

DIABLO WATER DISTRICT

FISCAL YEAR 2026/27 BUDGET



Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.

FEATURES:
RECAP OF FY 2025/26
DISTRICT UPDATES
DISTRICT VISION
FY 2026/27 BUDGET
STRATEGIC PLAN

Acronyms Used

AMI	Advanced Metering Infrastructure	KPI	Key Performance Indicator
CCWD	Contra Costa Water District	LAFCO	Local Agency Formation Commission
CIP	Capital Improvement Project	LAIF	Local Agency Investment Fund
COLA	Cost-of-Living Adjustment	LTD	Long-Term Disability
COP	Certificate of Participation	M	Million
CSDA	California Special Districts Association	M-24	South Park Well
ESG	Environmental, Social and Governance	M-25	Knightsen Community Water System
EV	Electric Vehicle	M-27	Willow Park Marina
FEMA	Federal Emergency Management Agency	MEDI	Medicare
FICA	Federal Insurance Contributions Act	MERA	Main Extension Reimbursement Assessment
FR	Facilities Reserve	MMS	Maintenance Management Solutions
FTE	Full-Time Equivalent	O&M	Operations and Maintenance
FY	Fiscal Year	OPEB	Other Post-Employment Benefits
GF	General Fund	OUESD	Oakley Union Elementary School District
GFOA	Government Finance Officers Association	PAYGo	Pay-As-You-Go
GIS	Geographic Information System	PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
GM	General Manager	R1	Reservoir 1 - 2.5-Million-Gallon Reservoir
GSA	Groundwater Sustainability Agency	R2	Reservoir 2 - 5-Million-Gallon Reservoir
GSP	Groundwater Sustainability Plan	R3	Reservoir 3 - 5-Million-Gallon Reservoir
HR	Human Resources	RBWTP	Randall-Bold Water Treatment Plant
HVAC	Heating, Ventilation and Air Conditioning	RO	Reverse Osmosis
IDS	Intrusion Detection System	SCADA	Supervisory Control and Data Acquisition
IPS	Intrusion Prevention System	SMS	Short Message Service
IT	Information Technology	STD	Short-Term Disability
IVR	Interactive Voice Response	T&D	Transmission and Distribution
JPIA	Joint Powers Insurance Authority	WTP	Water Treatment Plant

Cover Photos

Aerial View of Solar Installed at District Reservoirs 2 and 3
Maintenance & Construction Staff (bottom left)
Community Event and Blending Facility (bottom right)

Table of Contents

General Manager's Message	1
Board of Directors	2
Implementing Our Mission & Vision	3
Our Guiding Principles	4
Current Strategic Initiatives	5
District Service Area Map	6
Year in Review—Fiscal Year 2025/26	7
Looking Forward—Fiscal Year 2026/27	8
District Teams	9
District Organizational Chart	12
Budget Process	13
FY 2026/27 Budget	14
Projected Future Expenses	15
General Operating Fund 01	16
Facilities Reserve Fund 02	17
MERA Funds	17
Well Funds	17
Budget Figures	
General Operating Fund 01	18
Facilities Reserve Fund 02	22
Knightsen Community Water System Fund M-25	24
Willow Park Marina Fund M-27	25
MERA Fund	26
5-Year Capital Improvement Plan	27
Debt Service Coverage	28
District Key Performance Indicators	29
Appendix A	
District's 5-Year Rolling Strategic Plan (FY 2026/27 - FY 2030/31)	34
Appendix B	
District Statistics & Supplemental Information	44
Appendix C	
Financial Policies	54
Appendix D	
Personnel and Pay Summary	68
Appendix E	
Audited Basic Financial Statements	72

General Manager's Message



As we present the Fiscal Year 2026/27 Budget, Diablo Water District continues its commitment to providing safe, reliable and high-quality drinking water to our community. For more than 73 years, the District has remained focused on maintaining public trust through responsible planning, operational excellence, and sound financial stewardship.

Under the leadership of our elected Board of Directors, the District continues to strengthen the resiliency of our water system while preparing for future challenges facing California water agencies. This past year, we advanced critical infrastructure improvements, enhanced cybersecurity protections, and continued planning efforts for future groundwater treatment and recycled water opportunities. We also made meaningful progress toward our goal of achieving carbon neutrality by 2027 through additional solar installations, fleet electrification, and greenhouse gas reduction initiatives.

Looking ahead, the Fiscal Year 2026/27 Budget prioritizes long-term investments that support reliability, sustainability, and emergency preparedness. Key projects include seismic upgrades to critical infrastructure, installation of additional backup generators to achieve full emergency power resiliency at District facilities, and investments in advanced water quality monitoring and treatment systems.

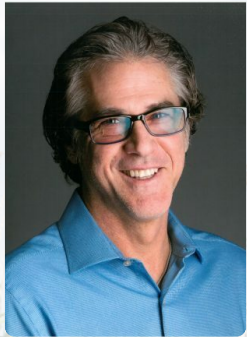
It is with great pride that I present the Diablo Water District Fiscal Year 2026/27 Budget. This budget reflects our ongoing commitment to responsible fiscal management, environmental stewardship, operational excellence, and delivering exceptional service to the community we proudly serve.

Dan Muelrath, General Manager
Diablo Water District



GM: Dan Muelrath

Board of Directors



Paul Seger
President



Joe Kovalick
Vice President



Marilyn Tiernan
Director



Jason Shaw
Director



Conan Moats
Director

Diablo Water District is an independent, self-governing local public agency established on May 7, 1953, under the County Water District Law of California. The District is governed by an elected five-member Board of Directors.

The District is dedicated to environmentally responsible operations, adhering to principles of sound business and engineering to deliver exceptional service at the lowest reasonable cost. We are committed to equitable treatment of all customers and employees.

With a staff of 32 budgeted employees, the District obtains, treats, and supplies water for approximately 47,000 people, as well as the parks, schools, and businesses throughout a 21-square-mile service area consisting of Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.

Implementing Our Mission & Vision

As stewards of our community's water resources, we are committed to environmental responsibility in all our operations. Our Mission drives us to lead in delivering high-quality water, exceptional customer service, public engagement, advancing technical innovation, and managing our finances efficiently and responsibly.

Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.



In Fiscal Year 2025/26, the District continued to prioritize long-term water solutions in alignment with our goal to achieve carbon neutrality by December 31, 2027 (18 years ahead of the state mandate). We advanced planning efforts for regional strategies to improve water supply reliability aimed at ensuring a resilient water future. Additionally, the District invested in maintaining and enhancing our current water system and mainlines on an industry-leading 100-year replacement cycle and also performed the initial field investigations for our Wellhead Treatment Project to enhance drought resiliency, water quality, and control of costs.

Our Vision: We are a valued community resource.



Ensuring reliable access to water remains our top priority. We've dedicated ourselves to meeting the diverse needs of our customers through both in-person and online resources.

Our committed staff is available 24/7 to promptly respond to emergency repairs. All water main and service line repairs are conducted in-house, ensuring prompt resolution of leaks to save water and minimize interruptions to our customers' water service.

Through ongoing investments in technology and equipment, we aim to deliver excellent service to our customers while safeguarding the resources entrusted to us.

Our Guiding Principles

The District adopted its Guiding Principles to ensure that all decisions and operations align with our Mission and Vision. Serving as a beacon, these principles navigate challenges and changes in the water industry and guide us toward our goal of building a resilient and sustainable future. They are essential for maintaining integrity, efficiency, and innovation, enabling us to remain an industry-leading agency focused on fulfilling our Mission of providing safe, reliable, and high-quality drinking water to our customers.

Public service is at the heart of everything we do.



Resiliency

We are focused on long-term water solutions.

Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



Quality

We are driven by excellence.

By providing outstanding customer service, high-quality water, and industry best practices in safety.



Innovation

We are leaders in environmental and sustainable projects.

Through focusing on carbon neutrality, groundwater sustainability, and a One Water approach.



Integrity

We are transparent with financial and policy decisions.

Through treating ratepayers' funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We Care

We are committed to diversity, equity, and inclusion.

Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

Current Strategic Initiatives

Carbon Neutrality - Resiliency - Recycled Water - Groundwater Sustainability



Diablo Water District continues its commitment to a carbon-neutral future. Following the Board resolution adopted in 2021 to achieve carbon neutrality by the end of 2027, the District allocates a portion of its budget toward this goal through local, job-producing solar installations and the conversion of its fleet to electric vehicles and/or renewable diesel. In FY 2025/26, the District also put solar arrays at the Corporation Yard/Emergency Operations Center into operation and installed its next solar array at its reservoir location.

Located at the confluence of the Sacramento and San Joaquin Rivers, in the heart of the Delta and an earthquake region, requires advanced planning and investments in resilient infrastructure. The District is currently earthquake-retrofitting its water reservoirs and designing future infrastructure to withstand floods and other natural disasters. The overall goal is to maintain water service during emergencies.



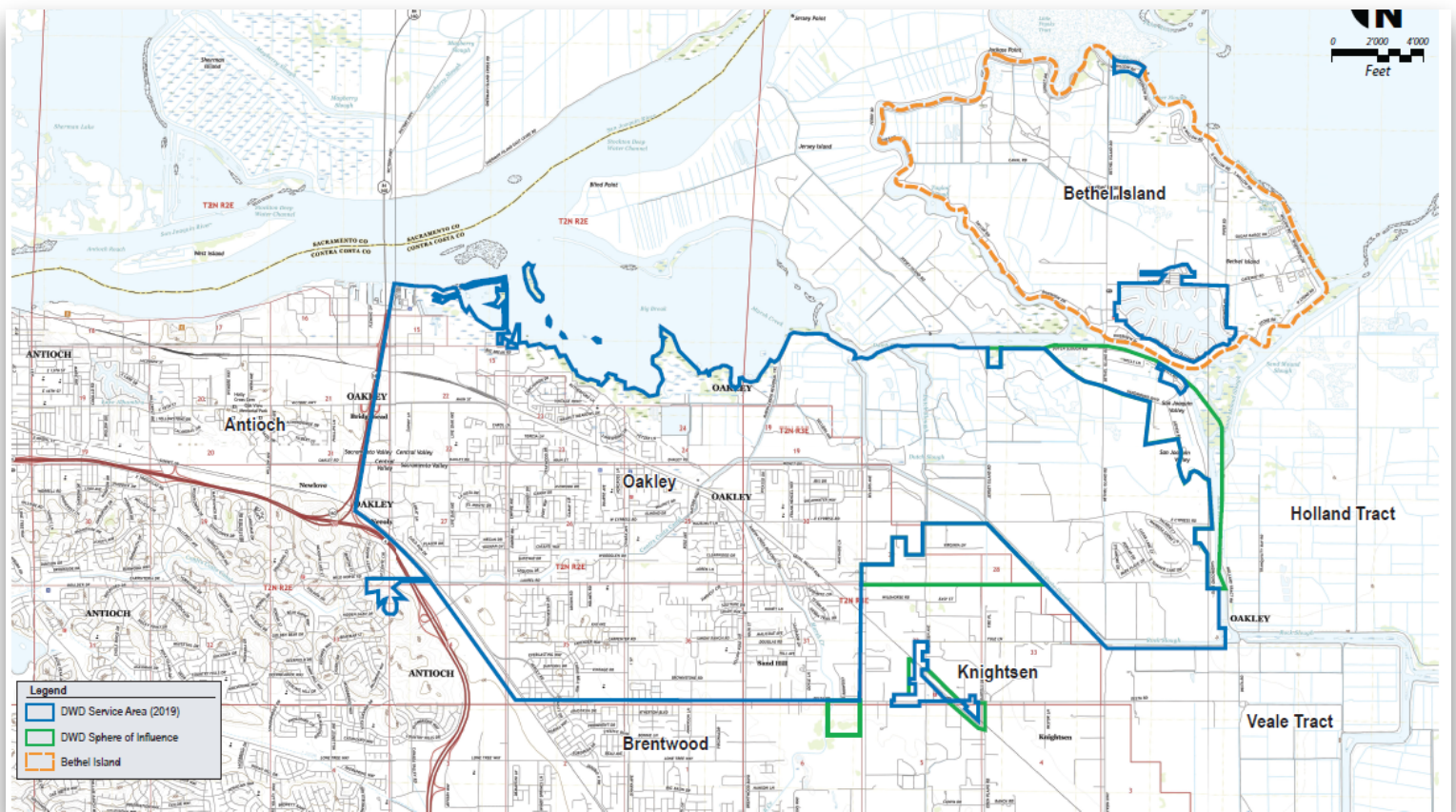
One of the best ways to extend the District's current potable water supply is through the use of recycled water. Diablo Water District has partnered with Ironhouse Sanitary District to develop conceptual plans to add recycled water to our service area. A study is being commissioned in FY 2026/27 to determine landscape and industrial reuse options, including pipeline network paths and future reuse opportunities.

Diablo Water District also serves as the Groundwater Sustainability Agency (GSA), responsible for the long-term health of our groundwater aquifer. Through advanced groundwater monitoring and ongoing reporting, the District will continue to lead the way toward a sustainable future.



View our complete Strategic Plan here ([Appendix A](#)).

District Service Area Map



Diablo Water District currently provides water to Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.

The District remains committed to enhancing long-term water resilience and exploring additional water supply opportunities to accommodate growth and expansion within our service area. We are actively pursuing two separate grants to facilitate consolidation opportunities for surrounding communities designated as disadvantaged and experiencing primary and secondary water quality exceedances. Our goal is to secure 100% grant funding for these multi-year expansion projects.

- Water mutuals on Sandmound have experienced primary arsenic exceedances in their water supply and have agreed to consolidate with the District. The project is now 100% engineered and designed, with the goal of securing construction funding in FY 2027/28.
- Water mutuals on Bethel Island, facing secondary exceedances, have engaged in discussions with the District regarding voluntary consolidation facilitated by District outreach efforts. Currently, the state is assessing the feasibility of extending consolidation to 13 water systems on Bethel Island.

Please reference [Appendix B](#) for a detailed breakdown of the community we serve.

Year in Review - Fiscal Year 2025/26

Highlights of our goals and accomplishments this year.

