



Wastewater
Treatment



TRANSFORMING
WASTEWATER
TO RESOURCES



Recycled
Water



Energy
Production



Biosolids
Reuse

Proposed FY26/27 Sewer Service Charges (SSCs)

Finance Committee
April 14, 2026

Overview

Recent Board Communications



- In June 2025, Board approved 5-year CIP (\$238.1M), FY25/26-FY26/27 Biennial Budget, and **maximum** annual SSC increases (+8.5%/year for FY25/26-FY29/30)
 - Board approval is required to place SSCs on tax roll each year
- In October 2025, staff presented a 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 implementation of Phase 2** (\$121M → \$43.7M) by 10 years (min)
 - Reduces overall capital cost from \$261.5M to \$233.9M (-\$27.6M)
- In March 2026, staff presented major factors impacting FY26/27 SSCs with focus on Secondary Process Improvements Phase 1 Project impacts

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



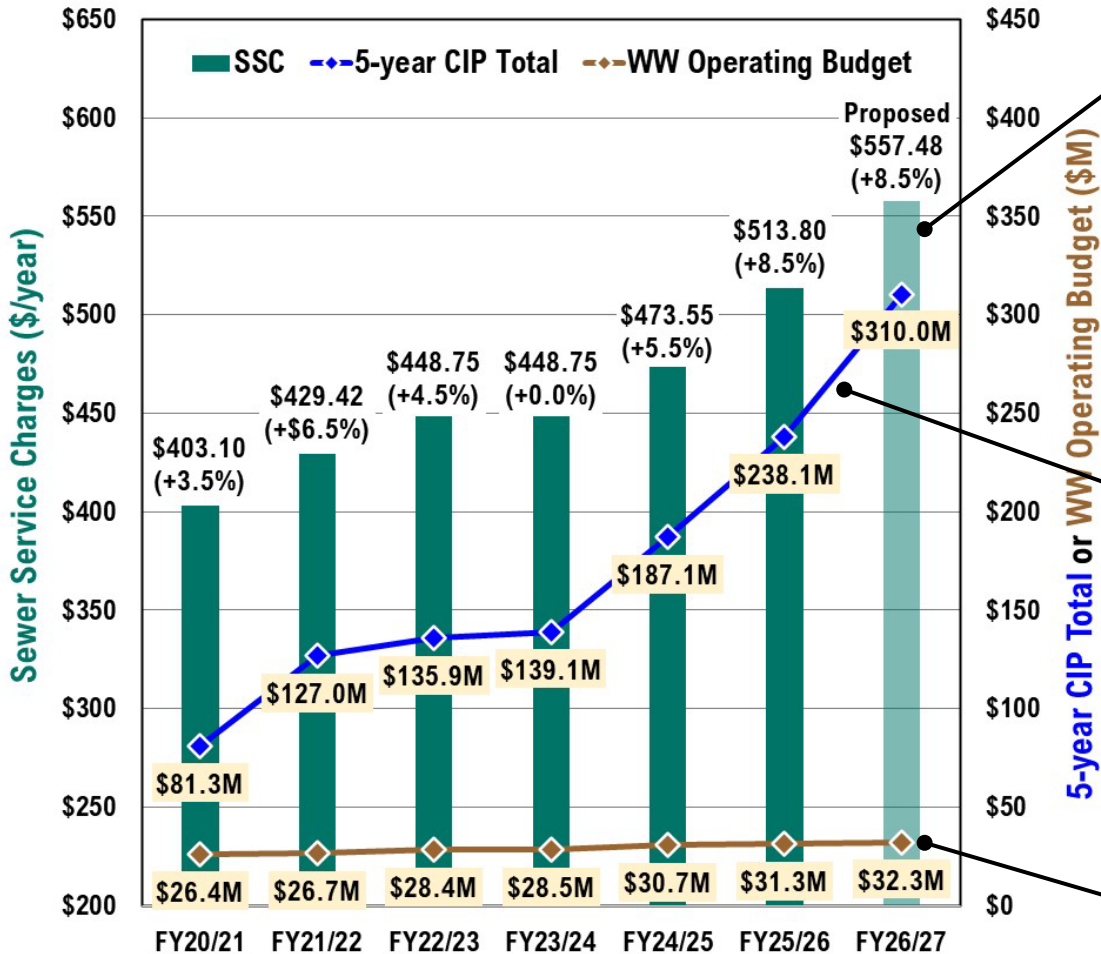
- In July 2024, SF Bay Regional Water Board issued **unfunded regulatory mandate** to remove nutrients (i.e., ammonia) prior to discharge to Delta by 2034
- Estimated SF Bay Area regional compliance cost = \$10-12B
- Estimated **District cost = \$91M**
- **Largely funded by SSCs and CFCCs** (Capital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

