



Notice of Proposed Sewer Service Charge Rate Increases for Fiscal Year 2019/2020

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 **Wednesday, June 12, 2019 at 5:30 p.m. in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California**, to consider adoption of proposed rate increases for wastewater utility services. A summary of the proposed rates, key financial drivers, and instructions for protesting the rate increases (if desired) are provided below.

WHAT IS DELTA DIABLO?

Delta Diablo (“District”) provides wastewater conveyance and treatment services for over 69,000 customer accounts (residential and non-residential), representing approximately 213,000 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 13 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 6 million gallons per day of recycled water, generating on-site renewable energy to meet over 60 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 INCREASES TO SEWER SERVICE CHARGES

For Fiscal Year 2019/2020 (FY19/20) (July 1, 2019 – June 30, 2020), the District is proposing approximate Sewer Service Charge (SSC) increases of 4.5% for Antioch and Pittsburg customers, and 3.5% for Bay Point customers. The District collects SSCs from its customers each year to provide the primary revenue source needed to fund labor, energy, chemicals, regulatory compliance requirements, plant maintenance, capital infrastructure renewal and rehabilitation, HHW facility operation, and street sweeping services. Because the District’s costs in these categories will increase in the next fiscal year, SSC adjustments are required to recover the District’s costs, maintain financial integrity, and ensure long-term fiscal sustainability. The SSCs are calculated based on the cost to provide service with customers typically billed on a fiscal-year basis via annual property tax bills.

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

Table 1 – Example Annual Single-Family Residential SSC on Property Tax Bills for FY19/20

Residential Service Customers	Proposed SSC Increase *	Current FY18/19	Proposed FY19/20	Annual Change
Antioch/Pittsburg	4.5%	\$372.68	\$389.47	\$16.78
Bay Point **	3.5%	\$522.13	\$540.26	\$18.13

Note: * Percentage increases are approximate.

** Delta Diablo provides wastewater collection services for Bay Point customers only, while the respective cities provide these services for Antioch and Pittsburg customers.

SSCs on property tax bills will include an annual street sweeping service charge (no increase) that varies by community based on frequency of service. The FY19/20 residential unit street sweeping charge for Antioch, Pittsburg, and Bay Point customers is \$5.60, \$10.26, and \$4.58, respectively.

Non-residential Customers: The District is proposing increased SSCs for commercial and industrial customers based on annual potable water consumption (i.e., SSC is per hundred cubic feet per year [HCF/y]) as presented in **Table 2** below by business class and city/community. If annual potable water consumption is less than 90 HCF/y, a minimum annual charge will be applied. The annual non-residential unit street sweeping service charge (no increase) for Antioch, Pittsburg, and Bay Point customers is \$56.00, \$51.35, and \$45.80, respectively.

Table 2 – Non-residential Proposed User Charges: Total SSC per Hundred Cubic Feet per year (HCF/y) and Street Sweeping Rate (per Non-residential Unit)

Business Class (Commercial/ Industrial)	Zone 1 – Bay Point		Zone 2 – Pittsburg		Zone 3 – Antioch	
	Current FY18/19	Proposed FY19/20	Current FY18/19	Proposed FY19/20	Current FY18/19	Proposed FY19/20
Bakeries/ Restaurants	\$8.83	\$9.19	\$7.40	\$7.74	\$7.34	\$7.67
Light Industrial	\$6.11	\$6.33	\$4.52	\$4.72	\$4.50	\$4.69
Hotels/Motels	-	-	\$3.96	\$4.13	\$4.30	\$4.48
Marinas	-	-	\$5.83	\$6.09	\$5.88	\$6.13
Misc. Commercial	\$6.11	\$6.33	\$4.52	\$4.72	\$4.46	\$4.63
Mortuaries	-	-	\$5.11	\$5.34	\$5.13	\$5.36
Annual Minimum	\$522.13	\$540.26	\$372.68	\$389.47	\$372.68	\$389.47

WHAT DO SEWER SERVICE CHARGES FUND?

The District’s SSC revenue is allocated to several key funds to support ongoing operations, as well as capital investment in existing and future infrastructure, as shown in **Table 3** below.

- Regional Treatment and Conveyance:** Funds facility operation and maintenance costs associated with regional wastewater conveyance and treatment, as well as the HHW facility.
- Capital Asset:** Funds new wastewater capital projects that are not related to new growth (the District charges separate Capital Facilities Collection Charges for growth-related capital costs).
- Capital Asset Replacement:** Funds capital infrastructure renewal and replacement projects.
- Advanced Treatment Reserve:** Provides dedicated funding to meet a future, more stringent regulatory requirement for advanced wastewater treatment, which is estimated to cost over \$150 million. This fund will assist the District in minimizing significant rate increases in the future.
- Bay Point Collections:** This SSC rate component is only collected for Bay Point customers and funds operation and maintenance of the Bay Point collection system.

Table 3 – Example Annual Single-Family Residential SSC by Rate Component for FY19/20

Sewer Service Charge (SSC) Component	Antioch/Pittsburg		Bay Point	
	Current FY18/19	Proposed FY19/20	Current FY18/19	Proposed FY19/20
Regional Treatment/Conveyance	\$271.09	\$280.58	\$271.09	\$280.58
Capital Asset	\$18.47	\$18.47	\$18.47	\$18.47
Capital Asset Replacement	\$26.07	\$33.37	\$26.07	\$33.37
Advanced Treatment Reserve Fund	\$57.05	\$57.05	\$57.05	\$57.05
Bay Point Collections	N/A	N/A	\$149.45	\$150.79
Total SSC per Equivalent Residential Unit	\$372.68	\$389.47	\$522.13	\$540.26
Estimated Monthly Charge	\$31.06	\$32.46	\$43.51	\$45.02

More information on the District's costs can be found in the District's budget and capital improvement program 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, 2019 at 5:30 p.m., in the Board Room at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509. Public comments and written protests will be accepted at this Public Hearing, and the Board of Directors will be asked to take action to implement the SSC increases at this meeting.

Written protests may be sent to the District (attention of "Office Manager/Secretary to the Board") prior to the Public Hearing at the address shown on the previous page 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 at 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 rate adjustments.



Delta Diablo Wastewater Treatment Plant in Antioch, CA



2500 Pittsburg-Antioch Highway
Antioch, CA 94509

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

**5:30 PM
WEDNESDAY, JUNE 12, 2019
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CA 94509**



Delta Diablo provides wastewater conveyance and treatment services to approximately 213,000 customers in Pittsburg, Antioch, and Bay Point.

Our core mission is to protect public health and the environment in our communities by providing wastewater resource recovery services of exceptional quality and value.

**Environmental
Stewardship**

In treating 13 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.