Resiliency - *we are focused on long-term water solutions.*

- Maintained the 100-year replacement cycle by upgrading critical infrastructure to ensure long-term system reliability.
- Mitigated water loss through correlation leak detection, improving efficiency and system reliability.
- Installed an emergency generator at Stonecreek Well for critical operations during power outages.
- Drilled a monitoring well to advance wellhead treatment and strengthen a resilient water supply.



Quality - *we are driven by excellence.*

- Maintained system integrity through meter accuracy testing, hydrant maintenance, and operational audits.
- Conducted water testing beyond state requirements, including PFAS testing, confirming no PFAS detected.
- Deployed remote-access meters to enable emergency shut-offs and real-time system monitoring.
- Transitioned the District website from .org to .gov ahead of state requirements to strengthen cybersecurity and public trust.



Innovation - *we are leaders in environmental and sustainable projects.*

- Earned Green Certification, becoming the first business in Oakley to do so and reinforcing our leadership in sustainable water and environmental practices.
- Added three electric vehicles and installed two public-facing EV chargers to reduce emissions.
- Installed solar panels at one of our reservoir sites to lower our carbon footprint and reduce costs.
- Mitigated 161 metric tons of greenhouse gas emissions to further decrease environmental impact.



Integrity - *we are transparent with financial and policy decisions.*

- Engaged customers through a PFAS education campaign, encouraging proactive protection of their water.
- Increased capital reserves to \$2M and partnered with a new bank to save fees and boost interest revenue.
- Earned the GFOA Distinguished Budget Award and received a clean audit for Fiscal Year 2024.
- Enhanced customer understanding and transparency through clearer, more accessible communications and processes.



We Care - *we are committed to diversity, equity, and inclusion.*

- Conducted a customer service survey to enhance service quality and gather community feedback.
- Participated in many community events, including food drives and local and federal engagement.
- Supported staff development with 15 Leadership Academy participants, advancing leadership skills.
- Awarded two scholarships to Freedom High School students, supporting continued education and opportunity in our community.



Looking Forward - Fiscal Year 2026/27

Top goals for the year ahead.

The District tracks Key Performance Indicators (KPIs) – [[Click here to view them.](#)]



Goals for the Year

1. Conduct Phase 2 preliminary field research for the Wellhead Treatment Project to ensure an adequate and reliable future water supply.
2. Complete Phase 2 of the Recycled Water Feasibility Study to identify potential purple pipe projects and expand alternative water supply opportunities.
3. Purchase and install two generators to achieve 100% backup power for District-owned critical facilities during power outages.
4. Acquire and outfit one community education trailer to deliver high-quality community education through innovative outreach and engagement tools.
5. Achieve 100% modernization of the District's IT network infrastructure to strengthen cybersecurity, reliability, and system performance.
6. Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.
7. Complete a customer resources and education workshop to develop clear, accessible tools that help customers understand water use and improve water efficiency.
8. Purchase vehicles to achieve a 100% carbon-neutral fleet and support the District's carbon neutrality goal and emissions reduction efforts.
9. Mitigate water loss through correlation leak detection to improve system reliability and reduce non-revenue water loss.
10. Maintain Leadership Academy completion to support employee development and strengthen organizational leadership capacity.



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facebook.com/diablowaterdistrict

Administration Team

- Strategic Initiatives
- Carbon Neutrality
- Finance/Accounting
- State and Federal Reporting
- Utility Billing
- Customer Service
- Water Conservation
- Education and Outreach
- Public Information
- Legal Compliance
- Legislative Affairs
- Human Resources
- Resilience/Risk

Oversees District leadership and Management, including the annual operating budget and bond issuances. Acts as internal auditor and supports external audits to protect the District's financial health.

Manages billing, customer accounts and delivering excellent customer service. Leads water efficiency education through conservation kit delivery and rebate programs.

Advances carbon neutrality and oversees strategic initiatives related to the District's carbon neutrality goal.

Engages the community through targeted outreach to improve communication and service delivery. Manages employee relations, including recruitment, benefits, retirement planning, training, and safety. Collaborates with a risk-sharing pool under a JPIA to proactively mitigate potential risks and exposures.



Key Initiatives & Objectives

E-Bill Enrollment

Increase e-bill enrollment to reduce printed mail bills and lower operational costs.

Emergency Reserve Funds

Increase emergency reserves by \$500,000 to ensure long-term financial sustainability.

Employee Retention

Increase the amount of employees with five or more years of service to strengthen knowledge and continuity.

Education Trailer

Acquire and outfit one community education trailer to deliver high-quality community education.

* View our complete ESG Investment Policy here ([Appendix C](#)).

Water Operations Team

- Water Quality
- Water Treatment
- Well Operations
- State Reporting
- SCADA
- Groundwater Sustainability Plan (GSP)
- Reservoir Operations and Maintenance
- Advance Metering Infrastructure
- Field Customer Service

Monitors and maintains systems and equipment to ensure safe drinking water, including SCADA systems, analyzers, chemical feed pumps, and mechanical equipment. Plans, operates, and sustains infrastructure to meet both current and future water needs, as well as rehabilitating or replacing existing infrastructure as outlined in the District's Capital Improvement Projects (CIP) to ensure optimal facility operation over time. Protects the distribution system from contamination or pollution through water quality monitoring programs while adapting to emerging regulatory requirements.

Prioritizes customer inquiries, fostering trust through responsive service and positive experiences. Manages the District's Blending Facility to ensure consistent water quality for all customers by blending locally produced groundwater with treated surface water from the RBWTP. Operates groundwater facilities in a responsible and sustainable manner.



Key Initiatives & Objectives

Wellhead Treatment

Conduct Phase 2 preliminary field research for the Wellhead Treatment Project to ensure an adequate future water supply.

Vertical Asset Replacement

Proactively replace aging infrastructure in accordance with a proactive 100-year replacement cycle to protect District infrastructure.

PFAS Monitoring

Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.

Generator Upgrades

Purchase and install two generators for 100% backup power for District-owned critical facilities during power outages.

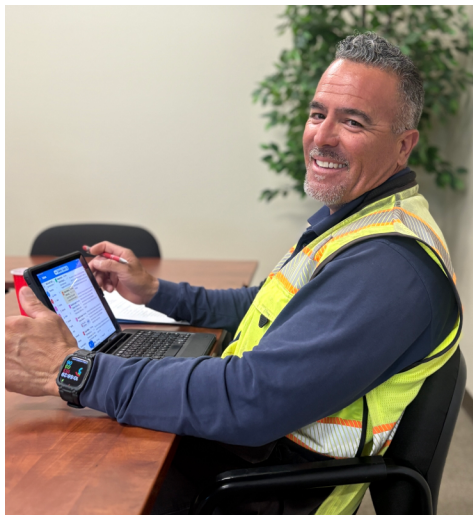
Advanced Planning and Construction Team

- Long-Term Planning
- Engineering
- New Development
- Capital Improvement Projects
- Backflow Testing
- Valve and Hydrant Maintenance
- IT
- Cybersecurity
- Grants

Shapes the District's future through comprehensive long-range planning documents spanning 25+ years, focusing on water supply sources, water demand projections, future developments, annexations, and enhancements to water system facilities. Strengthens the resilience and risk management of current and future District facilities.

Coordinates updates to District planning documents and works with developers, engineers, and contractors to facilitate new or modified water services and main extensions, as well as large CIP construction projects.

Performs in-house repairs and the maintenance, replacement, installation, and repair of the District's facilities to uphold the quality and reliability of the distribution system.



Key Initiatives & Objectives

Leak Detection

Mitigate water loss through correlation leak detection to improve system reliability and reduce non-revenue water loss.

Valve Replacement

Replace identified aging valves to minimize service interruptions to our customers during water emergencies.

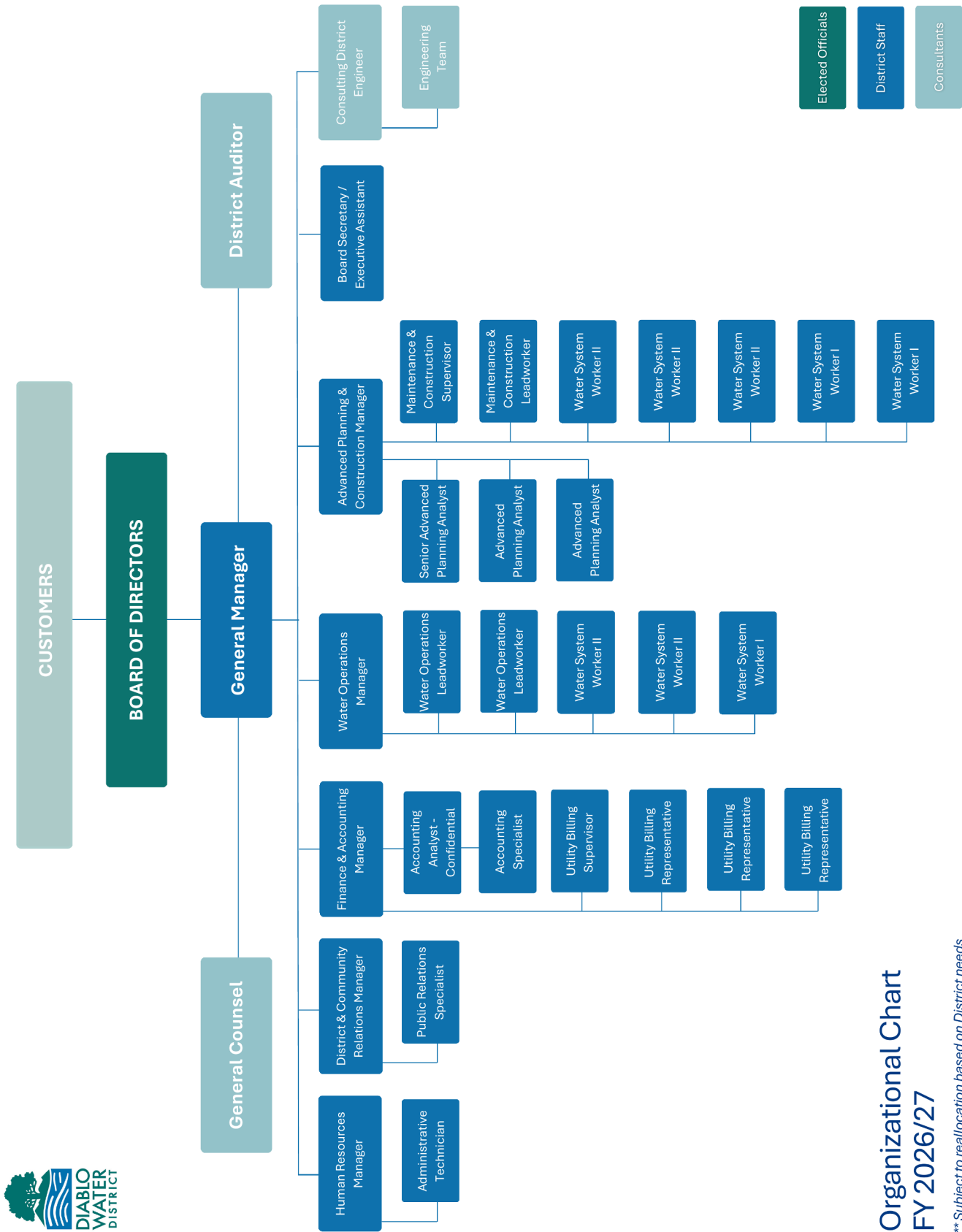
GIS Data Enhancement

Verify locations of system infrastructure (valves, mains, etc.) to improve GIS data accuracy.

Cybersecurity

Achieve 100% modernization of the District's IT network to strengthen cybersecurity, reliability, and system performance.

District Organizational Chart

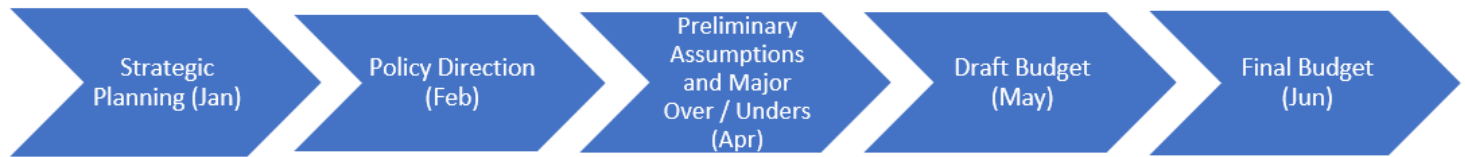


Organizational Chart
FY 2026/27

** Subject to reallocation based on District needs

Please refer to [Appendix D](#) for a detailed breakdown of District employees and the compensation schedule.

Budget Process



Board of Directors and public input process.

Our Budget Process

Diablo Water District is committed to sustainable practices and operates with an environmentally and fiscally responsible mindset. The District understands that the decisions made today affect the water of tomorrow. The budget process is an important part of planning for the future through infrastructure improvements, investments in alternative water sources, and continued training of District staff.

The District adopts the budget on an annual basis. The process begins in January with strategic planning, including anticipated future CIP projects, followed by policy direction from the Board of Directors in February. In March, the Management team begins financial review, planning, and development. District policies, initiatives, and long-term strategic planning are at the forefront of this process. The District also identifies all funding and revenue sources that will support these expenditures. The Board of Directors receives ongoing updated reports through public Board meetings, where the public and Board members are encouraged to participate.

Staff from all areas of the organization are essential to the budget process. Management regularly meets with their teams to gather requested resources and needed improvements, then collectively brings this information forward in weekly Management meetings for review and approval. Staff incorporate Board input and direction and refine budgeted revenue and expenses as needed. If an item is needed after the budget has been adopted, the Board of Directors has the legal authority to approve additional expenditures, provided the budget remains balanced at the end of the fiscal year. This may require reallocating other items.

The District prides itself on transparency and involving the community at all levels of decision-making. The District values input and feedback from ratepayers and continues to make communication and participation easy and accessible for all. The District communicates regularly through social media platforms, as well as through monthly E-Newsletters and bill notifications, about all ongoing financial policies, discussions, and decision-making. Members of the public continue to have opportunities to provide input in person or virtually during monthly Board meetings.

