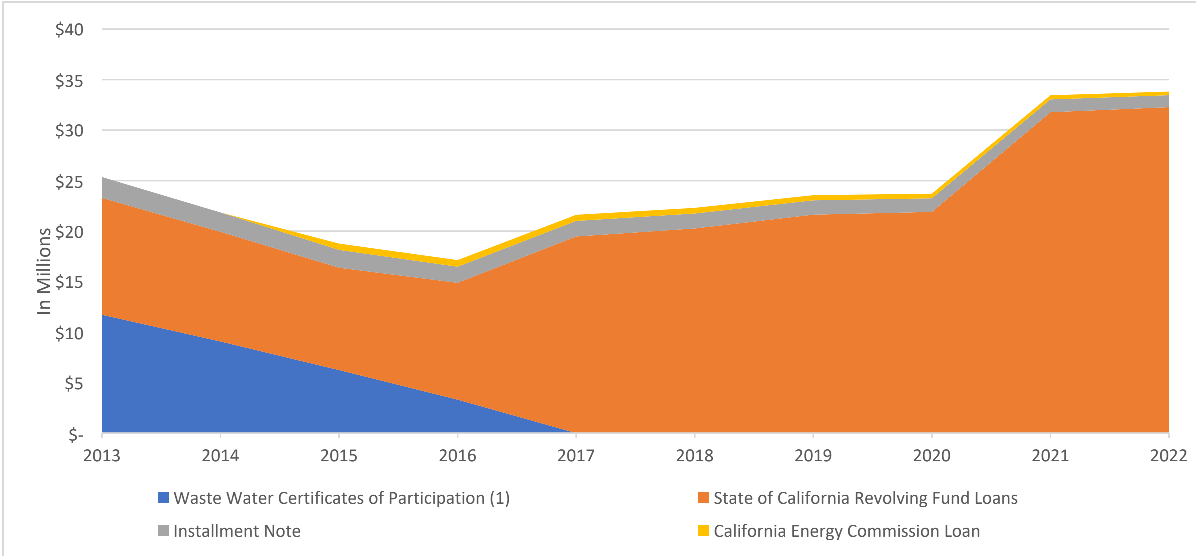
Principal Customers - Revenue Capacity
Current Year and Nine Years Ago

Customer	Business Type	City	FY 2012-2013 Service Charge Annual Billing	Rank	Percentage of Total Annual Billings	FY 2021-2022 Service Charge Annual Billing	Rank	Percentage of Total Annual Billings
Calpine (1)	Utility	Pittsburg	$ 3,933,727	1	15.2%	$ 5,731,486	1	13.8%
Corteva (formerly Dow Chemical)	Manufacturing	Pittsburg	225,680	2	0.9%	243,371	2	0.6%
Kirker Creek Apartments	Housing	Pittsburg			0.0%	238,307	3	0.6%
City of Antioch	City Government	Antioch	186,220	3	0.7%	233,892	4	0.6%
AMCAL Antioch Fund	Housing	Antioch			0.0%	171,398	5	0.4%
Kaiser Foundation Hospital	Hospital	Antioch	102,923	9	0.4%	154,000	6	0.4%
Angelica Healthcare	Retail	Pittsburg	142,177	6	0.6%	147,757	7	0.4%
Villa At San Marcos	Housing	Pittsburg			0.0%	147,732	8	0.4%
Rivershore Apartments	Housing	Bay Point			0.0%	145,488	9	0.4%
Meadows Mobile Home Park	Housing	Pittsburg			0.0%	131,904	10	0.3%
City of Pittsburg	City Government	Pittsburg	163,225	4	0.6%			0.0%
Woodland Hills Apartments	Housing	Pittsburg	144,584	5	0.6%			0.0%
Mimi's Café	Food Services	Antioch	134,878	7	0.5%			0.0%
Antioch Unified School District	Public Education	Antioch	106,261	8	0.4%			0.0%
Target	Retail	Antioch	93,153	10	0.4%			0.0%
All Other (2)		Combined Area	20,592,000		79.7%	34,106,532		82.3%
Total			$ 25,824,829		100.0%	$ 41,451,868		100.0%

Source: Delta Diablo Audited Financial Statements and Billing Records

Note: (1) Calpine is the District's largest Recycled Water customer, data includes Recycled Water charges. (2) "All Other" customers (includes residential, commercial customers) when listed individually is less than 0.5% of Total Annual Service Charges Billings covering all three cities served.

