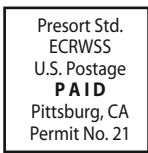




2500 Pittsburg-Antioch Highway
Antioch, CA 94509



Notice of Proposed Sewer Service Charge Rate Increases for Fiscal Year 2024/25

Proposition 218 Notification to Property Owners of Public Hearing

**NOTICE OF PUBLIC HEARING
PROPOSED SEWER SERVICE CHARGE
RATE INCREASES**

**5:30 PM
WEDNESDAY, JUNE 12, 2024
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**

WHAT IS DELTA DIABLO?

Delta Diablo (“District”) provides wastewater conveyance and treatment services for over 72,617 customer accounts (residential and non-residential), representing over 218,000 residents in the cities of Antioch and Pittsburg, and the unincorporated community of Bay Point. As part of our core mission to protect public health and the environment, the District treats 14.2 million gallons of wastewater each day with a focus on exemplary regulatory compliance, innovative and sustainable approaches, and sound stewardship of the public’s resources and trust.

The District has transformed its Wastewater Treatment Plant (WWTP) into a “resource recovery facility” by producing approximately 7.7 million gallons per day of recycled water, generating onsite renewable energy to meet over 50 percent of WWTP power needs, reusing residual biosolids as fertilizer via land application, providing household hazardous waste (HHW) collection services, and further protecting the Delta by providing street sweeping services to remove pollutants that would otherwise enter local stormwater systems.

PROPOSED FISCAL YEAR 2024/2025 SEWER SERVICE CHARGES

The District collects Sewer Service Charges (SSCs) from its customers each year as the primary revenue source needed to fund capital infrastructure investments, labor, energy, chemicals, regulatory compliance obligations, plant maintenance, and Delta HHW Collection Facility operations. For Fiscal Year 2024/25 (FY24/25) (July 1, 2024 – June 30, 2025), the District is proposing SSC increases of approximately +\$24.80 per year (+5.5%) for residential customers in Antioch and Pittsburg, and approximately +\$33.16 per year (+5.4%) for residential customers in Bay Point. The District continues to maintain its rates below the average of peer agencies in the San Francisco Bay Area region.

Because the District’s costs in the categories referenced above will increase in the next fiscal year, SSC increases are required to recover the District’s costs, maintain effective and reliable wastewater conveyance and treatment services, meet future regulatory requirements, and ensure financial integrity and long-term sustainability. In addition, the proposed FY24/25 SSCs incorporate FY24/25 Cost-of-Service Study findings, which updated growth in the service area and the corresponding additional wastewater flow to the District’s WWTP. SSCs for non-residential customers (i.e., commercial, industrial) were adjusted accordingly for FY24/25 based on customer class. Most District customers are billed on a fiscal-year basis and pay SSCs via annual property tax bills. Property tax bills also include a street sweeping service charge (no increase from FY23/24) that varies by community based on service frequency.



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

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

Environmental Stewardship

In treating 14.2 million gallons of wastewater each day, Delta Diablo has an exemplary regulatory compliance record in meeting federal, state, and local regulatory requirements and protecting the local Delta receiving waters.

Infrastructure Investment

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

Fiscal Responsibility

Delta Diablo is committed to maintaining responsible rates by prioritizing capital investments, managing budgets through operational efficiencies, and targeting available grant and low-interest loan programs.

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

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

Table 1 – Example Annual Residential SSC on Property Tax Bills for FY24/25

Residential Service Customers	Proposed SSC Increase	Current FY23/24	Proposed FY24/25	Annual Change
Antioch/Pittsburg	+5.5%	\$448.75	\$473.55	+\$24.80
Bay Point**	+5.4%	\$615.77	\$648.93	+\$33.16

Notes: * Percentage increases are approximate.

** Delta Diablo provides wastewater collection services for Bay Point customers only (i.e., higher SSC), while the respective cities provide these services for Antioch and Pittsburg customers.

