



Wastewater
Treatment



TRANSFORMING
WASTEWATER
TO RESOURCES



Recycled
Water



Energy
Production



Biosolids
Reuse

Proposed FY26/27 Sewer Service Charges (SSCs) and Collection on Tax Roll

Board of Directors Meeting
June 10, 2026

Overview

Recent Board Communications



Jun
2025

- Board approved 5-year CIP (\$238.1M), FY25/26-FY26/27 Biennial Budget, **maximum** annual SSC increases (+8.5%/year for FY25/26-FY29/30)
- Board approval is required to place SSCs on tax roll each year

Oct
2025

Significant shift in approach to meeting nutrient removal regulatory mandate via **Secondary Process Improvements Project**

- **Achieve nutrient removal in Phase 1** (\$140.5 → \$190.2M), **defer Phase 2 by 10 years** (min) (\$121M → \$43.7M)
- **Reduces overall capital cost** from \$261.5M to \$233.9M (-\$27.6M)

Mar
2026

- Presented major factors impacting FY26/27 SSCs with focus on Secondary Process Improvements Phase 1 Project

Apr
2026

- Following review of proposed FY26/27 SSCs, Board set Public Hearing for June 10, 2026, to consider placement on tax roll for FY26/27

Aging Infrastructure, Regulatory Mandate, Plant Expansion Needs

Addressing Aging Infrastructure



- WWTP is significant community asset—44 years old
- Prioritized capital investment in aging wastewater conveyance and treatment system is **critical to maintaining effective, reliable services**
- Projecting **\$310M in capital investment needs** over next five years with **minimal state or federal funding support**
- **Largely funded by SSCs** with significant upcoming debt issuance

Meeting Nutrient Regulatory Mandate



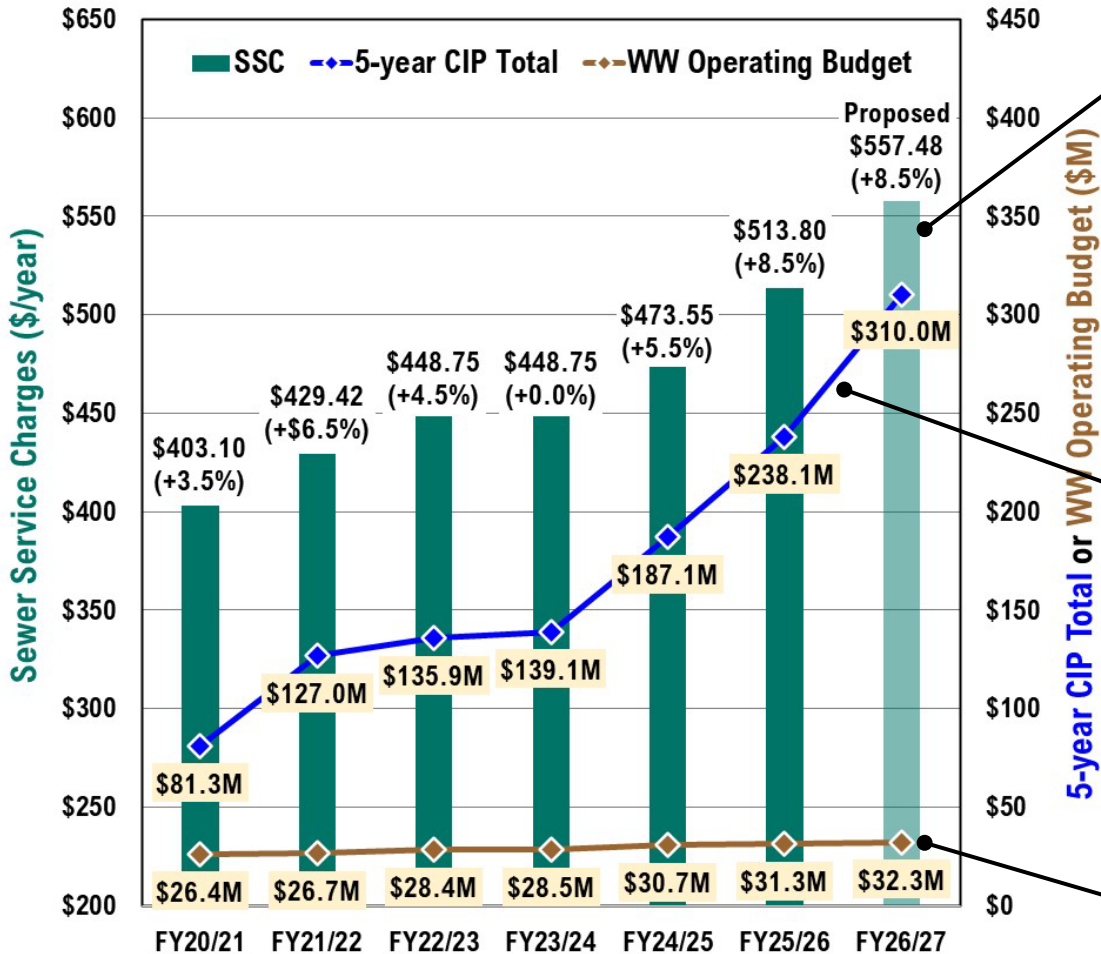
- In July 2024, SF Bay Regional Water Board issued **unfunded regulatory mandate** to remove nutrients (i.e., ammonia) prior to discharge to Delta by 2034
- Estimated SF Bay Area regional compliance cost = \$10-12B
- Estimated **District cost = \$91M**
- **Largely funded by SSCs and CFCCs** (Capital Facilities Capacity Charges)