The Board of Directors is presented with a draft budget for review at the May Board meeting. Additional direction is received, and revisions are made. The final budget is then brought before the Board of Directors at the June Board meeting for adoption.

District staff and Board Members work diligently on the budget and budget document throughout the year.

This year, over 400 hours were invested in preparing the budget.

FY 2026/27 Budget

The District has an inclusive budgeting process that involves team members from all levels of the District. With the Board of Directors setting the policy direction, District Management collaborates with their teams to identify the needs and resources required to achieve policy goals. Although the current economic environment of high inflation, coupled with weather extremes impacting water demand, is presenting a challenging time for budget forecasting, the balanced budget presented safeguards the District's reserves, maintains required debt coverage ratios, and allows future flexibility.

Over the next five years, the District is making a concerted effort to reduce risk and enhance the resiliency of the water distribution system and future water supply by investing more than \$32 million. The identified risks and budgeted projects focus on these main areas:

- Earthquake / seismic retrofits.
- Security upgrades, including cybersecurity.
- Generators for backup power (public safety power shut-offs or natural disasters).
- Elimination of District-generated greenhouse gases (pumping, fleet, etc.).
- Improved water quality.

The ending fund balances shown in Figure 1.1 below show a healthy financial picture for both the District's General Operating Fund and the growth of future reserves. Assumptions that may impact future projections include, but are not limited to:

- Legislation that reduces the District's allowable water sales.
- Weather extremes that cause reductions in water demands.
- Rising wholesale water costs.
- Economic slowdown.

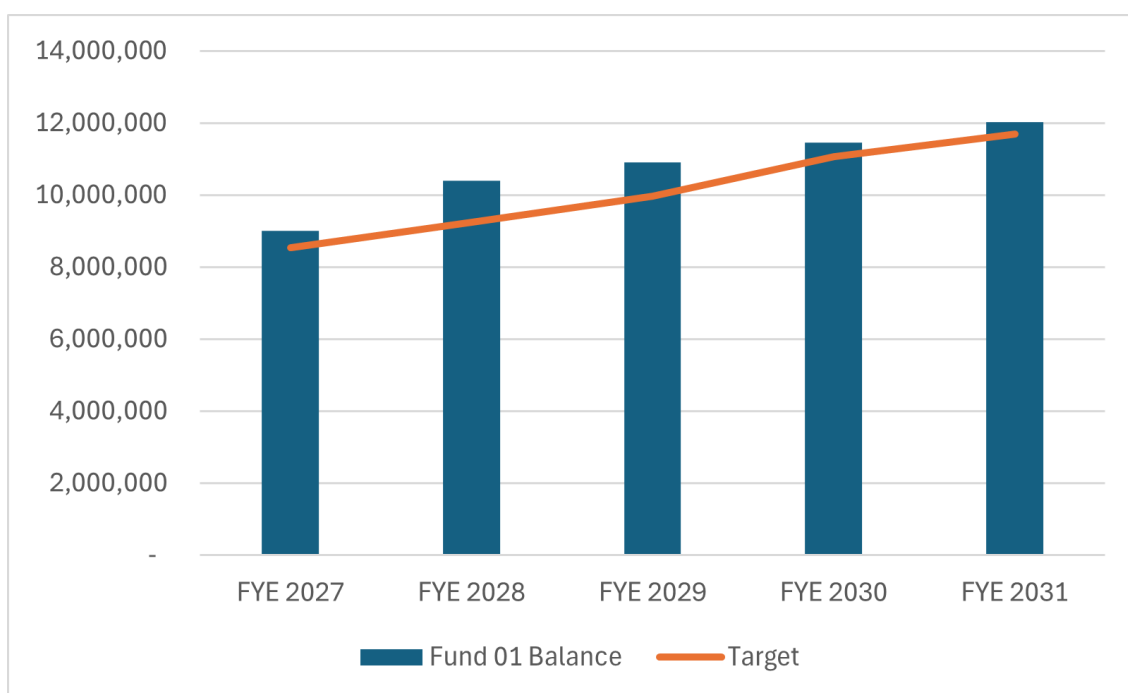


Figure 1.1

Projected Future Expenses

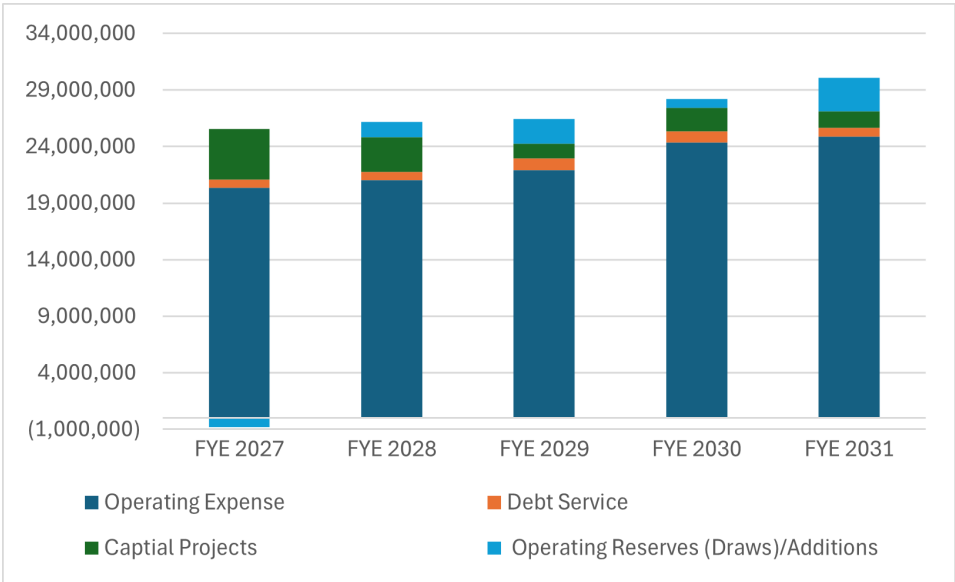


Figure 1.2

The District manages a 10-year long-range financial and rate forecasting model. This tool allows the District to anticipate and analyze future revenue requirements and corresponding water rates to support future expenses.

Over the next 10 years, the following cost categories are the largest drivers of increased future expenses:

- Cost to purchase wholesale water.
- Increase operating reserves.
- Increase capital reserves.
- Establish an emergency reserve.
- Additional capital improvement repair and replacement projects.
- Inflationary pressure on chemicals, fuel, and materials.
- Large capital expenses at Randall-Bold Water Treatment Plant.
- Climate variability and resiliency project expenses.
- Advanced treatment for groundwater wells.



Integrity is one of our Guiding Principles. The District remains transparent in all financial and policy decisions. In 2025, we conducted a full rate study to support future revenue requirements and update our rate model. Please visit our website to learn more about our best-value water rates.

We recognize the financial impact of rate adjustments on our customers and reaffirm that your District water rates are based on the actual cost of providing water service.

General Operating Fund 01

Revenue:

In Fiscal Year ending June 30, 2026, the District's income from water sales is estimated to be \$18.8 million, which is 5% below budget. Fiscal Year 2026/27 income from water sales is estimated to be \$20.17 million.

Fiscal Year 2026/27 Budgeted Total Revenue = \$24.78 million. This includes revenue from all sources, excluding Facilities Reserve Fund revenue:

- Water sales.
- Backflow and Private Fire Line charges.
- Miscellaneous income.
- Interest / rental income.
- Reimbursements (well systems and developers).
- Late fees and charges.

Expenses:

As of June 30, 2026, the District's estimated operating expenses are \$1.5 million lower than budgeted, primarily due to one-time savings from the delayed hiring of budgeted staff positions, along with delayed expenses for RBWTP that will occur in FY 2026/27.

Fiscal Year 2026/27 expenses reflect the following priorities, purchases, and project expenses:

- Study reviewing long-term water shortages and water supply options.
- AI-empowered leak detection sensor for a portion of District system.
- Seismic upgrade of a 5-million-gallon steel storage reservoir.
- Increased costs of wholesale water purchases.
- Emergency messaging platform for Staff and customers.
- Public and school education trailer.
- Increased water treatment input costs.
- Renewable diesel onsite fueling station.
- Inflation of raw materials.
- Randall-Bold Water Treatment Plant O&M and CIP projects.
- Vertical Asset Replacements (wells, pump stations, blending facility, etc.).
- Three new electric trucks.
- Three new renewable-diesel trucks.
- Two new positions.
- Continued field research for the Wellhead Treatment Project.
- 2.5%* cost-of-living adjustment.

** Based on the San Francisco Bay Area Consumer Price Index of 2.5% (February 2025 to February 2026).*

Facilities Reserve Fund 02

Revenue:

In Fiscal Year ending June 30, 2026, the District's estimated income from developer connection fees is \$4.8 million, which is \$1.4 million more than budgeted.

Fiscal Year 2026/27 Budgeted Total Revenue = \$4.5 million and reflects a strong housing market with numerous subdivisions moving from the underground infrastructure phase to the vertical building and home completion phase. The District expects long-term new connections to stabilize around 200 connections per year.

Expenses:

As of June 30, 2026, the District's estimated expenses are 3% below budget.

Fiscal Year 2026/27 expenses reflect the following priorities, purchases, and project expenses:

- R2 seismic retrofit.
- Installation of two new groundwater monitoring wells.
- Completion of water main and hydrant extension on Bethel Island.
- Continued field research for the Wellhead Treatment Project.
- Randall-Bold Water Treatment Plant Capacity Preservation Projects.
- Solar installation.
- Onsite fueling station.
- Emergency backup generators.

AMERA Funds

The main extension reimbursement assessment (AMERA) is the funding mechanism to reimburse the costs for water main extensions constructed by developers that are sized beyond what is required to serve the development. Funds in this account are contributed by developers and disbursed back to them.

Well Funds

Well Systems M-25 and M-27 have been reviewed:

- M-25 - Routine maintenance.
- M-27 - Over time, the cost to operate this system will expend more funds than revenue it generates. This, combined with the compliance order due to high arsenic levels, is why the District is seeking to eliminate M-27 via consolidation with the District's larger system. This consolidation is expected to take place in Fiscal Year 2029/30.

Other Assumptions in the Fiscal Year 2026/27 Annual Budget:

- *Future rate increases will occur on July 1 of each year.*
- *Future water demands per connection will continue to decline.*

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Beginning Fiscal Year Fund Balance - Includes Rate Stabilization	7,312,865	7,312,865	9,791,856
Operating Revenues				
	Water Usage & Service Charges	19,866,624	18,805,625	20,169,033
01-00-500-000	<i>Residential/Multi-Family/Non-Residential/Irrigation Customers</i>	19,866,624	18,805,625	20,169,033
	Water Usage & Service Charges	455,812	827,586	800,000
01-00-500-001	<i>Construction/Hydrant Customers</i>	405,812	767,085	750,000
01-24-500-000	<i>South Park Well M-24 Customers</i>	50,000	60,501	50,000
	Backflow & Private Fire Line Charges	364,594	857,810	909,372
01-00-515-000	<i>Backflow & Private Fire Line</i>	362,082	554,947	595,181
01-00-515-001	<i>Backflow Installation</i>	2,080	12,005	2,250
01-00-515-005	<i>Private Fire Line Charge</i>	-	290,183	311,221
01-24-515-000	<i>Backflow - South Park Well M-24</i>	432	675	720
	Miscellaneous Income	432,500	446,415	472,714
01-00-520-004	<i>Late Charges</i>	110,000	115,025	115,000
01-00-520-000	<i>Trip Charges</i>	42,000	14,700	15,000
01-00-520-001	<i>Call Out Charges</i>	2,400	1,200	1,500
01-00-520-007	<i>Tampering Charges</i>	50,000	50,000	50,000
01-00-520-003	<i>Returned Item Charges</i>	5,000	5,544	5,000
01-00-520-005	<i>Meter Repairs</i>	1,000	9,928	1,000
Multiple	<i>Application/Delinquent/Disconnect Fees</i>	101,100	111,763	113,000
01-00-530-000	<i>Hydrant Meter Replacement</i>	2,000	-	2,000
01-00-530-001	<i>Hydrant Meter Repairs</i>	500	1,148	1,000
01-00-530-002	<i>Field Service Charges</i>	1,000	1,225	1,000
01-00-540-000	<i>Bad Debt Recovery</i>	2,500	3,000	2,500
01-10-580-004	<i>Delta Coves Property Tax Income</i>	75,000	71,609	72,500
01-13-725-000	<i>Reimbursement for Retirees Health Benefits - OPEB</i>	40,000	61,257	93,214
Non-Operating Revenues				
	Interest/Rental Income/Other	502,578	601,394	2,024,700
01-00-510-001	<i>Interest Income Investments</i>	120,138	125,000	120,000
01-00-510-002	<i>Interest Income LAIF</i>	75,000	215,000	175,000
01-00-580-000	<i>Other Income</i>	155,000	94,394	101,800
01-00-580-010	<i>Grant Revenue</i>	-	-	1,482,900
01-00-581-000	<i>Rental Income</i>	152,440	167,000	145,000
	Reimbursements from Well Systems/Developers	400,000	458,694	400,000
25-00-109-000	<i>Knightesen Well M-25</i>	4,000	5,900	5,000
Multiple	<i>Developers</i>	392,000	446,094	390,000
27-00-109-000	<i>Willow Park Marina Well M-27</i>	4,000	6,700	5,000
	Total General Fund Revenues	22,022,108	21,997,524	24,775,819

*Basis of accounting: accrual.

