Delta Diablo

Annual Comprehensive Financial Report

Treatment Plant and District Offices

For the Fiscal Years Ended

June 30, 2023 and 2022

Prepared By: Finance Division

2500 Pittsburg-Antioch Highway

Antioch, California 94509

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Delta Diablo, Antioch, California

Annual Comprehensive Financial Report

for the Fiscal Years Ended June 30, 2023 and 2022

Prepared by the Finance Division

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TOWER TRICKLING FILTERS AND AERATION BASINS

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December 20, 2023

To the Honorable Board of Directors and Delta Diablo Customers:

Delta Diablo (District) is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023 (FY22/23).

The Annual Report is prepared by the District's Finance Division in compliance with the financial reporting principles and standards set forth by the Governmental Accounting Standard Board (GASB). This report consists of three sections: Introductory, Financial, and Statistical. District Management assumes the responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FORMAL TRANSMITTAL OF THE ANNUAL REPORT

Pursuant to California Government Code Section 26909, special districts must have annual, independent audits conducted by the county auditor or a certified public accountant. This information is filed with the State Controller's Office. Cropper Accountancy Corporation, a certified public accounting firm, has conducted the District's annual audit. This report is published to fulfill that requirement for FY22/23. Cropper Accountancy Corporation has issued an unmodified ("clean") opinion on the District's financial statements for FY22/23. The independent auditor's report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) follows the independent auditor's report and provides an introduction, overview, and analysis of the District's basic financial statements. The MD&A complements this Letter of Transmittal and should be read with it.

INTERNAL CONTROLS

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the District's assets are protected from loss, theft, or misuse and adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. Management is committed to maintaining the District's internal controls to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

As a recipient of federal, state, and local financial assistance, the District is also responsible for ensuring adequate internal controls to ensure document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by District Management and staff.

In addition, the District maintains budgetary controls. These controls aim to ensure compliance with legal provisions embodied in the annual budget approved by the District Board of Directors. Funds for all operating, debt service, and capital improvement activities of the District are appropriated in the annual budget. The legal level of budgetary control is at the fund level. The statements and schedules included in the Financial Section of this report reasonably demonstrate that the District is meeting its responsibility for sound financial management.

PROFILE OF THE GOVERNMENT

Delta Diablo is a special district in the state of California that was initially formed in 1955 as Contra Costa County Sanitation District No. 7-A, pursuant to the California Health and Safety Code Section 4700, to operate, maintain, and construct wastewater collection and treatment facilities in the West Pittsburg (now called Bay Point) area. In the early 1970s, the California State Water Resources Control Board adopted a policy encouraging public wastewater agencies to consolidate on a sub-regional basis. In 1976, the cities of Pittsburg and Antioch were annexed to the District.

A new sub-regional conveyance system and treatment facility were recommended and subsequently constructed in the current location between the two cities. In 1989, the District's name was changed to Delta Diablo Sanitation District. In 2014, the District's name was changed to Delta Diablo to reflect the general industry shift to viewing wastewater treatment plants as water resource recovery facilities via renewable energy production, water recycling, and biosolids reuse.

The District provides services to over 215,000 residents and commercial and industrial customers in Bay Point, Pittsburg, and Antioch, comprising a service area of approximately 54 square miles. The District's service area is divided into Zone 1 – Bay Point, Zone 2 – Pittsburg, and Zone 3 – Antioch. A three-member Board of Directors governs it with one member appointed to represent each zone, including a councilmember from the City of Pittsburg, the Mayor of the City of Antioch (or designee), and the Contra Costa County Board of Supervisors member representing Bay Point, which is unincorporated. The Board of Directors establishes overall policies to guide District operations, which are then implemented under the direction of the General Manager to provide reliable, high-quality wastewater conveyance and treatment services at rates below average compared to peer agencies in the San Francisco Bay Area. Board meetings are open to the public and held on the second Wednesday of each month. In addition, committee meetings, workshop sessions, special meetings, and public hearings are occasionally scheduled and noticed.

The District has continually pursued various solutions to provide high-quality and environmentally sound resource recovery services to its customers to protect public health, the Delta, and San Francisco Bay, now and into the future. As a result, five core resource recovery programs and services have been developed: Wastewater, Recycled Water, Household Hazardous Waste, Street Sweeping, and Bay Point Collections. Additional resource recovery services include pollution prevention, energy recovery, and beneficial reuse of biosolids.

Wastewater Program: The Wastewater Program's primary purpose is to protect public health and the environment by conveying and effectively treating wastewater. Operating 24 hours a day, 365 days a year, the District's Wastewater Treatment Plant (WWTP) is permitted by the San Francisco Bay Regional Water Quality Control Board (Regional Board) as a secondary wastewater treatment facility with a permitted average dry weather flow capacity of 19.5 million gallons per day (MGD).

Recycled Water Program: Since 2000, the District has operated an industrial recycled water plant. Generating an average of 7.5 MGD, this recycled water facility is rated for 12.8 MGD and utilizes a state-of-the-art computerized Supervisory Control and Data Acquisition (SCADA) system. Recycled water produced by the District is distributed as cooling water at two power plants and landscape irrigation at several parks and schools, Caltrans rights-of-way, city offices, and the golf course in Antioch. The use of high-quality recycled water for industrial and irrigation applications provides an alternative source of water that is more cost-efficient than potable water, promotes water conservation, and is an environmentally sound recapturing of precious water resources compared to discharging the treated water directly to the Delta.

Household Hazardous Waste Program: The District has operated a regional Household Hazardous Waste (HHW) Program in partnership with multiple local governmental entities since 1996. The program's core is the operation of the Delta Household Hazardous Waste Collection Facility (DHHWCF), constructed in 2003 adjacent to the District's WWTP. The HHW Program aims to prevent hazardous pollutants from reaching waterways, landfills, and the wastewater system in support of the District's Pollution Prevention Program and meet regulatory requirements. This facility accepts medications, used oil and filters, anti-freeze, paints and stains, batteries, fluorescent and high-intensity lamps, cosmetics, pesticides, pool chemicals, household cleaners, cooking oils and grease, and electronic waste. Residents and small businesses in East Contra Costa County can utilize the DHHWCF free of charge.

Street Sweeping Program: Street sweeping is another pollution prevention service the District offers. One of the best ways to prevent pollutants from entering local waterways is to remove them from streets before wind and rain carry them into storm drains, which flow to Delta receiving waters. Regular street sweeping provides a clean appearance throughout neighborhoods, attracts businesses to downtown areas, and supports regional compliance with state and federal regulations related to the Clean Water Act implementation.

***Bay Point Collection Program*:** In 1984, the District assumed responsibility from Contra Costa County for the West Pittsburg (Bay Point) collection system. Services provided for this system consist of cleaning, inspecting, and maintaining 43 miles of sanitary sewer mains for collecting and delivering untreated wastewater to the WWTP through the District's conveyance system. The cities of Antioch and Pittsburg maintain their collection systems.

BUDGET INFORMATION

The annual budget serves as the foundation for the District's financial planning and control. The budget process begins in December when the Finance Division initializes the baseline budget for the upcoming fiscal year. The General Manager meets with departments to discuss budget changes and requests, and obtain additional information to assist in assessing the budget requests. The General Manager presents the proposed budget to the Board in mid-May each year.

Following the presentation of the Proposed Budget, public hearings and discussions are scheduled to highlight and discuss discrete elements of the proposed budget. After the Board of Directors reviews the proposed budget and receives public comment, it votes to adopt the budget, including any amendments to the proposed budget that may occur, by an affirmative vote of the majority of the three-member Board. The budget is legally adopted through the passage of a Board resolution each year.

RISK MANAGEMENT

The California Sanitation Risk Management Authority (CSRMA), a California Joint Powers Authority, provides risk management services to the District. The District's deductibles under CSRMA coverage are $100,000 and $0 for general liability and workers compensation insurance, respectively. This significantly limits the District's financial risk. See Note 11 - Risk Management in the Notes section of this document.

ECONOMIC CONDITION LOCAL/REGIONAL ECONOMY

The District provides wastewater conveyance and treatment services in its service area via 39,500, 25,100, and 7,500 connections in Antioch, Pittsburg, and Bay Point, respectively. These communities are located in the Delta where the Sacramento and San Joaquin Rivers meet at the eastern edge of the greater San Francisco Bay Area (Bay Area). Housing is affordable relative to the otherwise expensive Bay Area, and significant undeveloped land is still available for future development. The Bay Area Rapid Transit (BART) Pittsburg-Antioch line and Highway 4 run through the area, connecting commuters in the three communities to jobs in other parts of the Bay Area.

As the area largely serves as a 'bedroom community' for the Bay Area's financial district and high-tech industries, housing-related development, construction, and service-related businesses play a dominant role in the local economy. Overall, the economic landscape of the region aligns closely with that of the Bay Area. During the first half of FY19/20, the local economy within the District's service area experienced solid economic growth with no indication of an economic slowdown in the short term.

The unemployment rate within the region was 3.0% in February 2020, slightly lower than prior years and lower than the state average unemployment rate for February 2020 of 3.9%.[1] However, in March 2020, customers in the District's service area were ordered to shelter in place, and economic activity slowed significantly due to the emergence of the coronavirus (COVID-19), declared a global pandemic and local county health orders shut down businesses that were not considered essential. This public health crisis has had significant adverse economic effects. During the COVID-19 pandemic, the unemployment rate soared to 15.5% in April 2020 in California[2]. In March 2021, the state unemployment rate was 8.3%[2]. As of February 2023, employment rates have entirely recovered, with the regional unemployment rate at 3.9% and the state unemployment rate at 4.4%[1].

Median household income in Bay Point, Pittsburg, and Antioch was $71,250, $88,343, and $82,244, respectively, compared with the Contra Costa County median household income of $110,455 in 2021[2]. Populations in Pittsburg and Antioch have grown from 64,015 and 103,509 in 2011 to 74,809 and 115,442 in 2023, respectively[3]. This information was not separately available for Bay Point as it is an unincorporated area. Median housing prices were $554,980 in Bay Point, $625,000 in Pittsburg, and $620,000 in Antioch, as reported by Realtor.com for April 2023[4].

LONG-TERM FINANCIAL PLANNING

The District establishes Strategic Initiatives each fiscal year to support effective progress toward achieving the goals and objectives established in the District's Strategic Plan (dated August 2021). The following are the District's Strategic Initiatives for FY23/24:

1) Utilize a strategic, integrated planning, and cost-effective approach in addressing near-term nutrient management regulatory requirements at the District's WWTP, including targeting available funding at the federal and state level to reduce financial impacts to customers.

2) Maximize receipt of applicable tax credits for the Cogeneration System Improvements Project under the federal Inflation Reduction Act by implementing project decisions and actions (e.g., pre-purchasing major equipment, fast-track design, tax advisor engagement) necessary to ensure start of construction by December 2024.

3) Develop an updated Recycled Water Master Plan to assess capital investment needs at the District's RWF, meet Calpine agreement obligations, and evaluate strategic opportunities to expand recycled water production and distribution.

[1] US Bureau of Labor Statistics-www.bls.gov/regions/west/California.htm
[2] United States Census Bureau-www.census.gov/quick facts/fact/table/US/PST045219
[3] California Department of Finance- www.dof.ca.gov/Forecasting/Demographics/Estimates/e-4/
[4] Realtor.com-www.realtor.com/realestateandhomes-search

4) Evaluate potential information technology solutions (e.g., laboratory information management systems) to enhance compliance with NPDES permit self-monitoring program requirements and TNI laboratory accreditation standards.

5) Encourage employee engagement with District strategic initiatives, peer agency counterparts, and applicable industry associations at all levels in the organization to support workforce development, a "learning culture," continuous improvement through innovation, and information sharing.

6) Conduct a detailed review of key business service function (finance/budget administration, accounting, payroll, purchasing/procurement) processes and workflows to identify opportunities to enhance organizational effectiveness and efficiency.

7) Implement a streamlined, effective approach to the performance planning and appraisal process that reinforces supervisor-employee engagement, supports professional development, and aligns with District needs, behavioral values, and strategic goals and objectives.

8) Reinforce effectiveness of the District's Safety Program through an enhanced near-miss program, development of performance indicators, recognition of safety achievements, implementation of a revamped training program, and updates to key safety directives.

9) Ensure development and implementation of updated Business Continuity and Emergency Response Plans to maintain operational effectiveness and resiliency during extreme climate events and/or local emergencies.

10) Develop recommended updates to the District's Capital Facilities Capacity Charges to ensure effective cost recovery and appropriate allocation to customers; and update associated District Code sections, as needed.

11) Conduct a critical, prioritized review of District Code to ensure compliance with legal, regulatory, and code requirements.

RELEVANT FINANCIAL POLICIES

It is the District's and the District's Treasurer's policy to invest idle funds in a manner that provides the highest safety and security while matching maturities to future liabilities and daily cash flow demands. Investments are made according to California Government Code section 53600, et seq., and the adopted District Investment Policy.

The District's cash management practices include the establishment of reserves and designations to 1) stabilize the District's fiscal base for anticipated fluctuations in revenues and expenditures, 2) provide for nonrecurring, unanticipated expenditures, and 3) provide for innovative opportunities for the betterment of the community. The following reserves and designations have been established:

- *Economic Reserves*: Economic reserves are essential to the District's operating requirements and ensure the continued ability to provide services during budget shortfalls or unforeseen circumstances. This reserve aims to provide adequate funding to mitigate overall rate volatility resulting from economic changes or events that significantly decrease the District's revenues or increase the District's operating costs. The District has established a policy to maintain a minimum reserve balance of 40 percent of annual budgeted operating expenditures in the Regional Treatment and Conveyance (Wastewater O&M) Fund. In addition, all fund balances are considered in the longer 5-year financial plan. A number of these funds are designated to support multiple District services (beyond wastewater operations) and are constrained as to their use, applicability, and consideration as "available cash." Future capital planning and associated capital fund balances are a cost of current service, because current service does not just include providing wastewater conveyance and treatment service today, but also ensuring ongoing, reliable service into the future.

Investments: The Board of Directors adopts an Investment Policy pursuant to California Government Code, Sections 53600 et seq. The Investment Policy objectives are safety, liquidity, yield, and diversity. The District's investments comply with the adopted Investment Policy. The District's unrestricted cash and investments are maintained in the State of California Local Agency Investment Fund (the Fund) as a separately managed investment portfolio. The State Treasurer is responsible for managing the investment of the Funds' resources. The Funds' investment policy is to maintain a high credit quality, short duration portfolio and provide participants with safety of principal, liquidity, public trust, and a market average rate of return.

The District's cash and investments at June 30, 2023, was invested in U.S. Treasury and Government Investment Funds totaling approximately $89.9 million See Note 2 – Cash and Investments in the Notes section of this report for detailed investment information.

Pension Benefits Trust Funding: The District's intent is to set aside additional funds in a separate, qualified trust fund, which may be directed into either the California Public Employees' Retirement System (CalPERS) and Contra Costa County Employee's Retirement Association (CCCERA) in the future. Annual budgeted amounts are contributed following the adoption of the budget. As of June 30, 2023, the District has a net pension liability of $23.5 million. See Note 9 – Retirement in the Notes section of this report.

Other Post-Employment Benefits (OPEB)Trust Funding: As part of the annual budget development process, the Board of Directors includes sufficient funding to cover the yearly cost of the Actuarially Determined Contribution (ADC) to be deposited into the OPEB Trust Fund by the District's Retiree Heath Funding Plan. Following acceptance of each fiscal year's audited financial statements for the District, the Board makes a determination as to how much of that year's remaining Actuarially Determined Contribution (ADC) (formerly Annual Required Contributions or ARC) will be funded by the District and deposited into the OPEB trust fund from all or part of the following sources in the hierarchical order listed below: 1) unanticipated revenue streams, 2) wastewater service charge revenues exceeding planned levels for the prior fiscal year, 3) unused wastewater operating contingency funds from the prior fiscal year, 4) wastewater operating budget savings from the prior fiscal year, 5) Ad Valorem tax revenues, and 6) wastewater general fund. As of June 30, 2023, the District OPEB trust was 94.0% funded with a net OPEB liability of $1.2 million. See Note 10 – Other Post-Employment Benefits in the Notes section of this report.

FINANCIAL HIGHLIGHTS

The District's overall financial condition continues to be sound, as demonstrated by a stable revenue base, effective cost containment, stable net position, and appropriate fund reserves.

In FY22/23, the District managed its finances effectively and strengthened its financial position by adopting sufficient recycled water and wastewater rates to fund operations, OPEB Trust Fund contributions, and capital infrastructure improvements. The following results of operations indicate a continuing strong and stable fiscal position:

- Total assets plus deferred outflows exceeded total liabilities and deferred inflows by $227.8 million (net position)
- Net position increased by $20.2 million or 9.7% during the year to $227.8 million
- Operating revenue increased $1.0 million or 2.3% to $43.6 million
- Operating expenses decreased $1.1 million or -3.1% to $34.5 million
- Capital contributions increased $1.4 million or 48.8% to $4.2 million

DEBT ADMINISTRATION

As of the end of FY22/23, the District had a long-term outstanding debt total of $34.1 million, compared to $35.0 million as of FY21/22. Prudent financial management policies and the District's sound financial position resulted in an "AA" credit rating from Standard & Poor's in November 2015.

BUDGET AND RATES

The adopted total operating and capital budget for FY22/23 was $43.8 million compared to $43.6 million for FY21/22. Wastewater service rates increased by 4.5% for customers in Pittsburg/Antioch and Bay Point, respectively, in FY22/23, compared to 6.5% for Pittsburg/Antioch customers and 5.9% for Bay Point customers for FY21/22 due to updated capital planning needs and implementation of 2021 Cost-of-Service (CoS) Study findings.

In response to GFOA's recommendation, the District included an estimate of the FY24/25 Budget in the FY23/24 Budget Book. This second-year budget forecast was submitted to the Board in support of future financial planning considerations and was not included in the funding appropriation request for FY23/24.

LONG-TERM INFRASTRUCTURE INVESTMENT CAPITAL IMPROVEMENT PROGRAM

The District's Capital Improvement Program (CIP) presents project needs and funding requirements to maintain and upgrade District infrastructure. Recommended projects in the CIP are based on previous master planning efforts and ongoing condition assessment of existing facilities. The five-year CIP defines and prioritizes projects for each of the five core resource recovery programs described above. Below is a discussion of the active major capital projects in FY22/23.

- Manhole, Gravity Interceptor, and Easement Roadway Improvements – Initiated the design of a multi-phase project to repair and replace critical maintenance manholes and gravity interceptors and improve access to critical wastewater conveyance system assets.
- Onsite Fueling Station Replacement – Completed design activities, publicly bid the project, and initiated construction to replace the existing onsite fueling station to comply with regulatory requirements.
- Pump Station Facilities Repair – Most of the construction work was completed to replace isolation gates, electrical conduits, and ductwork; rehabilitate ventilation systems; install protective coating of structures; and implement flood mitigation improvements at the District's remote pump stations.
- Treatment Plant Switchgear Replacement – Initiated construction activities to replace the District's main electrical switchgear to ensure reliable power distribution at the WWTP.
- Bridgehead Pipeline Replacement – Installed a temporary bypass piping system around the failure location and initiated construction work to replace a gravity pipeline to ensure the operational reliability of the Bridgehead conveyance system.
- Cogeneration System Improvements – Replaced the existing cogeneration system, controls, and paralleling gear to ensure compatibility with the new switchgear, which is a critical component of the WWTP electrical power feed system.

AWARDS

The District was a proud recipient of several prestigious awards in FY22/23:

- National Association of Clean Water Agencies (NACWA) Silver Peak Performance Award
- GFOA FY22/23 Distinguished Budget Presentation Award
- GFOA FY21/22 Certificate of Achievement for Financial Reporting

GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for FY21/22. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The District believes its current FY22/23 ACFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to GFOA to determine eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the efficient and dedicated service of the Finance Division and the cooperation and assistance received from other District staff.

