

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



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

A CALIFORNIA SPECIAL DISTRICT

Board of Directors Finance Committee Meeting

5:30 PM, Tuesday, April 14, 2026

Plant Operations Center Conference Room
2500 Pittsburg-Antioch Highway, Antioch, CA 94509

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

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

AGENDA

- A. PUBLIC COMMENTS**
- B. REVIEW PROPOSED MAXIMUM FY26/27-FY29/30 STREET SWEEPING REFUSE CHARGES AND DRAFT PROPOSITION 218 NOTICE (Nitish Sharma)**
- C. REVIEW PROPOSED FY26/27 SEWER SERVICE CHARGES (Brian Thomas)**
- D. ADJOURNMENT**



MEMORANDUM

DATE: April 14, 2026

TO: Jelani Killings, Chair, Finance Committee

FROM: Nitish Sharma, Business Services Director *Nitish Sharma*

SUBJECT: REVIEW PROPOSED MAXIMUM FY26/27-FY29/30 STREET SWEEPING REFUSE CHARGES AND DRAFT PROPOSITION 218 NOTICE

Recommendations

1. Review and comment on proposed maximum FY26/27-FY29/30 Street Sweeping Refuse Charges (SSRCs) and draft Proposition 218 Notice detailing the proposed SSRC increases and notifying property owners of the associated public hearing.
2. Approve submitting the proposed maximum FY26/27-FY29/30 SSRC revenue increases, draft Proposition 218 Notice, and public hearing date (June 25, 2026) for consideration at the April 23, 2026 Board Meeting.

Background Information

In addition to providing wastewater conveyance and treatment services, the District administers street sweeping services for over 218,000 residents in Antioch, Pittsburg, and Bay Point. Street sweeping helps prevent pollution of local waterways by removing sediment, contaminants, and debris from streets before wind or rain can carry the material into storm drains that discharge directly to local receiving waters. In addition, these services reduce the potential for localized flooding due to clogged storm drains and enhance visual aesthetics and road safety in local neighborhoods. The District administers a contract with a street sweeping service provider for Antioch and Bay Point, as well as a contract with the City of Pittsburg, which directly performs its services. In addition, the District responds to customer inquiries and concerns and supports partner agency efforts to coordinate public education and outreach efforts regarding route schedules and street access.

Although the District has not increased SSRCs since 1997, street sweeping program costs have increased significantly in recent years due to new prevailing wage requirements for the contract service provider in Antioch and Bay Point, and incorporation of full program costs for Pittsburg. In addition, the District has completed an updated FY26/27 Street Sweeping Cost-of-Service Rate Study, which required rebalancing revenue needs between residential and non-residential customers by community. On March 11, 2026, staff presented a summary of major factors impacting development of proposed SSRCs to the Board, noting that staff would present proposed maximum SSRCs for FY26/27-FY29/30 in April 2026.

Analysis

Key SSRC Revenue Increase Drivers: The District collects SSRCs from customers on the property tax roll each year to fund street sweeping services. Projected SSRC revenue in FY25/26 is estimated at \$656,000; however, based on the Cost-of-Service Study findings, the estimated revenue need for FY26/27 is \$1.7 million. This revenue need increase is driven largely by two key factors: 1) a significant increase in labor costs due to incorporation of prevailing wage requirements for the

contract with the street sweeping service provider for Antioch and Bay Point (+\$470,000 per year), and 2) direct incorporation of the full City of Pittsburg street sweeping costs (+\$511,000 per year) (the District was only providing partial reimbursement in recent years due to SSRC revenue constraints). Because the Street Sweeping Refuse Charge Fund balance is expected to be fully depleted by the end of FY25/26, staff is recommending the Board authorize an inter-fund loan transfer from the Wastewater O&M Fund with repayment from SSRC revenue over time.

In developing the proposed maximum SSRCs for FY26/27-FY29/30, staff identified the minimum inter-fund loan amount (\$0.5 million) for FY25/26 and increased the loan amount to develop multiple SSRC revenue increase scenarios with loan repayments to the Wastewater O&M Fund deferred to FY30/31-FY35/36. Although multiple SSRC revenue increase scenarios will be presented to the Finance Committee on April 14, 2026, staff is recommending a \$1.25 million inter-fund loan in FY25/26 to mitigate near-term SSRC increases for both residential and non-residential customers as highlighted below.

