



TRANSFORMING
WASTEWATER
TO RESOURCES

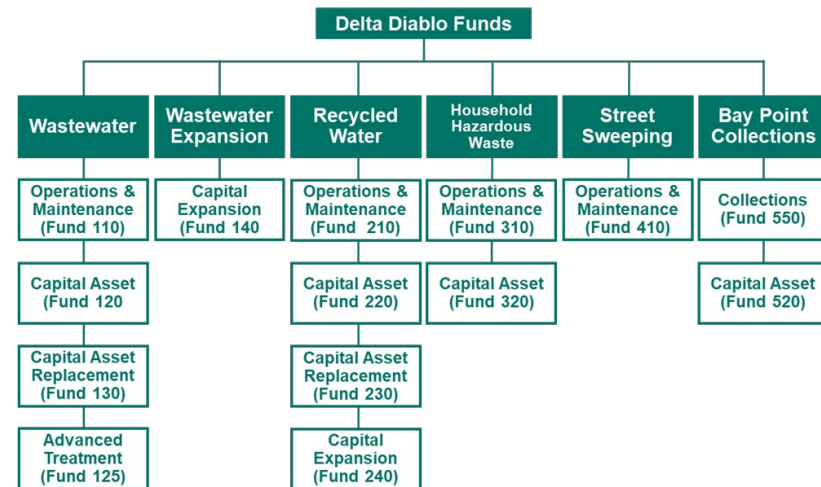
Collection of FY23/24 Sewer Service Charges on County Tax Roll

Board of Directors Meeting
June 14, 2023

Sewer Service Charges (SSCs) Overview



- SSCs are collected each year from residential and non-residential customers in Antioch, Pittsburg, and Bay Point
- District provides wastewater collection services for Bay Point only and Bay Point customers are charged for those additional services to operate, maintain, and rehabilitate the Bay Point collection system
- SSC revenue is allocated to several District funds to support operations and capital infrastructure investment needs
- SSC revenues are not used to pay for cost related to growth, which is funded by Capital Facilities Capacity Charges



FY23/24 Budget Summary



Operating Budget

Proposed FY23/24 Operating Budget = \$32.3M

- **+\$0.6M** increase (**+2.0%**) relative to FY22/23 (\$31.7M)
 - WW Operating Budget (funded by SSCs) = \$25.8M (equal to FY22/23 budget)
- **Significant positive financial outcome** given ongoing labor, chemicals, biosolids management, utilities, and outside services cost increase pressures

5-Year CIP

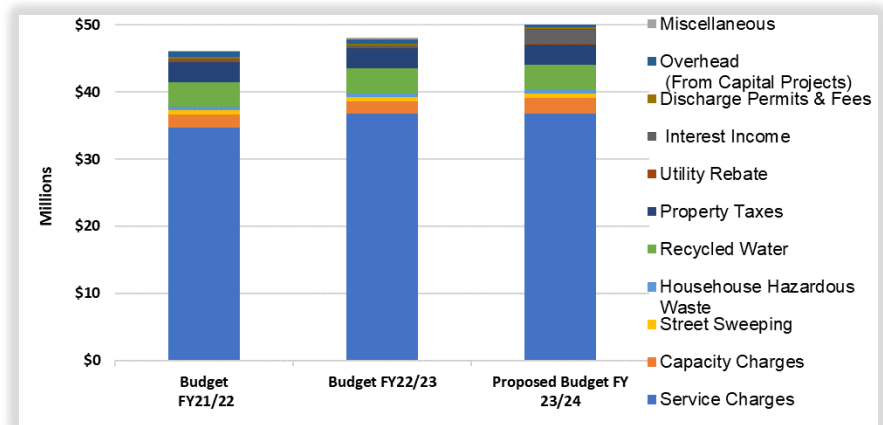
Proposed 5-Year CIP = \$139.1M

- **+\$3.2M** increase relative to current CIP (\$135.9M)
 - Required FY23/24 CIP Budget Appropriation = **\$12.0M**
 - Estimated FY23/24 Carryover Expenditures = \$4.8M
 - Estimated FY23/24 CIP Expenditures = **\$16.8M**