**For the previous three years of audited data, please see [Appendix E](#).

19 | Diablo Water District
FY 2026/27 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
Operating Expenses				
	Administrative and General	243,080	225,233	267,788
Multiple	District Regulatory Permits and Dues	111,000	104,120	114,000
Multiple	District Associations and Subscriptions	40,455	36,077	51,388
01-00-733-000	Audit	58,000	52,013	67,400
01-00-733-001	LAFCO (50% GF & 50% FR)	3,000	3,755	4,000
Multiple	Taxes and Licenses	2,625	6,480	3,000
01-04-800-028	Office Record Imaging	28,000	22,788	28,000
	Board of Directors	47,830	21,634	82,930
01-00-751-000	Payroll & Taxes	13,750	10,274	13,350
01-00-750-000	Mailings/Workers' Comp/Elections/Training/Miscellaneous	34,080	11,360	69,580
	Engineering / Consulting	392,500	414,500	498,200
Multiple	Engineering	165,000	182,500	135,000
Multiple	Consulting	227,500	232,000	363,200
	Finance	426,000	446,512	469,000
01-05-735-000	Bank Charges	3,000	12,000	3,000
01-05-735-001	Collections Expense	3,000	2,200	3,000
01-05-735-002	Bills/Envelopes/Mailing Service	25,000	25,000	25,000
01-05-735-004	Postage Account	77,000	79,812	85,000
01-05-735-005	Postage Meter	3,000	2,500	3,000
01-05-735-003	Upgrades for Software	5,000	-	-
01-05-735-008	Credit Card Processing	310,000	325,000	350,000
	Customer Service	169,650	80,944	230,150
01-03-734-000	Answering Service	2,150	1,944	2,150
01-03-734-002	Conservation	30,000	25,000	50,000
01-00-734-001	Website	15,000	15,000	11,000
01-03-734-003	Tyler Software - SMS Customer Notifications & IVR	5,000	4,000	5,000
01-03-734-005	Customer Service Survey	10,000	2,000	-
01-03-734-004	Scholarship	1,000	1,000	1,000
Multiple	Public Information	106,500	32,000	161,000
	Office	282,790	245,661	266,810
Multiple	Maintenance Agreements	56,520	48,868	57,060
01-04-737-000	Janitorial Service	12,500	10,000	12,500
01-04-742-001	Office Supplies/Logo Uniforms	25,000	22,500	25,000
01-04-742-000	Miscellaneous	5,000	3,384	5,000
01-04-739-000	New Equipment	35,000	25,000	10,000
Multiple	Manager Expenses	7,000	4,500	7,250
01-04-738-000	Landscaping Services	9,570	10,000	11,000
01-04-738-001	Office Building Maintenance	10,000	2,500	13,500
01-04-736-007	Software - Annual Fees	100,000	100,000	103,000
01-04-741-000	Office - Utilities	9,000	6,000	7,500
Multiple	Office - Phone Line Services	13,200	12,909	15,000

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Insurance	225,000	254,752	231,750
01-00-732-000	<i>Business, Auto, Liability, Commercial, etc.</i>	225,000	254,752	231,750
	Legal Expenses	56,650	56,650	60,000
01-00-730-000	<i>Legal Expenses (50% GF & 50% FR)</i>	56,650	56,650	60,000
	Operations and Maintenance	1,461,892	1,281,230	1,612,470
Multiple	<i>Maintenance Corporation Yard</i>	40,560	30,130	77,210
Multiple	<i>Maintenance T&D</i>	439,000	398,487	465,650
Multiple	<i>Maintenance Backflow</i>	114,600	105,613	165,000
Multiple	<i>Maintenance Reservoirs</i>	47,000	44,025	52,500
Multiple	<i>Maintenance Blending</i>	19,650	12,580	19,650
Multiple	<i>Maintenance Glen Park Well</i>	13,160	11,866	13,160
Multiple	<i>Maintenance Stonecreek Well</i>	13,160	9,294	13,160
Multiple	<i>Maintenance Delta Coves</i>	13,830	10,189	13,830
Multiple	<i>Maintenance South Park Well M-24</i>	12,860	6,769	12,860
01-00-766-000	<i>Water Samples</i>	84,872	84,050	85,000
Multiple	<i>General Operating Corporation Yard</i>	115,350	104,325	153,550
Multiple	<i>Telephone Services for Field</i>	18,500	22,253	25,200
Multiple	<i>Utilities for Field</i>	529,350	441,649	515,700
	Payroll - Salaries/Benefits/Taxes	5,811,317	5,288,548	6,553,519
Multiple	<i>Salaries</i>	3,501,991	3,170,076	3,924,052
Multiple	<i>Overtime</i>	200,132	201,388	210,000
Multiple	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	1,490,948	1,386,269	1,677,688
Multiple	<i>Taxes - Workers' Compensation/FICA/Medi</i>	338,714	291,338	378,722
01-13-725-000	<i>Retired Employees Benefits</i>	74,519	96,214	101,234
01-13-726-000	<i>Contra Costa County Employee Retirement Association</i>	100,013	96,763	152,323
Multiple	<i>Human Resources - Tuition Reimbursement/HR Needs/Recruitments</i>	105,000	46,500	109,500
	Transmission and Distribution	507,800	403,148	453,500
Multiple	<i>Automotive Fuel, Maintenance, Miscellaneous</i>	166,800	83,500	85,500
01-09-767-000	<i>Chemicals Glen Park Well</i>	10,000	7,699	10,000
01-16-767-000	<i>Chemicals Blending Facility</i>	49,500	36,771	49,500
01-08-767-000	<i>Chemicals Stonecreek Well</i>	7,500	-	7,500
01-10-767-000	<i>Chemicals Delta Coves</i>	10,500	7,958	10,500
01-24-767-000	<i>Chemicals South Park Well M-24</i>	3,000	2,253	3,000
Multiple	<i>General Operating - T&D</i>	207,500	227,312	235,000
Multiple	<i>General Operating Blending</i>	39,000	25,837	39,000
01-09-766-000	<i>General Operating Glen Park Well</i>	3,000	3,000	3,000
01-08-766-000	<i>General Operating Stonecreek Well</i>	3,500	3,000	3,500
Multiple	<i>General Operating South Park Well M-24</i>	5,500	5,193	5,500
Multiple	<i>General Operating Delta Coves</i>	2,000	625	1,500
	Training	154,600	94,049	167,750
Multiple	<i>Training & Professional Development</i>	106,900	72,049	122,550
Multiple	<i>Safety</i>	47,700	22,000	45,200

21 | Diablo Water District
FY 2026/27 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Water Purchases - Source of Supply CCWD	6,037,343	5,831,089	6,397,915
01-00-610-000	Water Purchases from CCWD	6,037,343	5,831,089	6,397,915
	Water Treatment and Maintenance - RBWTP O&M	3,029,959	2,695,622	2,863,296
01-14-700-000	Randall-Bold Water Treatment Plant O&M	3,029,959	2,695,622	2,863,296
	Total Operating Expenses	18,846,411	17,339,571	20,155,078
Operating Debt Service Expenses				
01-09-801-001	Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)	105,142	105,142	105,181
01-00-801-001	Capital Projects Financing - 2022 Loan (50% GF & 50% FR)	240,622	240,622	240,488
01-00-801-002	Office Building 2019 COP (57.5% GF & 42.5% FR)	147,718	147,718	145,590
01-00-801-004	Capital Projects Financing - 2026 COP (53% GF & 47% FR)	210,095	56,224	262,350
NEW	Proposed Future Debt Service - Capital Projects	-	-	-
	Total Operating - Debt Service Expenses	703,577	549,706	753,609
Operating Capital Expenses				
01-00-800-001	Public Right of Way Relocations	130,000	25,000	130,000
Multiple	RBWTP - Projects & Improvements WTP (51% GF & 49% FR)	1,235,355	774,712	1,159,426
01-02-800-071	Field Equipment Purchases	175,000	139,861	142,000
01-02-800-038	Valve Replacement	40,000	20,000	40,000
01-02-800-001	Add/Replace Vehicles	447,400	397,384	490,000
Multiple	Vertical Asset Replacement CIP	199,170	48,797	589,500
01-12-800-002	Seismic Upgrades - R2 (50% GF & 50% FR and R1 - 100% GF)	100,000	45,000	1,482,900
01-00-800-014	SCADA Upgrade (50% GF & 50% FR)	12,000	11,529	12,000
01-04-800-001	New Office Equipment	15,000	-	16,000
01-04-800-061	Office - Building Upgrades	15,000	-	30,000
Multiple	Wellhead Treatment & Parallel Pipeline (50% GF & 50% FR)	125,000	125,000	375,000
	Total Operating - Capital Expenses	2,493,925	1,587,283	4,466,826
Operating Non-Capital Expenses				
Multiple	Corporation Yard Improvements	172,000	27,998	159,500
01-02-800-032	Pipeline Corrosion Testing/Repairs	15,000	13,975	18,000
	Total Operating - Non-Capital Expenses	187,000	41,973	177,500
	Total General Fund Operating Expenses	22,230,913	19,518,533	25,553,013
	Ending Fiscal Year Fund Balances - Includes Rate Stabilization	7,104,060	9,791,856	9,014,662

District scholarships, sponsorships, and income-based assistance programs are funded through alternative revenue sources, not ratepayer funds.

The ending fund balance indicates a stable and balanced budget by managing within the District's Reserve Regulation ([Appendix C](#)).

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
	Beginning Fiscal Year Balance	5,384,757	5,384,757	6,280,713
Operating Revenues				Operating Revenues
02-00-588-000	Developer Fees Income	3,385,881	4,811,319	4,500,000
02-00-581-000	Rental Income	31,738	24,425	14,400
02-00-510-000	Interest Income	203,000	208,599	210,000
02-00-580-010	Grant Revenue	-	282	415,386
02-00-580-000	Other Income	-	6,411	400,000
	Total Facilities Reserve Fund Operating Revenues	3,620,619	5,051,036	5,539,786
Operating Expenses				
	Administrative	31,500	13,552	32,500
02-00-733-001	LAFCO (50% GF & 50% FR)	3,000	3,755	4,000
Multiple	Travel & Training for Employees & Directors	28,500	9,797	28,500
02-00-733-000	Accounting - Single Audit for Grants	-	-	-
	Payroll - Salaries/Benefits/Taxes*	1,358,027	1,205,807	1,180,221
02-00-722-000	Salaries	955,280	850,250	814,268
02-00-722-000	Overtime	50,300	44,750	42,856
02-00-723-000	Benefits - Health/LTD/STD/Life Insurance/Retirement	276,359	252,348	258,479
02-00-723-000	Taxes - Workers' Compensation/FICA/Medi	76,088	58,459	64,618
	Total Operating Expenses	1,389,527	1,219,359	1,212,721
Operating Debt Service Expenses				
02-09-801-000	Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)	332,948	332,948	333,075
02-00-801-000	Stonecreek Well 2019 COP (100% FR)	227,900	227,900	231,500
02-00-801-001	Capital Projects Financing - 2022 Loan (50% GF & 50% FR)	240,622	240,622	240,488
02-00-801-000	New Office Building 2019 COP (57.5% GF & 42.5% FR)	109,183	109,183	107,610
02-00-801-000	New Corporation Yard 2019 COP (100% FR)	212,000	212,000	213,700
02-00-801-004	Capital Projects Financing - 2026 COP (53% GF & 47% FR)	173,238	49,859	232,650
NEW	Proposed Debt Service - Capital Projects	-	-	-
	Total Operating - Debt Service Expenses	1,295,891	1,172,512	1,359,022

23 | Diablo Water District
FY 2026/27 Budget

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	FY 26/27 Budget
Operating Capital Expenses				
02-00-800-028	SCADA Upgrade (50% GF & 50% FR)	12,000	11,529	12,000
New	Monitoring Wells - Developer In Lieu	-	-	110,000
Multiple	Asset Management System / GIS / Mapping Update	90,000	75,413	180,000
02-00-800-030	Grant Project - Bethel Island Water Main Extension & Fire Flow	-	100,000	332,189
02-00-800-015	Grant Project - Sandmound Consolidation	-	4,500	10,000
02-14-800-044	RBWTP Improvements and Projects (51% GF & 49% FR)	656,298	495,600	903,082
02-08-800-045	Wellhead Treatment (50% GF & 50% FR)	125,000	125,000	250,000
02-12-800-001	Parallel R2/R3 Transmission Main	-	90,000	125,000
02-12-800-002	R2 Seismic Upgrades (50% GF & 50% FR)	100,000	45,000	500,000
	Total Operating - Capital Expenses	983,298	947,042	2,422,271
Operating Non-Capital Expenses				
02-00-735-000	Publications	1,500	-	1,500
02-00-730-000	Legal Expenses (50% GF & 50% FR/Water Rights 100% FR)	50,000	90,000	75,000
02-00-800-027	Groundwater Sustainability Plan	10,000	10,000	135,000
Multiple	Engineering/Consulting/Water Rights/Miscellaneous/Rate Study	288,200	507,501	626,000
02-00-800-039	Facilities Plan Update	200,000	145,000	55,000
02-00-800-040	Recycled Water Feasibility Study	25,000	25,000	40,000
02-04-736-007	Financial and Project Tracking Software	42,600	38,666	41,218
	Total Operating - Non-Capital Expenses	617,300	816,167	973,718
	Total Facilities Reserve Fund Operating Expenses	4,286,016	4,155,080	5,967,732
	Ending Fiscal Year Balance	4,719,360	6,280,713	5,852,767

DIABLO WATER DISTRICT
Knightsen Community Water System Fund M-25
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		28,716	42,172
Operating Revenues				
25-25-500-000	<i>Knightsen Water Sales</i>	25,739	26,941	27,156
25-25-520-004	<i>Knightsen Late Charges/Miscellaneous Charges</i>	500	700	550
25-25-510-000	<i>Interest Income</i>	500	1,249	1,000
	Total Knightsen Well Fund M-25 Operating Revenues	26,739	28,890	28,706
Operating Expenses				
25-25-770-000	<i>General Operating Expenses</i>	22,000	8,387	22,000
25-25-779-000	<i>Utilities</i>	2,500	1,500	2,500
	Total Knightsen Well Fund M-25 Operating Expenses	24,500	9,887	24,500
25-25-705-000	<i>Auto</i>	1,750	1,446	1,400
Multiple	<i>Reimburse Fund 01 for Benefits</i>	800	702	800
25-25-720-000	<i>Overhead Charges to Fund 01</i>	1,000	1,011	1,000
25-25-722-000	<i>Reimburse Fund 01 for Wages</i>	2,300	2,388	2,300
	Total Knightsen Well Fund M-25 Reimbursement to Fund 01	5,850	5,547	5,500
	Ending Fiscal Year Balance		42,172	40,878