In closing, the Board of Directors should be commended for its interest, dedicated support, and leadership in planning and conducting the District's financial operations responsively and progressively.

Sincerely,

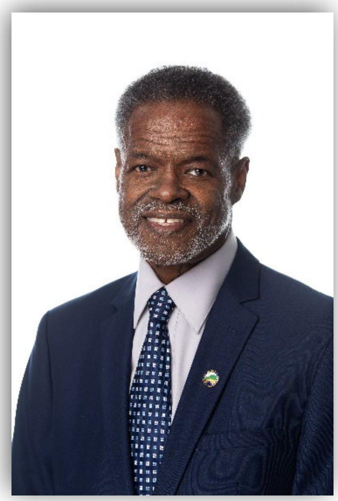
Vincent P. De Lange	Nitish Sharma
General Manager	Business Services Director

DELTA DIABLO
Principal Officers – June 30, 2023

Board of Directors

Delta Diablo has a three-member Board of Directors consisting of representatives appointed by the governing bodies of the three service areas: unincorporated Bay Point, City of Pittsburg, and City of Antioch.

Juan Antonio Banales
Chair
Appointed by the Pittsburg City Council, represents the City of Pittsburg



Federal Glover
Director
Appointed by the Contra Costa County Board of Supervisors, represents unincorporated Bay Point

Monica Wilson
Director
Appointed by the Antioch City Council, represents the City of Antioch

District Management

Vince De Lange .... General Manager

Brian Thomas .... Deputy General Manager

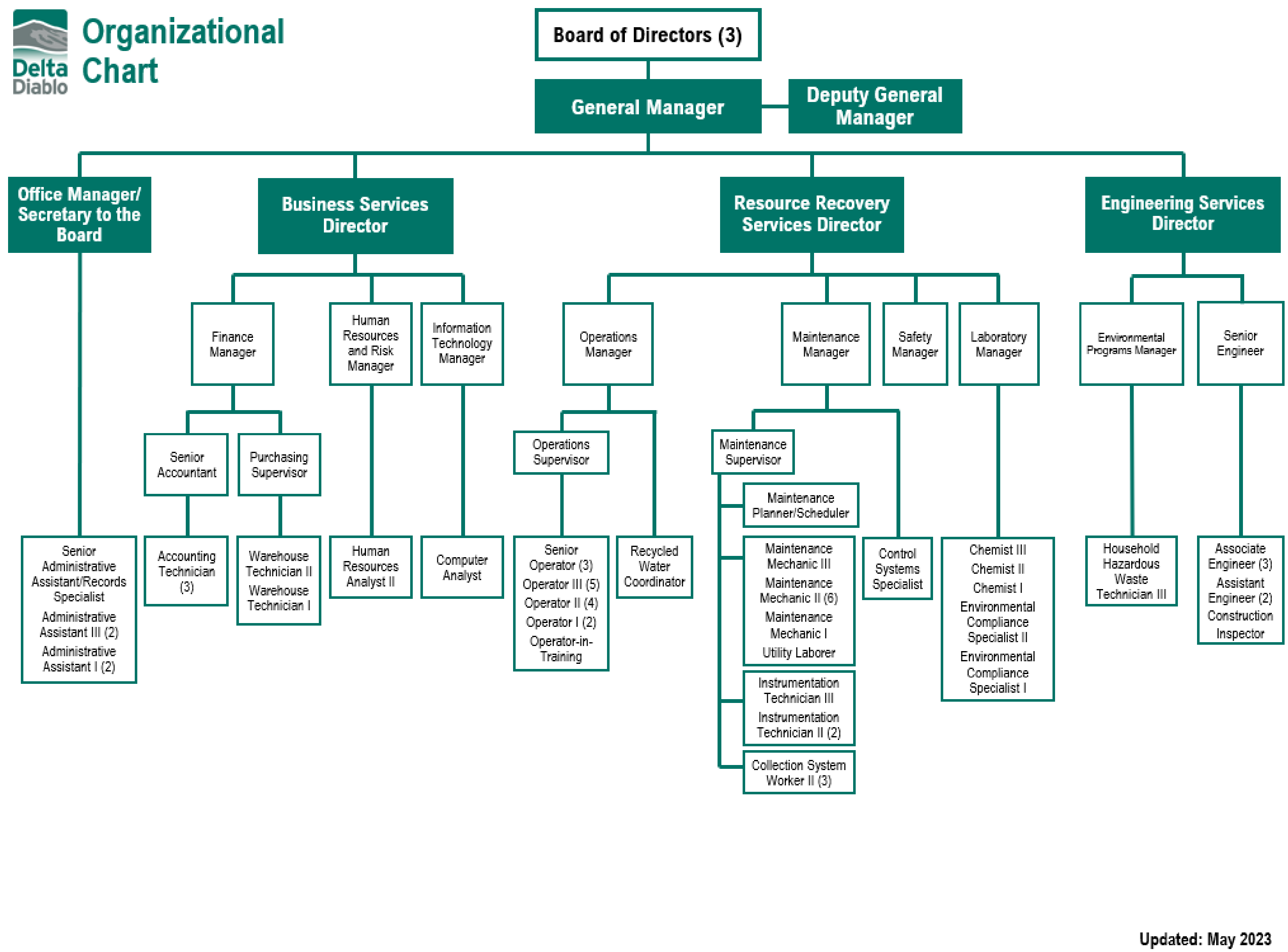
Nitish Sharma .... Business Services Director

Murat Bozkurt .... Engineering Services Director/District Engineer

Dean Eckerson .... Resource Recovery Services Director

Cecelia Nichols-Fritzler .... Office Manager/Secretary to the Board

DELTA DIABLO
Organization Chart



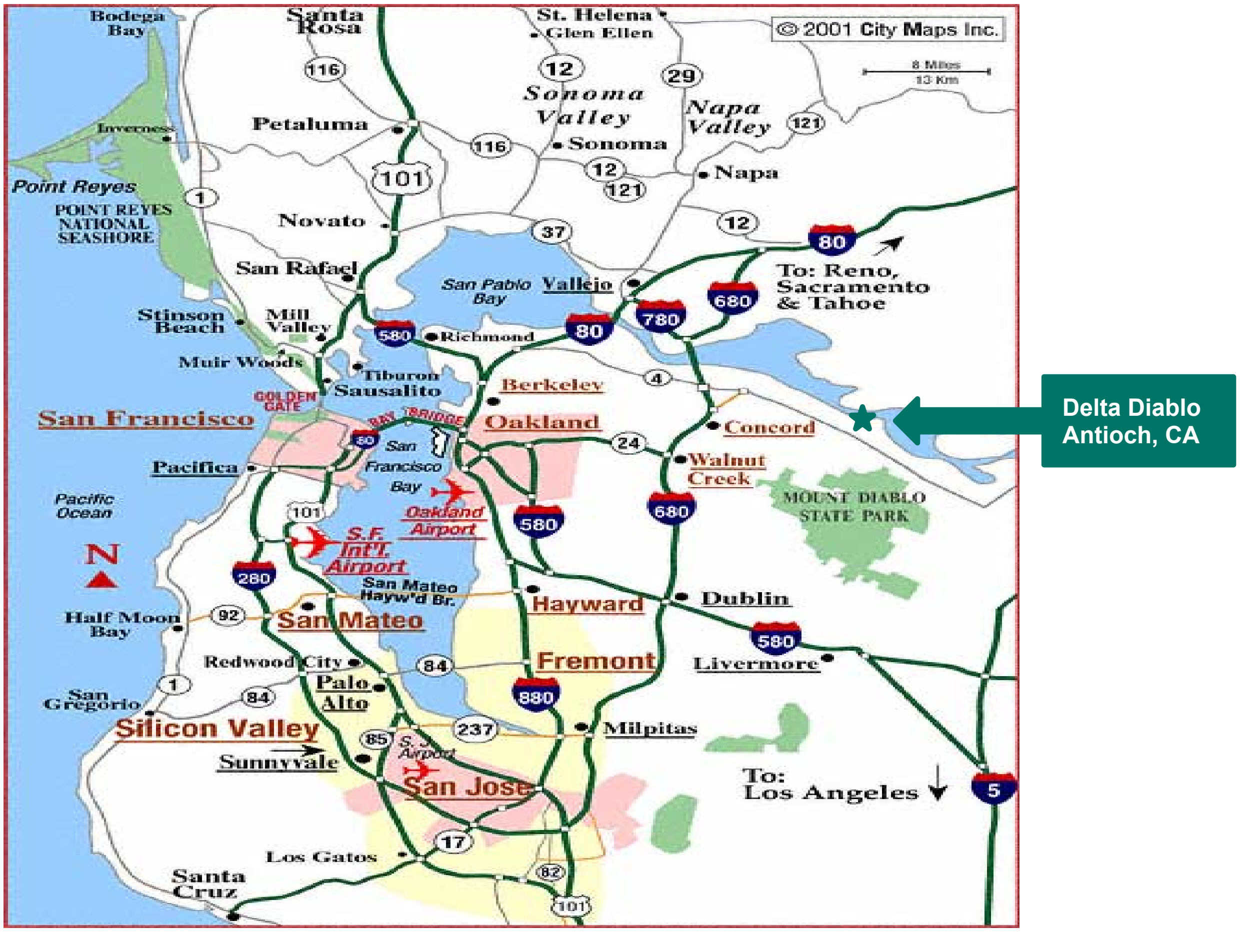
DELTA DIABLO
Vision, Mission, and Behavioral Values

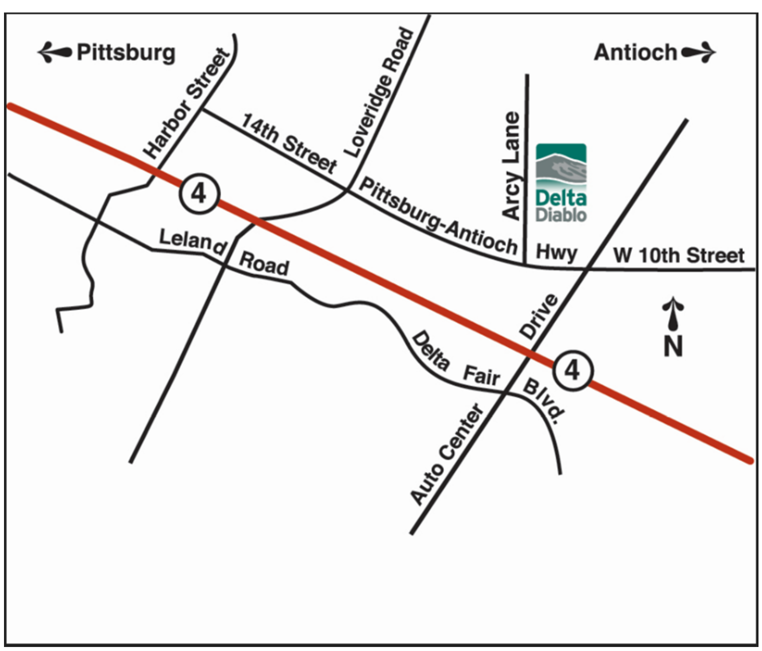
Mission
Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner.

Vision
Delta Diablo will achieve sustained organizational excellence through dedicated commitment to public service, stewardship, innovation, industry leadership, and active engagement at all levels.

Behavioral Values
- Serve as responsible stewards of valuable public resources at all levels in the organization
- Maintain public trust and confidence through excellent customer service, community engagement, transparency, and responsiveness
- Ensure a positive, safe, equitable, diverse, and inclusive work environment that promotes honest, transparent, ethical, and respectful interactions
- Communicate with integrity to share knowledge, inspire trust and camaraderie, and maintain authentic professional relationships
- Embrace and manage change to support implementation of innovative approaches that add value and drive sustained organizational improvement over time
- Foster a collaborative, team-based work culture that inspires engagement, solutions-oriented dialogue, and sound decision-making processes to achieve successful outcomes
- Reinforce accountability and ownership to ensure each employee is supported in effectively contributing to the District's overall success
- Model an open, proactive, and productive approach to resolving key issues to enhance organizational unity and alignment
- Actively seek opportunities to build a "learning" culture by supporting individual and peer professional development; expanding knowledge, skills, and abilities; learning from mistakes and "near misses"; and improving work processes and use of technology

DELTA DIABLO
Location Map





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delta Diablo
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Delta Diablo
Antioch, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Delta Diablo, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Delta Diablo's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Delta Diablo, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delta Diablo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Diablo's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delta Diablo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Diablo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension's Schedule of the District's Contributions, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, Schedule of Changes in Net OPEB Liability & Related Ratios, Schedule of the District's Contributions, and all other schedules presented in the required supplementary information (as shown in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Delta Diablo's basic financial statements. The accompanying combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of Delta Diablo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta Diablo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Diablo's internal control over financial reporting and compliance.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 8, 2023

The District's Management Discussion and Analysis (MD&A) provides an overview of the District's financial performance and activities for the fiscal year (FY) ended June 30, 2023 (FY22/23). The MD&A should be read in conjunction with the Letter of Transmittal (pgs. 3-12) and the District's basic financial statements (beginning on pg. 30). The MD&A is presented in a concise format and organized under the following headings:

- Overview of the Financial Statements
- Financial Analysis
- Economic Factors and Next Year's Budget and Rates
- Requests for Information

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the District's Annual Comprehensive Financial Statements (ACFR), which consist of the Financial Statements, Notes to the Financial Statements, Supplementary Information, and Statistical Section.

Financial Statements

As a special-purpose government, the District reports its financial statements in accordance with business-type activities known as enterprise funds. Enterprise funds account for services provided to users on a total or partial cost-recovery basis. Enterprise funds are reported on an "accrual basis" of accounting, similar to private sector companies, under which revenues and gains are recorded when earned, and all expenses and losses are recorded when incurred.

The financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and Notes to Financial Statements.

The Statement of Net Position reports all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position in a format displaying assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, to determine net position. Over time, increases or decreases in net position indicate whether the District's financial position improves or declines.

The Statement of Revenues, Expenses, and Changes in Net Position present information on the District's operating results and how the net position changed during the fiscal year. Revenues are recorded when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows. This statement measures the success of the District's operations over the past year. It can be used to determine whether the District has successfully recovered all its costs through user fees and other charges.

The Statement of Cash Flows reflects cash and cash equivalents resulting from operating, capital spending, related financing, non-capital financing, and investing activities. This statement summarizes cash inflows (receipts) and outflows (disbursements) without consideration of the timing of the event causing the obligation or receipt. It excludes non-cash transactions such as depreciation and amortization.

The Notes to the Financial Statements (beginning on pg. 36) provide additional information essential to fully understanding the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the ACFR also presents an Introductory section, certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment healthcare benefits to its employees, supplementary information by fund, and a Statistical section.

FINANCIAL ANALYSIS

Financial Highlights

In FY22/23, the District managed its finances effectively and strengthened its financial position by adopting sufficient service charges to fund operations, capital improvements, other post-employment benefits (OPEB), and maintain strong financial performance. The District implemented Governmental Accounting Standards Board (GASB) Statement Number 96, Subscription-Based Information Technology Arrangements (SBITAs). This new accounting rule did not require changes to the District's financial report. The following results of operations in FY22/23 indicate a continuing strong and stable fiscal position:

- Total assets plus deferred outflows of the District exceeded the total liabilities and deferred inflows by $227.8 million (net position)
- Net position increased by $20.2 million (9.7%)
- Total assets plus deferred outflows increased $20.9 million (7.6%)
- Total liabilities plus deferred inflow of resources increased by $0.7 million (1.0%)
- Total operating revenue was $43.6 million, an increase of $1.0 million (2.3%)
- Total operating expenses were $34.5 million, a decrease of $1.1 million (-3.1%)
- Capital contributions were $4.2 million, an increase of $1.4 million (48.8%)

Financial Position

In FY22/23, the District's net position increased by $20.2 million (9.7%) to $227.8 million from $207.5 million. The most significant portion of the District's net position, $132.0 million (57.9%), is invested in capital assets necessary to provide services to its customers. Total assets plus deferred outflows increased by $20.9 million (7.6%) during the year to $297.2 million from $276.3 million. Total liabilities plus deferred inflow of resources increased by $0.7 million (1.0%) to $69.4 million from $68.8 million.

In FY21/22, the District's net position increased by $11.3 million (5.8%) to $207.5 million from $196.2 million. The most significant portion of the District's net position, $130.9 million (63.1%), is invested in capital assets necessary to provide services to its customers. Total assets plus deferred outflows increased by $19.2 million (7.5%) during the year to $276.3 million from $257.1 million. Total liabilities plus deferred inflow of resources increased by $7.8 million (12.9%) to $68.8 million from $60.9 million.

The FY22/23 increase in net position of $20.2 million was primarily due to net operating income of $9.1 million and net nonoperating revenue of $11.2 million.

Table 1 below presents the District's Condensed Statement of Net Position for the FYs ended. June 30, 2023, 2022, and 2021:

Table 1

Condensed Statement of Net Position

	Fiscal Year Ended June 30			2023 vs 2022	2023 vs 2022	2022 vs 2021
	2023	2022	2021	Variance	Variance	Variance
Current and other assets	$ 119,051,660	$ 103,882,159	$ 88,836,740	$15,169,501	14.6%	16.9%
Capital assets (net)	166,038,064	165,966,304	163,741,445	71,760	0.0%	1.4%
Total assets	285,089,724	269,848,463	252,578,185	15,241,261	5.6%	6.8%
Deferred outflow of resources	12,111,440	6,468,446	4,555,554	5,642,994	87.2%	42.0%
Current liabilities	6,580,959	7,689,963	6,679,222	(1,109,004)	-14.4%	15.1%
Long-term liabilities	57,292,605	46,593,702	49,225,590	10,698,903	23.0%	-5.3%
Total liabilities	63,873,564	54,283,665	55,904,812	9,589,899	17.7%	-2.9%
Deferred inflows of resources	5,574,097	14,487,766	5,028,684	(8,913,669)	-61.5%	188.1%
Net position						
Net investment in capital assets	131,968,915	130,948,976	130,291,859	1,019,939	0.8%	0.5%
Restricted	1,666,783	1,149,283	1,149,283	517,500	45.0%	0.0%
Unrestricted	94,117,805	75,447,219	64,759,101	18,670,586	24.7%	16.5%
Total net position	$ 227,753,503	$ 207,545,478	$ 196,200,243	$20,208,025	9.7%	5.8%

Results of Operations

In FY22/23, the District's total operating revenue was $43.6 million, and total operating expense was $34.5 million, which represented an increase of $1.0 million and a decrease of $1.1 million, respectively, from FY21/22.

The major components of the District's financial results in FY22/23 were:

- Operating revenue increased by $1.0 million (2.3%) when compared to the prior fiscal year. Increase in the operating revenues can be attributable to an increase in the service charges ($0.4 million) and an increase in the cost recovery charges reported as work for others ($0.4 million)
- Operating expenses decreased by $1.1 million when compared to prior fiscal year. The decrease in operating expenses is due to a combination of factors, including salary savings from vacant position, elimination of vacant positions, and the change in the pension and

retiree health obligations ($2.2 million); decrease in annual depreciation expense ($0.4 million); increase in office and operating expenses ($0.4 million); and an increase in the costs of chemicals and utilities ($0.7 million).

- Non-operating revenues (expenses) increased by $5.5 million compared to prior year. Increase is primarily due to an increase in investments earnings ($1.8 million); increase in property taxes ($0.4 million); increase in the capacity fee charges due to growth/development ($1.4 million); and increase in Federal and State grant revenue ($1.7 million).