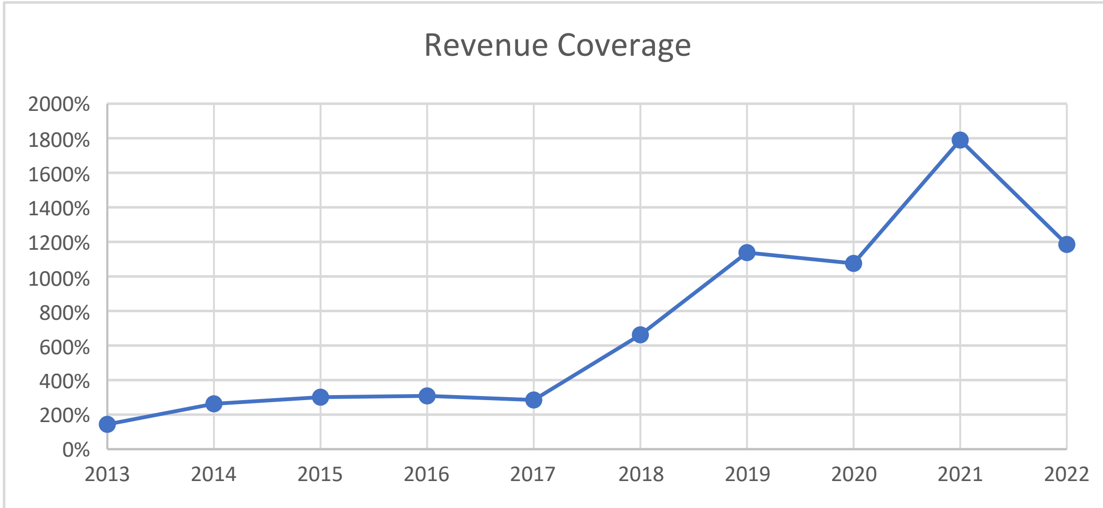
DELTA DIABLO
Outstanding Debt by Type and Debt Per Capita
Last Ten Fiscal Years



Fiscal Year	Waste Water Certificates of Participation [1]	State of California Revolving Fund Loans	Installment Note	California Energy Commission Loan	Total	Population Estimates [2]	Debt Per Capita [3]
2013	$ 11,714,312	$ 11,568,040	$ 2,072,577		$ 25,354,929	195,392	$ 130
2014	9,067,882	10,854,596	1,923,203		21,845,681	198,473	110
2015	6,237,347	10,134,156	1,764,088	630,000	18,765,591	200,942	93
2016	3,310,000	11,570,850	1,594,676	$ 655,696	17,131,222	203,759	84
2017		19,464,968	1,542,156	608,219	21,615,343	204,971	105
2018		20,258,304	1,483,830	560,267	22,302,401	207,057	108
2019		21,624,398	1,419,331	511,833	23,555,562	214,327	110
2020		21,897,345	1,348,274	462,927	23,708,546	214,862	110
2021		31,765,815	1,270,253	413,518	33,449,586	215,394	155
2022		32,268,857	1,184,837	363,614	33,817,308	218,683	155

Source: Delta Diablo Audited Financial Statements
Notes: Debt amounts exclude premiums, discounts, or other amortization amounts.
[1] Includes accrued interest. Matured in 2016.
[2] Demographics and Economic Statistics (Statistical section)
[3] Debt per Capita = Total Debt/Population Estimate.