Proposed Maximum FY26/27-FY29/30 SSRCs: Based on the updated Cost-of-Service Study and cost increase drivers, the District is proposing SSRC revenue increases are required from FY26/27-FY29/30 to ensure sufficient revenue is collected to meet program needs. In compliance with California Constitution Article XIII(D), Section 6 (“Proposition 218”), the proposed FY26/27-FY29/30 maximum SSRCs are based on the FY26/27 SSRC Cost-of-Service Rate Study (prepared by IB Consulting), which evaluated the cost of providing street sweeping services and allocates charges in proportion to service level (i.e., curb miles swept) for each parcel. Proposed SSRCs for non-residential customers (i.e., commercial, industrial) were developed based on service levels and parcel land use. The Board will consider approval of SSRC revenue increases each fiscal year, subject to the maximum amounts presented in Tables 1 and 2 below.

Table 1 – Proposed Maximum Residential SSRC on Property Tax Bills for FY26/27-FY29/30

Residential Service Customers	Current FY25/26	Proposed Maximum SSRC by FY			
		FY26/27	FY27/28	FY28/29	FY29/30
Bay Point	\$4.58	\$9.35	\$15.43	\$16.98	\$17.83
Pittsburg	\$10.26	\$13.50	\$22.28	\$24.51	\$25.74
Antioch	\$5.60	\$9.19	\$15.17	\$16.69	\$17.53

Table 2 – Proposed Maximum Non-Residential SSRC on Property Tax Bills for FY26/27-FY29/30

Non-residential Service Customers	Current FY25/26	Proposed Maximum SSRC by FY			
		FY26/27	FY27/28	FY28/29	FY29/30
Bay Point	\$45.80	\$44.25	\$73.02	\$80.33	\$84.35
Pittsburg	\$51.35	\$102.28	\$168.77	\$185.65	\$194.94
Antioch	\$56.00	\$53.93	\$88.99	\$97.89	\$102.79

In addition to being authorized to provide refuse services under California Health and Safety Code Section 4740, the District must comply with Proposition 218 requirements. Staff has determined that the proposed maximum FY26/27-FY29/30 SSRCs are necessary and meet the following requirements:

- Collect sufficient revenue to meet current and long-term projected costs of operations and maintenance necessary to maintain effective and reliable services and maintain overall financial stability.
- Comply with state-mandated regulatory requirements.
- Avoid generating operational deficits and depleting reserves.

- Comply with California Constitution Article XIII D, Section 6, which includes the following requirements:
 - An agency cannot collect revenue beyond what is necessary to provide service.
 - No charge may be imposed for a service unless that service is actually used or immediately available to property owners.
 - Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed.
 - The amount of the charge is proportional to the cost of the service, and the apportionment of total costs among ratepayer classes must be reasonable (e.g., avoidance of subsidization across customer classes).

Proposed Proposition 218 Notice: In compliance with Article XIII D, Section 6 of the California Constitution (Proposition 218), notices on proposed maximum FY26/27-FY29/30 SSRC increases are planned to be mailed to all affected property owners by May 11, 2026 (a minimum of 45 days prior to the public hearing in June). The proposed Proposition 218 Notice (refer to attachment) includes the information required under Proposition 218 and outlines the process for protesting the proposed SSRC increases. Written protests can be mailed or hand-delivered to the District on or before the public hearing date or in person at the public hearing that is expected to be set for June 25, 2026. In addition, notices of the public hearing will be published twice in the East County Times, in accordance with Health and Safety Code Section 5473.1 to provide notice of the proposed collection of FY26/27 SSRCs on the tax roll. At the close of the public hearing, the Secretary to the Board will announce the total number of protests. If written protests against the proposed maximum FY26/27-FY29/30 SSRC revenue increases are presented by a majority of the parcel owners in the District's service area, the District cannot implement SSRC revenue increases.

Financial Impact

If the Board approves the proposed FY26/27 SSRC increase after the June 25, 2026 public hearing, an additional \$1.0 million in annual SSRC revenue would be generated to meet the District's street sweeping service revenue need. Staff has not identified any financial impacts associated with the proposed \$1.25 million inter-fund loan from the Wastewater O&M Fund to the Street Sweeping Refuse Charge Fund, which is proposed to be repaid beginning in FY30/31 through FY35/36.