The major components of the District's financial results in FY21/22 were:

- Operating revenue increased by $1.4 million (3.4%), which included a $2.6 million increase in SSCs and Recycled Water Service Charges (RWSCs) and a decrease of $1.2 million in Other Operating Services Charges primarily related to a decrease in reimbursable projects. SSCs increased by 6.5% and 5.9% for customers in Pittsburg/Antioch, and Bay Point, respectively.
- Labor costs, consisting of salaries and benefits, increased by $2.0 million (14.8%), primarily due a ($2.2) million increase in GASB 68 pension and GASB 75 OPEB expense in FY 21/22.
- Chemicals and utilities increased by $0.7 million (20.4%) primarily due to increased prices for electric and gas utilities.
- Property tax revenue increased $0.2 million (6.9%) due to the increase in property values.
- Capital contributions decreased $3.9 million (-58.4%) due to the issuance of 1,407 new equivalent residential unit (ERU) permits in FY20/21 compared to 703 ERU permits in FY21/22.
- Other non-operating items decreased $0.3 million (-74.9%) due to a decrease in federal and state grants totaling $0.3 million in FY 21/22.

Table 2 below presents the District's Condensed Statement of Revenues, Expenses and Changes in Net Position for the FYs ended June 30, 2023, 2022, and 2021:

Table 2

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended June 30			2023 vs 2022	2023 vs 2022	2022 vs 2021
	2023	2022	2021	Variance	Variance	Variance
Service charges	$ 41,899,067	$ 41,451,868	$ 38,867,117	$ 447,199	1.1%	6.7%
Other operating revenues	1,685,932	1,139,998	2,343,975	545,934	47.9%	-51.4%
Operating revenue	43,584,999	42,591,866	41,211,092	993,133	2.3%	3.4%
Salaries and benefits	13,633,499	15,794,982	13,805,207	(2,161,483)	-13.7%	14.4%
Chemicals and utilities	4,937,097	4,242,413	3,523,564	694,684	16.4%	20.4%
Outside services and maintenance	5,771,212	5,612,570	4,693,849	158,642	2.8%	19.6%
Depreciation and amortization	6,793,955	7,179,370	6,961,060	(385,415)	-5.4%	3.1%
Other operating expenses	3,391,748	2,820,151	2,704,832	571,597	20.3%	4.3%
Operating expense	34,527,511	35,649,486	31,688,512	(1,121,975)	-3.1%	12.5%
Operating Income/(Loss)	9,057,488	6,942,380	9,522,580	2,115,108	30.5%	-27%
Nonoperating income (expense)						
Property Taxes	4,085,560	3,686,204	3,449,560	399,356	10.8%	6.9%
Interest income	2,051,002	291,901	241,502	1,759,101	602.6%	20.9%
Capital Contributions	4,181,144	2,808,983	6,757,343	1,372,161	48.8%	-58.4%
Interest expense	(970,224)	(1,238,048)	(597,771)	267,824	-21.6%	107.1%
Other non-operating	1,803,055	102,967	409,664	1,700,088	1651.1%	-74.9%
Nonoperating Income/(Expense), Net	11,150,537	5,652,007	10,260,298	5,498,530	97.3%	-44.9%
Net income	20,208,025	12,594,387	19,782,878	7,613,638	60.5%	-36.3%
Net position - beginning of year, as previously stated	207,545,478	196,200,243	176,417,365	11,345,235	5.8%	-
Prior period adjustment	-	(1,249,152)	-	1,249,152	100.0%	0.0%
Net position - beginning of year, as restated	207,545,478	194,951,091	176,417,365	12,594,387	6.5%	-
Net position - end of year	$227,753,503	$207,545,478	$ 196,200,243	$ 20,208,025	9.7%	5.8%

Capital Assets

The District had capital assets (net of depreciation) of $166.0 million, $165.9 million, and $163.7 million as of June 30, 2023, 2022, and 2021, respectively. The District invests in many capital assets, including land, buildings, infrastructure improvements, wastewater treatment facilities, water reclamation facilities, hazardous waste facilities, transmission and conveyance systems, pump stations, and machinery and equipment. In FY22/23, capital assets increased by $0.1 million, primarily due to $7.1 million in new construction for major projects, $0.1 million in new equipment, and a net change of $6.8 million in accumulated depreciation. The District capitalized $1.1 million and wrote off 0.3 million in construction-in-progress expenses.

Table 3 presents the District's Capital Assets, net of depreciation, for FY22/23, FY21/22, and FY20/21:

Table 3
Schedule of Capital Assets, Net of Depreciation

	Fiscal Year Ended June 30			2023 vs 2022	2023 vs 2022	2022 vs 2021
	2023	2022	2021	Variance	Variance	Variance
Land	$ 6,490,355	$ 6,490,355	$ 6,490,355	$ -	0.0%	0.0%
Construction in progress	30,402,273	24,762,527	39,393,899	5,639,746	22.8%	-37.1%
Treatment & collection system	128,026,697	133,859,045	117,182,461	(5,832,348)	-4.4%	14.2%
Equipment	1,063,437	784,650	674,730	278,787	35.5%	16.3%
Capital Assets, Net of Depreciation	$165,982,762	$165,896,577	$ 163,741,445	$ 86,185	0.1%	1.3%

The District's net revenue, long-term debt, property tax revenue, and customer contributions are used to finance capital investments.

This year's major capital expenditures included:

Project	**2023 Amount**
Manhole, Gravity Interceptor, and Easement Road Improvements, Phase 1	$ 525,024
Cogen System Improvements	277,083
Treatment Plant Switchgear Replacement	2,965,024
Bridgehead Temporary Pipeline Installation & Replacement	1,585,850
On-Site Fueling Station Replacement	893,601
Pump Station Facilities Repair	46,466
Total	$ 6,293,048

The District's Capital Improvement Program (CIP) prioritizes capital needs with funding sources for five years. The plan is updated annually and presented to the District's Board of Directors for approval. Each year, the District continues to improve its wastewater and recycled water treatment facilities as well as conveyance and distribution systems, to comply with more stringent environmental regulations and minimize wastewater overflows and/or service disruptions. For additional information, see Note 6 – Capital Assets in the Notes section of this report.

Debt Administration

The District had total net long-term debt outstanding of $34.1 million, $35.0 million, and $33.4 million as of June 30, 2023, 2022, and 2021, respectively. In FY22/23, long-term debt decreased by $0.9 million (-2.7%) due to a increase of $0.3 million in the State of California Water Resources Control Board's State Revolving Fund (SRF) loans for the Wastewater Infrastructure Repair and Rehabilitation Projects, which was offset by scheduled principal repayments. The District did not issue any new bonded debt in FY22/23.

Table 4 presents the District's Long-Term Debt for the FY22/23, FY21/22, and FY20/21.

Table 4
Schedule of Long-Term Debt

	Fiscal Year Ended June 30			2023 vs 2022	2022 vs 2021
	2023	2022	2021	Variance	Variance
2010 RW State Revolving Fund (SRF) Loan	$ 2,541,841	$ 2,858,472	$ 3,174,859	-11.1%	-10.0%
2011 WW Installment Note Payable	1,091,577	1,184,838	1,270,253	-7.9%	-6.7%
2011 WW SRF Loan	2,841,601	3,087,679	3,327,521	-8.0%	-7.2%
2015 WW California Energy Commission Loa	313,209	363,614	413,518	-13.9%	-12.1%
2015 Bay Point SRF Loan	922,100	955,617	988,509	-3.5%	-3.3%
2016 Pittsburg SRF Loan	9,824,655	10,145,465	10,460,294	-3.2%	-3.0%
2016 WW SRF Loan	1,678,717	1,736,497	1,793,200	-3.3%	-3.2%
2019 WW SRF Loan	11,815,823	11,569,317	8,822,698	2.1%	31.1%
2020 WW SRF Loan	3,039,626	3,115,829	3,198,734	-2.4%	-2.6%
Total Long-Term Debt	$34,069,149	$35,017,328	$33,449,586	-2.7%	4.7%

The outstanding debt issued was used to fund improvements, replacements, and expansion of the wastewater treatment and recycled water treatment facilities, conveyance and distribution systems, and wastewater collection systems. The primary funding source for debt repayment issued for expansion purposes is the Capital Facilities Capacity Charge (CFCC).

The District received a reaffirmation of its "AA" credit rating from Standard & Poor's in November 2015, which represents the District's very strong capacity to meet its financial commitments. The primary reason for the reaffirmation was the District Board's willingness to continue to adjust rates incrementally and the very prudent approach to collect and set aside funds for acquiring or constructing new capital assets and for the maintenance, rehabilitation, and replacement of current capital assets. Additionally, the District's strong financial performance, debt service coverage, and strong liquidity built on competitive rates; manageable capital plan with expansion costs historically financed from capacity fees; and a stable and diverse customer base largely collected through the County's Teeter Plan supported the AA credit rating.

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGETS AND RATES

Economic Factors

The District operates as an enterprise fund and is, therefore, self-supporting. The District charges rates and fees to users to cover the costs of operations and capital improvements. Economic factors that may affect the District include, but are not limited to, the following:

- Economic cycle impacts CFCCs as new development projects are highly sensitive to the economic cycle.

- Interest rate and/or investment return directly impact investment earnings, borrowing costs, and pension and OPEB Trust Fund contribution rates.
- Consumer price index (CPI), which is a measure of inflation. CPI for San Francisco/Bay Area Wage Earners directly impacts COLAs provided in the employee MOUs and costs for supplies and expenses.
- Crude oil prices impact the energy market for electricity and gas prices and the chemicals used for wastewater treatment. The District's chemical and utilities expenses ranged from $4.9 million to $3.5 million in the three years ending FY22/23.
- Changes in assessed property values affect the District's property tax revenue. When the housing market improves, the estimated property values increase, thereby increasing the District's property tax receipts. Conversely, any decline in the housing market will decrease property values and correspondingly decrease property tax receipts for the District.

These factors, to the extent known, were considered in preparing the District's FY23/24 Budget.

Next Fiscal Year's Budget and Rates:

In June 2023, the Board adopted the FY23/24 Budget, which included operating and capital budgets, including debt service of $32.3 million and $13.9 million, respectively. In response to GFOA's recommendation, the District included an estimate of the FY24/25 Budget in the FY23/24 Budget Book. The FY24/25 budget forecast was submitted to the Board to support future financial planning considerations and was not included in the funding appropriation request for FY23/24. For a summary of the District's FY23/24 Budget, please visit the District's website at www.deltadiablo.org.

The District collected service charges at the same levels as FY 21/22 for customers while providing the same level of service.

REQUESTS FOR INFORMATION

The ACFR is designed to provide members of the public, legislative and oversight bodies, customers, taxpayers, investors, and creditors with the District's finances and demonstrate the District's accountability for the funding it receives. Questions regarding the information provided in this report or need additional financial information can be submitted through the District's website at www.deltadiablo.org or at the District office at 2500 Pittsburg-Antioch Highway, Antioch, California, 94509.

DELTA DIABLO
STATEMENTS OF NET POSITION
JUNE 30, 2023 and 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2023	2022
CURRENT ASSETS		
Cash (Note 2)	$ 21,353,368	$ 34,712,590
Investments (Note 2)	36,841,159	4,651,315
Restricted cash (Note 2)	-	-
Restricted investments (Note 2)	1,666,783	1,149,283
Committed investments (Note 2)	51,373,144	55,687,271
Accounts receivable	1,558,539	1,683,515
Interest receivable	556,819	106,558
Notes receivable, current portion (Note 3)	325,246	347,198
Leases receivable, current portion (Note 5)	85,010	83,167
Employee loans receivable, current portion (Note 4)	6,595	3,617
Materials and supplies (Note 1H)	1,068,859	892,768
Prepaid expenses	137,711	119,279
Total current assets	114,973,233	99,436,561
NON-CURRENT ASSETS		
Capital Assets (Note 6):		
Capital assets, non depreciable	36,892,627	31,252,879
Depreciable capital assets, net of accumulated depreciation	129,090,134	134,643,695
Intangible right-to-use lease asset, net of accumulated amortization	55,303	69,730
Total capital assets, net	166,038,064	165,966,304
Other Non-Current Assets:		
Notes receivable, less current portion (Note 3)	2,389,506	2,670,969
Leases receivable, less current portion (Note 5)	1,685,137	1,770,147
Employee loans receivable, less current portion (Note 4)	3,785	4,482
Total other non-current assets	4,078,428	4,445,598
Total noncurrent assets	170,116,492	170,411,902
TOTAL ASSETS	285,089,725	269,848,463
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions (Note 9)	10,824,110	4,412,030
Related to OPEB (Note 10)	1,287,330	2,056,416
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,111,440	6,468,446

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENTS OF NET POSITION
JUNE 30, 2023 and 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES	2023	2022
Accounts payable	2,558,957	4,073,904
Accrued payroll and benefits	319,367	331,617
Deposits payable	1,011,970	1,069,901
Unearned revenue	112,307	71,314
Compensated absences - current portion (Note 7)	868,447	862,499
Current portion of lease liability (Note 5)	14,173	15,053
Current portion of long-term debt (Note 8)	1,520,858	1,200,020
Accrued interest payable	174,880	65,655
Total current liabilities	6,580,959	7,689,963
NON-CURRENT LIABILITIES		
Long-term debt, net of current portion (Note 8)		
State revolving fund and California energy commission loans	31,558,298	32,725,731
Installment sales agreement	989,993	1,091,577
Total long-term debt, net of current portion	32,548,291	33,817,308
Compensated absences - net of current portion (Note 7)	84,655	18,926
Lease liability - noncurrent (Note 5)	41,649	55,822
Net pension liability (Note 9)	23,457,269	9,736,670
Net OPEB liability (Note 10)	1,160,741	2,964,976
Total long-term liabilities	57,292,605	46,593,702
TOTAL LIABILITIES	63,873,564	54,283,665
DEFERRED INFLOWS OF RESOURCES		
Related to leases (Note 5)	1,742,361	1,838,689
Related to pensions (Note 9)	1,648,597	11,090,224
Related to OPEB (Note 10)	2,183,139	1,558,853
TOTAL DEFERRED INFLOWS OF RESOURCES	5,574,097	14,487,766
NET POSITION (Note 12)		
Net investment in capital assets	131,968,915	130,948,976
Restricted for debt service	1,666,783	1,149,283
Unrestricted	94,117,806	75,447,219
TOTAL NET POSITION	$ 227,753,504	$ 207,545,478

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Service charges	$ 41,899,067	$ 41,451,868
Discharge permits	109,225	122,425
Household hazardous waste permits	593,483	543,987
Miscellaneous	521,138	387,038
Work for others	462,086	86,548
Total operating revenues	43,584,999	42,591,866
OPERATING EXPENSES		
Salaries and benefits	13,633,499	15,794,983
Chemicals	1,971,983	1,555,667
Depreciation (Note 6)	6,779,529	7,176,966
Amortization (Note 6)	14,427	2,404
Office and operating expense	3,015,811	2,582,389
Outside service and maintenance	5,771,211	5,608,812
Utilities	2,965,114	2,686,744
Other	375,936	241,521
Total operating expenses	34,527,510	35,649,486
OPERATING INCOME (LOSS)	9,057,489	6,942,380
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(970,224)	(1,238,048)
Interest income	2,051,002	291,901
Capital facilities capacity charges (Note 1I)	4,181,144	2,808,983
Lease revenue (Note 5)	95,111	96,452
Gain on sale of asset	-	6,515
State and federal grants	1,707,943	-
Property taxes	4,085,561	3,686,204
Total nonoperating revenues (expenses), net	11,150,537	5,652,007
NET INCOME	20,208,026	12,594,387
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	207,545,478	196,200,243
PRIOR PERIOD ADJUSTMENT (Note 14)	-	(1,249,152)
NET POSITION, BEGINNING OF YEAR, AS RESTATED	207,545,478	194,951,091
NET POSITION, END OF YEAR	$ 227,753,504	$ 207,545,478

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 43,288,881	$ 42,313,333
Payments to employees	(16,118,043)	(15,948,832)
Payments to utilities	(2,965,114)	(2,686,744)
Payments to contractual/professional services	(9,258,141)	(5,442,984)
Payments to suppliers	(3,268,265)	(3,033,205)
Other receipts (payments)	86,150	(154,973)
Net cash provided by operating activities	11,765,468	15,046,595
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxes	4,085,561	3,686,204
State, federal, and sub grants	1,707,943	-
Receipts (payments) on employee loans	(2,281)	(4,355)
Cash flows from noncapital financing activities	5,791,223	3,681,849
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(7,327,912)	(9,262,366)
Proceeds from sale of capital assets	-	6,515
Proceeds from loan agreements	2,746,619	2,746,619
Interest paid on long-term debt	(860,999)	(1,242,538)
Payment of long-term debt	(3,177,298)	(1,178,877)
Connection fees	4,181,144	2,808,983
Cash flows from capital and related financing activities	(4,438,446)	(6,121,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption and (acquisition) of investments	(28,393,217)	576,428
Receipts on note	303,415	342,903
Interest received on investments	1,595,011	317,268
Revenues from leases	17,324	16,569
Cash flows from investing activities	(26,477,467)	1,253,168
NET INCREASE IN CASH	(13,359,222)	13,859,948
CASH, BEGINNING OF YEAR	34,712,590	20,852,642
CASH, END OF YEAR	$ 21,353,368	$ 34,712,590
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash - Unrestricted	$ 21,353,368	$ 34,712,590
Cash - Restricted	-	-
	$ 21,353,368	$ 34,712,590
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 9,057,489	$ 6,942,380
Adjustments to reconcile operating loss to cash flows from operating activities		
Depreciation	6,779,529	7,176,966
Amortization	14,427	2,404
Changes in assets and liabilities		
(Increase) decrease in receivables, net	124,975	(189,592)
(Increase) decrease in materials and supplies	(176,091)	(42,183)
(Increase) decrease in prepaid expenses	(18,432)	(46,455)
Increase (decrease) in A/P and accrued expenses	(1,514,947)	1,721,495
Increase (decrease) in accrued payroll and related	59,427	(602,751)
Increase (decrease) in deposits payable	(57,931)	(416,208)
Increase (decrease) in unearned revenue	40,993	(2,393)
Increase (decrease) in net pension liability	(2,133,108)	784,080
Increase (decrease) in net OPEB liability	(410,863)	(281,148)
Net cash provided by operating activities	$ 11,765,468	$ 15,046,595
SCHEDULE OF NON CASH ACTIVITY		
Change in fair value of investments	$ 664,318	$ (732,756)

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENTS OF FIDUCIARY NET POSITION
FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
Investments with Trustees:		
Cash equivalents (Note 2)	$ 816,502	$ 1,221,499
Fixed income mutual funds (Note 2)	6,777,771	6,216,405
Equity mutual funds (Note 2)	10,452,445	9,809,238
Total investments	18,046,718	17,247,142
Total Assets	$ 18,046,718	$ 17,247,142
NET POSITION		
Net Position restricted for OPEB	$ 18,046,718	$ 17,247,142

The accompanying notes are an integral part of these financial statements

DELTA DIABLO
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

ADDITIONS	2023	2022
Contributions:		
District	$ 396,228	$ 549,868
Total contributions	396,228	549,868
Investment income:		
Interest, dividends and other	1,519,534	(2,767,818)
Less: investment expenses	(40,005)	(45,028)
Net investment income	1,479,529	(2,812,846)
Total additions	1,875,757	(2,262,978)
DISTRIBUTIONS		
Payments made to retirees	1,076,181	877,589
Total distributions	1,076,181	877,589
Change in net position	799,576	(3,140,567)
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	17,247,142	20,387,709
End of year	$ 18,046,718	$ 17,247,142

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Delta Diablo (District), formerly known as Delta Diablo Sanitation District, was formed in 1955 and later incorporated in October 1976 to serve the cities of Antioch and Pittsburg and the unincorporated community of Bay Point. Treatment of the wastewater collected from the three communities began in 1982.

The District constructs and operates subregional wastewater facilities and is responsible for maintenance of the collection system in Bay Point.

The District is divided into three separate zones and may impose different service charges for each area in accordance with the benefits received by those areas.

The Other Post-Employment Benefit Trust Fund is an irrevocable trust to account for contributions and investment income restricted to pay medical benefits. Benefit and contribution provisions are established by the Board of Directors. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Board established by action of the Board. The financial activities of the Plan have been included in these financial statements in the OPEB Trust Fund. The Plan does not issue separate financial statements.

