Wastewater Treatment

Recycled Water

Energy Production

Biosolids Reuse

Delta Diablo

TRANSFORMING WASTEWATER TO RESOURCES

Proposed Recycled Water Service Charge Adjustments

Finance Committee

September 15, 2026

Background
Transforming Wastewater to Resources

- District provides recycled water treatment and distribution services via its Recycled Water Facility (RWF)
  - In FY25/26, 6.0 million gallons per day (MGD) produced (46% of 13.0 MGD of WWTP influent flow)
  - 93% provided for industrial purposes (Calpine, two large power plants—Delta Energy Center, Los Medanos Energy Center)
  - 7% for irrigation purposes (City of Antioch golf course/parks/ medians, City of Pittsburg parks/medians, PUSD, MDRRP, Caltrans)
- District utilizes voluntary user service agreements
  - Calpine has first right to RW; service to other customers is “interruptible”
  - Agreements require Recycled Water Service Charges (RWSC) to be set by Board (last approved in December 2025)

Key RWSC Parameters

- RWSC analysis incorporates approved budget updated with current costs, and preliminary 5-year CIP with 10-year planning horizon
- RWSCs include fixed and variable components
  - Variable – chemicals, utilities, and Capital Asset Replacement
  - Fixed – labor, office expenses, outside services, maintenance
- Customer-specific surcharges
  - Calpine Revenue Stability Surcharge
    - Stabilizes revenue when RW use declines (i.e., major plant disruptions)
    - No change proposed to current surcharge ($35,000/month)
  - Antioch RW Project Surcharge
    - Covers Antioch's $1.1M share of Antioch RW Project costs that exceeded $5M SRF loan cap (~$6,826/month)

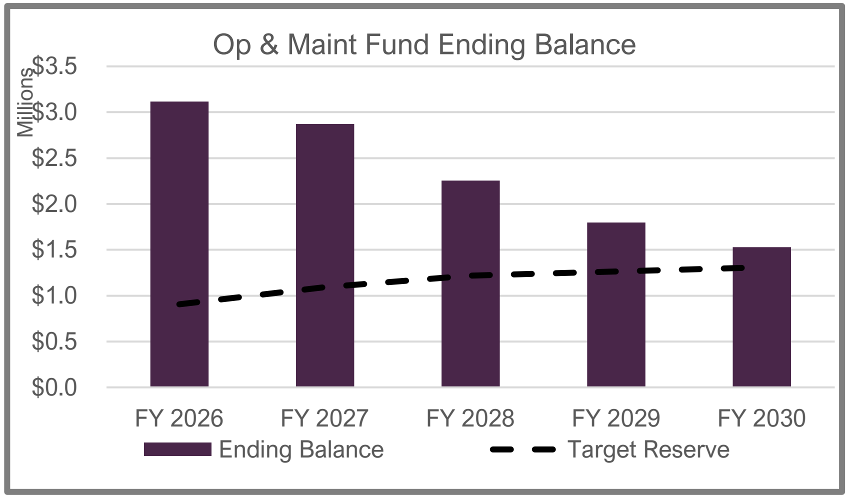
Key RWSC Adjustment Drivers

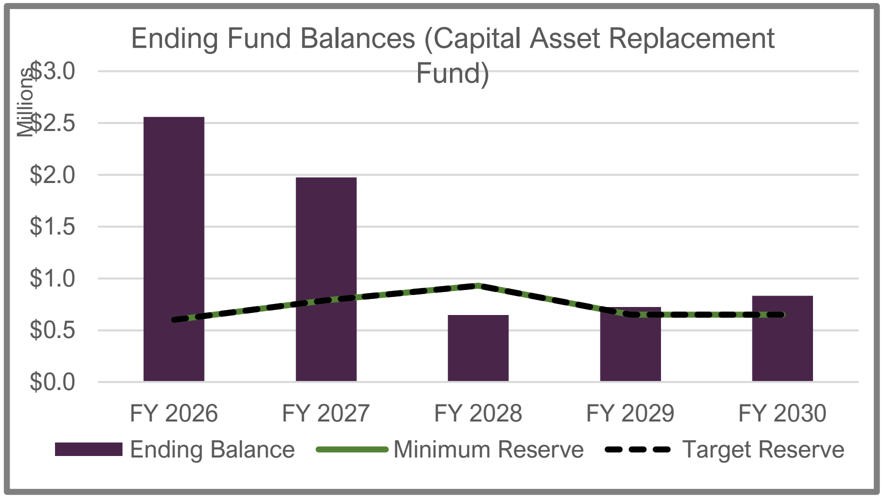
- Increased Operating Costs – ($4.9M total)
  - Chemical (+$115k) and utility (+47k) cost increases
- Historic RW user consumption and future demand forecast
  - Actual FY25/26 usage ~14% below RWSC model assumption
  - FY26/27 usage incorporates significant Calpine outage planning in Spring 2027, reduced beyond FY26/27 to account for recent trend
  - Reduced demand projections significantly impact variable rate revenue generation
- Updated RWSC Financial Plan
  - FY25/26 actual revenue incorporated into the model
  - FY25/26 RWSC revenue ~20% below FY25/26 expenses