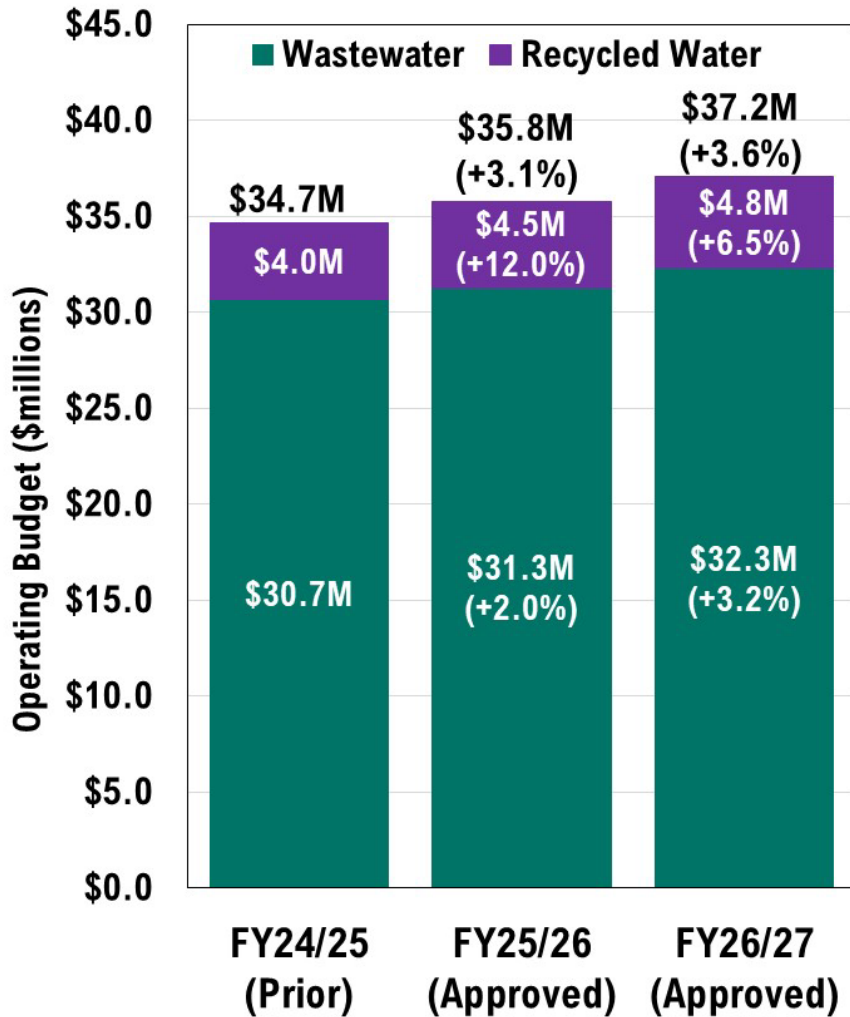
- \$210M Secondary Process Improvements is driving 5-year CIP, SSC increases—project **will address all three key drivers** (completion in FY30/31)
- Significant CIP debt financing assumptions included in financial planning analysis