DELTA DIABLO
Pledged Revenue Coverage
Last Ten Fiscal Years



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	33,132,257	26,900,926	6,231,331	3,635,223	700,029	4,335,252	144%
2014	34,899,113	23,290,357	11,608,756	4,172,818	248,160	4,420,978	263%
2015	35,286,790	21,959,461	13,327,329	4,194,555	233,724	4,428,279	301%
2016	37,518,348	23,704,164	13,814,184	4,253,312	226,260	4,479,572	308%
2017	38,922,690	26,392,906	12,529,784	4,178,887	221,286	4,400,173	285%
2018	38,307,711	29,154,382	9,153,329	1,000,849	381,817	1,382,666	662%
2019	44,886,542	29,119,248	15,767,294	973,476	412,175	1,385,651	1138%
2020	44,604,470	28,567,732	16,036,738	1,053,186	437,985	1,491,171	1075%
2021	52,069,161	25,325,223	26,743,938	1,074,221	420,278	1,494,499	1789%
2022	49,481,921	29,708,164	19,773,757	1,178,878	489,372	1,668,250	1185%

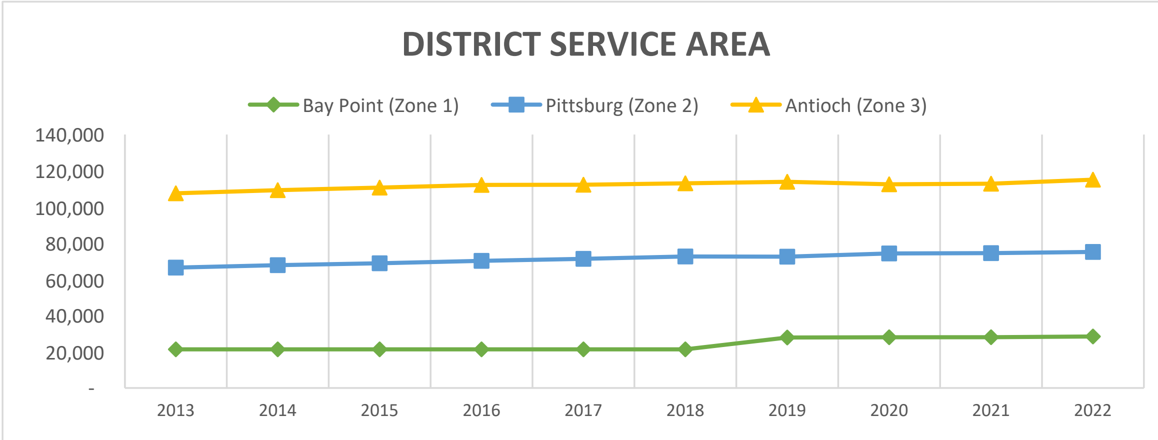
Source: Delta Diablo Audited Financial Statements
Note: Detail information on long-term debt can be found in the notes to the financial statements
(1) All revenues including capacity charges and other capital contributions
(2) Does not include depreciation and amortization

DELTA DIABLO
Principal Employers in the District
Current Year and Nine Years Ago

Employer (1)	Industry (2)	2022 (1) Estimated Employees	2022 (1) Rank	2022 (1) Percent of District Employment	2012 (1) Estimated Employees	2012 (1) Rank	2012 (1) Percent of District Employment
Kaiser Permanente	Hospitals/Clinics	2,166	1	2.67%	1,964	1	2.73%
Antioch Unified School District	Schools-Universities	1,900	2	2.35%	1,723	2	2.39%
Pittsburg Unifed School District	Schools-Universities	1,274	3	1.57%	965	4	1.34%
Sutter Delta Medical	Hospitals/Clinics	972	4	1.20%	1,200	3	1.67%
Los Medanos Community College	Schools-Universities	719	5	0.89%	640	6	0.89%
USS-POSCO	Manufacturing	634	6	0.78%	700	5	0.97%
Contra Costa County Social Services	Family Services	539	7	0.67%	487	7	0.68%
Dow Chemical Company	Manufacturing	370	8	0.46%	400	8	0.56%
Walmart	Retail	225	9	0.28%	216	10	0.30%
Target	Retail	220	10	0.27%	265	9	
All Others		71,961			63,440		
Total (3)		80,980			72,000		

Source: (1) City of Antioch and City of Pittsburg 2021/2010 CAFR
(2) State of California, Employment Development , Major Employers (Industry Type)
(3) State of California , Employment Development Department, Labor Market Information