FY23/24 Revenue Projections



- SSCs provide stable revenue foundation equating to 73% of the District's FY23/24 total revenue
- District anticipates collecting a total of \$50.6 million in revenue in FY23/24
 - \$36.7 million in SSCs
 - \$3.7 million in Recycled Water Service Charges
 - \$3.0 million in Ad Valorem property taxes
 - \$2.4 million in Capital Facilities Capacity Charges
 - \$2.2 million in interest income
 - \$2.6 million in other revenue



FY23/24 SSC Financial Analysis



- Significant implementation delays for multiple major capital projects directly impacted future cash flow projections in prior long-term financial planning
 - Resulting increase in capital spending over the next few years is factored into current long-term financial plan that includes utilizing available cash reserves and partial debt funding (estimated \$30 million of \$139.1 million 5-year CIP).
 - Staff does not expect to significantly increase SSCs during this period (estimated between 2%-3% annually)
 - May recommend Board consideration a multi-year rate setting process next year
- Critical review of FY23/24 Operating Budget assisted in proposing budget with an increase of only 2.0% (\$0.6M)

FY23/24 SSC Financial Analysis (cont'd)



- Staff confirmed that no SSC increase is necessary for FY23/24 (i.e., maintain SSCs at same level as FY22/23)
- Current SSC rates are set by Ordinance No. 122 (adopted on June 22, 2022)
 - \$448.75 for Antioch/Pittsburg and \$615.77 for Bay Point residential customers (includes collection system)
 - Rates, including for non-residential customers, remain in effect until changed by future Board action

SSC Collection on Tax Roll



- Board is required to conduct a public hearing to consider adopting a resolution approving a Written Report and directing collection of FY23/24 SSCs on County tax roll
- Board considers any protests or objections against collection of SSCs on tax roll during public hearing
 - If a majority protest exists, District would be prohibited from collecting SSCs on tax roll and would need to directly bill customers
- As of June 13, 2023, District had not received any written protests regarding FY23/24 SSC collection on tax roll
- If approved, SSC revenues will be collected by Contra Costa County Tax Assessor's Office on tax roll and would be remitted to District in December 2023, and April and June 2024

Recommendations

- Conduct public hearing on Written Report and collection of FY23/24 SSCs and Delinquency Charges and Collection System Charges and Surcharges on County Tax Roll
- Close public hearing and consider any objections and protests received
- Determine that no majority protest exists per Health and Safety Code Section 5473.2
- Adopt Resolution approving Written Report and collection of FY23/24 SSCs on County Tax Roll

**BEFORE THE BOARD OF DIRECTORS
OF DELTA DIABLO**
(a California Special District)
RESOLUTION NO. 08/2023

MATTER: Approving Fiscal Year 2023/2024 Budget Appropriations

The BOARD OF DIRECTORS OF DELTA DIABLO HAS DETERMINED THAT:

WHEREAS, it is necessary to adopt a District Budget for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024; and

WHEREAS, the adoption of the Fiscal Year 2023/2024 (FY23/24) Budget Appropriations reflects the agency goals and programs; and

WHEREAS, the Budget as presented in the FY23/24 Proposed Budget Summary (refer to Exhibit) includes expenditures for: Operation and Maintenance of Sub-Regional Plant Facilities; Recycled Water Program; Household Hazardous Waste Program; Street Sweeping; Bay Point Collection Program; acquisition and construction of Capital Assets, including required reserves; and payment of annual debt service obligations; and

WHEREAS, the funding sources proposed for FY23/24, as described in the FY23/24 Proposed Budget Summary (refer to Exhibit) include: Collection of User Charges and Capital Facilities Capacity Charges under District Code; FY23/24 Property Tax allocation funds; Interest; Other Miscellaneous Revenues; and carryover, if any, of prior fiscal year funds.

NOW, THEREFORE, the Board of Directors of Delta Diablo **DOES HEREBY RESOLVE AND ORDER:**

The FY23/24 Budget Appropriations are hereby adopted, as presented in the FY23/24 Proposed Budget Summary Exhibit attached hereto and by reference made a part hereof.

PASSED AND ADOPTED on June 14, 2023, by the following vote:

AYES:	ABSENT:
NOES:	ABSTAIN:

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Delta Diablo on June 14, 2023.

ATTEST: _____
Monica Wilson
Board Secretary

EXHIBIT: FY23/24 Proposed Budget Summary

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