	FY25/26 (Modeled)	FY25/26 (Actuals)	FY26/27 (Projection)	FY27/28 (Projection)
Industrial Users (Tgal)	2,177,791	1,862,848	**1,920,000**	2,078,736
Irrigation Users (Tgal)	151,898	146,791	**146,791**	146,791
Total RW Consumption (Tgal)	2,329,689	2,009,639	**2,066,791**	2,225,527

RWSC Revenue Drivers

- Annual revenues need to increase by ~8% (effective in Dec 2026)
  - Increase will provide ~$193k of additional FY26/27 revenue (~$345k annually)
  - Projecting similar revenue increases (+8%) in FY27/28-FY30/31
- Utilizing ~$1M of RW O&M Fund to offset revenue shortfall in FY26/27
  - Continued RW O&M Fund usage in future years to offset rate increases
- RWSC adjustments & RW O&M Fund utilization meet minimum reserves in future years





Proposed RWSC Adjustments:
Monthly Fixed Cost by Customer

	Existing ($/month)	Proposed ($/month)	Difference ($)	Difference (%)
Calpine – DEC	$74,052	$71,483	($2,569)	-3.47%
Calpine – LMEC	$68,377	$65,653	($2,724)	-3.98%
City of Antioch (Parks, Medians, Golf Course)	$3,904	$3,901	($3)	-0.1%
City of Pittsburg (Parks, Medians)	$1,749	$1,662	($87)	-4.97%
Pittsburg Unified School District	$1,060	$1,019	($41)	-3.87%
Mt. Diablo Resource Recovery Park	$385	$393	$8	2.08%
Caltrans	$122	$94	($28)	-22.95%

- Fixed component varies by customer (labor, office expenses, outside services, repairs and maintenance, and distribution system O&M)
- Fixed revenue need decreased slightly due to projected FY26/27 deficit allocation

Proposed RWSC Adjustments:
Total Revenue by Customer

	Existing Revenue	Proposed Variable	Proposed Fixed	Proposed Revenue	Difference ($)	Difference (%)
Calpine – DEC	**$2,213,227**	$1,220,380	$857,790	**$2,078,170**	($135,057)	-6%
Calpine – LMEC	**$1,967,069**	$1,326,500	$787,837	**$2,114,337**	$147,268	7%
City of Antioch*	**$141,962**	$115,756	$46,813	**$162,569**	$20,607	15%
City of Pittsburg	**$61,008**	$39,458	$19,947	**$59,405**	($1,603)	-3%
PUSD	**$38,312**	$28,565	$12,223	**$40,788**	$2,476	6%
MDRRP	**$14,060**	$9,790	$4,718	**$14,507**	$447	3%
Caltrans	**$3,660**	$1,150	$1,128	**$2,279**	($1,381)	-38%

* Excludes City of Antioch surcharge

- RWSCs include variable (61%) + fixed (39%) cost components
- Variable (RW CAR, chemicals/utilities) component = +17%
- Presented proposed adjustments to the RW Technical Advisory Committee on September 8, 2026 – no comments received

Recommendations/Next Steps

- Provide comments on proposed RWSCs
- Recommend presentation at September 23rd Board Meeting