DIABLO WATER DISTRICT
Willow Park Marina Fund M-27
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		43,292	107,403
Operating Revenues				
27-27-500-000	Willow Park Marina Water Sales	82,296	82,296	82,296
27-27-510-000	Interest Income	150	1,970	1,500
	Total Willow Park Marina Well Fund M-27 Operating Revenues	82,446	84,266	83,796
Operating Expenses				
27-27-770-000	Contra Costa County Administrative Fees	500	388	500
27-27-770-002	General Operating Expenses	47,000	8,000	47,000
27-27-779-000	Utilities	8,000	6,000	8,000
27-27-730-000	Legal Expenses	-	-	-
	Total Willow Park Marina Well Fund M-27 Operating Expenses	55,500	14,388	55,500
27-27-705-000	Auto	1,750	1,821	1,750
Multiple	Reimburse Fund 01 for Benefits	1,250	709	1,000
27-27-720-000	Overhead Charges from Fund 01	1,000	1,051	1,000
27-27-722-000	Reimburse Fund 01 for Wages	3,000	2,186	2,500
	Total Willow Park Marina Well Fund M-27 Reimbursement to Fund 01	7,000	5,767	6,250
	Ending Fiscal Year Balance		107,403	129,449

DIABLO WATER DISTRICT
MERA Fund
Fiscal Year 2026/27

Account Number	Account Name	Adopted Budget FY 25/26	Estimated Actual FY 25/26	Budget FY 26/27
	Beginning Fiscal Year Balance		591,044	783,091
Operating Revenues				
01-07-215-000	MERA Income	296,696	343,331	460,000
01-07-510-003	Interest Income	10,000	25,000	15,000
	Total MERA Fund Operating Revenues	306,696	368,331	475,000
Operating Expenses				
01-07-215-000	MERA Reimbursements to Developers	91,745	91,745	86,495
01-07-215-000	Salaries and Benefits Charged to MERA	75,877	84,539	74,294
	Total MERA Fund Operating Expenses	167,622	176,284	160,789
	Ending Fiscal Year Balance		783,091	1,097,302

5-Year Capital Improvement Plan

The following capital projects address District priorities and current strategic initiatives discussed earlier in this document.

Diablo Water District 5-Year Capital Improvement Plan					
Projects:	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
R1 Seismic Upgrades (Fund 01) <i>Needs grant/FEMA or other funds to move forward</i>		\$2,597,729			
R1 Exterior Repaint (Fund 01) combination of cash (\$300k) and debt finance (\$500k)		\$800,000			
R2 Seismic Upgrades (Fund 01 & 02) combination of cash funding, debt financing and grant/FEMA funds	\$3,482,000				
R1 Diversion Wall (Fund 01)	\$100,000				
Office HVAC (gas-to-electric conversion) (Debt Financed)	\$150,000				
Carbon-Neutral Fleet - Vehicle Replacement (Fund 01)	\$490,000	\$85,000	\$85,000	\$85,000	
Construction Equipment (Fund 01)	\$142,000	\$50,000	\$50,000	\$50,000	\$50,000
Motor Control Center Building Re-roofing (Fund 01)		\$30,000			
Backhoe Replacement (Fund 01)				\$150,000	
Valve Replacements (Fund 01)	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Dump Truck Replacement (Fund 01)				\$150,000	
Parallel R2/R3 Pipeline (Fund 01 & 02) <i>Needs grant/FEMA or other funds to move forward</i>					\$4,250,000
Water Main Line and Service Line Capital Repair & Rehabilitation Program (Fund 01)				\$1,000,000	\$1,000,000
Corporation Yard - Bulk Materials (Debt Financed)	\$80,000				
RBWTP Capital Improvements (Fund 01 & 02)	\$1,826,252	\$829,500	\$381,300	\$739,800	\$902,700
Blending Facility Vertical Assets (Fund 01)	\$197,000	\$95,107	\$28,073	\$62,195	\$131,269
Corporation Yard Vertical Assets (Fund 01)					\$179,131
Delta Coves Chemical Feed Facility Vertical Assets (Fund 01)			\$144,217		
Glen Park Well Vertical Assets (Fund 01)	\$31,500	\$0	\$37,823		
RBWTP Pump Station Vertical Assets (Fund 01)			\$291,476		
R2 & R3 Site Vertical Assets (Fund 01)			\$111,021		
Stonecreek Well Vertical Assets (Fund 01)					\$48,269
South Park Well M-24 Vertical Assets (Fund 01)	\$361,000				
Carol Lane Admin Building HVAC (Fund 01)					
Wellhead Treatment (Fund 01 & 02)	\$500,000	\$1,000,000			
Proposed New Well (Fund 01 & 02) - required new debt financing			\$8,000,000		
Generators at Facilities (Fund 01 & 02) - debt financed	\$1,279,725				
Fuel Station & Pumps (Fund 01 & 02) - debt financed	\$525,000				

Fiscal Year 27/28 and beyond are best estimates that will be refined as part of CIP Plans and Future Budgets

\$9,204,477	\$5,528,536	\$9,171,346	\$2,280,704	\$6,606,389
				
\$32,791,452				

Figure 1.3

Debt Service Coverage

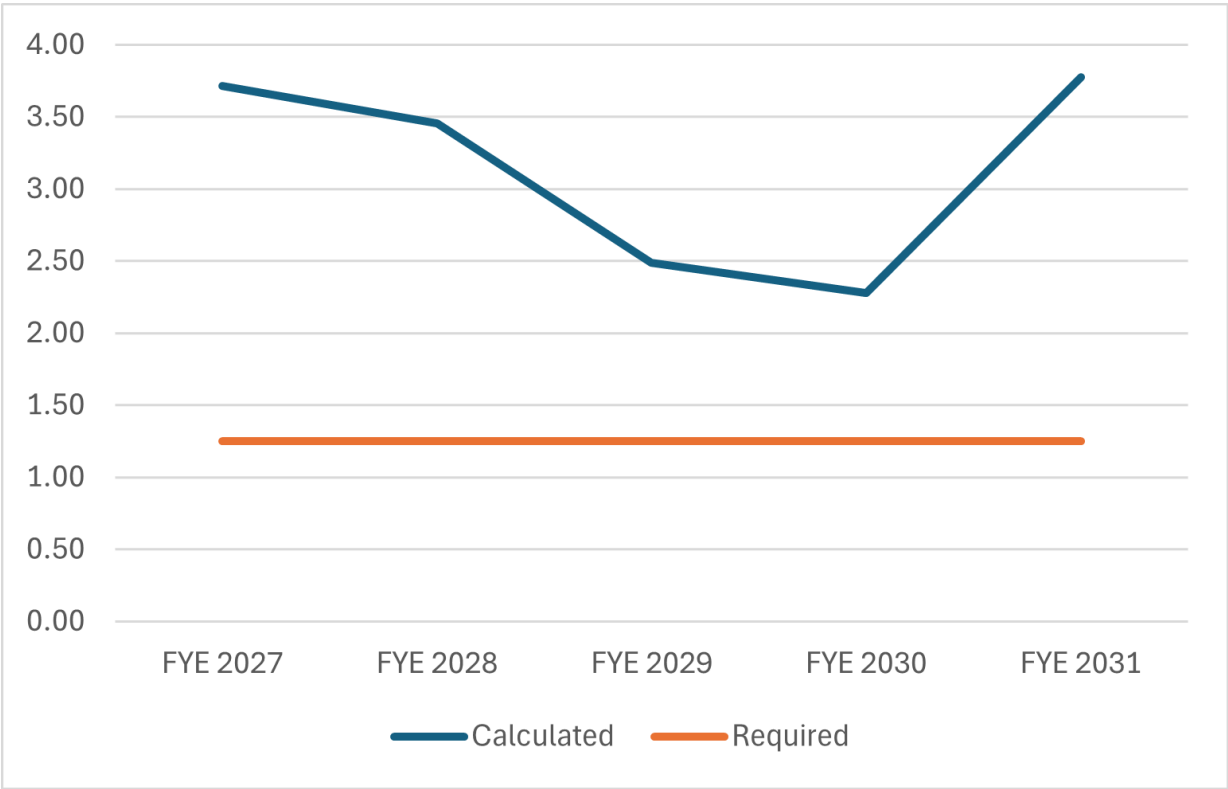


Figure 1.4

As evidenced by the District's debt coverage ratio and bond rating of AA-, the District has strong and consistent financial coverage.

Debt Schedule - Operating Fund 01

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Existing	\$ 753,609	\$ 745,368	\$ 744,041	\$ 744,551	\$ 491,099
New	\$ -	\$ -	\$ 283,810	\$ 283,810	\$ 283,810
Total	\$ 753,609	\$ 745,368	\$ 1,027,851	\$ 1,028,361	\$ 774,909

Figure 1.5

New debt listed in Figure 1.5 will be for the furtherance of the District's Wellhead Treatment Project, specifically the installation of a new production well. The District issued debt in early 2026 (now included in existing debt in Figure 1.5) for the funding of the following projects that occur in FY 26/27:

- Generators.
- Office HVAC Replacement.
- Onsite Fueling Station.
- R2 (5-Million-Gallon) Seismic Retrofit.
- Bulk Materials Cover.

Please see [Appendix C](#) for our Debt Management Policy.

District Key Performance Indicators

The District’s Guiding Principles continue to serve as the foundation of our operational framework. Our Key Performance Indicators (KPIs) help track progress, measure outcomes, and guide strategic decision-making. These milestones reinforce our commitment to transparency, responsible fiscal management, and maintaining the trust of our community and partners.

RESILIENCY – We are focused on long-term water solutions.

Ensuring a reliable future water supply to meet customer demands remains a top priority for the District. In FY 25/26, the District continued to develop sustainable and cost-effective water sources, carefully considering both life-cycle costs and environmental impacts. FY 25/26 included evaluating the potential of treating groundwater through Wellhead Treatment to reduce reliance on more costly water purchases and increase use of local groundwater.

FY 25/26 KPI	Actual
Conduct preliminary field research for Wellhead Treatment to ensure adequate future water supply.	✓
Install two generators at Stonecreek Well and Corporation Yard to improve backup power reliability.	⚠

FY 26/27 KPI
Conduct Phase 2 preliminary field research for reverse osmosis (RO) brine for the Wellhead Treatment Project to ensure an adequate future water supply.
Complete Phase 2 of the Recycled Water Feasibility Study to identify potential purple pipe projects and expand alternative water supply opportunities.
Purchase and install two generators to achieve 100% backup power for District-owned critical facilities during power outages.

Figure 1.6

District Key Performance Indicators

QUALITY – We are driven by excellence.

Maintaining a reliable and resilient water system remains a key priority for the District. The District continues to plan for long-term infrastructure sustainability, including maintaining a 100-year replacement cycle and prioritizing projects that strengthen the transmission system. These efforts support the delivery of high-quality water and reflect the District’s commitment to public service at the heart of everything we do.

FY 25/26 KPI	Actual
Deploy 40 remote-access water meters to enhance emergency water shut-off response.	✓
Strengthening system and network security (IDS/IPS) to protect critical infrastructure.	✓
Replace five vertical assets at Blending Facility, R1, and South Park Well.	⚠
Acquire one crane truck for hydrant and backflow repairs to maintain District assets efficiently.	✓
Replace six aging valves in priority neighborhoods to improve system reliability.	✓
Maintain 20% of fire hydrants (~350 hydrants) to ensure public safety and infrastructure reliability.	⚠
Increase leak alert sign-ups by 5% (~700 new customers) to improve customer awareness.*	✗

* The District achieved a 2.5% increase through targeted outreach efforts, including emails, E-News articles, social media campaigns, contests, and other customer engagement initiatives.

FY 26/27 KPI
Acquire and outfit one community education trailer to deliver high-quality community education through innovative outreach tools.
Increase leak alert sign-ups by 2.5% (~350 new customers) to improve customer management of water waste.
Conduct required PFAS testing to ensure compliance with regulations and monitor the quality of our water sources.
Replace vertical assets in accordance with a proactive 100-year replacement cycle to invest in and protect District infrastructure.
Replace six aging valves in priority neighborhoods to improve system reliability.
Complete maintenance of 100 fire hydrants to ensure public safety and infrastructure reliability.
Purchase one renewable diesel-powered light tower to support safe operations during emergency night work.

✓ Completed ⚠ Delayed / In Progress ✗ Target Not Met ⓪ Discontinued (Policy Change)

District Key Performance Indicators

INNOVATION – We are leaders in environmental and sustainable projects.

Advancing cost-effective greenhouse gas reduction strategies remains a key focus for the District. In FY 25/26, the District implemented projects and initiatives that support progress toward its goal of achieving carbon neutrality by 2027, 18 years ahead of California’s requirements. These efforts include transitioning to 100% renewable energy sources within California, such as solar and wind. As a Groundwater Sustainability Agency (GSA), the District remains focused on protecting surface and groundwater quality while planning for long-term sustainability.

FY 25/26 KPI	Actual
Purchase two electric vehicles to replace 13% of the fleet and reduce greenhouse gas emissions.	✓
Reduce greenhouse gases by 17% (0.7% from vehicles).	✓
Replace the natural gas HVAC system at Carol Lane with heat pumps to reduce greenhouse gas emissions (~99% reduction in natural gas usage, ~7 metric tons).	⚠
Install a public EV charging station at Corporation Yard to provide renewable energy access.	✓
Increase capital reserves by \$1M to ensure long-term financial sustainability.	✓
Complete staff training and implementation of Procore (75% of relevant staff) to improve project management efficiency.	✓
Enhance GIS data accuracy by verifying 25% of valves (~340 valves within 10 cm) to better track system assets.	⚠

FY 26/27 KPI
Pilot permanent leak detection sensors on District transmission and main lines to improve system monitoring.
Complete Green Business certification for the Corporation Yard / EOC to support sustainable operations.
Increase emergency reserves by \$500,000 to ensure long-term financial sustainability.
Enhance GIS data accuracy by verifying 100 valves within 10 cm to better track system assets.
Purchase three light-duty electric vehicles to reduce greenhouse gas emissions and support implementation of cost-effective sustainability projects.
Replace the remaining three gas-powered medium-duty trucks with renewable-diesel vehicles to further work towards District’s goal of carbon neutrality.
Transition of Mobile MMS to new platforms to improve operational efficiencies.