DELTA DIABLO
Demographic and Economic Statistics
Last Ten Fiscal or Calendar Years



Population Estimates for the District's Service Area					Contra Costa County			
Fiscal Year Ended June 30	Bay Point [1] (Zone 1)	Pittsburg [1] (Zone 2)	Antioch [1] (Zone 3)	Total	Population [1]	Personal Income [2]	Per Capita Personal Income [2]	Average Annual Unemployment Rate [2]
2013	21,349	66,499	107,544	195,392	1,083,937	$ 66,607,757	$ 60,883	8.2
2014	21,349	67,849	109,275	198,473	1,098,018	$ 69,818,812	$ 62,957	6.8
2015	21,349	68,895	110,698	200,942	1,112,328	$ 76,517,699	$ 68,123	5.6
2016	21,349	70,233	112,177	203,759	1,127,279	$ 80,412,234	$ 70,840	4.7
2017	21,349	71,342	112,280	204,971	1,139,313	$ 88,024,256	$ 76,886	4.2
2018	21,349	72,647	113,061	207,057	1,149,363	$ 94,900,003	$ 82,506	3.5
2019	27,885	72,541	113,901	214,327	1,155,879	$ 98,423,318	$ 85,324	3.4
2020	28,021	74,321	112,520	214,862	1,153,561	$ 106,318,748	$ 92,264	4.0
2021	28,048	74,498	112,848	215,394	1,153,854	n/a	n/a	8.9
2022	28,453	75,156	115,074	218,683	1,165,927	n/a	n/a	6.4
Average (10 years)	24,050	71,398	111,938	207,386				
As a % of Total	12%	34%	54%	100%				

Source: [1] State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2022.
[2] Federal Reserve Economic Data-Economic Research Division.

Notes: Data shown as n/a denotes information is not available.
The district is located in Contra Costa County and serves 3 cities (Bay Point, Pittsburg and Antioch) within the county.

DELTA DIABLO
About the District

Date of Formation	1955
Number of employee positions filled	71
Governing Body	Three appointed Board Members (The Mayors of the City of Pittsburg [or Designee] and City of Antioch [or Designee]), and the Contra Costa County Supervisor of Bay Point.
Services Provided	Wastewater treatment and disposal, Recycled Water, Household Hazardous Waste Facility and disposal, Street Sweeping and Wastewater collection for Bay Point.

Service Areas in Contra Costa County	Square Miles	Population Estimates [1]	Per Capita Income [2]	Household Income [2]	Unemployment Rate [3]
Bay Point (Unincorporated)	7	28,453	$ 23,512	$ 69,464	8.4%
Pittsburg (City)	18	75,156	$ 32,117	$ 83,163	7.5%
Antioch (City)	29	115,074	$ 30,526	$ 80,234	8.4%
Total	54	218,683			
Weighted Average District Area Per Capita Income			$ 30,160		
Weighted Average District Area Per Household Income				$ 79,839	
Weighted Average District Area Unemployment (based on District population)					8.1%

Number of Facilities:

Treatment Plants	1	Recycled Water Plants	1
Miles of Sanitary Sewer	75.5	Miles of Recycled Water Main	16
Pump Stations	5	Recycled Water Reservoirs	3
Household Hazardous Waste Facilities	1		

Source: Delta Diablo Records

Notes: [1] Demographic and Economic Statistics Section of this report.

[2] U.S. Census Bureau, State & County Quick Facts, 2019 Dollars

[3] State of California, Employment Development Department, Monthly Labor Force Data for Cities and Census Designated Places (2019 Preliminary, data not seasonally adjusted)