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

Table 2 – Non-residential Proposed User Charges: SSC (\$) per Hundred Cubic Feet per Year

Business Class (Commercial/Industrial)	Bay Point (Zone 1)		Pittsburg (Zone 2)		Antioch (Zone 3)	
	Current FY23/24	Proposed FY24/25	Current FY23/24	Proposed FY24/25	Current FY23/24	Proposed FY24/25
Bakeries/Restaurants	\$9.43	\$9.67	\$7.66	\$7.82	\$7.66	\$7.82
Hotels/Motels	\$4.78*	\$4.97*	\$4.78	\$4.97	\$4.78	\$4.97
Institutional	\$6.18	\$6.47	\$4.41	\$4.61	\$4.41	\$4.61
Light Industrial	\$5.97	\$6.26	\$4.21	\$4.42	\$4.21	\$4.42
Marinas	\$6.31*	\$6.73*	\$6.31	\$6.73	\$6.31	\$6.73
Misc. Commercial	\$6.18	\$6.56	\$4.41	\$4.67	\$4.41	\$4.67
Mortuaries	\$6.10*	\$6.26*	\$6.10	\$6.26	\$6.10	\$6.26
Annual Minimum	varies**	varies**	varies**	varies**	varies**	varies**

Notes: * SSC per HCF/y for FY23/24 provided, although no businesses in these classes are known in Bay Point.

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

WHAT DO SEWER SERVICE CHARGES FUND?

The SSC increases are necessary to generate \$2.5 million in increased revenue to meet capital and operating costs associated with providing wastewater services. The District utilizes SSC revenue to:

- **Meet the District’s core mission of protecting public health and the environment.** Achieving this mission requires sufficient capital investment and staffing levels to properly operate and maintain the District’s complex network of sewer pipes, pump stations, and treatment processes.
- **Address aging infrastructure through prioritized capital investment.** The District continues to strategically rehabilitate and replace essential elements of the wastewater collection, conveyance, and treatment systems to maintain effective and reliable services.
- **Implement capital upgrades necessary to meet nutrient removal requirements.** The District anticipates a costly region-wide regulatory mandate to remove nutrients (e.g., ammonia) from wastewater prior to discharge to receiving waters in response to recent algal blooms in San Francisco Bay.

- **Recover increases in operating costs.** As a regulated utility that requires specialized employees, materials, and services to meet its mission, the District continues to experience progressive increases in annual operating costs due to escalations in labor, chemical, energy, materials, supplies, hauling, services, and regulatory compliance costs.
- **Prevent the need for more significant SSC increases in the future.** In developing its 5-year financial plan each year, the District works hard to balance direct economic impacts to customers and the need for sufficient revenue to cover capital investment needs and operating costs. If SSC increases are not implemented this year, more significant rate increases may need to be proposed in subsequent years.
- **Focus on cash funding versus borrowing for capital improvements.** Increasing overall SSC revenue allows the District to continue cash funding a majority of necessary capital improvements in its wastewater conveyance and treatment systems.

Detailed information on operating and capital costs is available within the District’s budget and CIP documents, which are on file at the District’s offices.

PUBLIC HEARING AND PROTEST PROCEDURES

The Board of Directors will hold a public hearing on the proposed SSC increases on Wednesday, June 12, 2024, at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. After close of the public hearing and consideration of all public comments and written protests received, the Board of Directors will be asked to take action to implement the proposed SSC increases at this meeting.

Written protests may be sent to the District (attention of “Office Manager/Secretary to the Board”, 2500 Pittsburg-Antioch Highway, Antioch, California, 94509) prior to the close of the public hearing and **must include your property address and the Assessor Parcel Number** found on your mailing label. At the close of the public hearing, the Secretary to the Board will announce the total number of protest responses, including any received by the close of the public hearing. If written protests are presented by a majority of the parcel owners in the District’s service area, the District cannot implement the SSC increases.



Delta Diablo Wastewater Treatment Plant in Antioch, CA