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

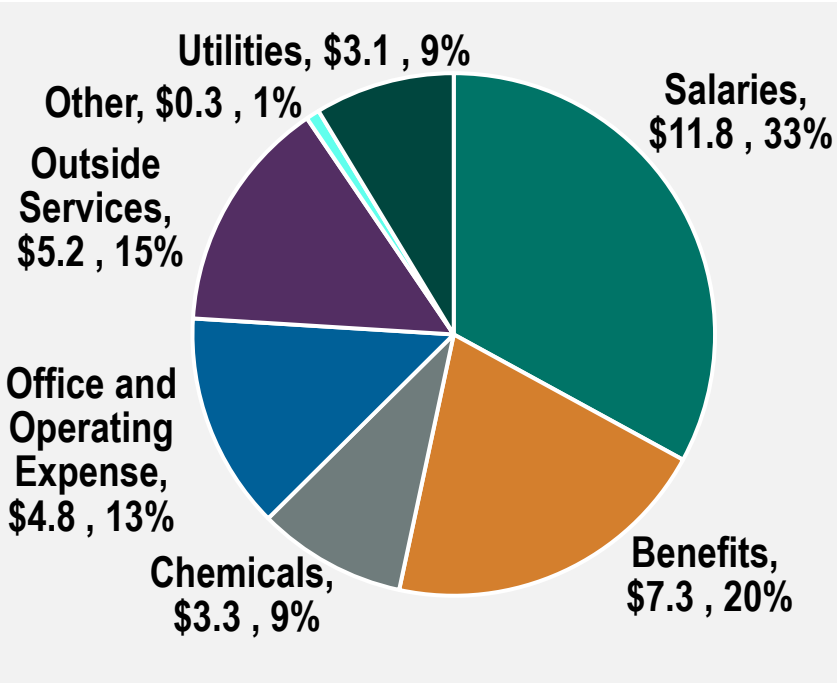
- Labor (+\$1.0M)
- Chemicals (+\$0.22M)
- Utilities (+\$0.15M)