Attachment

Draft Proposition 218 Notice for Proposed Maximum FY26/27-FY29/30 SSRCs



Notice of Proposed Four-Year Maximum Street Sweeping Refuse Charge Increases for Fiscal Years 2026/2027-2029/2030

Proposition 218 Notification to Property Owners of Public Hearing

NOTICE IS HEREBY GIVEN that the Delta Diablo Board of Directors will hold a public hearing on **Thursday, June 25, 2026, at 4:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California**, to consider adoption of proposed increases to Street Sweeping Refuse Charges. A summary of the proposed rates, financial information, and instructions for protesting the rate increases are provided below.

What Street Sweeping Services Does Delta Diablo Provide to Customers?

In addition to providing wastewater conveyance and treatment services, Delta Diablo (“District”) administers street sweeping services for over 218,000 residents in Antioch, Pittsburg, and Bay Point. Street sweeping helps prevent pollution of local waterways by removing sediment, contaminants, and debris from streets before wind or rain can carry the material into storm drains that discharge directly to local receiving waters. In addition, these services reduce the potential for localized flooding due to clogged storm drains, and enhance visual aesthetics and road safety in local neighborhoods. The District administers a contract with a street sweeping service provider for Antioch and Bay Point, as well as a contract with the City of Pittsburg, which directly performs its services. In addition, the District responds to customer inquiries and concerns and supports partner agency efforts to coordinate public education and outreach efforts regarding route schedules and street access.

Why is Delta Diablo Proposing Street Sweeping Refuse Charge Increases?

Although the District has not increased Street Sweeping Refuse Charges (SSRCs) since 1997, street sweeping program costs have increased significantly in recent years due to new prevailing wage requirements for the contract service provider in Antioch and Bay Point, and incorporation of full program costs for Pittsburg. In addition, the District has completed an updated Street Sweeping Cost-of-Service Study, which required rebalancing revenue needs between residential and non-residential customers by community.

Proposed Four-Year Maximum Street Sweeping Refuse Charge Increases (FY26/27-FY29/30)

The District collects SSRCs from customers on the property tax roll each year to fund street sweeping services. Based on the updated Cost-of-Service Study and cost increase drivers, the District is proposing SSRC revenue increases for Fiscal Years 2026/2027-2029/2030 (FY26/27-FY29/30) to ensure sufficient revenue is collected to meet program needs. In compliance with California Constitution Article XIII(D), Section 6 (“Proposition 218”), the proposed maximum SSRCs for FY26/27-FY29/30 are based on the FY26/27 Cost-of-Service Study (prepared by IB Consulting), which evaluated the cost of providing street sweeping services and allocates charges in proportion to service level (i.e., curb miles swept) for each parcel. The Study will be available for review at the District’s offices and website. Proposed SSRCs for non-residential customers (i.e., commercial, industrial) were developed based on service levels and parcel land use. The proposed maximum SSRCs by customer type, location, and fiscal year are presented in Tables 1 and 2 below.

Table 1 – Maximum Annual Residential SSRC on Property Tax Bills for FY26/27-FY29/30

Residential Service Customers	Current FY25/26	Proposed Maximum Street Sweeping Refuse Charge (SSRC) by Fiscal Year			
		FY26/27	FY27/28	FY28/29	FY29/30
Bay Point	\$4.58	\$9.35	\$15.43	\$16.98	\$17.83
Pittsburg	\$10.26	\$13.50	\$22.28	\$24.51	\$25.74
Antioch	\$5.60	\$9.19	\$15.17	\$16.69	\$17.53

Table 2 – Maximum Annual Non-Residential SSRC on Property Tax Bills for FY26/27-FY29/30

Non-residential Service Customers	Current FY25/26	Proposed Maximum Street Sweeping Refuse Charge (SSRC) by Fiscal Year			
		FY26/27	FY27/28	FY28/29	FY29/30
Bay Point	\$45.80	\$44.25	\$73.02	\$80.33	\$84.35
Pittsburg	\$51.35	\$102.28	\$168.77	\$185.65	\$194.94
Antioch	\$56.00	\$53.93	\$88.99	\$97.89	\$102.79



2500 Pittsburg-Antioch Highway
Antioch, CA 94509

**NOTICE OF PUBLIC HEARING
PROPOSED FOUR-YEAR MAXIMUM
STREET SWEEPING REFUSE CHARGE
RATE INCREASES FOR
FISCAL YEAR 2026/27-2029/30**

**4:30 PM
THURSDAY, JUNE 25, 2026
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**



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

In addition to providing wastewater conveyance and treatment services, Delta Diablo administers street sweeping services for over 218,000 residents in Antioch, Pittsburg, and Bay Point.