Expanding Wastewater Treatment Capacity



- Wastewater flow and loading to District's WWTP has **exceeded 80% of available capacity**
- Significant capital investment is needed to **expand WWTP**
- District **updated CFCCs in 2024** and will conduct another update in FY26/27 to ensure cost recovery from future development (growth) in service area
- **Proportionate share** of capital projects is **funded by CFCCs**

Historical Trends for Wastewater Operating Budget, CIP, and SSCs



SSC increases are needed to fund **capital investments in aging infrastructure** and debt capacity

Significant growth in 5-year CIP to address aging infrastructure, nutrient regulatory mandate, expansion needs

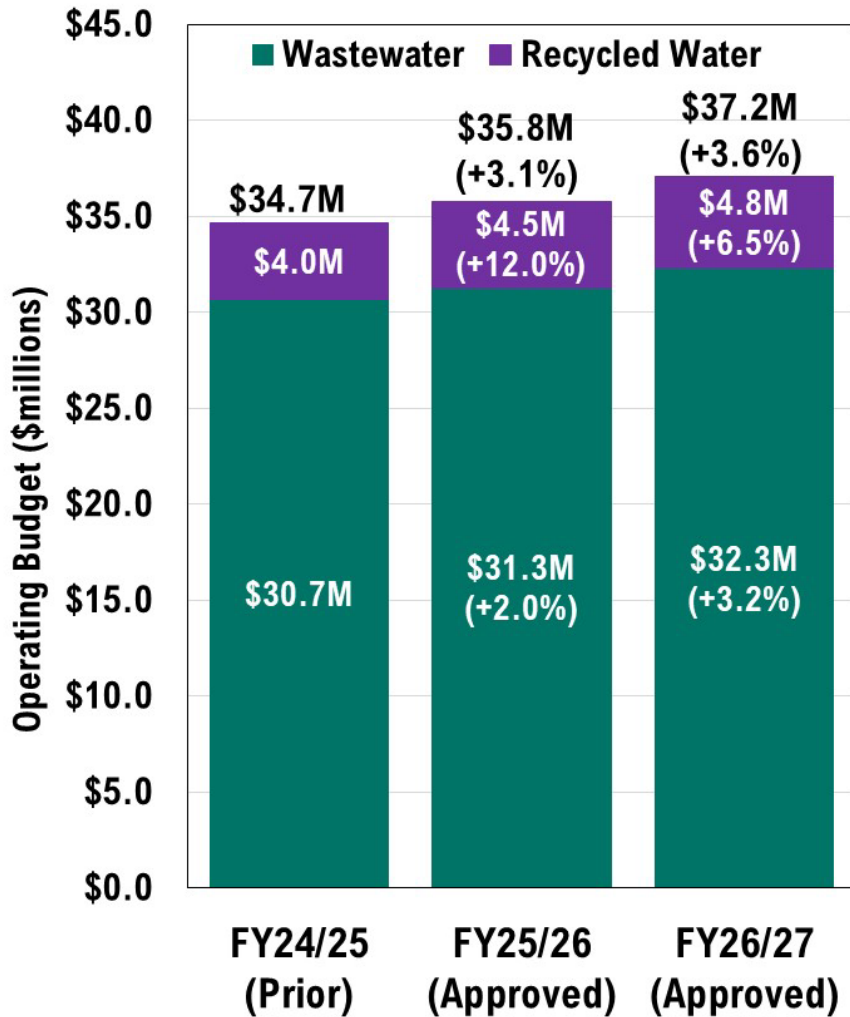
- \$210M Secondary Process Improvements is driving 5-year CIP, SSC increases—project **will address all three key drivers** (completion in FY30/31)
- Significant CIP debt financing assumptions included in financial planning analysis

