



# Ensuring Long-term Financial Sustainability Proposed Sewer Service Charge Increases

April 2021

In developing its budget each year, Delta Diablo (District) carefully considers operational and capital investment needs to maintain effective and reliable wastewater collection (Bay Point only), conveyance, and treatment services for its **214,000 customers** in Antioch, Pittsburg, and Bay Point. Our primary revenue comes from **Sewer Service Charges (SSCs)\*** charged to residential, commercial, and industrial customers on the tax roll each year.

We continue to prioritize sustained **capital investment** to maintain the integrity of our **aging wastewater system infrastructure\*\***, while ensuring sufficient funding to meet **progressive increases in annual operating costs** over time due to escalations in labor, chemical, energy, materials, supplies, equipment, hauling, and services costs, as well as **increasingly more stringent regulatory requirements**.

We critically review required SSC adjustments to ensure sufficient revenue collection that reflects cost-of-service, while minimizing economic impacts to customers. For **Fiscal Year 2021/2022** (effective July 1, 2021), the District has notified customers (via **Proposition 218 Notices\*\*\*** mailed to property owners on or before April 26, 2021) of its intent to increase SSCs for residential customers by **\$26.32/year** (6.5%, \$429.42 total) for **Antioch/Pittsburg** and **\$32.78/year** (5.9%, \$589.25 total) for **Bay Point**.

- **SSC Revenue Allocation:** We have identified a total SSC revenue need of **\$34.8 million** for FY21/22, which includes \$15.1 million for operational needs and \$19.7 million for capital project funding. Other funding includes ad valorem taxes and available unallocated funds.
- **Annual Revenue Increase Drivers:** The proposed SSC increase would generate an **additional \$1.6 million in revenue** in FY21/22 to support cash funding of critical capital investments in aging infrastructure to ensure the lowest overall cost to ratepayers.
- **Updated Cost-of-Service Study Revenue Allocation:** Based on the District's 2021 Cost-of-Service Study, proposed SSC increases for residential customers include a shift in the annual revenue requirement from non-residential (i.e., commercial, industrial) to residential customers of approximately \$550,000. The District is required to assess SSCs based on cost-of-service avoid subsidizing a customer class with revenues from other classes.
- **COVID-19 Impacts:** In providing essential services throughout the COVID-19 pandemic, we have worked hard to minimize financial impacts to our customers. The proposed SSC increases for residential customers in FY21/22 will help the District continue meeting its core mission of protecting public health and the environment.
- **Long-term Financial Planning:** We conduct a 5-year SSC analysis to identify future SSC adjustments to **maintain sustained fiscal integrity**, while avoiding sharp rate increases. The **District continues to maintain its rates well below the average** of its peer agencies in the San Francisco Bay Area.

\* SSCs are not used for recycled water or street sweeping services, which are funded separately.

\*\* "Investing in Critical Wastewater Infrastructure" fact sheet is available on website for more information.

\*\*\* "Notice of Proposed SSC Adjustments for FY21/22" is available on website for more information.

As a nationally-recognized industry leader, the District values strong community engagement, serving as responsible stewards of the public's resources and trust, transparency, innovative approaches, and sustainable solutions in achieving its core mission.

## About Delta Diablo

Delta Diablo is a special district that provides wastewater conveyance and treatment services for over 214,000 residents in Antioch, Pittsburg, and Bay Point.

The District treats 13 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public's resources and trust.

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

- ❖ Producing 6 million gallons of recycled water per day
- ❖ Generating on-site renewable energy to meet over 55% of WWTP power needs
- ❖ Reusing residual biosolids as fertilizer through land application at farm sites
- ❖ Providing household hazardous waste (HHW) collection services
- ❖ Protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems

## Our Mission

Protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.



13 million gallons of wastewater per day



76 miles of sewer pipes, force mains



5 pumps stations to convey wastewater



Wastewater Treatment Plant



Proposed SSC Revenue for FY21/22 Budget

Capital \$19.7M  
Operating \$15.1M

Proposed SSC Increase

+\$26.32/year  
(Antioch/Pittsburg residential)  
+\$32.78/year  
(Bay Point residential)

visit [www.deltadiablo.org](http://www.deltadiablo.org) or call (925) 756-1900 for more information