Overview

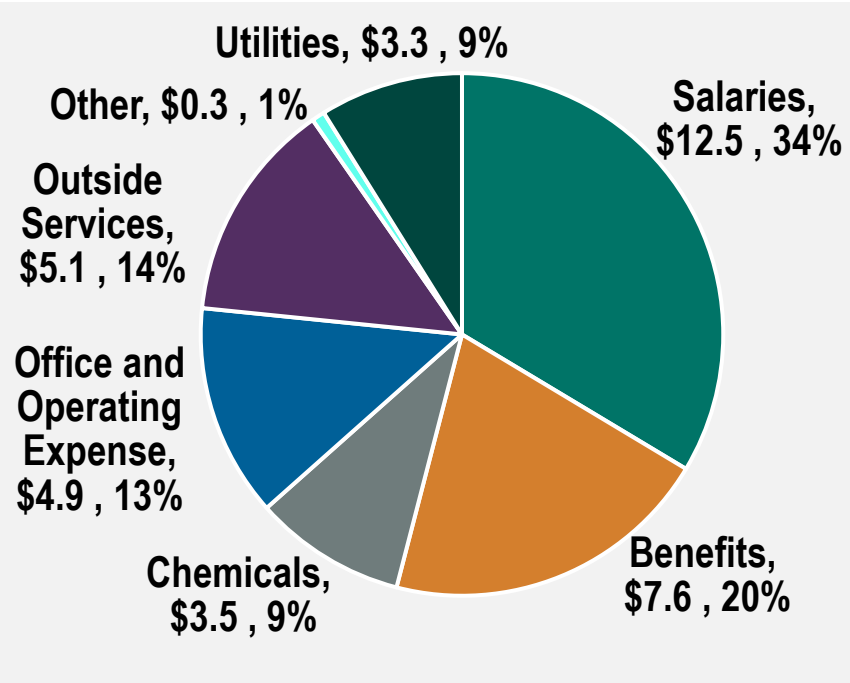
FY25/26-FY26/27 Expenses by Category



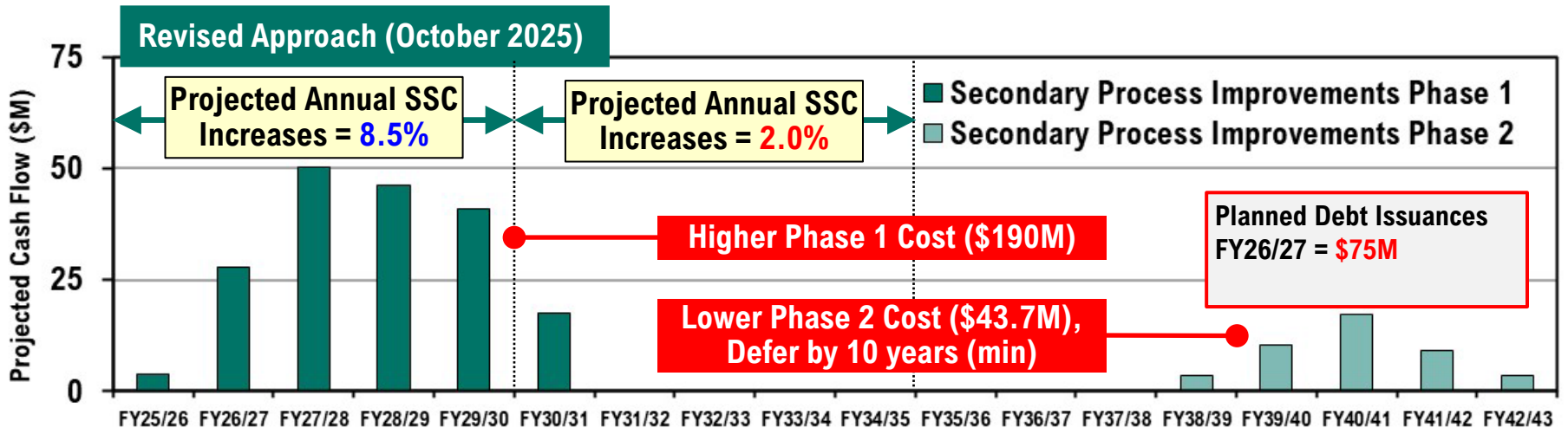
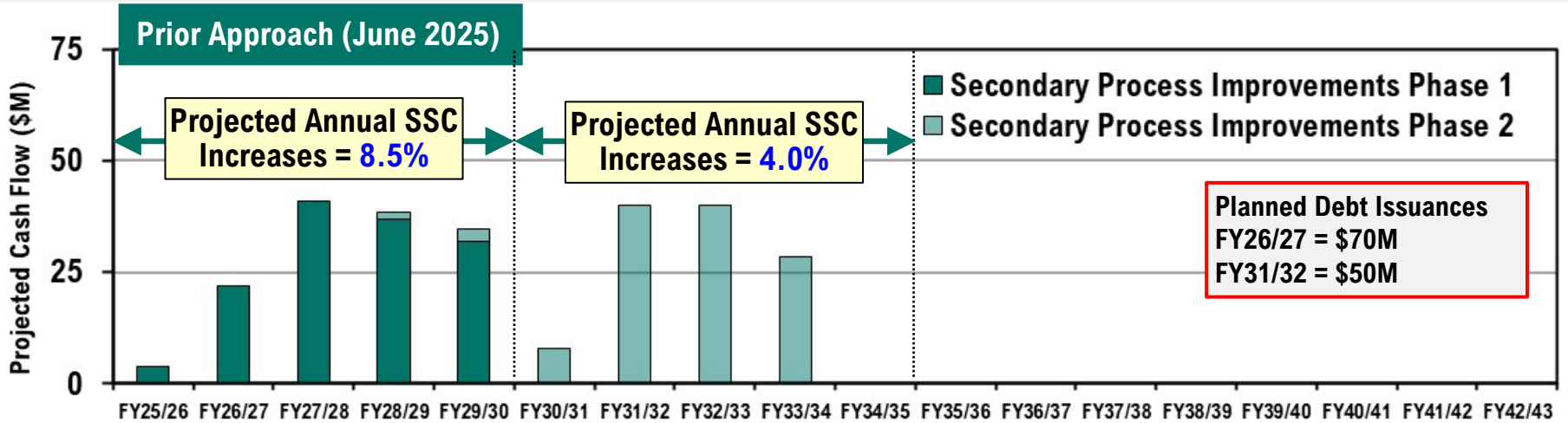
Approved FY25/26 Operating Budget = \$35.8M



Approved FY26/27 Operating Budget = \$37.2M



Revised Approach to Nutrient Mandate Compliance (Oct 2025)