Effective management of Wastewater Operating Budget (funded by SSCs)

- Average increase = 3.4% over six years

Overview

FY25/26-FY26/27 Operating Budget

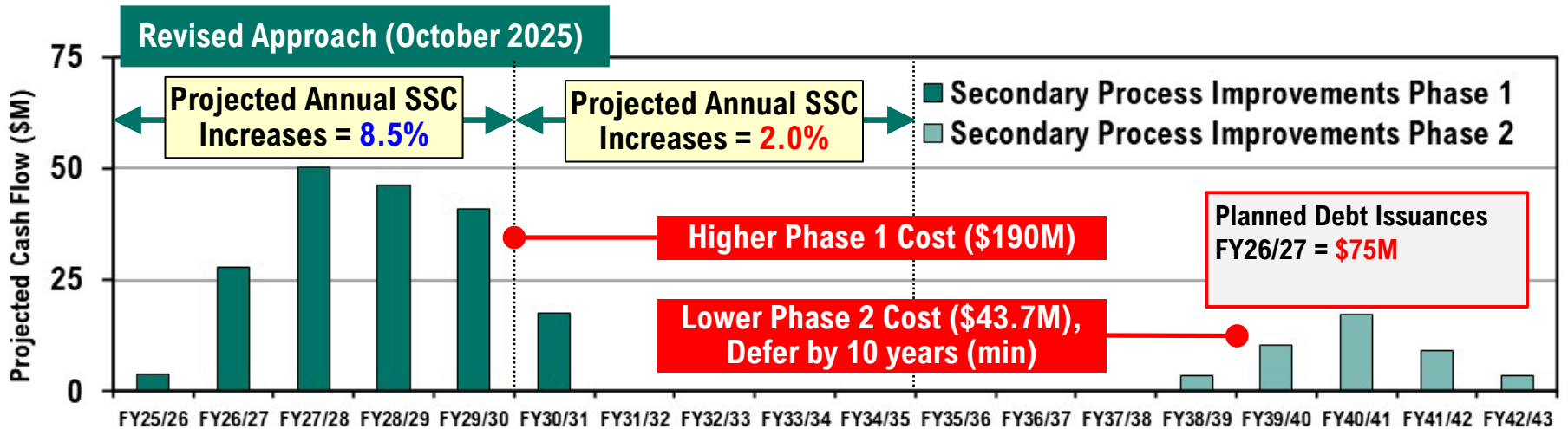
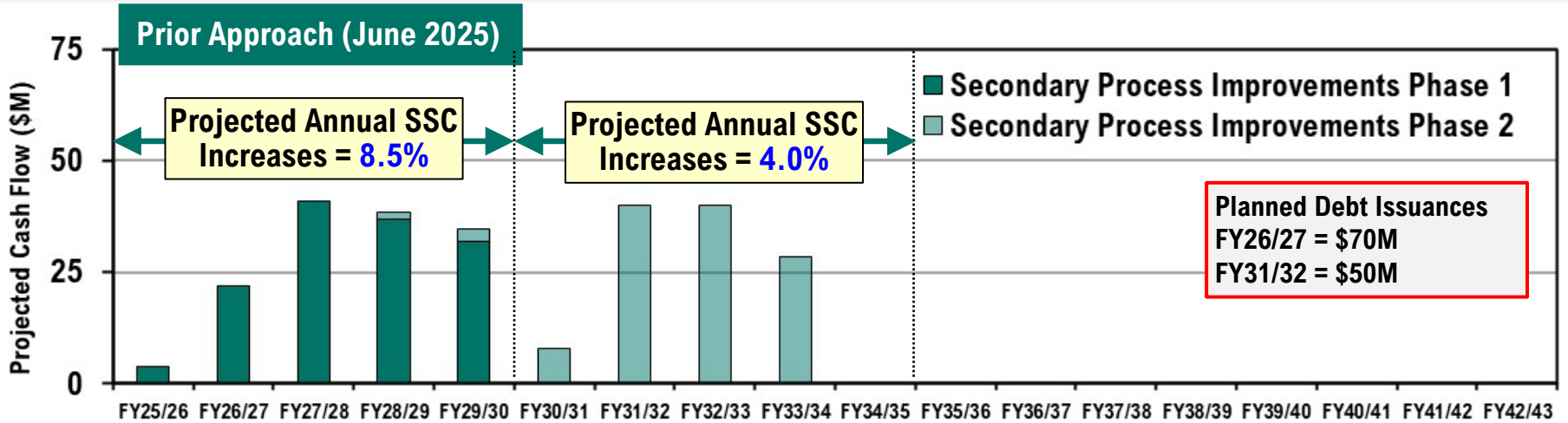