✓ Completed ⚠ Delayed / In Progress ✗ Target Not Met ⓧ Discontinued (Policy Change)

District Key Performance Indicators

INTEGRITY – We are transparent with financial and policy decisions.

With commitment to our community, the District treats ratepayer funds as its own by prioritizing best-value purchasing and fostering ideas that support excellent service and reasonable costs. The District remains open and transparent in all operational decisions and promotes water efficiency and the elimination of waste by empowering customers with the tools to better manage and reduce their individual water use.

FY 25/26 KPI	Actual
Maintain a strong debt coverage ratio (>1.25).	✓
Manage Operations & Maintenance (O&M) within budget to control costs.	✓
Reduce service disconnections for non-payment by 5% (~20 fewer) to improve customer service.	✓
Promote and support the Lose Your Lawn, Gain a Garden Program (5% increase in completed projects) to encourage water conservation.	✓
Mitigate water loss through correlation leak detection on 20% of the system (~36 miles of pipeline) to improve operational efficiency.	⚠

FY 26/27 KPI
Complete one customer resources and education workshop to develop clear, accessible tools that help customers understand water use and improve water efficiency.
Transfer banking services to Five Star Bank to reduce transaction fees and increase interest earnings.
Increase e-bill enrollment by 10% overall to reduce printed mail bills and lower operational costs associated with printing and mailing.
Mitigate water loss through correlation leak detection on 20% of the system (~36 miles of pipeline) to improve system reliability and reduce non-revenue water loss.

✓ Completed ⚠ Delayed / In Progress ✗ Target Not Met ⓪ Discontinued (Policy Change)

District Key Performance Indicators

WE CARE – We are committed to diversity, equity and inclusion.

The District is proud to partner with the community through engagement and proactive support for our customers. In FY 25/26, the District actively gathered feedback through a Customer Service Survey to identify opportunities to better serve our customers. We recognize that our staff are our most valuable assets and encourage professional development to ensure they are skilled enough to grow while being supported and valued enough to stay.

FY 25/26 KPI	Actual
Expand educational resources for OUESD students (4th-grade assembly).	⚠
Conduct a customer service survey to assess and improve District services.	✓
Continue the Leadership Academy to support employee development (60% participation).	✓
Pilot Tuition Reimbursement Program (10% participation) to encourage professional growth.*	✗
Maintain employee retention at 95% or higher (<1 employee turnover).**	✗
Track and maintain average employee tenure (8 years).	✓

*The District achieved a participation rate of ~ 4%.

**The District maintained a 93% retention rate.

FY 26/27 KPI
Conduct one 4th-grade assembly for OUESD students to promote water awareness and support early education on water efficiency and water as a precious resource.
Conduct a Backpack Giveback to support community engagement and promote awareness of the District's role in serving the community.
Maintain 60% Leadership Academy completion to support employee development and strengthen organizational leadership capacity.
Continue investment in the Tuition Reimbursement Program to encourage professional development and build sustainable program utilization.
Maintain strong retention by limiting annual employee turnover to fewer than two separations.
Increase the percentage of employees with five or more years of service by 10% over the next five years to strengthen knowledge and continuity.

✓ Completed ⚠ Delayed / In Progress ✗ Target Not Met ⓪ Discontinued (Policy Change)

Appendix A

District's 5-Year Rolling Strategic Plan Fiscal Year 2026/27 through Fiscal Year 2030/31

The District operates a 5-year rolling Strategic Plan. Every January, the plan is evaluated with new goals and initiatives being added and existing items being revised and amended. This process is developed during public Board meetings, where the focus is on strategic adjustments and updates to align with the Strategic Plan and current goals of the District.



2026 STRATEGIC PLAN



PROUDLY SERVING
THE GREATER OAKLEY
AREA SINCE 1953

(925) 625-3798 

customers@diablowater.gov 

87 Carol Lane, PO Box 127, Oakley, CA 94561 



Diablo Water District is an independent, self-governing local public agency established on May 7, 1953, under the County Water District Law of California. The District is governed by an elected five-member Board of Directors.

The District is dedicated to environmentally responsible operations, adhering to principles of sound business and engineering to deliver exceptional service at the lowest reasonable cost. We are committed to equitable treatment of all customers and employees.

The District obtains, treats, and supplies water for approximately 47,000 people, as well as the parks, schools, and businesses throughout a 21-square-mile service area consisting of Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.



YOUR DISTRICT



As a community-focused water provider, we are committed to enhancing the quality of life for those we serve.



MISSION

To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.

VISION

We are a valued community resource.



Community Outreach

Connecting with our community to protect and use water efficiently.



Reliable Water Service

Committed to 24/7 service, protecting water and keeping it flowing.



Trusted Water

Innovative technology and rigorous testing for safe, reliable drinking water every day.



GUIDING PRINCIPLES



Resiliency

We are focused on long-term water solutions.

Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



Quality

We are driven by excellence.

By providing outstanding customer service, high-quality water, and industry best practices in safety.



Innovation

We are leaders in environmental and sustainable projects.

Through focusing on carbon neutrality, groundwater sustainability, and a One Water approach.



Integrity

We are transparent with financial and policy decisions.

Through treating ratepayers' funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We Care

We are committed to diversity, equity, and inclusion.

Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

Public service is at the heart of everything we do.



DISTRICT STRATEGIES



Resiliency - we are focused on long-term water solutions.

- Ensure adequate future water supply to meet customer demands.
- Develop sustainable and cost-effective water supplies.
- Consider life-cycle costs and environmental impacts.



Quality - we are driven by excellence.

- Proactively invest in and protect District assets.
- Prioritize projects that lead to resiliency of the transmission and distribution system.
- Recognize employees as the District's most valuable assets.
- Empower customers through information.



Innovation - we are leaders in environmental and sustainable projects.

- Implement cost-effective greenhouse gas reduction projects.
- Protect surface and groundwater quality.
- Plan with the future in mind.



Integrity - we are transparent with financial and policy decisions.

- Open and transparent.
- Foster ideas that support great service and reasonable costs.
- Support water-use efficiency and eliminating waste.



We Care - we are committed to diversity, equity, and inclusion.

- Participate in community events and outreach.
- Actively seek community engagement.
- Encourage professional development.
- Train staff well enough that they can leave, but treat them well enough that they stay.



DISTRICT GOALS 2026-2031

Annually	• Evaluate capital asset purchases based on lifecycle costs. • Continually provide innovative support and training for all employees. • Annually adopt conservative, balanced budgets that maintain District reserves. • Participate in community and outreach events.
FY 26/27	• Complete Reservoir 2 seismic upgrade. • Reduce non-revenue water (water loss). • Implement carbon mitigation project(s) to achieve 90% reduction. • All pumping and treatment systems to be 100% generator backed up.
FY 27/28	• Continue contributions to the District's Emergency Reserve Fund. • Replace 100% of eligible fleet with electric vehicles. • 100% carbon neutral. • Earn CSDA District of Distinction Certification.
FY 28/29	• Achieve an AA or higher bond rating (currently AA-). • Install production well No. 3. • Begin construction phase for Sandmound voluntary consolidation project. • Perform customer feedback survey.
FY 29/30	• Implement a service and mainline replacement program. • Perform next cost-of-service and rate study. • Achieve state-mandated indoor and outdoor conservation levels. • Complete Sandmound consolidation project.
FY 30/31	• R2/R3 parallel pipeline resiliency project. • Reduce non-revenue water to industry-leading low levels through the use of advanced technologies. • Continue service and mainline replacement program.

The goals listed above do not represent all goals as they currently exist or as they may be developed in the future.



DISTRICT FACTS



Budget

- Total: \$31.5 million.
- Reserves: \$12.1 million.
- Rates set to cover long-term expenses - no profit.



Water System

- Over \$1.13 billion in infrastructure to operate and maintain.
- 175 miles of water main.
- 12.5 million gallons of storage.



Water Supply

- 85% Delta, 15% Local Groundwater.
- 1.8 billion gallons pumped to customers annually.

Stay Connected



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PO Box 127, Oakley, CA 94561



87 Carol Lane, Oakley, CA 94561



(925) 625-3798



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Appendix B

District Statistics & Supplemental Information

District's 2026 Bond Issuance Document
APPENDIX C

**ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE
CITY OF OAKLEY AND THE COUNTY OF CONTRA COSTA**

The economic and demographic information below is provided as general background. Although it has been collected from sources that the District considers to be reliable, the District has made no independent verification of the information provided by non-District sources and the District takes no responsibility for the completeness or accuracy thereof. The current state of the economy of the City, the County, the State and the United States of America may not be reflected in the data discussed below, because more up-to-date information is not publicly available.

General

The Diablo Water District (the “**District**”) is located in the northeastern corner of the County of Contra Costa (the “**County**”) in the State of California (the “**State**”), about 50 miles northeast of San Francisco. The District provides potable water service to the City of Oakley, California (the “**City**”), and unincorporated areas in the northwestern corner of the County consisting of Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and the Town of Knightsen. The population within the District’s 21-square-mile service area is approximately 45,000 as of January 1, 2025.

The City is situated in the eastern portion of the County, along the shore of the Sacramento-San Joaquin Delta, near the cities of Pittsburg, Antioch, and Brentwood. Close to the junction of Highways 4 and 160, with access to San Francisco, the Silicon Valley, and the state capital at Sacramento, the City is equidistant from both San Francisco and Sacramento at 55 miles.

Situated northeast of San Francisco, the County is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County’s heavy industry. The central section is developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

Population

The following table presents estimated population statistics for the City, the County and the State for the five most recent calendar years available.

**CITY OF PARATMOUNT, COUNTY OF CONTRA COSTA AND
STATE OF CALIFORNIA
POPULATION STATISTICS**

<i>Year (January 1)</i>	<i>City of Oakley</i>	<i>County of Contra Costa</i>	<i>State of California</i>
2016	40,255	1,136,478	39,036,749
2017	41,080	1,147,957	39,273,915
2018	41,932	1,155,105	39,429,439
2019	42,735	1,161,077	39,503,656
2020	43,285	1,164,844	39,535,623
2021	43,688	1,164,050	39,369,530
2022	44,386	1,154,254	39,179,680
2023	45,140	1,150,306	39,228,444
2024	46,218	1,158,249	39,420,663
2025	46,826	1,158,225	39,529,101

Source: California State Department of Finance, Demographic Research Unit, *E-4 Population Estimates for Cities, Counties, and the State, 2021-2025, with 2020 Benchmark*.

Employment

The following table summarizes the labor force, employment and unemployment figures for the five most recent calendar years available for the City, the County, the State and the nation as a whole.

**CITY OF OAKLEY, COUNTY OF CONTRA COSTA,
STATE OF CALIFORNIA AND UNITED STATES
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF RESIDENT LABOR FORCE⁽¹⁾**

	<i>Labor Force</i>	<i>Employment⁽²⁾</i>	<i>Unemployment</i>	<i>Unemployment Rate⁽³⁾</i>
2020				
City of Oakley	21,800	19,800	2,000	9.0%
County of Contra Costa	565,100	516,000	49,100	8.7%
State of California	18,956,600	17,039,800	1,916,800	10.1%
United States	160,742,000	147,795,000	12,947,000	8.1%
2021				
City of Oakley	22,300	20,900	1,500	6.6%
County of Contra Costa	567,500	532,600	34,900	8.1%
State of California	18,954,600	17,564,900	1,389,700	7.3%
United States	161,204,000	152,581,000	8,623,000	5.3%
2022				
City of Oakley	23,100	22,300	900	3.8%
County of Contra Costa	575,400	555,700	19,700	3.4%
State of California	19,218,300	18,393,900	824,400	4.3%
United States	164,287,000	158,291,000	5,996,000	3.6%
2023				
City of Oakley	23,800	22,900	900	3.9%
County of Contra Costa	582,200	559,600	22,600	3.9%
State of California	19,471,000	18,551,800	919,200	4.7%
United States	167,116,000	161,037,000	6,080,000	3.6%
2024				
City of Oakley ⁽⁴⁾	--	--	--	--
County of Contra Costa	582,300	556,000	26,300	4.5%
State of California	19,644,100	18,600,900	1,043,100	5.3%
United States	168,106,00	161,346,000	6,761,000	4.0%

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not yet available.

Source: California Employment Development Department, Labor Market Information Division for City, State and County; United States Department of Labor, Bureau of Labor Statistics for the U.S.

Principal Employers in the City

The following table provides a listing of the ten largest employers based on number of employees in the City as of June 30, 2024.

**CITY OF OAKLEY
TEN LARGEST EMPLOYERS
AS OF JUNE 30, 2024**

<i>Rank</i>	<i>Employer</i>	<i>Number of Employees</i>	<i>Percent of Total Employment</i>
1.	Amazon.com Services LLC	984	22.9%
2.	Oakley Union Elementary School District	592	13.8%
3.	Pet Food Express	72	1.7%
4.	Skipolini's	64	1.5%
5.	McDonalds #12565	55	1.3%
6.	Lucky's	51	1.2%
7.	Raley's	38	0.9%
8.	Bear Buddies, Inc.	37	0.9%
9.	Dutch Bros Coffee	35	0.8%
10.	Dependable Roofing	35	0.8%
10.	Taco Bell #30767	35	0.8%
10.	Foundation Contractors Inc.	30	0.7%
		2,028	47.2%

Source: City of Oakley Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Principal Employers in the County

The following table provides a listing of the ten largest employers based on number of employees in the County as of June 30, 2024.