Public Hearing and Protest Procedures

The Board of Directors will hold a public hearing on the proposed **Street Sweeping Refuse Charge** (SSRC) increases on **Thursday, June 25, 2026, at 4:30 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 consider whether to implement the proposed SSRC increases.

Written protests must be received by 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 protests, 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 SSRC revenue increases.

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



MEMORANDUM

DATE: April 14, 2026

TO: Jelani Killings, Chair, Finance Committee

FROM: Brian Thomas, Deputy General Manager ^{BAT}

SUBJECT: RECEIVE REPORT ON PROPOSED FY26/27 SEWER SERVICE CHARGES

Recommendations

1. Receive and comment on proposed Fiscal Year 2026/2027 (FY26/27) Sewer Service Charges (SSCs).
2. Approve submitting the proposed FY26/27 SSC increases and public hearing date (June 10, 2026) for consideration at the April 23, 2026 Board Meeting.

Background Information

The wastewater sector is heavily regulated with new and emerging issues competing with aging infrastructure needs, operating budget challenges (e.g., chemical, energy, hauling costs), regulatory compliance obligations, treatment plant expansion needs, and limited state and federal funding support. The District endeavors to meet these challenges while ensuring SSCs remain near the average when compared to peer agencies in the San Francisco Bay Area.

In June 2025, the Board approved a 5-year Capital Improvement Program (CIP) totaling \$238.1 million, an FY25/26-FY26/27 Biennial Budget, and maximum annual SSC increases of +8.5% per year for FY25/26-FY29/30. In addition, the Board approved a +8.5% SSC increase for FY25/26. Board approval is required to place SSCs on the tax roll for each subsequent fiscal year.

Analysis

Secondary Process Improvements Project: In October 2025, staff presented a significant shift in the approach to meeting the nutrient removal regulatory mandate through the Secondary Process Improvements (SPI) Project, which includes achieving compliance with the nutrient removal regulatory mandate in Phase 1 (rather than in Phase 2). This scope change resulted in a cost increase from \$140.5M to \$190.2M (+\$49.7M). In addition, Phase 2 was deferred a minimum of ten years and reduced in scope, which resulted in a cost decrease from \$121.0M to \$43.7M (\$78.0M). This revised strategy reduced the overall capital cost from \$261.5M to \$233.9M (-\$27.6M), nutrient removal costs from \$146.0M to \$84.2M (-\$61.8M), and the total planned debt issuance from \$120M to \$75M (-\$45M). Despite the significant cost increase for Phase 1, staff confirmed the maximum annual SSC increases of +8.5% from FY26/27-FY29/30 should provide sufficient revenue for the \$190M SPI Phase 1 Project.

In March 2026, staff presented major factors impacting development of proposed FY26/27 SSCs, highlighting additional capital cost pressures associated with the SPI Phase 1 Project. As the District is currently nearing completion of final design of Phase 1, the estimated project cost has been updated to \$210M (+\$20M) with higher near-term cash flow needs of \$107M (+\$27.1M) for FY26/27-FY27/28. Based on updated long-term financial planning activities, staff has confirmed

that the maximum annual SSC increases of 8.5% through FY29/30 should provide sufficient revenue to meet the significant increase in infrastructure needs to address aging infrastructure and the nutrient removal regulatory requirements at the District’s Wastewater Treatment Plant; however, staff has increased the associated debt financing assumption for Phase 1 to \$82M (+\$7M).

Key Financial Modeling Assumptions: Staff has incorporated the key financial assumptions highlighted below in developing the proposed FY26/27 SSCs.