- Revenue Sources (% of Total)
 - Recycled Water Service Charges (RWSCs) (13%)
 - Sewer Service Charges (SSCs) (77%)
 - Street Sweeping Charges (2%)
 - Other Revenue (8%)
- Significant Budget Increase Drivers
 - FY25/26 Total Increase = \$1.1M
 - Labor (+\$0.40M)
 - HHW/Street Sweeping (+\$0.26M)
 - Biosolids Management (+\$0.21M)

FY26/27 Total Increase = \$1.4M

- Labor (+\$1.0M)
- Chemicals (+\$0.22M)
- Utilities (+\$0.15M)

Revised Approach to Nutrient Mandate Compliance (Oct 2025)



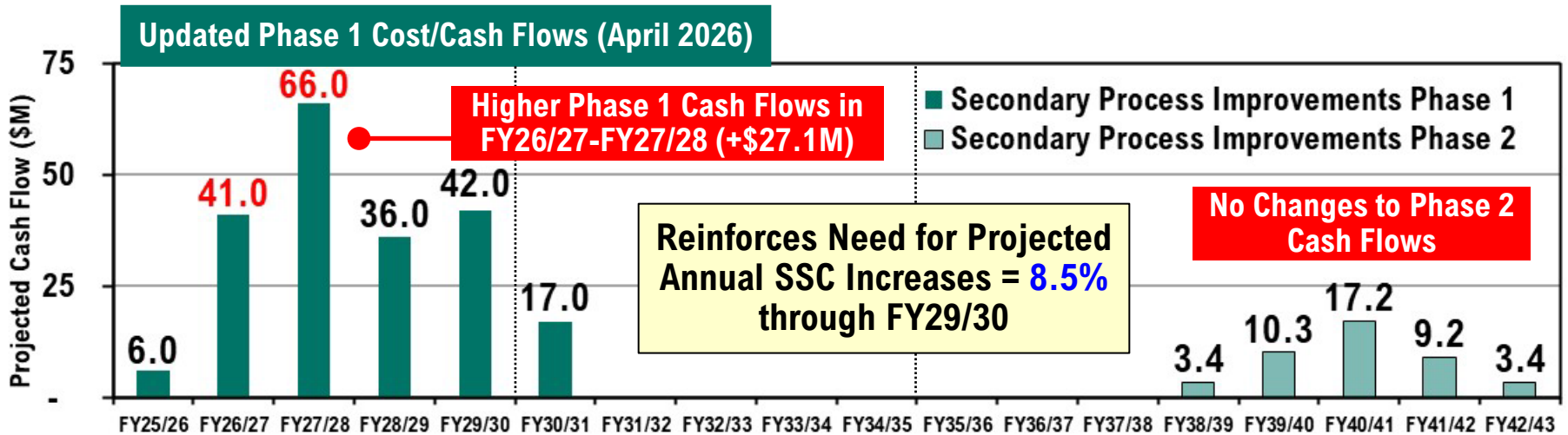
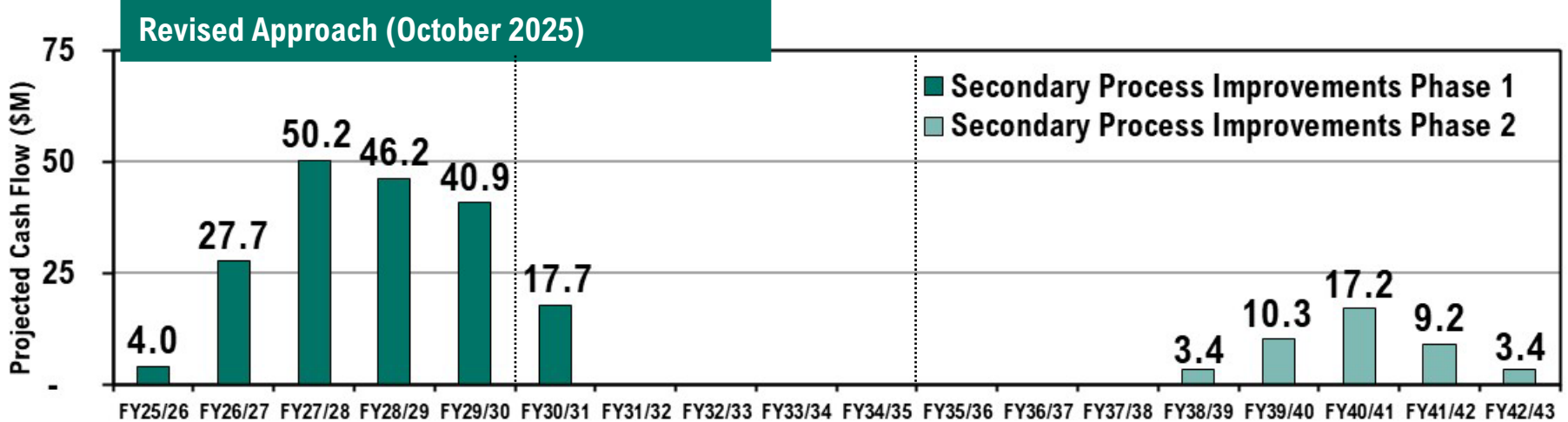
Secondary Process Improvements