B. Reporting Entity

As required by generally accepted accounting principles (GAAP), these basic financial statements present Delta Diablo and its component unit. The component unit discussed in the following paragraph is included in the District's reporting entity because of the significance of is operational or financial relationships with the District.

Blended Component Unit – The Delta Diablo Integrated Financing Corporation (Corporation) was organized November 1, 1988, under the Non-Profit Public Benefit Corporation Law of the State of California solely for the purpose of providing financial assistance to the District by acquiring, constructing, improving and financing various facilities, land and equipment, and by leasing or selling certain facilities, land and equipment for the use and benefit of the public served by the District. The Corporation has no members and the Board of Directors of the Corporation consists of the same persons who are serving as the Board of Directors of the District. There are no separate basic financial statements for the Corporation.

C. Basis of Accounting

Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position display information about Delta Diablo. Eliminations have been made to minimize the double counting of internal activities. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses, including depreciation, of providing goods or services to its customers be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expense incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds are used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and liabilities of the enterprise are recorded on its statement of net position, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

In addition to the District's enterprise activities, the District maintains a fiduciary fund to account for the assets held in a trustee capacity. Fiduciary funds are also accounted for using the economic resources measurement focus and accrual basis of accounting. The District reports the following fiduciary fund:

The Other Post-Employment Benefits Trust Fund (OPEB Trust Fund) is an irrevocable trust fund used to account for assets held by the District as Trustee for the other postemployment benefits as further described in Note 10.

D. Budgets and Budgetary Accounting

The District annually prepares and presents a proposed annual operating and capital budget to the District's Board of Directors. The budget is reviewed and adopted by the Board. The District has a five-year Capital Improvement Program which is updated annually and adopted by the Board. Budgetary controls are used and maintained by the District to facilitate compliance with the annually appropriated budget.

E. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Compensated Absences

The total amount of liability for compensated absences is reflected in the basic financial statements. See Note 7 for additional information regarding compensated absences.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District defines cash and cash equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition.

H. Materials and Supplies

Inventories consist of operational materials and supplies, which are valued using the weighted average costing method.

I. Revenues – Capital Facilities Capacity Charges

Capital Facilities Capacity Charges (CFCC) are a one-time, non-discriminatory charge imposed at the time a structure is connected to the District's system, directly or indirectly, or an existing structure or category of use is expanded or increased. The charge is to pay for District facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged.

Revenues derived from these charges are used for the acquisition, construction and reconstruction of the wastewater collection, conveyance, treatment and disposal facilities of the District, to repay principal and interest on debt instruments, or to repay federal or state loans for the construction and reconstruction of the sewerage facilities, together with costs of administration and provisions for necessary reserves.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that apply to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that apply to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

L. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2023.

GASB Statement No. 91 – *Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders’ uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers’ roles in conduit debt obligations. The implementation of this pronouncement did not have a significant impact on the District’s financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). The implementation of this pronouncement did not have a significant impact on the District's financial statements.

GASB Statement No. 96*, Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The implementation of this Pronouncement did not have a material impact on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 99, ***Omnibus 2022***. - The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 were effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 (the current fiscal year), and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 (fiscal 2023-24), and all reporting periods thereafter.

The District has determined that the implementation of this Pronouncement did not and will not have a material impact on the financial statements.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Leases

Delta Diablo Lessee: The District is a lessee for a noncancellable equipment lease. The District recognizes a lease liability and an intangible right-to-use asset (lease asset) in its financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses its estimated state revolving fund loan borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as intangible right-to-use asset and lease liability is reported with long-term liabilities on the statement of net position.

Delta Diablo Lessor: The District is a lessor for three land leases. The lessees retain the option to terminate the lease agreement by providing a thirty-day written notice to the District. The District recognizes a lease receivable and a deferred inflows of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The District uses the California Local Agency Investment Fund (LAIF) rates as the discount rate for leases with adjustment for applicable lease terms.

Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 2 – CASH AND INVESTMENTS

A. Policies

The District and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the District employs the Trust Department of a bank as the custodian of all District managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the District's case, fair value equals fair market value, since all District's investments are readily marketable.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted.

	June 30,	
	2023	2022
Cash and cash equivalents	$ 21,353,368	$ 34,712,590
Investments	36,841,159	4,651,315
Restricted cash and cash equivalents	-	-
Restricted investments	1,666,783	1,149,283
Committed investments	51,373,144	55,687,271
Cash and investments held with OPEB trust	18,046,718	17,247,142
Total Cash and Investments	$ 129,281,172	$ 113,447,601

The District's cash and investments consist of the following as of:

	June 30,	
	2023	2022
Cash on hand	$ 600	$ 600
Cash with County Treasury Pool	2,611,191	2,226,257
Deposits with financial institutions	18,741,577	32,485,736
Investments	89,881,086	61,487,866
Cash and investments held with OPEB trust	18,046,718	17,247,142
Total Cash and Investments	$ 129,281,172	$ 113,447,601

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the District's Investment Policy, where it is more restrictive, that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years		100%	No Limit
United States Government Agency Obligations	5 years		100%	No Limit
State of California Obligations	5 years		100%	No Limit
Local Agency Obligations	5 years		100%	No Limit
Banker's Acceptances	180 days		40%	30%
Commercial Paper	270 days	A-1	25%	10%
United States Medium-Term Corporate Notes	5 years	AA	30%	No Limit
Supranationals	5 years	AA	30%	No Limit
Negotiable Certificates of Deposit	1 year	AA	30%	No Limit
Local Agency Investment Fund	n/a		$ 75 million per account	No Limit
Local Government Investment Pools	n/a	AAA	100%	No Limit
Money Market Mutual Funds	n/a		15%	10%
Insured savings or money market accounts	n/a		100%	No Limit

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity which is required by the District's Investment Policy.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call dates, at June 30, 2023:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	$ 52,313,776	$ 52,313,776
California Asset Management Program	37,565,715	37,565,715
Money Market Mutual Funds	1,595	1,595
Total Investments	$ 89,881,086	$ 89,881,086

NOTE 2 – CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call dates, at June 30, 2022:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	$ 56,182,193	$ 56,182,193
California Asset Management Program	5,304,131	5,304,131
Money Market Mutual Funds	1,545	1,545
Total Investments	$ 61,487,869	$ 61,487,869

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023 and 2022, these investments matured in an average of 260 and 311 days, respectively.

The District is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. At June 30, 2023 and 2022, these investments had an average maturity of 26 and 28 days, respectively.

Money market mutual funds are available for withdrawal on demand. At June 30, 2023 and 2022 these investments had an average of 8 and 10 days, respectively.

The District has authorized staff to deposit cash with the Contra Costa County Treasurer in a series of pooled accounts with cash from various other governmental entities within the County, for investment purposes. The County's investment policies are governed by State statutes. In addition, the County has an investment committee, which prescribes written investment policies regarding the types of investments that may be made. The policies limit amounts that may be invested in any one financial institution or amounts, which may be invested in long-term instruments. Interest earned from such time deposits and investments is allocated quarterly to the District based on its average daily cash balances. The fair value of the account at June 30, 2023 and 2022 was provided by the County Treasurer.

NOTE 2 – CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2023 for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Total
Money Market Mutual Funds	$ 1,595	$ 1,595
Total	$ 1,595	1,595
Not Rated:		
California Local Agency Investment Fund		52,313,776
California Asset Management Program		37,565,715
Total Investments		$ 89,881,086

Presented below is the actual rating as of June 30, 2022 for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Total
Money Market Mutual Funds	$ 1,545	$ 1,545
Total	$ 1,545	1,545
Not Rated:		
California Local Agency Investment Fund		56,182,193
California Asset Management Program		5,304,131
Total Investments		$ 61,487,869

G. Concentration Risk

There are no instances of concentration risk at June 30, 2023 and June 30, 2022.

NOTE 2 – CASH AND INVESTMENTS (Continued)

H. Restricted Cash and Investments

The District segregates cash and investments into funds that are “Restricted” and “Unrestricted.” Funds are “restricted” when limitations on use of the resources are imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or by enabling legislation. “Unrestricted” resources are designated by the Board of Directors through policy adoption, or constrained for a specific purpose by committees or officials with authority delegated by the Board.

Restricted for Debt Service – State Revolving Fund Loan – The District has restricted investments in reserves as required by the agreement between the District and the California State Water Resources Control Board State Revolving Fund Loan (SRF) in the amount of $1,666,782 and $1,149,283 at June 30, 2023 and 2022, respectively.

I. Board Committed Investments

The District has the following committed investments as of June 30:

Committed for Economic Uncertainty – The District has committed investments to ensure the continued ability to provide wastewater services during budget shortfalls or unforeseen circumstances and provide adequate funding to mitigate overall rate volatility resulting from economic changes or events that significantly decrease the District’s revenues or increase the District’s operating costs. Funding amounted to $10,316,166 and $9,686,871 at June 30, 2023 and 2022, respectively.

Committed for Advanced Treatment (AT) – The District has committed investments for advanced treatment projects to meet more stringent anticipated discharge regulations (e.g., nutrient removal). Funding amounted to $20,141,512 and $19,685,341 at June 30, 2023 and 2022, respectively.

Committed for Self-Insurance – The District has committed investments to cover self-insured losses. Funding amounted to $500,000 at June 30, 2023 and 2022.

J. Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2023:

Investment Type	Total
Investments Measured at Amortized Cost:	
Money Market Mutual Funds	$ 1,595
Investments Exempt from Fair Value Hierarchy:	
California Local Agency Investment Fund	52,313,776
Investments Measured at Net Asset Value Per Share	
California Asset Management Program	37,565,715
Total Investments	$ 89,881,086

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2022:

Investment Type	Total
Investments Measured at Amortized Cost:	
Money Market Mutual Funds	$ 1,545
Investments Exempt from Fair Value Hierarchy:	
California Local Agency Investment Fund	56,182,193
Investments Measured at Net Asset Value Per Share	
California Asset Management Program	5,304,131
Total Investments	$ 61,487,869

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NOTE 3 – NOTES RECEIVABLE

Notes receivable at June 30 consisted of the following:

Recycled Water:	2023	2022
City of Antioch	$ 2,009,241	$ 2,259,527
City of Antioch - Surcharge	611,678	666,323
City of Pittsburg - Surcharge	-	39,476
Saikap Investments Capital Charges	43,783	-
Household Hazardous Waste:		
Contra Costa County	50,050	52,841
Total Notes Receivable	2,714,752	3,018,167
Less: Current Portion	(325,246)	(347,198)
Long-Term Portion	$ 2,389,506	$ 2,670,969

Recycled Water (RW): City of Antioch – The District and the City of Antioch (City) entered into a Joint Powers Agreement on November 18, 2003, for the purpose of development and operation of a "Recycled Water Program" (the Project). Under the provisions of the agreement, the Project is to be jointly funded (50/50) by the District and the City. The District is authorized to design, construct, own, operate and regulate the facilities.

In fiscal year 2010/2011 (FY 2011), the District recognized a Note Receivable in the amount of $5,753,348 from the City of Antioch for their net share of the costs for this project. This note has an interest rate of .077% with principal and interest due annually commencing December 31, 2011 and maturing on December 31, 2030. On June 10, 2012, the District and the City of Antioch amended the Joint Powers Agreement to cap this Notes Receivable to a maximum of $5,000,000. As of June 30, 2023 and 2022, the outstanding balance was $2,009,241 and $2,259,527, respectively.

In FY 2012, additional project cost share incurred in excess of $5 million in the amount of $1,102,272 will be financed by the District at an interest rate of 4.25% with principal and interest due monthly over a 20-year term commencing July 1, 2012 and maturing on June 1, 2032. This monthly installment is billed to the City of Antioch as a Recycled Water Surcharge and annually amounts to $81,908. The outstanding balance as of June 30, 2023 and 2022 was $611,678 and $666,323, respectively.

City of Pittsburg – The District and the City of Pittsburg (City) entered into a Joint Powers Agreement on November 24, 1999, for the purpose of development and operation of a "Recycled Water Program" (the Project). The goal of this project is to construct a conveyance system and transport recycled water to the City's golf course and certain parks to reduce the City's reliance on treated drinking water for irrigation. Under the provisions of the agreement, the Project is to be jointly funded by the District and the City. The City is responsible for the design and construction of the Project. The District will operate and maintain after construction is completed. The original project was completed, however, it was discovered that a portion of the previously existing line needs to be rehabilitated in order to ensure reliability. The estimated cost for this rehabilitation project was $1,500,000. Of this amount, the City has agreed to pay a maximum of $375,000 payable over a 10-year term with an interest of 4.25 percent (prime plus 1 percent).

NOTE 3 – NOTES RECEIVABLE (Continued)

The actual cost of this rehabilitation amounted to $328,583. The District recognized a Note Receivable for this amount with principal and interest due monthly commencing July 1, 2013 and maturing on June 1, 2023. This monthly installment is billed to the City of Pittsburg as a Recycled Water Surcharge and annually amounts to $40,391. The outstanding balance as of June 30, 2023 and 2022 was $0 and $39,476, respectively.

Saikap Investments – On March 2, 2023, the District entered into an alternative payment agreement with Saikap Investments LLC for Capital Facilities Capital Charges (CFCCs). The total cost of the permit was $63,040, $15,760 of which (25%) was paid upon issuance of the permit. The remaining balance of $47,280 is recorded as a note receivable with an 8.5% annual interest rate. Payments of $1,493, comprised of principal and interest, are due on the first day of the month beginning April 1, 2023, with the final payment due March 1, 2026. The outstanding balance as of June 30, 2023 was $43,783.

Household Hazardous Waste (HHW) – The District owns and operates a Household Hazardous Waste (HHW) and a Conditionally Exempt Small Quantity Generator (CESQG) waste collection facility. In an agreement dated July 1, 2002, Contra Costa County, Ironhouse Sanitary District and the Cities of Antioch, Brentwood and Pittsburg (Subscribers) agreed to reimburse the District for capital costs in planning and constructing the household hazardous waste facility.

On April 9, 2008, this agreement was amended and includes capital cost sharing minus any grants received for the planning and construction of the new facility expansion. The Delta Household Hazardous Waste Collection Facility (DHHWCF) expansion was completed in September 2009. Per the provisions of this amendment, the outstanding principal balance from the original facility construction will be combined with the new facility expansion costs, to be re-paid over a 25-year period with interest at 6% per annum. Total capital costs were allocated to the Subscribers based on the number of housing units in each Subscriber's jurisdiction. The City of Brentwood and Ironhouse Sanitary District have paid their respective shares in full. The total outstanding balance of the loan as of June 30, 2023 and 2022 were $50,050 and $52,841, respectively.

NOTE 4 – EMPLOYEE LOANS RECEIVABLE

The District provides a zero interest loan to its employees for the purchase of personal computers. These loans are payable in a maximum of 78 equal payroll deductions (3 years). The maximum amount each employee may borrow is $2,500. The loan receivable balances were as follows as of June 30:

	2023	2022
Employee loans	$ 10,380	$ 8,099
Less: Current portion	(6,595)	(3,617)
Long-term portion	$ 3,785	$ 4,482

NOTE 5 – LEASES

The District has several leasing arrangements, summarized below.

A. Lessee Activities

The District has accrued liabilities for one equipment lease. The discount rate used in the calculation of the lease liability was 1.9%. The remaining liability for the lease was $55,822 and $70,875 as of June 30, 2023 and 2022, respectively. Right to use assets, net of amortization, for the lease was $55,303 at June 30, 2023, and $69,730 as of June 30, 2022. The District is required to make monthly principal and interest payments of $1,259. Final payment on these leases is expected in fiscal year 2027.

The District's schedule of future payments included in the measurement of the lease liability are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 14,173	$ 937	$ 15,110
2025	14,444	666	15,110
2026	14,721	389	15,110
2027	12,484	109	12,593
	$ 55,822	$ 2,101	$ 57,923

B. Lessor Activities

The District has accrued a receivable for three land leases. The remaining receivable for these leases was $1,770,147 and $1,853,314 for the years ended June 30, 2023 and 2022, respectively. Deferred inflows related to these leases were $1,742,361 and $1,838,689 as of June 30, 2023 and 2022, respectively. Interest revenue recognized on these leases was $5,991 for the year ended June 30, 2023. Principal receipts of $95,111 and $96,452 were recognized as revenue during the fiscal years ended June 30, 2023 and 2022. Final receipt is expected in fiscal year 2050.

Delta Energy Center, LLC (DEC) and Calpine Corporation entered into an operating lease with the District, effective December 11, 2002, to lease real property located at 2600 Pittsburg-Antioch Highway, in Pittsburg, for a cooling tower site. The base rent for the leased land started at $32,500 per year and is set to escalate every five years based on changes in the Consumer Price Index. The current rate is $36,540 per year. The area leased is 260 feet by 50 feet, on land that is not targeted for District improvements. The agreement terminates May 31, 2050. Minimum future rentals total $951,527 at June 30, 2023. The lessee, DEC, retains an option to terminate the lease agreement by providing a thirty-day written notice to the District.

American Tower entered into an operating lease with the District, effective August 1, 2014, to lease a cell phone tower on the District's property. The base rent for the leased tower started at $2,400 per month and is set to increase 3% each year during the term. The current rate is $3,040 per month. The agreement terminates on August 1, 2024, with three automatic successive 5-year extension periods, unless American Tower terminates it at the end of the then current term. Minimum future rentals total $739,015 at June 30, 2023.

NOTE 5 – LEASES (Continued)

Verizon entered into an operating lease with the District, effective March 1, 2013, to lease a cell phone tower on the District's property. The base rent for the leased tower started at $1,000 per month and is set to increase 3% each year during the term. The current rate is $1,344 per month. The agreement terminates on February 28, 2028, with a 5-year extension period, unless Verizon terminates it at the end of the then current term. Minimum future rentals at June 30, 2023 total $79,605.

The total remaining minimum future rental receipts for the three leasing arrangements are as follows:

For the Year Ending June 30	Minimum Future Rentals
2024	$ 85,010
2025	86,907
2026	88,858
2027	90,866
2028	86,698
2029 – 2033	396,653
2034 – 2038	440,292
2039 – 2043	242,230
2044 – 2048	182,048
2049 – 2050	70,585
	$1,770,147

NOTE 6 – CAPITAL ASSETS

Property, plant and equipment are recorded at the time of purchase and are capitalized at cost. The District capitalizes as part of the asset cost, any significant interest incurred during the construction phase of the asset. Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assts received in a service concession arrangement are reported at acquisition value rather than fair value. The District defines capital assets as property, plant and equipment with an initial individual cost of $5,000 and an estimated useful life in excess of one year.

Depreciation is provided using the straight-line method for assets other than land and construction in progress. Estimated useful lives are as follows:

Conveyance and collection systems	50 years
Treatment plant	40 years
Office furniture	15 years
Shop, lab and other equipment	10 years
Computer equipment	3 years
Vehicles	3 years

The District's right-of-use asset for oxygen tanks has a cost of $72,134, and accumulated amortization of $16,831.