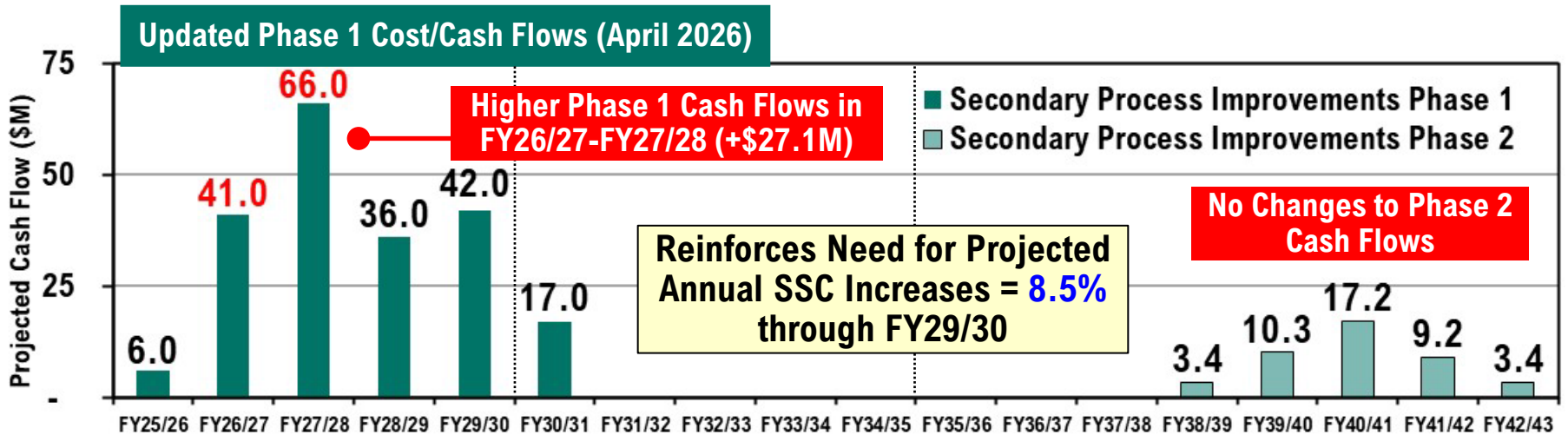
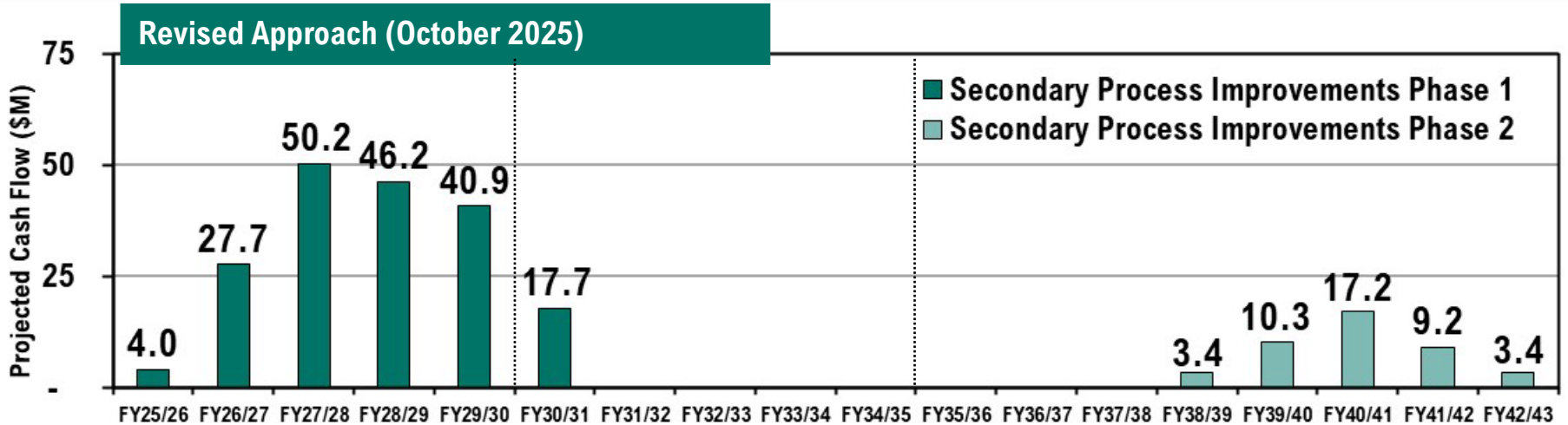
Secondary Process Improvements

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 financing 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 SSC 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 |

Next Steps

Board Consideration



- Recommend item for presentation to Board on April 23, 2026, which will include the following items for consideration:
 - Review proposed FY26/27 SSC increase
 - Set public hearing for June 10, 2026, at 4:30 pm, at which the Board will do the following:
 - Receive public comments, consider all protests received
 - Consider whether to adopt a resolution establishing FY26/27 SSC increases
 - Consider whether to adopt a resolution authorizing collection of FY26/27 SSCs on tax roll
 - Authorize publication of hearing notices in accordance with Health and Safety Code Section 5473.1
- Note: Prop. 218 Notice issued in April 2025 included multi-year maximum annual SSC increases = 8.5% (FY25/26-FY29/30)