Recent Cost Increases



- In October 2025, staff confirmed maximum annual SSC increases (+8.5%, FY26/27-FY29/30) provide sufficient revenue for \$190M Secondary Process Improvements
- Project cost has increased during development of 90% and final design documents
 - Current project **cost estimate increased to \$210M** (+\$20M)
 - Near-term project cash flow needs for FY26/27-FY27/28 increased to \$107M (+\$27.1M)
- Staff has confirmed **annual SSC increases of 8.5% through FY29/30** should provide sufficient revenue to meet significant increase in infrastructure investment needs
 - However, staff has increased debt to \$82M (+\$7M)
- Construction bids are expected by August 2026

Secondary Process Improvements Updated Capital Expenditures by FY



Proposed FY26/27 SSCs Residential Customers



- Staff is **proposing FY26/27 SSC increase of +8.5%** (consistent with maximum SSCs approved in June 2025)
- Increased SSC revenue from residential and non-residential customers = **+\$3.8M** in FY26/27

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

Proposed FY26/27 SSCs Non-Residential Customers



Non-residential Current and Maximum User Charges for Bay Point (Zone 1) SSC (\$) per Hundred Cubic Feet per Year for FY25/26-FY29/30

Business Class (Commercial/Industrial)	Current FY25/26	Maximum User Charges (SSC per HCF/y) by Fiscal Year			
		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 FY25/26, although no businesses in classes are known in Bay Point

Proposed FY26/27 SSCs Non-Residential Customers (cont'd)



Non-residential Current and Maximum User Charges for Pittsburg (Zone 2) and Antioch (Zone 3) SSC (\$) per Hundred Cubic Feet per Year for FY25/26-FY29/30

Business Class (Commercial/Industrial)	Current FY25/26	Maximum User Charges (SSC per HCF/y) by Fiscal Year			
		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

Recommended Board Actions



- Conduct a public hearing to consider adoption of a Resolution establishing SSCs for FY26/27, consistent with and not exceeding maximum SSCs previously approved in compliance with Prop. 218; and adoption of a Resolution approving and adopting a report of SSCs to be collected on the Contra Costa County tax roll for FY26/27
- Close public hearing and consider all testimony and comments, as well as protests received against approving and adopting a report of FY26/27 SSCs to be collected on tax roll
- Adopt a Resolution establishing FY26/27 SSCs
- Adopt a Resolution approving and adopting report of SSCs to be collected on Contra Costa County tax roll for FY26/27 and directing placement and collection of such charges on tax roll for FY26/27