NOTE 6 – CAPITAL ASSETS (Continued)

Changes in property, plant and equipment, and construction in progress are summarized below for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Transfers	Expensed (CIP) or Retired	Balance at June 30, 2023
Capital assets not being depreciated:					
Land	$ 6,490,355	$ -	$ -	$ -	$ 6,490,355
Construction in progress	24,762,524	9,114,127	(1,147,280)	(2,708,755)	30,020,616
Total capital assets not being depreciated	31,252,879	9,114,127	(1,147,280)	(2,708,755)	36,510,971
Capital assets being depreciated:					
Treatment & Collection System	280,077,490	-	327,440	-	280,404,930
Equipment	6,532,938	78,688	819,840	-	7,431,466
Total capital assets being depreciated	286,610,428	78,688	1,147,280	-	287,836,396
Less accumulated depreciation for:					
Treatment & Collection System	146,218,445	6,159,788	-	-	152,378,233
Equipment	5,748,288	619,741	-	-	6,368,029
Total accumulated depreciation	151,966,733	6,779,529	-	-	158,746,262
Net capital assets being depreciated	134,643,695	(6,700,841)	1,147,280	-	129,090,134
Total Capital Assets, net	$ 165,896,574	$ 2,413,286	$ -	$ (2,708,755)	$ 165,601,105

Changes in property, plant and equipment, and construction in progress are summarized below for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Transfers	Expensed (CIP) or Retired	Balance at June 30, 2022
Capital assets not being depreciated:					
Land	$ 6,490,355	$ -	$ -	$ -	$ 6,490,355
Construction in progress	39,393,899	11,092,328	(23,858,030)	(1,865,673)	24,762,524
Total capital assets not being depreciated	45,884,254	11,092,328	(23,858,030)	(1,865,673)	31,252,879
Capital assets being depreciated:					
Treatment & Collection System	256,896,964	-	23,180,526	-	280,077,490
Equipment	5,777,533	105,440	677,504	(27,539)	6,532,938
Total capital assets being depreciated	262,674,497	105,440	23,858,030	(27,539)	286,610,428
Less accumulated depreciation for:					
Treatment & Collection System	139,714,503	6,503,942	-	-	146,218,445
Equipment	5,102,803	673,024	-	(27,539)	5,748,288
Total accumulated deprecition	144,817,306	7,176,966	-	(27,539)	151,966,733
Net capital assets being depreciated	117,857,191	(7,071,526)	23,858,030	-	134,643,695
Total Capital Assets, net	$ 163,741,445	$ 4,020,802	$ -	$ (1,865,673)	$ 165,896,574

Construction in progress represents construction of treatment facilities and conveyance systems.

NOTE 7 – COMPENSATED ABSENCES

Accumulated unpaid vacation and compensatory time have been accrued at year end. Accumulated unpaid sick pay is not included in the amount for accrued benefits due to the contingent nature of any future payment.

The changes in compensated absences were as follows for the fiscal years ended June 30:

	2023	2022
Beginning Balance	$ 881,425	$ 1,035,485
Additions	795,597	838,950
Payments	(723,920)	(993,010)
Ending Balance	$ 953,102	$ 881,425
Current Portion	868,447	862,499
Non-Current Portion	84,655	18,926

NOTE 8 – LONG-TERM DEBT

A. Current Year Transactions and Balances

The changes in the District's long-term obligations during the year ended June 30, 2023 consisted of the following:

Direct Borrowings	Original Issue Amount	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Amount due within one year
2010 RW State Revolving Fund Loan .077% due 12/31/2030	$ 6,325,503	$ 2,858,472	$ -	$ (316,631)	$ 2,541,841	$ 316,875
2011 WW Installment Sale Agreement 4.90% due 06/24/2031	2,344,210	1,184,837	-	(93,260)	1,091,577	101,584
2011 WW State Revolving Fund Loan 2.60% due 04/03/2033	5,041,873	3,087,679	-	(246,078)	2,841,601	252,476
2015 WW California Energy Commission Loan 1.00 % due 6/22/2029	700,000	363,614	-	(50,405)	313,209	50,902
2015 Bay Point State Revolving Fund Loan 1.90% due 11/01/2044	1,188,820	955,617	-	(33,517)	922,100	34,154
2016 Pittsburg State Revolving Fund Loan 1.90% due 11/01/2046	12,000,000	10,145,465	-	(320,810)	9,824,655	326,907
2016 WW State Revolving Fund Loan 1.90% due 11/01/2045	2,054,000	1,736,498	-	(57,781)	1,678,717	58,878
2019 WW State Revolving Fund Loan 1.90% due 12/31/2052	13,500,000	11,569,317	246,506	-	11,815,823	295,848
2020 WW State Revolving Fund Loan 1.90% due 12/1/2050	3,198,734	3,115,829	5,480	(81,683)	3,039,626	83,234
Total Long-Term Debt		35,017,328	$ 251,986	$ (1,200,165)	34,069,149	$ 1,520,858
Less:						
Amounts due within one year		(1,200,020)			(1,520,858)	
Total Long-Term Debt, net		$ 33,817,308			$ 32,548,291	

NOTE 8 – LONG-TERM DEBT (Continued)

The changes in the District's long-term obligations during the year ended June 30, 2022 consisted of the following:

Direct Borrowings	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
2010 RW State Revolving Fund Loan						
.077% due 12/31/2030	$ 6,325,503	$ 3,174,860	$ -	$ (316,388)	$ 2,858,472	$ 316,631
2011 WW Installment Sale Agreement						
4.90% due 06/24/2031	2,344,210	1,270,253	-	(85,416)	1,184,837	93,260
2011 WW State Revolving Fund Loan						
2.60% due 04/03/2033	5,041,873	3,327,521	-	(239,842)	3,087,679	246,078
2015 WW California Energy Commission Loan						
1.00 % due 6/22/2029	700,000	413,518	-	(49,904)	363,614	50,405
2015 Bay Point State Revolving Fund Loan						
1.90% due 11/01/2044	1,188,820	988,509	-	(32,892)	955,617	33,517
2016 Pittsburg State Revolving Fund Loan						
1.90% due 11/01/2046	12,000,000	10,460,294	-	(314,829)	10,145,465	320,810
2016 WW State Revolving Fund Loan						
1.90% due 11/01/2045	2,054,000	1,793,201	-	(56,703)	1,736,498	57,780
2019 WW State Revolving Fund Loan						
1.90% due 12/31/2052	1,206,169	8,822,698	2,746,619	-	11,569,317	-
2020 WW State Revolving Fund Loan						
1.90% due 12/1/2050	3,198,734	3,198,734	-	(82,905)	3,115,829	81,539
Total Long-Term Debt		33,449,588	$ 2,746,619	$ (1,178,879)	35,017,328	$ 1,200,020
Less:						
Amounts due within one year		(1,178,877)			(1,200,020)	
Total Long-Term Debt, net		$ 32,270,711			$ 33,817,308	

B. 2010 RW State Revolving Fund Loan

The District entered into a loan contract with the State of California Water Resources Control Board on July 8, 2009, for the purpose of financing the Antioch/Delta Diablo Sanitation District Recycled Water Project. The loan amount totals $6,325,503 with a stated interest rate of .077% per annum over a 20-year term. The City of Antioch owes the District $5,000,000 of this amount as part of their cost share for the Recycled Water Antioch Project (see Note 3 - Notes Receivable). Principal payments are due annually beginning on December 31, 2011 through the fiscal year 2030/31 and are paid from revenue received from the City of Antioch.

C. 2011 Installment Sale Agreement

On June 9, 2011, the District entered into an installment sale agreement (agreement) with Municipal Finance Corporation, which was subsequently assigned to City National Bank on June 22, 2011, for the purpose of financing a solar energy project. The agreement amount totals $2,344,210 with a stated interest of 4.9% per annum, and is payable from revenues of the District. Principal and interest payments are due semi-annually on December 24 and June 24, commencing December 24, 2011 and maturing on June 24, 2031. The outstanding loan from directing borrowings contain a provision that in an event of default, they declare all principal components of the unpaid installment payments, together with all accrued and unpaid interest components immediately due.

NOTE 8 – LONG-TERM DEBT (Continued)

D. 2011 WW State Revolving Fund Loan

The District entered into a loan contract with the State of California Water Resources Control Board on March 25, 2011, for the purpose of financing the Aeration System Improvement Project. The loan amount totals $5,041,873 with a stated interest rate of 2.60% per annum. Principal payments are due annually beginning on April 3, 2014 through the fiscal year 2033.

E. 2015 California Energy Commission Loan

The District entered into a loan agreement with the California Energy Resources Conservation Development Commission on October 10, 2013, for the purpose of financing the Energy Savings Project. The project consists of energy savings projects to be installed at the Wastewater Treatment Plant. The loan amount totals $700,000 at 1.00% interest per annum on the unpaid principal. Principal and interest payments are due semi-annually beginning on December 22, 2015 through the fiscal year 2029.

F. 2015 Bay Point State Revolving Fund Loan

On October 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 1). The loan principal totals $1,188,820 with a 30-year term and stated interest of 1.9% per annum. Principal and interest payments are due semi- annually, on November 1 and May 1, commencing on November 1, 2015 and maturing on November 1, 2044.

G. 2016 Pittsburg State Revolving Fund Loan

On October 24, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Pittsburg Forcemain Improvement Project. The loan principal totals $12,000,000 with a 30-year term and stated interest of 1.9% per annum. Principal and interest payments are due semi-annually, on November 1 and May 1, commencing November 1, 2017 and maturing on November 1, 2046, from the Waste Water Fund (75%) and Capital Expansion Fund (25%).

H 2016 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing Bay Point Wastewater Infrastructure Repair and Rehabilitation Project (Phase 3). The loan principal totals $2,054,000 with a 30-year term and stated interest of 1.9% per annum. Principal and interest payments are due semi- annually, on November 1 and May 1, commencing on November 1, 2016 and maturing on November 1, 2045.

NOTE 8 – LONG-TERM DEBT (Continued)

I. 2019 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing the Pump Station Facility Repair (Phase 2). The loan principal totals $13,500,000 with a 30-year term and stated interest of 1.9% per annum. Principal payments are due annually on December 31, and interest payments are due semi-annually, on June 30 and December 31. Payments commence on December 31, 2023 and mature on December 31, 2052. As of June 30, 2023, the District has drawn down a total of $11,569,317, and interest of $246,506 has been transferred to principal, for a total principal payable of $11,815,823.

J. 2020 Wastewater State Revolving Fund Loan

On August 8, 2014, the District entered into a loan agreement with the State of California Water Resources Control Board for the purpose of financing 2017 Sewer Pipeline Repair (Phase 4). The loan principal totals $3,198,734 with a 30-year term and stated interest of 1.9% per annum. Principal payments are due annually on December 1, and interest payments are due semi- annually, on December 1 and June 1. Payments commenced on December 1, 2021 and mature on December 1, 2050.

K. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt as of June 30, 2023:

	Direct Borrowings		
For The Year Ending June 30	Principal	Interest	Total
2024	$ 1,520,858	$ 754,107	$ 2,274,965
2025	1,552,192	614,120	2,166,312
2026	1,584,514	585,485	2,169,999
2027	1,617,868	555,908	2,173,776
2028	1,652,293	525,353	2,177,646
2029 – 2033	7,569,662	2,149,234	9,718,896
2034 – 2038	5,009,242	1,529,971	6,539,213
2039 – 2043	5,503,551	1,030,956	6,534,507
2044 – 2048	5,191,806	495,520	5,687,326
2049 – 2053	2,867,163	130,306	2,997,469
Total payments due	$ 34,069,149	$ 8,370,960	$ 44,440,109

NOTE 9 – RETIREMENT

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plans

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Rate Plan. The District's Miscellaneous Rate Plan are part of the public agency cost-sharing multiple-employer, which is administered by the California Public Employees' Retirement System (CalPERS). The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

		Miscellaneous	
	Tier I	Tier II	Tier III
Hire date	Prior to 6/30/12	6/30/12 to 12/31/12 and employees hired on or after 1/1/13 who are not a "new member"	On or after 1/1/13; new member
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%	2.00%
Required employee contribution rates	8.00%	7.00%	7.25%
Required employer contribution rates	14.35%	11.10%	7.65%

CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The District's total UALs for 2023 and 2022 were $1,607,212 and $1,393,591, respectively.

NOTE 9 – RETIREMENT (Continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, the contributions to the Plan were as follows:

	2023 Miscellaneous Tier I, II & III	2022 Miscellaneous Tier I, II & III
Contributions - employer	$2,519,840	$2,348,213

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	2023 Proportionate Share of Net Pension Liability	2022 Proportionate Share of Net Pension Liability
CCCERA Plan (12/31)	$ 1,841,942	$ (565,545)
Miscellaneous Tier I, II & III	21,615,327	10,302,215
Total Net Pension Liability	$ 23,457,269	$ 9,736,670

NOTE 9 – RETIREMENT (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	Miscellaneous Tier I, II & III
Proportion - June 30, 2021	0.19049%
Proportion - June 30, 2022	0.18713%
Change - Increase (Decrease)	(0.00336%)

For the year ended June 30, 2023, the District's recognized actuarial pension expense of $211,965 for Miscellaneous Tiers I, II, and III. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Tier I, Tier II, & III	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 2,519,840	$ -
Differences between actual and expected experience	434,078	(290,727)
Changes in assumptions	2,214,942	-
Change in employer's proportion	193,360	(132,144)
Net differences in actual contributions and proportionate contributions		(821,778)
Net differences between projected and actual earnings on pension plan investments	3,959,354	-
Total	$ 9,321,574	$ (1,244,649)

Deferred outflows of $2,519,840 related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous -Tier I, II, & III	
Year Ended June 30	Annual Amortization
2024	$ 1,358,601
2025	1,154,037
2026	622,771
2027	2,421,676
Thereafter	-

NOTE 9 – RETIREMENT (Continued)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Tier I, Tier II, & III	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 2,348,213	$ -
Differences between actual and expected experience	1,155,282	-
Changes in assumptions	-	-
Changes in employer's proportion	473,094	-
Net differences in actual contributions and proportionate contributions	-	(527,362)
Net differences between projected and actual earnings on pension plan investments	-	(8,993,289)
Total	$ 3,976,589	$ (9,520,651)

Deferred outflows of $2,348,213 related to contributions subsequent to the measurement date, was recognized as a reduction of the net pension liability in the current fiscal year.

Actuarial Assumptions – The total pension liability in the June 30, 2021 valuation was determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality	Derived using CalPERS Membership data for all Funds. The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
Post Retirement Benefit Increases	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

NOTE 9 – RETIREMENT (Continued)

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10[1, 2]
Global equity – cap-weighted	30 %	4.45 %
Global equity non-cap-weighted	12 %	3.84 %
Private equity	13 %	7.28 %
Treasury	5 %	0.27 %
Mortgage-backed securities	5 %	0.50 %
Investment grade corporates	10 %	1.56 %
High yield	5 %	2.27 %
Emerging market debt	5 %	2.48 %
Private debt	5 %	3.57 %
Real assets	15 %	3.21 %
Leverage	-5 %	-0.59 %

1. An expected inflation of 2.30% used for this period
2. Figures are based on the 2021-22 Asset Liability Management stufy

NOTE 9 – RETIREMENT (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate at June 30, 2022 measurement date:

	5.90% (1% decrease)	6.90% (Current rate)	7.90% (1% increase)
Net Pension Liability	$ 32,782,405	$ 21,615,327	$ 12,427,592

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Contra Costa County Employees Retirement Association Closed Plan

The District discontinued participation in the Contra Costa County Employees Retirement Association (CCCERA) effective June 20, 2004. The termination agreement provides for an evaluation of any additional liability owed to CCCERA every three years. CCCERA retained certain assets contributed by the District and they remain responsible for retiree benefits for retirees and deferred vested members who were not transferred to the CalPERS system. The designation of 3.75% of payroll annually for Employee Benefit Costs will be a source of funds to address this or other liabilities due. CCCERA's actuary has conducted and determined the District's termination liability using the triennial experience analysis as of December 31, 2015.. Based on this analysis and in accordance with the termination agreement with CCCERA, the District's unfunded obligation of $2,017,307 was to be amortized over 15 years, resulting in annual payments of $221,489 starting December 31, 2016. The actuarial pension expense for CCCERA was $174,767 for the year ended June 30, 2023. The next triennial actuarial valuation is expected on November 2025. As of June 30, 2023, in accordance with GASB 68, the District recorded a net pension liability of $1,841,942 under the CCCERA plan, as well as deferred outflows of $1,502,536 and deferred inflows of $403,948.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description and Funding Policy

The District provides post-retirement health care benefits to eligible retirees pursuant to Memorandums of Understanding (MOU) with employee bargaining groups. Under the MOU, the District contracts with the California Public Employees' Retirement System (CalPERS) to provide post-retirement health benefits to eligible retirees through the Public Employees' Medical and Hospital Care Act (PEMHCA) program. The District administers a defined-benefit post-employment healthcare plan. On December 9, 2009, the District established an irrevocable exclusive agent multiemployer benefit trust administered by Public Agency Retirement Services (PARS). The trust is used to accumulate and invest assets necessary to reimburse retirees. PARS issues no separate financial reports for the OPEB trust.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB benefits vary by employee hire date, length of service, and CalPERS service credits. The District plans to fund the benefits provided under the plan over a 30-year, with minimal impacts on District ratepayers. As part of the annual budget development process, the District Board includes sufficient funding to cover the Actuarially Determined Contributions (ADC) based on the actuarial report prepared in compliance with GASB 75. The annual ADC is deposited in the OPEB trust fund managed by PARS.

On July 14, 2010, the Board adopted the District's Retiree Health Funding Plan, which includes the cost-sharing of the retiree health benefits with employees. Effective July 1, 2010, employees will contribute 1% of their base salary towards pre-funding the OPEB liability in the trust fund. Effective July 1, 2011, employees' contribution to pre-fund the OPEB liability will increase to 2% and 3% on July 1, 2012.

As of the fiscal year ended June 30, 2023, the MOUs stipulate that only Local One AFSCME Council 57 for Professional and Technical Representation Bargaining Unit and Management Association employees hired on or before October 15, 2022; and Local One AFSCME Council 57 for the Operations & Maintenance Representation Bargaining Unit hired on or before February 4, 2023, are required to contribute 3% of salaries to the OPEB Trust. The District continues to fund the OPEB liability based on the ADC determined for the fiscal year.