COUNTY OF CONTRA COSTA
TEN LARGEST EMPLOYERS
AS OF JUNE 30, 2024

<i>Rank</i>	<i>Employer</i>	<i>Number of Employees</i>	<i>Percent of Total Employment</i>
1.	Chevron Corporation	10,000+	1.89 %
2.	Kaiser Permanente	10,000+	1.89
3.	Bio-Rad Laboratories, Inc.	1,000-4,999	0.57
4.	John Muir Medical Center	1,000-4,999	0.57
5.	La Raza Market	1,000-4,999	0.57
6.	USS-POSCO Industries	1,000-4,999	0.57
7.	Bayer Healthcare	--	--
8.	C&H Sugar Co, Inc.	--	--
9.	Conoco Phillips Rodeo Refinery	--	--
10.	Macy's	--	--
		--	6.06%

Source: County of Contra Costa Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients. The following table summarizes per capita personal income for the City, the County, the State of California and the United States for the ten most recent years available. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**COUNTY OF CONTRA COSTA,
STATE OF CALIFORNIA, AND UNITED STATES
PER CAPITA PERSONAL INCOME⁽¹⁾**

<i>Year</i>	<i>County of Contra Costa</i>	<i>California</i>	<i>United States</i>
2014	\$62,371	\$50,617	\$46,289
2015	67,047	53,816	48,062
2016	70,257	55,862	48,974
2017	74,770	58,214	51,006
2018	78,509	60,984	53,311
2019	80,354	64,219	55,567
2020	87,839	70,100	59,151
2021	94,437	77,134	64,692
2022	97,061	77,196	66,298
2023	103,218	81,196	70,002

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Retail Sales

A summary of historic taxable sales within the City and the County during the past five years for which data is available is shown in the following tables.

CITY OF OAKLEY
TAXABLE TRANSACTIONS
(DOLLARS IN THOUSANDS)

	<i>Retail Stores</i>		<i>Total All Outlets</i>	
	<i>Number of Permits</i>	<i>Taxable Transactions</i>	<i>Number of Permits</i>	<i>Taxable Transactions</i>
2020	363	\$108,019	583	\$154,340
2021	355	145,212	555	212,368
2022	375	162,811	581	263,620
2023	361	171,072	590	242,650
2024	364	174,149	612	240,295

Source: State Department of Tax and Fee Administration.

COUNTY OF CONTRA COSTA
TAXABLE TRANSACTIONS
(DOLLARS IN MILLIONS)

	<i>Retail Stores</i>		<i>Total All Outlets</i>	
	<i>Number of Permits</i>	<i>Taxable Transactions</i>	<i>Number of Permits</i>	<i>Taxable Transactions</i>
2020	15,185	\$13,144	26,776	\$22,092
2021	15,036	15,640	26,351	22,373
2022	15,240	15,790	26,633	22,521
2023	15,000	14,957	26,049	21,057
2024	15,832	13,144	27,445	18,044

Source: State Department of Tax and Fee Administration.

The following table shows taxable sales within the City for the five most recent calendar years available.

CITY OF OAKLEY
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS ⁽¹⁾
(IN THOUSANDS)

<i>Business Type</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Retail and Food Services	\$2,074	\$13,049	\$12,624	\$13,773	\$12,018
Motor Vehicle and Parts Dealers	279	562	509	856	793
Home Furnishings and Appliance Stores	1,031	--	--	--	--
Building Material and Garden Equipment and Supplies Dealers	4,928	20,085	20,859	21,052	21,389
Food and Beverage Stores	6,028	49,754	61,614	61,541	61,009
Gasoline Stations	264	2,191	2,777	3,189	3,473
Clothing and Clothing Accessories Stores	5	--	--	--	1,737
General Merchandise Stores	7,851	41,603	43,891	47,033	53,032
Food Services and Drinking Places	2,547	17,968	20,536	23,629	20,697
Other Retail Group	25,007	145,212	162,811	171,072	174,149
Total Retail and Food Services	13,099	67,156	100,809	71,577	66,147
All Other Outlets	38,106	212,368	263,620	242,650	240,295

(1) Presented in thousands of dollars.

Note: Numbers may not sum due to rounding.

Source: California Department of Tax and Fee Administration.

53 | Diablo Water District
FY 2026/27 Budget

The following table shows taxable sales within the County for the five most recent calendar years available.

COUNTY OF CONTRA COSTA
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS ⁽¹⁾
(IN MILLIONS)

<i>Business Type</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Motor Vehicle and Parts Dealers	\$2,371	\$2,710	\$2,621	\$2,527	\$2,450
Home Furnishings and Appliance Stores	638	813	784	731	692
Building Material and Garden Equipment and Supplies Dealers	1,394	1,520	1,538	1,453	1,404
Food and Beverage Stores	1,008	1,003	1,025	1,020	1,032
Gasoline Stations	1,060	1,431	1,906	1,670	1,648
Clothing and Clothing Accessories Stores	776	1,126	1,171	1,169	1,214
General Merchandise Stores	1,635	1,807	1,923	1,838	1,826
Food Services and Drinking Places	1,480	1,981	2,275	2,430	2,489
Other Retail Group	2,782	2,565	2,546	2,800	2,922
Total Retail and Food Services	13,144	14,957	15,790	15,640	15,185
All Other Outlets	4,899	6,100	6,731	6,733	6,414
Total All Outlets	18,044	21,057	22,521	22,373	22,092

(1) Presented in thousands of dollars.

Note: Numbers may not sum due to rounding.

Source: California Department of Tax and Fee Administration.

Appendix C

Financial Policies



Diablo Water District Regulation No. 14 Reserve Fund Management

Section 1. Policy

- a. The complex nature of Diablo Water District's (District) operations and its various legal, legislative, contractual, and fiduciary requirements dictate a multifaceted and sophisticated financial structure. A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital improvements, debt service, repair and rehabilitation of existing assets, and unplanned future emergencies. In order to meet these requirements, funds will be accumulated, maintained, expended, and restored according to this Regulation, and when appropriate, invested per the District's investment policy.

Section 2. General Provisions

- a. Reserve balances are considered the minimum necessary to maintain the District's creditworthiness and adequately provide for:
 - Compliance with applicable statutory requirements.
 - Financing of future capital facilities and replacement of existing assets.
 - Cash flow requirements.
 - Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 - Contingencies for unforeseen operating or capital needs.
- b. In the context of funding future capital facilities and replacing existing assets, the District will analyze the most cost-effective and efficient method to finance a project, be it through debt financing, pay-as-you-go (PAYGo) financing, use of reserves, use of grant proceeds, or through some combination of those sources.
- c. The District has established the following two categories that comprise its reserves:
 - Restricted Cash and Investments – comprised of unspent bond proceeds, bond reserve funds (held by trustee), facilities reserve charges, and catastrophic emergency.



Diablo Water District Regulation No. 14 Reserve Fund Management

- i. These funds require a resolution of the Board to access funds that are not part of an approved budget. Additionally, unspent bond proceeds and bond reserve funds can only be spent according to the legal bond documents.
- Unrestricted Cash and Investments – comprises of funds to be spent on capital repair and rehabilitation, unforeseen operating expenses, seasonal cash flow fluctuations, temporary revenue reductions due to economic or drought-induced factors, and other prudent expenses authorized by the Board.
 - i. These reserves can be encumbered through annual budgets, board approval, or by staff adhering to this Regulation.

Section 3. Reserve Funds and Target Levels

a. Rate Stabilization Fund

- Events or Conditions Prompting the Use of the Fund: Up to 10% temporary revenue reductions due to economic or drought-induced conditions, larger than budgeted increases in wholesale water rates, minor fluctuations in cash flow, and other prudent expenses authorized by the Board.
- Authorization Required: None. This is the default fund that is automatically reduced for month-to-month cash flow coverage. If exhausted, the next reserve to be accessed is the General Fund Operating Reserve.
- Target Level: \$1,000,000 has been established by the District's 2021 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies.

b. General Operating Reserve

- Events or Conditions Prompting the Use of the Fund: Working capital to meet cash flow shortfalls, unexpected capital asset replacement, and minor emergencies (less than \$1 million).
- Authorization Required: Staff will provide a recommendation to the Board when operating reserves are expected to be needed. Board authorization required.



Diablo Water District Regulation No. 14 Reserve Fund Management

- Target Level: 3 months of current fiscal year operating and maintenance expenses.
 - i. Example: FY O&M expense = \$10,000,000 x .25 = \$2,500,000 in budgeted reserves.
- c. Capital Reserve
 - Events or Conditions Prompting the Use of the Fund: Repair and rehabilitation of capital assets for PAYGo projects or a combination of PAYGo and debt-financed projects.
 - Authorization Required: Staff will provide a recommendation to the Board as needed or during the annual budget-setting process when capital reserves are expected to be needed. Board authorization required.
 - Target Level: \$2,000,000 has been established by the District's 2025 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2027.
- d. Emergency Reserve
 - Events or Conditions Prompting the Use of the Fund: Catastrophic emergency and natural disaster expenses required to keep the District operational and start repairs, moderate to severe temporary revenue reduction due to economic or drought-induced conditions, or other force majeure events.
 - Authorization Required: These reserves may only be accessed after the depletion of the rate stabilization reserve. An emergency declaration via Board resolution and Board authorization is required.
 - Target Level: \$3,000,000 has been established by the District's 2025 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies and/or future capital repair and



Diablo Water District Regulation No. 14 Reserve Fund Management

rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2033.

e. Bond Proceeds (held by Trustee)

- Events or Conditions Prompting the Use of the Fund: Can solely be spent on the projects approved in the bond legal documents.
- Authorization Required: Surplus/excess bond proceeds can be spent on other eligible projects, subject to bond counsel and Board approval via a resolution.
- Target Level: Zero
- Bond proceeds should equal expected project expenses and be spent on qualified projects within three years of issuance.

f. Bond Debt Service Reserves (held by trustee)

- Events or Conditions Prompting the Use of the Fund: Can solely be used towards the payment of the associated bond.
- Authorization Required: No Board or Staff discretion.
- Target Level: As established in the bond legal documents and must be maintained at this level.

g. Facilities Reserve

- Events or Conditions Prompting the Use of the Fund: Projects, assets, staffing, etc., identified in the District's Facilities Master Plan that are for the capacity (or preservation thereof), expansion and/or improvement of the District's systems due to new development.
- Target Level: Three years' worth of facilities funds debt payment expenditures.

- i. Example: FY Facilities Fund debt expenditure = \$900,000 x 3 = \$2,700,000.

Section 4. Reserve Funds and Target Levels

- a. The General Manager or their designee is responsible for adherence to this Regulation.

Further management guidance is provided below:



**Diablo Water District
Regulation No. 14
Reserve Fund Management**

- The Board shall approve any reallocation of funds or any transfers among funds.
- Any reserve that is accessed for eligible use shall have an adopted restoration/repayment plan adopted at the time of access of the reserve fund.
- The exception is the rate stabilization fund that should be fully restored during the annual budget-setting process or, at maximum, within two years of depletion.
- Eligible reserve funds may be used to perform interfund loans.
- The interest rate shall be adjusted annually to equal the December 31st Local Agency Investment Fund rate.
- Length of loan and repayment schedule are to be determined on a case-by-case basis and in consultation with General Counsel.
- Reserve funds that are invested shall be credited interest income.
- Investments of Debt Service Reserve Funds should mature prior to the first optional redemption date. If advance refunding of outstanding bonds is being considered, then Debt Service Reserve Fund balances should remain liquid.
- Reserve balances will be reviewed, at minimum on an annual basis during annual budget preparation, to ensure compliance with this Regulation.
- To preserve its strong credit ratings, in every fiscal year, the District shall endeavor to maintain 150 to 270 days of operating cash.
- The target established for each fund represents the baseline financial condition that is acceptable to the District from risk and long-range financial planning perspectives.

DIABLO WATER DISTRICT

Amended and Restated Debt Management Policy

This Amended and Restated Debt Management Policy (“Debt Policy”) of Diablo Water District (“District”) was approved by the District’s Board of Directors on April 27, 2022. The Debt Policy may be amended by the Board of Directors as it deems appropriate from time to time in the prudent management of the debt of the District. Any approval of debt by the Board of Directors that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy. This Debt Policy amends and restates the District’s Debt Management Policy approved by the District’s Board of Directors on September 25, 2019, in its entirety.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District.

The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit worthiness. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives, and capital improvement program or budgets, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the District.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.

- When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- (b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
- (c) The District may use long-term debt financings subject to the following conditions:
- The project to be financed must be approved by the Board of Directors.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- State or Federal loans, including Revolving Fund loans
- loans and lines of credit with banks and other financial institutions
- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- refunding bonds, notes, loans, and other obligations

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available

when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund, facilities reserve fund, or other fund from which capital improvements are paid for.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the District to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the District.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues; and
- the District's investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the District shall retain records of all expenditures of proceeds through the final payment date for the debt.



**Diablo Water District
Regulation No. 111
Investment Policy**

Section 1. Investments and Deposits

- a. Surplus money in the treasury of the District not required for the immediate necessities of the District may be invested only in accordance with the provisions of Government Code, section 53601.
- b. As far as possible, all money belonging to or in the custody of the District not otherwise invested will be deposited for safekeeping in state or national banks in accounts insured by the Federal Deposit Insurance Corporation or in savings or other financial institutions as authorized by Government Code, section 53635.
- c. District funds may be invested in public agency bonds where the issuing agency has a rating of:

Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-

Section 2. Investment Objectives

- a. When investing, reinvesting, and managing the funds of the District, the primary objective will be to safeguard the principal of the funds under the District's control. The secondary objective will be to meet the liquidity needs of the District. The third objective will be to invest in funds that align with the District’s Environments, Social, and Governance philosophy. The fourth objective will be to achieve a return on the funds under its control.

Section 3. Control

- a. All funds of the District, and the deposit and investment thereof, will be under the continuous control of the Board of Directors. The General Manager has the authority to make investment decisions on behalf of the District. As trustee of said funds, the Board and the General



Diablo Water District Regulation No. 111 Investment Policy

Manager are subject to the prudent investor standard as defined by Government Code, section 53600.3.

Section 4. Financial Reporting

- a. The District's staff auditor will render annually to the Board for its consideration at a public meeting a statement of investment policy as required by Government Code, Section 53646(a)(2).
- b. The District's staff auditor will submit not less than quarterly to the Board and the General Manager a financial report as required by Government Code, section 53646 (b).
 1. The report will be submitted within 45 days following the end of the quarter covered by the report. The report will also include a current market value for all securities held as of the date of the report and the source of this same valuation.
 2. The report will state compliance of the portfolio to the statement of investment policy, or the manner in which the portfolio is not in compliance.
 3. The report will include a statement denoting the ability to meet its pool's expenditure requirements for the next six months or provide an explanation as to why sufficient money will, or may, not be available.
 4. The report will also include any additional information or data that may be required by the Board or General Manager.