DELTA DIABLO
District Employees By Department
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
Department/Function	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Administration	8.00	8.00	8.00	8.00	9.00	8.00	8.00	7.00	7.00	6.00
Public Information1	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Sub-total Administrative Services Department	9.00	9.00	9.00	9.00	10.00	8.00	8.00	7.00	7.00	6.00
Human Resources and Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	5.80	6.00	6.00	5.00	6.00	6.00	5.00	5.00	6.00	5.00
Information systems	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Public Information1	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00
Purchasing	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	3.00
Sub-total Business Services Department	10.80	11.00	12.00	11.00	12.00	13.00	11.00	11.00	11.00	12.00
Engineering Services	10.00	10.00	10.00	11.00	11.00	12.00	11.00	9.00	10.00	10.00
Sub-total Engineering Services	10.00	10.00	10.00	11.00	11.00	12.00	11.00	9.00	10.00	10.00
Maintenance	19.00	19.00	18.00	18.00	21.00	19.00	17.00	17.00	18.00	16.00
Collection	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Plant Operations	18.00	17.00	18.00	17.00	19.00	19.00	19.00	19.00	20.00	19.00
Laboratory, pre-treatment, pollution prevention	6.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00
Sub-total Operations Services	45.00	43.00	43.00	43.00	48.00	46.00	45.00	45.00	47.00	43.00
Total Number of Active Positions Filled	74.80	73.00	74.00	74.00	81.00	79.00	75.00	72.00	75.00	71.00
Total Number of Budgeted Positions2			76.80	78.80	82.00	81.00	78.00	79.00	78.00	75.00
Total Number of Retirees	31.00	33.00	39.00	42.00	46.00	50.00	56.00	60.00	66.00	76.00

Source: Delta Diablo Payroll and Financial Records

Note: Active positions filled and budgeted positions does not include Board members, temporary and/or summer co-op interns. Retiree count does not include spouses.

[1] Public Information was moved from Administration to Business Services in FY17/18.

[2] Prior years Budgeted Positions not available.

DELTA DIABLO
Operating and Capital Indicators by Program
Last Ten Fiscal Years (FY) or Calendar Years (CY)

Program	Year	Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wastewater (WW)												
Number of Treatment Plants	CY		1	1	1	1	1	1	1	1	1	1
Miles of Sanitary Sewer	CY		71	71	71	71	73.5	71	73.5	73.5	75.5	75.5
Number of Pump Stations	CY		5	5	5	5	5	5	5	5	5	5
Annual Average Influent Flow	CY	mgd	13.0	12.8	12.2	12.4	13.3	12.6	12.6	12.7	12.9	13.6
Treatment Plant Capacity (ADWF)	CY	mgd	16.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Average Dry Weather Flow (ADWF)	CY	mgd	13.1	12.5	11.8	12.3	12.8	12.4	12.4	12.5	12.8	12.9
Recycled Water (RW)												
Number of Recycled Water Reservoirs	CY		3	3	3	3	3	3	3	3	3	3
Miles of Recycled Water Mains	CY		14.2	16.0	16.0	16.0	16.2	16.2	16.2	16.2	16.2	16.2
Storage Capacity of Recycled Water Reservoirs	CY	mg	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Annual Average Recycled Water Produced	CY	mgd	8.0	7.2	6.6	6.4	4.4	6.2	5.6	5.6	6.4	7.6
Average Dry Weather Flow (ADWF)	CY	mgd	8.6	7.4	7.3	7.8	5.2	6.0	4.5	4.5	5.3	8.1
Household Hazardous Waste (HHW)												
Number of Households (est)	FY		95,656	97,837	99,036	100,249	101,954	103,153	102,923	102,159	104,941	106,131
Total Number of Vehicles	FY		14,609	14,560	15,504	16,071	17,465	19,151	20,005	13,521	20,236	18,574
Total Participation Rate	FY		17.0%	14.9%	15.7%	16.0%	17.1%	18.6%	19.4%	13.2%	19.3%	17.5%
Total Tons of Waste Collected	FY		434	399	441	516	533	545	556	338	640	571
Total Percent of Waste Recycled	FY		77.6%	73.0%	71.0%	69.0%	68.7%	72.4%	70.8%	73.8%	68.5%	69.7%
Street Sweeping												
Annual Curb Miles Swept	CY		25,494	25,609	25,724	25,840	25,989	25,989	25,989	25,989	25,989	25,551
Collection												
Miles of Collection Sewer Lines	CY		43	43	43	43	43	43	43	43	43	43

Source: Delta Diablo Records
mgd = million gallons per day, mg = million gallons