	Fiscal Years Ended June 30, 2023 and 2022
Plan Type	Single Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

Employees Covered by Benefit Terms **–** Membership in the plan consisted of the following at the measurement date of June 30:

	2023	2022
Active plan members	66	64
Inactive employees or beneficiaries currently receiving benefit payments	68	69
Inactive employees entitled to but not yet receiving benefit payments	6	5
Total	140	138

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. *Net OPEB Liability*

Actuarial Methods and Assumptions – The District net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the $19,405,198 total OPEB liability June 30, 2023, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Contribution Policy	• Pre-funded through PARS with the Balanced Portfolio. • District contributes at least the actuarially determined contribution. Employees (P&T and management hired on or before October 15, 2022; O&M hired on or before February 4, 2023) contribute 3% of reported PERSable payroll.
Discount Rate and Long-Term Expected Rate of Return on Assets	• 5.75% at June 30, 2023 • 6.00% at June 30, 2022 • Expected District contributions projected to keep sufficient plan assets to pay all benefits from trust.
General Inflation	• 2.50% annually
Mortality, Retirement, Disability, Termination	• CalPERS 2000-2019 experience study
Mortality Improvement	• Mortality projected fully generations with Scale MP-2021
PEMHCA Improvement	• 3.50% annually
Salary Increases	• Aggregate – 2.75% annually • Merit – CalPERS 2000-2019 Experience Study
Medical Trend	• Non-Medicare – 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 • Medicare (Non-Kaiser) – 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 • Medicare (Kaiser) – 4.60% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Participation at Retirement	• Actives covered & surviving spouse hired < 1/1/09 – 100% • Actives covered & surviving spouse hired ≥ 1/1/09 CalPERS Service – Participation <10 – 0% 10 - 14 – 90% 15 - 19 – 95% ≥20 – 100% • Retirees & surviving spouses - Participating – 100% - Waived < 65 – 5% at 65 - Waived ≥ 65 – 0%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables as of June 30:

2023

	Target Allocation PARS-Balanced	Expected Real Rate of Return
Asset Class Component		
• Global equity	60%	4.56%
• Fixed income	35%	0.78%
• Cash	5%	(0.50%)
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		5.75%

2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58%	4.82%
Fixed Income	35%	1.47%
REITs	2%	3.76%
Cash	5%	0.06%
Total	100%	
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return		6.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.75% for 2023 and 6.00% for 2022. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability follows as of June 30, 2023:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (c) = (a) - (b)**
Balance at June 30, 2022	$20,231,442	$ 17,266,466	$ 2,964,976
Changes Recognized for the Measurement Period:			
Service Cost	737,049	-	737,049
Interest on the total OPEB liability	1,218,092	-	1,218,092
Changes of benefit terms	(198,894)	-	(198,894)
Actual vs. expected experience	(1,165,043)	-	(1,165,043)
Assumption changes	(83,511)	-	(83,511)
Contributions – employer	-	621,708	(621,708)
Contributions – employee	-	250,708	(250,708)
Net investment income	-	1,480,093	(1,480,093)
Benefit payments	(1,333,937)	(1,333,937)	-
Administrative expenses	-	(40,581)	40,581
Net Changes during July 1, 2022 to June 30, 2023	(826,244)	977,991	(1,804,235)
Balance at June 30, 2023	$ 19,405,198	$ 18,244,457	$ 1,160,741

The changes in the Net OPEB Liability follows as of June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (c) = (a) - (b)**
Balance at June 30, 2021	$18,945,205	$ 20,387,709	$ (1,442,504)
Changes Recognized for the Measurement Period:			
Service Cost	681,842	-	681,842
Interest on the total OPEB liability	1,190,784	-	1,190,784
Difference between expected and actual experience	-	-	-
Changes of assumptions	562,616	-	562,616
Contributions from the employer	-	611,177	(611,177)
Contributions from the employees	-	273,177	(273,177)
Net investment income	-	(2,812,836)	2,812,836
Administrative expenses	-	(43,756)	43,756
Benefit payments and refunds	(1,149,005)	(1,149,005)	-
Net Changes during July 1, 2021 to June 30, 2022	1,286,237	(3,121,243)	4,407,480
Balance at June 30, 2022	$ 20,231,442	$ 17,266,466	$ 2,964,976

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

D. Sensitivity of the Net OPEB Liability

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as of June 30:

Plan's Net OPEB Liability (Asset) at June 30, 2023		
Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate -1% (6.75%)
$ 3,505,893	$ 1,160,741	$ (789,908)

Plan's Net OPEB Liability (Asset) at June 30, 2022		
Discount Rate -1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate -1% (7.00%)
$ 5,503,964	$ 2,964,976	$ 861,321

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage- point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Plan's Net OPEB Liability (Asset) at June 30, 2023		
1% Decrease	Current Trend	1% Increase
$ (1,146,910)	$ 1,160,741	$ 3,981,545

Plan's Net OPEB Liability (Asset) at June 30, 2022		
1% Decrease	Current Trend	1% Increase
$ 256,282	$ 2,964,976	$ 6,310,729

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized actuarial OPEB expense of $210,845. As of June 30, 2023 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,584,469)
Changes of assumptions	446,553	(598,670)
Net difference between projected and actual earnings on OPEB plan investments	840,777	-
Total	$ 1,287,330	$ (2,183,139)

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The District did not have any contributions subsequent to the measurement date to report as deferred outflows of resources as of June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Annual Amortization
2024	$ (319,295)
2025	(378,842)
2026	292,794
2027	(266,958)
2028	(183,234)
Thereafter	(40,274)

For the year ended June 30, 2022, the District recognized actuarial OPEB expense of $330,029. As of June 30, 2022 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ (865,027)
Changes of assumptions	596,777	(693,826)
Net difference between projected and actual earnings on OPEB plan investments	1,459,639	-
Total	$ 2,056,416	$ (1,558,853)

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 60 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays an annual premium to CSRMA for its general liability, property damage, workers compensation insurance and automobile coverage.

CSRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

CSRMA is not a component unit of the District and the District's share of assets, liabilities, and equity has not been calculated.

NOTE 11 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies in force carried by the District as of June 30, 2023:

Type of Coverage	Limits	Deductibles
General Liability	$15,750,000	$100,000
Excess General Liability	10,000,000	None
Worker's Compensation	1,000,000	None
Excess Worker's Compensation Liability	Statutory Limit	None
Special Form Property	212,843,248	25,000
Public Entity Pollution Liability	2,000,000	250,000
Cyber Liability Coverage	2,000,000	None
Master Crime Liability	2,000,000	2,500
Auto Comprehensive and Collision	1,499,683	1,000/2,000

The District also maintains employee fidelity bonds to protect against the risk of employee theft or defalcation. Settled claims for CSRMA or employee fidelity bonds have not exceeded coverage in any of the past three fiscal years. Audited financial statements of CSRMA may be obtained at 560 Mission Street, 6th Floor, San Francisco, CA 94105.

The District did not record a liability for outstanding claims at fiscal year-end, as management believes that the claims were minimal.

NOTE 12 – NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three categories. These captions apply only to Net Position, which is determined only at the District-wide level, and are described below:

Net investment in Capital Assets describes the portion of Net Positions which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Purchase Commitments

The District has a number of purchase commitments for ongoing operating and capital projects that involves multi-year contracts. Purchase commitments related to these multi-year contracts are approximately $9,938,948 and $11,153,292 as of June 30, 2023 and 2022, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

DELTA DIABLO
Cost-Sharing Multiple-Employer Defined Pension Plan
Schedule of Proportionate Share of Net Pension Liability
Last 10 Years*

	Fiscal Year End June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of net pension liability	0.18713%	0.19049%	0.16646%	0.16218%	0.38230%	0.37570%	0.38170%	0.37470%	0.33450%
Proportionate share of the net pension liability	$ 21,615,327	$ 10,302,215	$ 18,111,057	$ 16,618,622	$ 15,143,491	$ 15,484,151	$ 13,258,795	$ 10,279,890	$ 10,961,818
Covered payroll	$ 8,903,746	$ 9,484,075	$ 9,370,990	$ 9,473,230	$ 9,739,463	$ 8,705,573	$ 8,075,458	$ 8,138,640	$ 7,681,566
Proportionate share of the net pension liability as a percentage of covered payroll	242.77%	108.63%	193.27%	175.43%	155.49%	177.86%	164.19%	126.31%	142.70%
Plan's fiduciary net position	$ 60,303,980	$ 66,315,908	$ 56,855,501	$ 52,339,949	$ 50,164,464	$ 45,367,518	$ 40,904,049	$ 40,032,145	$ 39,249,319
Plan's fiduciary net position as a percentage of the Plan's total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	75.44%	78.40%	79.82%

Schedule of Pension Contributions
Last 10 Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions (actuarially determined)	$ 2,519,840	$ 2,348,213	$ 2,273,068	$ 2,071,446	$ 1,880,696	$ 1,710,608	$ 1,663,037	$ 1,669,912	$ 1,251,178
Contributions in relation to actuarially determined contributions	(2,519,840)	(2,348,213)	(2,273,068)	(2,071,446)	(1,880,696)	(1,710,608)	(1,663,037)	(1,669,912)	(1,251,178)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 9,280,770	$ 8,903,746	$ 9,484,075	$ 9,370,990	$ 9,473,230	$ 9,783,463	$ 8,705,573	$ 8,075,458	$ 8,138,640
Contributions as a percentage of covered payroll	27.15%	26.37%	23.97%	22.10%	19.85%	17.48%	19.10%	20.68%	15.37%

Notes to Schedule:

Valuation Date:	June 30, 2020
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Remaining amortization periods	Differs by employer rate plan, but not more than 28 years
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increase	Varies by entry age and service
Discount rate	7.00% (net of administrative expenses)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
Post-retirement benefit increase	

* Fiscal year ending June 30, 2015, was the first year of implementation, therefore only nine years are shown.

DELTA DIABLO
Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement date June 30:		2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost		$ 737,049	$ 681,842	$ 794,754	$ 771,606	$ 779,569	$ 725,000	$ 702,000
Interest on the OPEB liability		1,218,092	1,190,784	1,264,614	1,206,322	1,203,775	1,122,000	1,056,000
Differences between actual and expected experience		(1,165,043)	-	(956,197)	-	(631,144)	-	-
Change of benefit terms		(198,894)	-	-	-	-	182,000	(12,000)
Changes of assumptions		(83,511)	562,616	(1,024,220)	-	362,822	-	-
Benefits paid to retirees		(1,333,937)	(1,149,005)	(1,145,656)	(991,130)	(859,910)	(781,000)	(720,000)
Net change in total OPEB liability		(826,244)	1,286,237	(1,066,705)	986,798	855,112	1,248,000	1,026,000
Total OPEB Liability - beginning		20,231,442	18,945,205	20,011,910	19,025,112	18,170,000	16,922,000	15,896,000
Total OPEB Liability - ending	**(a)**	$ 19,405,198	$ 20,231,442	$ 18,945,205	$ 20,011,910	$ 19,025,112	$ 18,170,000	$ 16,922,000
Plan Fiduciary Net Position								
Employer contributions		$ 621,708	$ 611,177	$ 1,139,773	$ 1,202,808	$ 1,208,525	$ 1,592,000	$ 1,505,000
Employee contributions		250,708	273,177	278,341	278,048	281,058	282,000	262,000
Net investment income		1,480,093	(2,812,836)	4,347,665	467,104	896,214	935,000	1,236,000
Benefits paid to retirees		(1,333,937)	(1,149,005)	(1,145,656)	(991,130)	(859,910)	(781,000)	(720,000)
Administrative expense		(40,581)	(43,756)	(40,922)	(36,736)	(34,473)	(33,000)	(26,000)
Net change in plan fiduciary position		977,991	(3,121,243)	4,579,201	920,094	1,491,414	1,995,000	2,257,000
Plan fiduciary net position- beginning		17,266,466	20,387,709	15,808,508	14,888,414	13,397,000	11,402,000	9,145,000
Plan fiduciary net position- ending	**(b)**	$ 18,244,457	$ 17,266,466	$ 20,387,709	$ 15,808,508	$ 14,888,414	$ 13,397,000	$ 11,402,000
Net OPEB liability (asset) - ending	**(a) - (b)**	$ 1,160,741	$ 2,964,976	$ (1,442,504)	$ 4,203,402	$ 4,136,698	$ 4,773,000	$ 5,520,000
Plan fiduciary net position as a percentage of the total OPEB liability		94.02%	85.34%	107.61%	79.00%	78.26%	73.73%	67.38%
Covered-employee payroll		$ 8,375,550	$ 9,111,767	$ 9,283,462	$ 9,254,288	$ 9,371,057	$ 9,385,000	$ 8,724,000
Net OPEB liability as a percentage of covered-employee payroll		13.86%	32.54%	-15.54%	45.42%	44.14%	50.86%	63.27%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB No. 75 is applicable. Future years' information will be displayed, up to 10 years, as information becomes available

The term Covered-employee payroll is used because there are employees receiving benefits not based on wages.

DELTA DIABLO
Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	$ 591,000	$ 614,000	$ 831,000	$ 878,000	$ 910,000	$ 920,000	$ 926,000
Contributions in relation to the ADC	(621,708)	(611,177)	(1,139,773)	(1,202,808)	(1,208,525)	(1,592,000)	(1,642,483)
Contribution deficiency (excess)	$ (30,708)	$ 2,823	$ (308,773)	$ (324,808)	$ (298,525)	$ (672,000)	$ (716,483)
Covered-employee payroll	$ 8,375,550	$ 9,111,767	$ 9,283,462	$ 9,254,288	$ 9,371,057	$ 9,385,000	$ 8,724,000
Contributions as a percentage of covered-employee payroll	7.42%	6.71%	12.28%	13.00%	12.90%	16.96%	18.83%

Method and assumptions used to determine contribution:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, Level % of pay
Amortization Method	Level % of pay
Amortization Period	16-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Discount rate	6.25%
Medical trend	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076
	Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076
	Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality improvement	Post-retirement mortality projected fully general with Scale MP-2019

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DELTA DIABLO
SUPPLEMENTARY SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
June 30, 2023

	Wastewater	Wastewater Expansion	Recycled Water Facility
ASSETS			
CURRENT ASSETS			
Cash	$ 9,961,404	$ 5,052,336	$ 2,662,602
Investments	32,761,402	4,079,757	-
Restricted cash	-	-	-
Restricted investment	1,243,523	133,222	-
Committed investments	38,122,113	3,316,779	5,392,500
Accounts receivable	477,475	523,463	281,325
Interest receivable	461,117	626	48,280
Current portion of notes receivable	-	14,755	307,493
Current portion of lease receivable	85,010		
Current portion of employee loans receivable	6,595	-	-
Inventory	964,813	-	104,046
Prepaid expenses	117,054	-	20,657
Total current assets	84,200,506	13,120,938	8,816,903
NON-CURRENT ASSETS			
CAPITAL ASSETS			
Capital assets, non depreciable	36,892,627	-	-
Depreciable capital assets, net of accumulated depreciation	93,391,135	-	26,552,656
Intangible right-to-use lease asset, net of accumulated amortization	55,303	-	-
Total capital assets, net	130,339,065	-	26,552,656
OTHER NON-CURRENT ASSETS			
Notes receivable, less current portion	-	29,028	2,313,426
Leases receivable, less current portion	1,685,137	-	-
Interfund receivables	4,000,000	-	-
Employee loans receivable, less current portion	3,785	-	-
Total other non-current assets	5,688,922	29,028	2,313,426
TOTAL ASSETS	220,228,493	13,149,966	37,682,985
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	10,824,110	-	-
Related to OPEB	1,287,330	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,111,440	-	-
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	2,106,884	-	27,763
Accrued payroll and benefits	293,892	-	12,618
Deposits payable	991,086	-	20,884
Unearned revenue	18,474	43,783	-
Compensated absences - current portion	868,447	-	-
Lease liability - current portion	14,173	-	-
Current portion of long-term debt	945,990	81,727	316,875
Accrued interest payable	154,053	7,778	-
Total current liabilities	5,392,999	133,288	378,140
NON-CURRENT LIABILITIES			
Long-term debt, net of current portion			
State revolving fund loans	21,494,717	2,374,437	2,224,966
Installment sales agreement	989,993	-	-
Compensated absences - due in more than one year	84,655	-	-
Lease liability - noncurrent portion	41,649	-	-
Interfund payable	4,000,000	-	-
Net pension liability	23,457,269	-	-
Net OPEB liability	1,160,741	-	-
Total non-current liabilities	51,229,024	2,374,437	2,224,966
TOTAL LIABILITIES	56,622,023	2,507,725	2,603,106
DEFERRED INFLOWS OF RESOURCES			
Related to leases	1,742,361	-	-
Related to pensions	1,648,597	-	-
Related to OPEB	2,183,139	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,574,097	-	-
NET POSITION			
Net investment in capital assets	106,908,365	(2,456,164)	24,010,815
Restricted for debt service	1,243,523	133,222	-
Unrestricted	61,991,925	12,965,183	11,069,064
TOTAL NET POSITION	$ 170,143,813	$ 10,642,241	$ 35,079,879

Hazardous Waste	Street Sweeping	Bay Point	Total
$ 181,861	$ 106,539	$ 3,388,626	$ 21,353,368
-	-	-	36,841,159
-	-	-	-
-	-	290,038	1,666,783
160,000	1,146,127	3,235,625	51,373,144
254,439	1,076	20,761	1,558,539
-	7,365	39,431	556,819
2,998	-	-	325,246
			85,010
-	-	-	6,595
-	-	-	1,068,859
-	-	-	137,711
599,298	1,261,107	6,974,481	114,973,233
-	-	-	36,892,627
1,159,046	-	7,987,297	129,090,134
-	-	-	55,303
1,159,046	-	7,987,297	166,038,064
47,052	-	-	2,389,506
-	-	-	1,685,137
-	-	-	4,000,000
-	-	-	3,785
47,052	-	-	8,078,428
1,805,396	1,261,107	14,961,778	289,089,725
-	-	-	10,824,110
-	-	-	1,287,330
-	-	-	12,111,440
291,384	125,606	7,320	2,558,957
4,134	-	8,723	319,367
-	-	-	1,011,970
50,050	-	-	112,307
-	-	-	868,447
-	-	-	14,173
-	-	176,266	1,520,858
-	-	13,049	174,880
345,568	125,606	205,358	6,580,959
-	-	5,464,178	31,558,298
-	-	-	989,993
-	-	-	84,655
-	-	-	41,649
-	-	-	4,000,000
-	-	-	23,457,269
-	-	-	1,160,741
-	-	5,464,178	61,292,605
345,568	125,606	5,669,536	67,873,564
-	-	-	1,742,361
-	-	-	1,648,597
-	-	-	2,183,139
-	-	-	5,574,097
1,159,046	-	2,346,853	131,968,915
-	-	290,038	1,666,783
300,782	1,135,501	6,655,351	94,117,806
$ 1,459,828	$ 1,135,501	$ 9,292,242	$ 227,753,504

DELTA DIABLO
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
For the Year Ended June 30, 2023

	Wastewater	Wastewater Expansion
OPERATING REVENUES		
Service charges	$ 36,083,682	$ -
Discharge permits	109,225	-
Household hazardous waste permits	-	-
Miscellaneous	520,895	-
Work for others	459,669	-
Total operating revenues	37,173,471	-
OPERATING EXPENSES		
Salaries and benefits	12,091,291	832
Chemicals	1,159,279	-
Depreciation	5,152,639	-
Amortization	14,427	-
Office and operating expense	2,730,911	-
Outside service and maintenance	3,902,212	-
Utilities	2,268,636	-
Other	375,936	-
Total operating expenses	27,695,331	832
OPERATING INCOME (LOSS)	9,478,140	(832)
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(806,931)	(47,210)
Interest income	1,709,975	3,128
Capital facilities capacity charges	-	4,181,144
Lease revenue	95,111	-
Gain on sale of asset	-	-
State and federal grants	1,315,723	-
Property taxes	3,647,739	437,822
Total nonoperating revenues (expenses), net	5,961,617	4,574,884
NET INCOME (LOSS) BEFORE TRANSFERS	15,439,757	4,574,052
Transfers in	1,283,390	-
Transfers out	(1,383,894)	(931)
Total transfers in (out)	(100,504)	(931)
NET INCOME (LOSS) AFTER TRANSFERS	15,339,253	4,573,121
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	154,804,560	6,069,120
PRIOR PERIOD ADJUSTMENT	-	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	154,804,560	6,069,120
NET POSITION, END OF YEAR	$ 170,143,813	$ 10,642,241

Recycled Water Facility	Hazardous Waste	Street Sweeping	Bay Point	Total
$ 3,855,417	$ -	$ 655,959	$ 1,304,009	$ 41,899,067
-	-	-	-	109,225
-	593,483	-	-	593,483
-	243	-	-	521,138
-	2,417	-	-	462,086
3,855,417	596,143	655,959	1,304,009	43,584,999
766,096	266,003	-	509,277	13,633,499
811,557	-	-	1,147	1,971,983
1,375,784	36,024	-	215,082	6,779,529
-	-	-	-	14,427
223,927	52,617	-	8,356	3,015,811
136,756	840,388	757,112	134,743	5,771,211
695,690	788	-	-	2,965,114
-	-	-	-	375,936
4,009,810	1,195,820	757,112	868,605	34,527,510
(154,393)	(599,677)	(101,153)	435,404	9,057,489
(2,201)	-	-	(113,882)	(970,224)
185,439	4,088	23,220	125,152	2,051,002
-	-	-	-	4,181,144
-	-	-	-	95,111
-	-	-	-	-
363,421	28,799	-	-	1,707,943
-	-	-	-	4,085,561
546,659	32,887	23,220	11,270	11,150,537
392,266	(566,790)	(77,933)	446,674	20,208,026
				-
-	537,271	-	-	1,820,661
(370,800)	-	-	(65,036)	(1,820,661)
(370,800)	537,271	-	(65,036)	-
21,466	(29,519)	(77,933)	381,638	20,208,026
35,058,413	1,489,347	1,213,434	8,910,604	207,545,478
-	-	-	-	-
35,058,413 -	1,489,347	1,213,434	8,910,604	207,545,478
$ 35,079,879	$ 1,459,828	$ 1,135,501	$ 9,292,242	$ 227,753,504

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Delta Diablo

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Delta Diablo, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Delta Diablo's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delta Diablo's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delta Diablo's internal control. Accordingly, we do not express an opinion on the effectiveness of Delta Diablo's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Diablo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 8, 2023

STATISTICAL SECTION

RECYCLED WATER FACILITY – CHLORINE CONTACT TANKS

This section of the District's Annual Comprehensive Financial Report provides detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. Information provided in this section is not subject to an independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the District's current level of outstanding debt and its ability to issue additional debt in the future.