- FY26/27 Operating Budget: The FY25/26-FY26/27 Biennial Budget approved by the Board in June 2025 included a Wastewater Operating Budget of \$32.3M for FY26/27, which represented an increase of \$1.0M from FY25/26 (\$31.3M).
- Preliminary 5-Year CIP: In June 2025, the Board approved a 5-year CIP totaling \$238.1M; however, based on the updated SPI Phase 1 Project cost, staff is now estimating capital expenditures of \$304M for FY25/26-FY29/30. In addition, the financial plan includes a preliminary estimate of \$310M for FY26/27-FY30/31.
- Compliance with Nutrient Removal Requirements: As referenced above, the District has accelerated implementation of infrastructure investments to achieve compliance with the nutrient removal regulatory mandate by FY30/31 as part of the \$210M SPI Phase 1 Project. The estimated proportion of the overall project cost associated with nutrient removal is \$91M.
- Debt Utilization: Following receipt of construction bids for the SPI Phase 1 Project, the District will issue a public bond offering, which is currently estimated at \$82M to support project financing with remaining funding provided by utilizing cash reserves.
- 2024 Cost-of-Service (CoS) Study: The CoS Study continues to serve as the basis for long-term financial planning activities used to develop the proposed FY26/27 SSCs.
- Ad Valorem Taxes: The annual ad valorem tax revenue assumption is \$4.3M, which is largely applied to support funding for capital projects.

Proposed FY26/27 SSCs: Based on the District’s significant capital investment needs to address aging infrastructure and the nutrient removal regulatory mandate, staff is proposing an FY26/27 SSC revenue increase of 8.5%, which is consistent with the maximum SSC increase approved by the Board in June 2025. The proposed FY26/27 SSC increases for residential (Table 1) and non-residential customers (Table 2, 3) are presented below.

Table 1 Proposed FY26/27 SSCs for Residential Customers

Residential Service Customers	Current FY25/26	Approved Maximum Sewer Service Charge by Fiscal Year			
		FY26/27	FY27/28	FY28/29	FY29/30
Antioch/Pittsburg*	\$513.80	\$557.48	\$604.88	\$656.30	\$712.10
Annual Increase	N/A	+\$43.68	+\$47.40	+\$51.42	+\$55.80
Monthly Increase	N/A	+\$3.64	+\$3.95	+\$4.29	+\$4.65
Bay Point**	\$706.28	\$766.32	\$831.46	\$901.14	\$978.84
Annual Increase	N/A	+\$60.04	+\$65.14	+\$69.68	+\$77.70
Monthly Increase	N/A	+\$5.00	+\$5.43	+\$5.81	+\$6.48

* Antioch/Pittsburg SSC does not include **direct charges to customers by City of Antioch (\$206.40** annually) and **City of Pittsburg (\$189.48** annually) for wastewater collection services

** Bay Point SSC includes wastewater collection services provided by Delta Diablo

**Table 2 Proposed FY26/27 SSCs for Non-residential Customers in Bay Point (Zone 1):
SSC (\$) per Hundred Cubic Feet (HCF) of Potable Water Consumption**

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

* SSC per HCF/y provided for FY26/27, although no businesses in classes are known in Bay Point

**Table 3 Proposed FY26/27 SSCs for Non-residential Customers in Pittsburg (Zone 2) and
Antioch (Zone 3): SSC (\$) per Hundred Cubic Feet (HCF) of Potable Water Consumption**

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

Public Communication and Outreach: In compliance with Article XIII D, Section 6 of the California Constitution, and Government Code Section 53750, *et seq.*, the District issued a Proposition 218 Notice on proposed maximum SSC increases for FY25/26-FY29/30 to all property owners in April 2025. The Notice included the information required under Prop. 218, and outlined the process for protesting the proposed rate increases. Following an associated public hearing on June 26, 2025, the Board approved the maximum SSC increases for FY25/26-FY29/30 and authorized placing SSC increases for FY25/26 on the tax roll. The proposed FY26/27 SSC revenue increase of 8.5% is consistent with the maximum FY26/27 SSC rates stated in the Proposition 218 Notice that was distributed in April 2025.

Financial Impact

The proposed FY26/27 SSC revenue increase of 8.5% would generate an additional \$3.8M in annual SSC revenue to meet the District’s capital investment and operational financial needs.

Next Steps

The Board is required to conduct a public hearing prior to authorizing collection of SSCs on the tax roll each fiscal year. If approved by the Finance Committee, the Board would review the proposed FY26/27 SSCs and consider setting a public hearing for June 10, 2026, at its April 23, 2026 meeting.