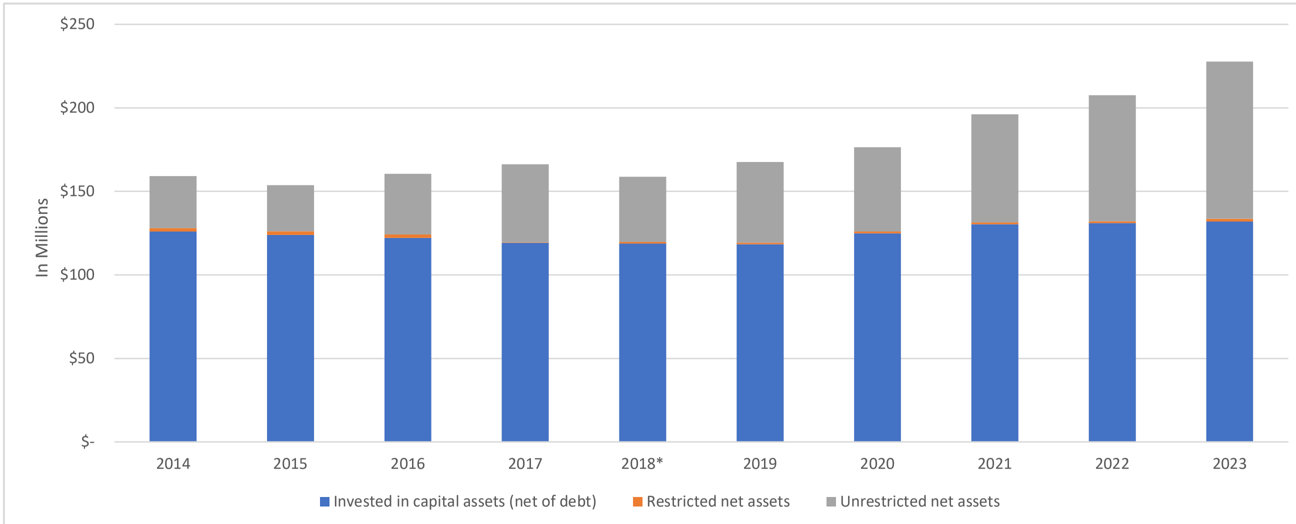
Demographics and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities/programs it performs.

DELTA DIABLO
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)



	2014	2015	2016	2017	2018*	2019	2020	2021	2022	2023
Net Position Component										
Invested in capital assets (net of debt)	$ 125,917,417	$ 123,992,770	$ 122,139,055	$ 119,128,874	$ 118,740,378	$ 118,356,795	$ 124,929,747	$ 130,291,859	$ 130,948,976	$ 131,968,915
Restricted net assets	2,088,848	2,087,120	2,086,398	378,358	929,736	1,008,283	1,008,283	1,149,283	1,149,283	1,666,783
Unrestricted net assets	31,151,027	27,642,843	36,317,897	46,684,135	39,072,410	48,218,545	50,479,335	64,759,101	75,447,219	94,117,806
Total Net Position	**$ 159,157,292**	**$ 153,722,733**	**$ 160,543,350**	**$ 166,191,367**	**$ 158,742,524**	**$ 167,583,623**	**$ 176,417,365**	**$ 196,200,243**	**$ 207,545,478**	**$ 227,753,504**

Source: Delta Diablo Audited Financial Statements

* Includes GASB 68 prior year adjustment of $6M and a $3.7M write-off of construction in progress.

DELTA DIABLO
Condensed Statement of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Service charges [1]	$ 27,151,658	$ 28,626,113	$ 30,755,640	$ 31,572,922	$ 32,389,604	$ 35,484,438	$ 37,312,576	$ 38,867,117	$ 41,451,868	$ 41,899,067
Discharge permits	167,150	158,950	145,750	124,250	161,900	144,000	150,600	140,700	122,425	109,225
Household hazardous waste operating fees	437,394	450,714	468,206	472,479	471,923	497,828	424,924	552,305	543,987	593,483
Miscellaneous	641,136	641,137	699,005	613,001	499,084	465,796	471,531	345,200	387,038	521,138
Work for Others [2]	915,624	896,889	676,712	912,159	170,081	215,136	248,294	1,305,770	86,548	462,086
Total operating revenues	29,312,962	30,773,803	32,745,313	33,694,811	33,692,592	36,807,198	38,607,925	41,211,092	42,591,866	43,584,999
Operating Expenses										
Salaries and benefits	13,500,132	12,304,139	12,796,436	16,951,986	18,083,303	17,604,581	16,279,300	13,805,207	15,849,013	13,633,499
Chemicals	1,160,309	1,078,924	1,160,518	1,027,234	1,178,138	1,405,512	1,299,877	1,478,113	1,555,667	1,971,983
Depreciation (Note 6)	6,821,159	6,959,201	6,993,567	6,881,767	6,897,318	6,926,195	7,202,996	6,961,060	7,176,966	6,779,529
Amortization (Note 6)									2,404	14,427
Office expense and operating expense	1,709,046	1,844,178	1,942,438	1,998,743	2,100,498	1,901,272	1,944,002	2,466,319	2,528,359	3,015,811
Outside service and maintenance	4,071,441	4,445,466	5,265,128	4,137,773	5,352,273	5,652,901	5,410,194	4,693,849	5,608,812	5,771,211
Utilities	1,606,954	1,488,843	1,488,734	1,745,270	1,730,048	1,799,370	1,774,024	2,045,451	2,686,744	2,965,114
Other	130,976	62,813	171,067	160,809	137,165	85,252	1,427,727 [4]	238,513	241,521	375,936
Total operating expenses	29,000,017	28,183,564	29,817,888	32,903,582	35,478,743	35,375,083	35,338,120	31,688,512	35,649,486	34,527,510
Operating Income/(Loss)	**312,945**	**2,590,239**	**2,927,425**	**791,229**	**(1,786,151)**	**1,432,115**	**3,269,805**	**9,522,580**	**6,942,380**	**9,057,489**
Non-Operating Revenues (Expenses)										
Interest expense	(695,818)	(735,098)	(662,132)	(371,091)	(572,957)	(670,360)	(432,608)	(597,771)	(1,238,048)	(970,224)
Interest income	174,179	207,369	297,905	359,034	678,535	1,606,118	1,243,479	241,502	291,901	2,051,002
Capital facilities capacity charges	2,250,790	1,926,982	2,031,409	2,359,761	992,717	2,636,962	1,540,614	6,757,343	2,808,983	4,181,144
Lease revenue	36,125	36,125	36,125	36,540	36,332	36,540	36,540	85,872	96,452	95,111
Gain (Loss) on sale of asset	(415,681)	4,034	(217,711)	3,739	29,357	11,277	13,086	517	6,515	-
State and Federal grants	512,404	160,683	37,500	-	194,014	519,391	51,758	323,275	-	1,707,943
Subgrants	914,469	203,021	139,638	13,298	4,567	291,476			-	-
Property taxes	1,698,184	1,974,773	2,230,458	2,455,507	2,679,597	2,977,580	3,111,068	3,449,560	3,686,204	4,085,561
Total non-operating revenues/(expenses), net	4,474,652	3,777,889	3,893,192	4,856,788	4,042,162	7,408,984	5,563,937	10,260,298	5,652,007	11,150,537
Net Income/(Loss)	**4,787,597**	**6,368,128**	**6,820,617**	**5,648,017**	**2,256,011**	**8,841,099**	**8,833,742**	**19,782,878**	**12,594,387**	**20,208,026**
Net Position, Beginning of Year	154,369,695	159,157,292	153,722,733	160,543,350	166,191,367	158,742,524	167,583,623	176,417,365	196,200,243	207,545,478
Prior Period Adjustment [3]		(11,802,687)			(9,704,854)				(1,249,152)	
Net Position, End of Year	$ 159,157,292	$ 153,722,733	$ 160,543,350	$ 166,191,367	$ 158,742,524	$ 167,583,623	$ 176,417,365	$ 196,200,243	$ 207,545,478	$ 227,753,504

Source: Delta Diablo Audited Financial Statements

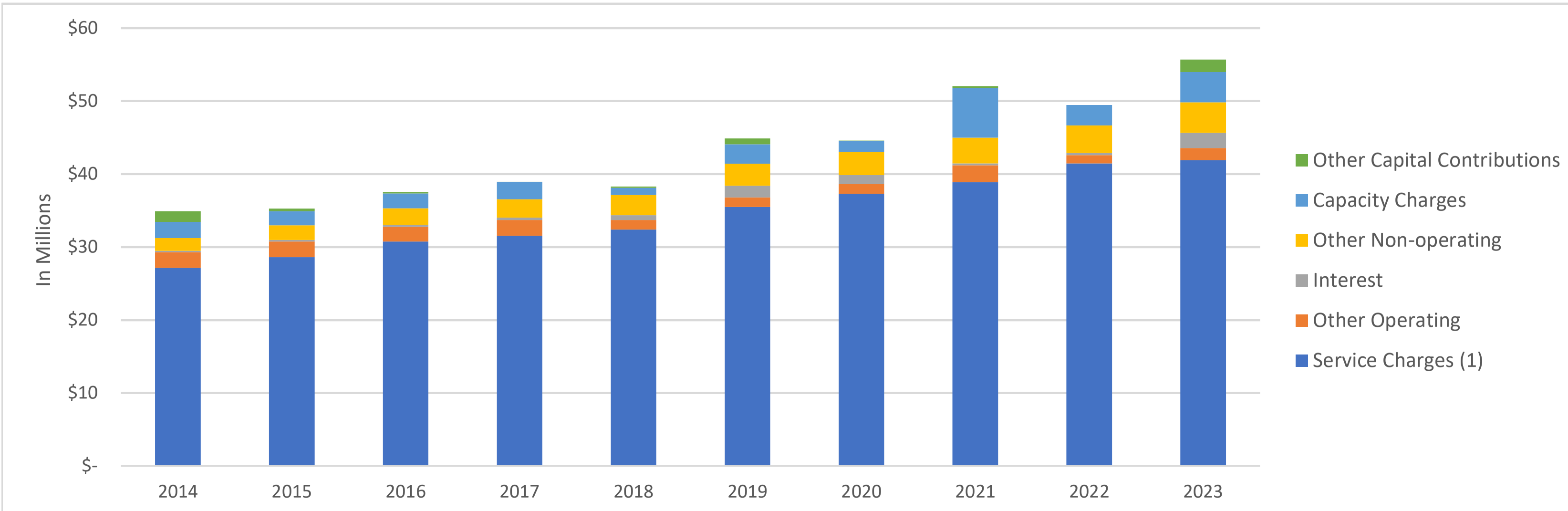
Note: (1) Service Charges is comprised of Wastewater Sewer Service, Recycled Water, Street Sweeping, and Bay Point Collection Charges.

(2) Prior to FY18/19, overhead from capital projects was reported as Work for Others. Commencing FY18/19, reported as transfer and eliminated for entity-wide statements.

(3) Implementation of GASB 68 and 75; write-off of construction in progress.

(4) Write-off of construction in progress.

DELTA DIABLO
Total Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)



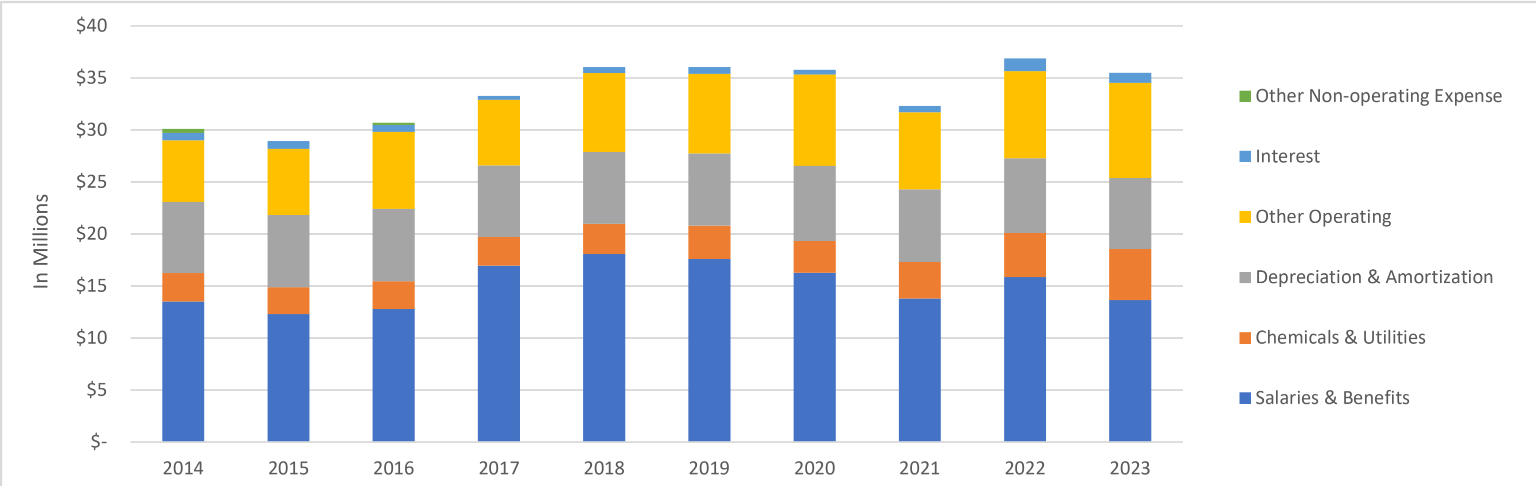
	Revenue Sources						
Fiscal Year	**Service Charges** [1]	**Other Operating**	**Interest**	**Other Non-Operating**	**Capacity Charges**	**Other Capital Contributions** [2]	**Total**
2014	$ 27,151,658	$ 2,161,304	$ 174,179	$ 1,734,309	$ 2,250,790	$ 1,426,873	$ 34,899,113
2015	28,626,113	2,147,690	207,369	2,014,932	1,926,982	363,704	35,286,790
2016	30,755,640	1,989,673	297,905	2,266,583	2,031,409	177,138	37,518,348
2017	31,572,922	2,121,889	359,034	2,495,786	2,359,761	13,298	38,922,690
2018	32,389,604	1,302,988	678,535	2,745,286	992,717	198,581	38,307,711
2019	35,484,438	1,322,760	1,606,118	3,025,397	2,636,962	810,867	44,886,542
2020	37,312,576	1,295,349	1,243,479	3,160,694	1,540,614	51,758	44,604,470
2021	38,867,117	2,343,975	241,502	3,535,949	6,757,343	323,275	52,069,161
2022	41,451,868	1,139,998	291,901	3,789,171	2,808,983	-	49,481,921
2023	41,899,067	1,685,932	2,051,002	4,180,672	4,181,144	1,707,943	55,705,760

Source: Delta Diablo Audited Financial Statements

Note: [1] Service Charges is comprised of Wastewater Sewer Service, Recycled Water, Street Sweeping, and Bay Point Collection Charges.

[2] The District received capital contributions either in the form of State, Subgrants and/or Federant grants.

DELTA DIABLO
Total Expense By Category
Last Ten Fiscal Years
(accrual basis of accounting)



Expense Categories							
Fiscal Year	Salaries & Benefits	Chemicals & Utilities	Depreciation & Amortization	Other Operating	Interest	Other Non-operating	Total
2014	$ 13,500,132 (1)	$ 2,767,263	$ 6,821,159	$ 5,911,463	$ 695,818	$ 415,681 (3)	$ 30,111,516
2015	12,304,139	2,567,767	6,959,201	6,352,457	735,098		28,918,662
2016	12,796,436	2,649,252	6,993,567	7,378,633	662,132	217,711 (3)	30,697,731
2017	16,951,986	2,772,504	6,881,767	6,297,325	371,091		33,274,673
2018	18,083,303 (2)	2,908,186	6,897,318	7,589,936	572,957		36,051,700
2019	17,604,581 (2)	3,204,882	6,926,195	7,639,425	670,360		36,045,443
2020	16,279,300	3,073,901	7,202,996	8,781,923	432,608		35,770,728
2021	13,805,207	3,523,564	6,961,060	7,398,681	597,771		32,286,283
2022	15,849,013	4,242,411	7,179,370	8,378,692	1,238,048		36,887,534
2023	13,633,499	4,937,097	6,793,956	9,162,958	970,224		35,497,734

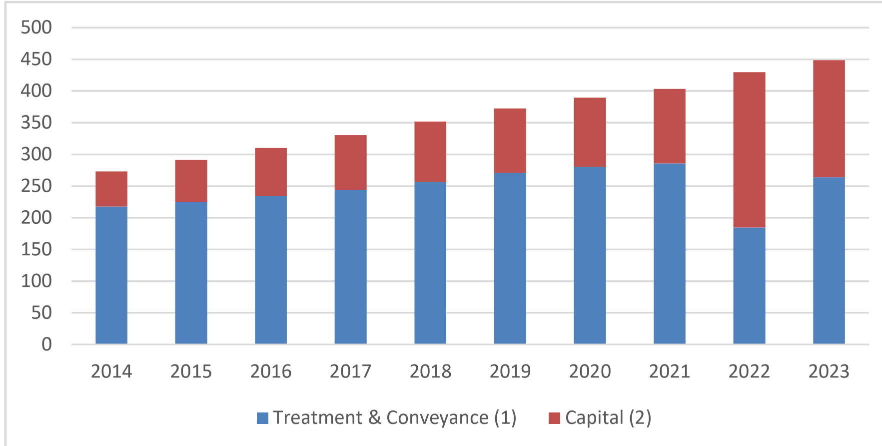
Source: Delta Diablo Audited Financial Statements

Note: (1) Includes a one-time side fund payment made to CALPERS of $3.9M.

(2) Includes adjustment for Implementation of GASB 68.

(3) Loss on disposition of capital assets.

DELTA DIABLO
Major Revenue Base and Rates
Last Ten Fiscal Years



Fiscal Year	Annual Sewer Service Charge			Capacity Charges [3]
	Treatment & Conveyance [1]	Capital [2]	Total	
2014	218	55	273	$4,444
2015	225	66	291	4,444
2016	234	76	310	4,444
2017	244	86	330	4,444
2018	256	95	352	4,444
2019	271	102	373	4,444
2020	281	109	389	4,444
2021	286	117	403	4,444
2022	185	245	429	4,444
2023	264	185	449	4,444

Source: Delta Diablo Rate Ordinance

Note: [1] Average annual flat fee (Zone 1-3) per Equivalent Residential Unit (ERU). Multi-family properties, multiply # of ERU x annual flat fee. Commercial user charges consist of an annual rate x hundred cubic feet (HCF) of water consumed except for customers with less than 80 HCF of water consumed, which are assessed an annual flat fee.

[2] Average annual flat fee (Zone 1-3) for Capital Asset and Capital Asset Replacement. Starting in FY11-12 through FY19-20 includes an Advance Treatment Plant component.

[3] Average Capital Facilities Capacity Charges (Zone 1-3) for new users per ERU connecting to the wastewater system.

DELTA DIABLO
Service Charges and Service Charges as a Percentage of Total Operating Revenue
Last Ten Fiscal Years

	2013 - 2014	2022 - 2023
Service Charges:		
Waste Water Sewer	$ 21,880,291	$ 36,083,682
Recycled Water	3,744,752	3,855,417
Street Sweeping	604,152	655,959
Baypoint	922,463	1,304,009
Total Service Charges	$ 27,151,658	$ 41,899,067
Total Operating Revenues	$ 29,312,962	$ 43,584,999
Service Charges as a Percentage of Total Operating Revenue	93%	96%

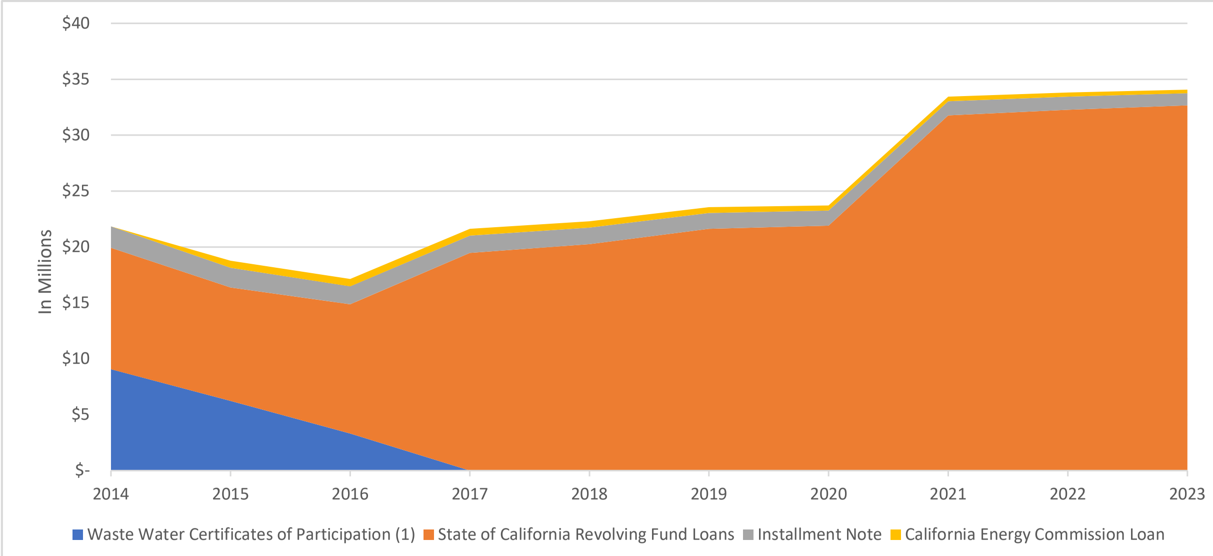
Principal Customers - Revenue Capacity
Last Ten Fiscal Years

Customer	Business Type	City	FY 2013-2014 Service Charge Annual Billing	Rank	Percentage of Total Annual Billings	FY 2022-2023 Service Charge Annual Billing	Rank	Percentage of Total Annual Billings
Calpine (1)	Utility	Pittsburg	$ 3,937,446	1	14.5%	$ 4,156,676	1	9.9%
Corteva (formerly Dow Chemical)	Manufacturing	Pittsburg	220,683	2	0.8%	257,471	2	0.6%
Kirker Creek Apartments	Housing	Pittsburg	153,581	6	0.6%	248,783	3	0.6%
Antioch Unified School District	Public Education	Antioch	84,728		0.3%	206,882	4	0.5%
AMCAL Antioch Fund	Housing	Antioch	-		0.0%	179,014	5	0.4%
Kaiser Foundation Hospital	Hospital	Antioch	119,000	7	0.4%	165,062	6	0.4%
Villa At San Marcos	Housing	Pittsburg	95,209	9	0.4%	154,227	7	0.4%
Rivershore Apartments	Housing	Bay Point	97,966	8	0.4%	151,986	8	0.4%
CCC Junior College District	Institution	Pittsburg	44,981		0.2%	143,756	9	0.3%
Meadows Mobile Home Park	Housing	Pittsburg	85,008	10	0.3%	137,703	10	0.3%
City of Antioch	City Government	Antioch	195,359	4	0.7%			0.0%
Angelica Healthcare	Retail	Pittsburg	154,985	5	0.6%			0.0%
City of Pittsburg	City Government	Pittsburg	213,107	3	0.8%			0.0%
All Other (2)		Combined Area	21,749,606		80.1%	36,097,506		86.2%
Total			$ 27,151,658		100.0%	$ 41,899,067		100.0%

Source: Delta Diablo Audited Financial Statements and Billing Records

Note: (1) Calpine is the District's largest Recycled Water customer, data includes Recycled Water charges. (2) "All Other" customers (includes residential, commercial customers) when listed individually is less than 0.5% of Total Annual Service Charges Billings covering all three cities served.

DELTA DIABLO
Outstanding Debt by Type and Debt Per Capita
Last Ten Fiscal Years



Fiscal Year	Waste Water Certificates of Participation [1]	State of California Revolving Fund Loans	Installment Note	California Energy Commission Loan	Total	Population Estimates [2]	Debt Per Capita [3]
2014	$ 9,067,882	$ 10,854,596	$ 1,923,203		$ 21,845,681	198,473	$ 110
2015	6,237,347	10,134,156	1,764,088	$ 630,000	18,765,591	200,942	93
2016	3,310,000	11,570,850	1,594,676	655,696	17,131,222	203,759	84
2017		19,464,968	1,542,156	608,219	21,615,343	204,971	105
2018		20,258,304	1,483,830	560,267	22,302,401	207,057	108
2019		21,624,398	1,419,331	511,833	23,555,562	214,327	110
2020		21,897,345	1,348,274	462,927	23,708,546	214,862	110
2021		31,765,815	1,270,253	413,518	33,449,586	215,394	155
2022		32,268,857	1,184,837	363,614	33,817,308	218,683	155
2023		32,664,363	1,091,577	313,209	34,069,149	218,281	156

Source: Delta Diablo Audited Financial Statements

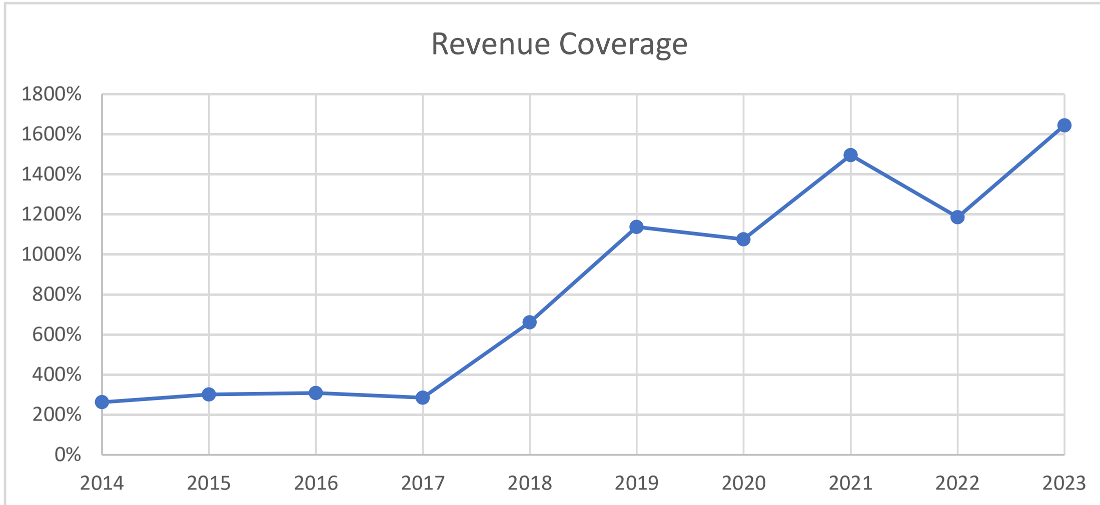
Notes: Debt amounts exclude premiums, discounts, or other amortization amounts.

[1] Includes accrued interest. Matured in 2016.

[2] Demographics and Economic Statistics (Statistical section)

[3] Debt per Capita = Total Debt/Population Estimate.

DELTA DIABLO
Pledged Revenue Coverage
Last Ten Fiscal Years



Fiscal Year	Gross Revenue [1]	Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	34,899,113	23,290,357	11,608,756	4,172,818	248,160	4,420,978	263%
2015	35,286,790	21,959,461	13,327,329	4,194,555	233,724	4,428,279	301%
2016	37,518,348	23,704,164	13,814,184	4,253,312	226,260	4,479,572	308%
2017	38,922,690	26,392,906	12,529,784	4,178,887	221,286	4,400,173	285%
2018	38,307,711	29,154,382	9,153,329	1,000,849	381,817	1,382,666	662%
2019	44,886,542	29,119,248	15,767,294	973,476	412,175	1,385,651	1138%
2020	44,604,470	28,567,732	16,036,738	1,053,186	437,985	1,491,171	1075%
2021	52,069,161	29,708,164	22,360,997	1,074,221	420,278	1,494,499	1496%
2022	49,481,921	29,708,164	19,773,757	1,178,878	489,372	1,668,250	1185%
2023	55,705,760	28,703,778	27,001,982	1,200,166	441,448	1,641,613	1645%

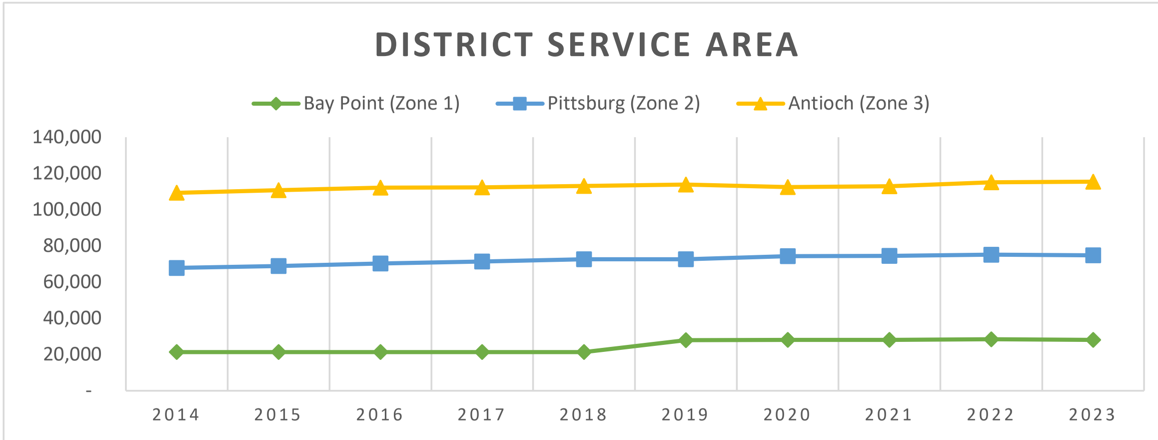
Source: Delta Diablo Audited Financial Statements
Note: Detail information on long-term debt can be found in the notes to the financial statements
[1] All revenues including capacity charges and other capital contributions
[2] Does not include depreciation and amortization

DELTA DIABLO
Principal Employers in the District
Last Ten Fiscal Years

Employer (1)	Industry (2)	2023 (1) Estimated Employees	2023 (1) Rank	2023 (1) Percent of District Employment	2013 (1) Estimated Employees	2013 (1) Rank	2013 (1) Percent of District Employment
Kaiser Permanente	Hospitals/Clinics	2,166	1	2.58%	2,151	1	2.92%
Antioch Unified School District	Schools-Universities	1,900	2	2.26%	1,629	2	2.21%
Pittsburg Unifed School District	Schools-Universities	1,218	3	1.45%	1,147	4	1.56%
Sutter Delta Medical	Hospitals/Clinics	972	4	1.16%	1,200	3	1.63%
Los Medanos Community College	Schools-Universities	719	5	0.86%	525	6	0.71%
USS-POSCO	Manufacturing	634	6	0.76%	694	5	0.94%
Contra Costa County Social Services	Family Services	539	7	0.64%	593	7	0.80%
Dow Chemical Company	Manufacturing	420	8	0.50%	400	8	0.54%
City of Pittsburg		326	9	0.39%	220	10	0.30%
City of Antioch		316	10	0.38%	272	9	
All Others		74,690			64,869		
Total (3)		83,900			73,700		

Source: (1) City of Antioch and City of Pittsburg 2022/2012 CAFR
(2) State of California, Employment Development , Major Employers (Industry Type)
(3) State of California , Employment Development Department, Labor Market Information

DELTA DIABLO
Demographic and Economic Statistics
Last Ten Fiscal or Calendar Years



Population Estimates for the District's Service Area					Contra Costa County			
Fiscal Year Ended June 30	Bay Point (1) (Zone 1)	Pittsburg (1) (Zone 2)	Antioch (1) (Zone 3)	Total	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Average Annual Unemployment Rate (2)
2014	21,349	67,849	109,275	198,473	1,098,018	$ 69,818,812	$ 62,957	6.8
2015	21,349	68,895	110,698	200,942	1,112,328	$ 76,517,699	$ 68,123	5.6
2016	21,349	70,233	112,177	203,759	1,127,279	$ 80,412,234	$ 70,840	4.7
2017	21,349	71,342	112,280	204,971	1,139,313	$ 88,024,256	$ 76,886	4.2
2018	21,349	72,647	113,061	207,057	1,149,363	$ 94,900,003	$ 82,506	3.5
2019	27,885	72,541	113,901	214,327	1,155,879	$ 98,423,318	$ 85,324	3.4
2020	28,021	74,321	112,520	214,862	1,153,561	$ 106,318,748	$ 92,264	4.0
2021	28,048	74,498	112,848	215,394	1,153,854	$ 115,342,618	$ 99,312	8.9
2022	28,453	75,156	115,074	218,683	1,165,927	n/a	n/a	6.4
2023	28,030	74,809	115,442	218,281	1,147,653	n/a	n/a	4.2
Average (10 years)	24,718	72,229	112,728	209,675				
As a % of Total	12%	34%	54%	100%				

Source: (1) State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2022-2023.
(2) Federal Reserve Economic Data-Economic Research Division.

Notes: Data shown as n/a denotes information is not available.
The district is located in Contra Costa County and serves 3 cities (Bay Point, Pittsburg and Antioch) within the county.

DELTA DIABLO
About the District

Date of Formation	1955
Number of employee positions filled	73
Governing Body	Three appointed Board Members (The Mayors of the City of Pittsburg [or Designee] and City of Antioch [or Designee]), and the Contra Costa County Supervisor of Bay Point.
Services Provided	Wastewater treatment and disposal, Recycled Water, Household Hazardous Waste Facility and disposal, Street Sweeping and Wastewater collection for Bay Point.

Service Areas in Contra Costa County	Square Miles	Population Estimates [1]	Per Capita Income [2]	Household Income [2]	Unemployment Rate [3]
Bay Point (Unincorporated)	7	28,030	$ 26,314	$ 71,250	7.0%
Pittsburg (City)	18	74,809	$ 32,796	$ 88,343	4.7%
Antioch (City)	29	115,442	$ 33,379	$ 82,244	5.0%
Total	54	218,281			
Weighted Average District Area Per Capita Income			$ 32,272		
Weighted Average District Area Per Household Income				$ 82,922	
Weighted Average District Area Unemployment (based on District population)					5.2%

Number of Facilities:			
Treatment Plants	1	Recycled Water Plants	1
Miles of Sanitary Sewer	75.5	Miles of Recycled Water Main	16
Pump Stations	5	Recycled Water Reservoirs	3
Household Hazardous Waste Facilities	1		

Source: Delta Diablo Records

Notes: [1] Demographic and Economic Statistics Section of this report.

[2] U.S. Census Bureau, State & County Quick Facts, 2021 Dollars

[3] State of California, Employment Development Department, Labor Force Data for Cities and Census Designated Places (July 2023 Final, data not seasonally adjusted)

DELTA DIABLO
District Employees By Department
Last Ten Fiscal Years

Department/Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	8.00	8.00	8.00	9.00	8.00	8.00	7.00	7.00	6.00	9.00
Public Information	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total Administrative Services Department	9.00	9.00	9.00	10.00	8.00	8.00	7.00	7.00	6.00	9.00
Human Resources and Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	6.00	6.00	5.00	6.00	6.00	5.00	5.00	6.00	5.00	5.00
Information systems	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Public Information	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00
Purchasing	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	3.00	3.00
Sub-total Business Services Department	11.00	12.00	11.00	12.00	13.00	11.00	11.00	11.00	12.00	12.00
Engineering Services	10.00	10.00	11.00	11.00	12.00	11.00	9.00	10.00	10.00	9.00
Sub-total Engineering Services	10.00	10.00	11.00	11.00	12.00	11.00	9.00	10.00	10.00	9.00
Maintenance	19.00	18.00	18.00	21.00	19.00	17.00	17.00	18.00	16.00	16.00
Collection	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Plant Operations	17.00	18.00	17.00	19.00	19.00	19.00	19.00	20.00	19.00	21.00
Laboratory, pre-treatment, pollution prevention	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	3.00
Sub-total Operations Services	43.00	43.00	43.00	48.00	46.00	45.00	45.00	47.00	43.00	43.00
Total Number of Active Positions Filled	73.00	74.00	74.00	81.00	79.00	75.00	72.00	75.00	71.00	73.00
Total Number of Budgeted Positions		76.80	78.80	82.00	81.00	78.00	79.00	79.00	75.00	75.00
Total Number of Retirees	33.00	39.00	42.00	46.00	50.00	56.00	60.00	66.00	76.00	78.00

Source: Delta Diablo Payroll and Financial Records

Note: Active positions filled and budgeted positions does not include Board members, temporary and/or summer co-op interns. Retiree count does not include spouses.

[1] Public Information was moved from Administration to Business Services in FY17/18.

[2] Prior years Budgeted Positions not available.

DELTA DIABLO
Operating and Capital Indicators by Program
Last Ten Fiscal Years (FY) or Calendar Years (CY)

Program	Year	Unit	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wastewater (WW)												
Number of Treatment Plants	CY		1	1	1	1	1	1	1	1	1	1
Miles of Sanitary Sewer	CY		71	71	71	73.5	71	73.5	73.5	75.5	75.5	75.5
Number of Pump Stations	CY		5	5	5	5	5	5	5	5	5	5
Annual Average Influent Flow	CY	mgd	12.8	12.2	12.4	13.3	12.6	12.6	12.7	12.9	13.6	13.7
Treatment Plant Capacity (ADWF)	CY	mgd	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Average Dry Weather Flow (ADWF)	CY	mgd	12.5	11.8	12.3	12.8	12.4	12.4	12.5	12.8	12.9	13.3
Recycled Water (RW)												
Number of Recycled Water Reservoirs	CY		3	3	3	3	3	3	3	3	3	3
Miles of Recycled Water Mains	CY		16.0	16.0	16.0	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Storage Capacity of Recycled Water Reservoirs	CY	mg	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Annual Average Recycled Water Produced	CY	mgd	7.2	6.6	6.4	4.4	6.2	5.6	5.6	6.4	7.6	7.5
Average Dry Weather Flow (ADWF)	CY	mgd	7.4	7.3	7.8	5.2	6.0	4.5	4.5	5.3	8.1	7.7
Household Hazardous Waste (HHW)												
Number of Households (est)	FY		97,837	99,036	100,249	101,954	103,153	102,923	102,159	104,941	106,131	11,453
Total Number of Vehicles	FY		14,560	15,504	16,071	17,465	19,151	20,005	13,521	20,236	18,574	16,940
Total Participation Rate	FY		14.9%	15.7%	16.0%	17.1%	18.6%	19.4%	13.2%	19.3%	17.5%	147.9%
Total Tons of Waste Collected	FY		399	441	516	533	545	556	338	640	571	490
Total Percent of Waste Recycled	FY		73.0%	71.0%	69.0%	68.7%	72.4%	70.8%	73.8%	68.5%	69.7%	71.4%
Street Sweeping												
Annual Curb Miles Swept	CY		25,609	25,724	25,840	25,989	25,989	25,989	25,989	25,989	25,551	26,058
Collection												
Miles of Collection Sewer Lines	CY		43	43	43	43	43	43	43	43	43	43

Source: Delta Diablo Records
mgd = million gallons per day, mg = million gallons