Section 5. Interfund Loans

- a. The District will require an Interfund Loan Agreement between the lending fund and the borrowing fund for organizational, capital, operational, and maintenance purposes. The Loan Agreement will be approved by the District's Board of Directors.
- b. The District's General Fund or Facilities Reserve Fund may loan monies to other funds within the District as circumstances may arise to meet current obligations. The Finance and Accounting Manager will affect such transfers by journal entry upon the request of the General Manager.

**Diablo Water District
Regulation No. 111
Investment Policy**



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- c. The borrowing fund will pay the lending fund interest on the monies loaned at the current average monthly effective yield rate per LAIF (Local Agency Investment Fund).

Section 6. Environmental, Social and Governance Investment

- a. Philosophy: to invest in funds that contribute to a sustainable future for the environment and enrich the human experience, while minimizing risks and maximizing transparency of the company.
- b. Investment Criteria (if available):
 - 1. Sustainalytics ESG Score: Require a low to negligible risk score.
 - 2. Statista: Bank will not be listed in top 25 carbon dioxide-emitting banks.
 - 3. Banking on Climate Chaos: Bank will not be listed in the top 30 banks investing in fossil fuels.
 - 4. Agency bonds that support community investment, infrastructure improvements, and/or environmental projects.
 - 5. Additional data sources may be considered.

Appendix D

Personnel and Pay Summary

Employee Compensation Schedule

Pay rates across all classifications remain competitive with industry standards.

The last salary survey was performed in 2026.



District operations are committed to an industry-leading level of excellence in customer service, resiliency, water quality, and innovation. The dedicated, highly trained, certified, and hardworking employees of the District continue to be the organization's most valuable asset and investment. Every day, we diligently and proudly deliver safe, reliable, high-quality drinking water 24/7. Our unwavering commitment to being a valuable community resource drives the District and is at the heart of everything we do.



Diablo Water District - Employee Compensation Schedule Effective 6/27/2026



Job Title / Classification	Hourly						Total Employees
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
General Manager*	\$27,898.71 / month						1
Administrative Assistant	\$ 39.76	\$ 41.75	\$ 43.84	\$ 46.03	\$ 48.33	\$ 50.75	0
Administrative Technician	\$ 46.03	\$ 48.33	\$ 50.75	\$ 53.30	\$ 55.97	\$ 58.77	1
Board Secretary / Executive Assistant	\$ 53.30	\$ 55.97	\$ 58.77	\$ 61.71	\$ 64.80	\$ 68.04	1
Utility Billing Clerk	\$ 34.35	\$ 36.07	\$ 37.87	\$ 39.76	\$ 41.75	\$ 43.84	0
Utility Billing Representative	\$ 39.76	\$ 41.75	\$ 43.84	\$ 46.03	\$ 48.33	\$ 50.75	3
Senior Utility Billing Representative	\$ 46.03	\$ 48.33	\$ 50.75	\$ 53.30	\$ 55.97	\$ 58.77	0
Utility Billing Supervisor	\$ 53.30	\$ 55.97	\$ 58.77	\$ 61.71	\$ 64.80	\$ 68.04	1
Accounting Specialist	\$ 56.20	\$ 59.01	\$ 61.96	\$ 65.06	\$ 68.31	\$ 71.73	1
Accounting Analyst - Confidential	\$ 59.06	\$ 62.01	\$ 65.11	\$ 68.37	\$ 71.79	\$ 75.38	1
Finance & Accounting Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Advanced Planning Analyst	\$ 57.62	\$ 60.50	\$ 63.53	\$ 66.71	\$ 70.05	\$ 73.55	2
Senior Advanced Planning Analyst	\$ 66.71	\$ 70.05	\$ 73.55	\$ 77.23	\$ 81.09	\$ 85.14	1
Human Resources Analyst - Confidential	\$ 59.06	\$ 62.01	\$ 65.11	\$ 68.37	\$ 71.79	\$ 75.38	0
Human Resources Manager (E)	\$ 81.14	\$ 85.20	\$ 89.46	\$ 93.93	\$ 98.63	\$ 103.56	1
Water Efficiency Specialist	\$ 52.39	\$ 55.01	\$ 57.76	\$ 60.65	\$ 63.68	\$ 66.86	0
Senior Water Efficiency Specialist	\$ 60.65	\$ 63.68	\$ 66.86	\$ 70.20	\$ 73.71	\$ 77.40	0
Public Relations Specialist	\$ 52.39	\$ 55.01	\$ 57.76	\$ 60.65	\$ 63.68	\$ 66.86	1
Senior Public Relations Specialist	\$ 60.65	\$ 63.68	\$ 66.86	\$ 70.20	\$ 73.71	\$ 77.40	0
District & Community Relations Manager (E)	\$ 80.09	\$ 84.09	\$ 88.29	\$ 92.70	\$ 97.34	\$ 102.21	1
Water System Trainee	\$ 38.62	\$ 40.55	\$ 42.58	\$ 44.71	\$ 46.95	\$ 49.30	0
Water System Worker I	\$ 44.71	\$ 46.95	\$ 49.30	\$ 51.77	\$ 54.36	\$ 57.08	3
Water System Worker II	\$ 51.77	\$ 54.36	\$ 57.08	\$ 59.93	\$ 62.93	\$ 66.08	5
Maintenance & Construction Leadworker	\$ 59.93	\$ 62.93	\$ 66.08	\$ 69.38	\$ 72.85	\$ 76.49	1
Water Operations Leadworker	\$ 59.93	\$ 62.93	\$ 66.08	\$ 69.38	\$ 72.85	\$ 76.49	2
Maintenance & Construction Supervisor	\$ 69.38	\$ 72.85	\$ 76.49	\$ 80.31	\$ 84.33	\$ 88.55	1
Water Operations Supervisor	\$ 69.38	\$ 72.85	\$ 76.49	\$ 80.31	\$ 84.33	\$ 88.55	0
Advanced Planning & Construction Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Water Operations Manager (E)	\$ 94.68	\$ 99.41	\$ 104.38	\$ 109.60	\$ 115.08	\$ 120.83	1
Intern (Part-Time)	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -	2
Total Budgeted Employees**							32

*General Manager is contracted at a monthly rate

**Number of employees budgeted by classification

(E) = Exempt Status

Position allocation may be adjusted at the General Manager's discretion to meet operational needs, but the total number of FTEs will remain as budgeted. Merit and promotion increases, except for the General Manager, are subject to District Regulation 129.

Personnel Summary

Diablo Water District takes pride in our exceptional team, which is committed to providing high-quality water service to our community. Our team is not only highly skilled, but many employees hold certifications that exceed industry standards and the requirements necessary to operate our water system. This dedication to advanced training and continuous improvement reflects our commitment to excellence and operational efficiency. The following table provides a summary of the District's personnel and reflects changes for Fiscal Year 2026/27.

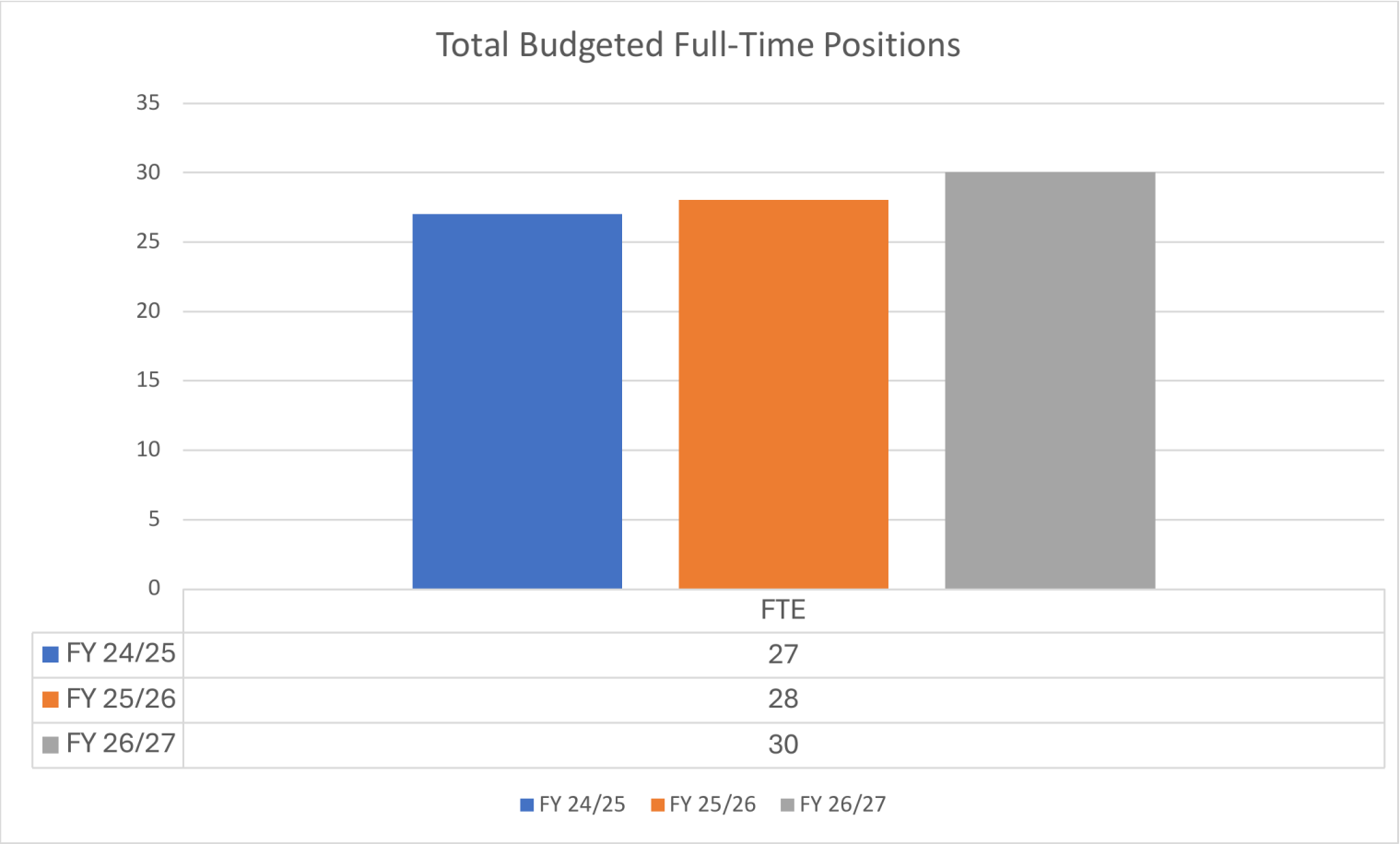


Figure 1.7

The District approved the addition of two additional FTEs for Fiscal Year 2026/27.

This change includes the following:

- Addition of one new Accounting Specialist (FTE).
- Addition of one new Water System Worker I/II (FTE).

Appendix E

Audited Basic Financial Statements

DIABLO WATER DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Condensed Statement of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 13,041,946	\$ 12,482,976	\$ 558,970	\$ 14,957,235	\$ (2,474,259)
Non-current assets	6,706,874	7,616,693	(909,819)	10,196,826	(2,580,133)
Capital assets, net	<u>79,436,443</u>	<u>76,324,251</u>	<u>3,112,192</u>	<u>72,766,924</u>	<u>3,557,327</u>
Total assets	<u>99,185,263</u>	<u>96,423,920</u>	<u>2,761,343</u>	<u>97,920,985</u>	<u>(1,497,065)</u>
Deferred outflows of resources	<u>2,603,867</u>	<u>2,994,560</u>	<u>(390,693)</u>	<u>2,859,789</u>	<u>134,771</u>
Total assets and deferred outflows of resources	<u>\$ 101,789,130</u>	<u>\$ 99,418,480</u>	<u>\$ 2,370,650</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</u>
Liabilities:					
Current liabilities	\$ 3,680,321	\$ 3,879,949	\$ (199,628)	\$ 3,695,446	\$ 184,503
Non-current liabilities	<u>21,339,678</u>	<u>22,265,766</u>	<u>(926,088)</u>	<u>22,751,522</u>	<u>(485,756)</u>
Total liabilities	<u>25,019,999</u>	<u>26,145,715</u>	<u>(1,125,716)</u>	<u>26,446,968</u>	<u>(301,253)</u>
Deferred inflows of resources	<u>1,746,885</u>	<u>1,782,837</u>	<u>(35,952)</u>	<u>2,025,550</u>	<u>(242,713)</u>
Net position:					
Net investment in capital assets	64,483,478	62,652,133	1,831,345	61,657,923	994,210
Restricted	5,384,757	6,285,325	(900,568)	8,740,823	(2,455,498)
Unrestricted	<u>5,154,011</u>	<u>2,552,470</u>	<u>2,601,541</u>	<u>1,909,510</u>	<u>642,960</u>
Total net position	<u>75,022,246</u>	<u>71,489,928</u>	<u>3,532,318</u>	<u>72,308,256</u>	<u>(818,328)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 101,789,130</u>	<u>\$ 99,418,480</u>	<u>\$ 2,370,650</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$75,022,246 and \$71,489,928 as of June 30, 2025 and 2024, respectively.

By far the largest portion of the District's net position (86% as of June 30, 2025 and 88% as of June 30, 2024) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of fiscal years 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$5,154,011 and \$2,552,470, respectively, which may be utilized in future years.

DIABLO WATER DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 19,973,048	\$ 15,236,114	\$ 4,736,934	\$ 14,390,909	\$ 845,205
Operating expenses	(18,519,361)	(16,125,908)	(2,393,453)	(14,875,541)	(1,250,367)
Operating income (loss) before depreciation	1,453,687	(889,794)	2,343,481	(484,632)	(405,162)
Depreciation expense	(2,526,456)	(2,472,175)	(54,281)	(2,442,468)	(29,707)
Operating income (loss)	(1,072,769)	(3,361,969)	2,289,200	(2,927,100)	(434,869)
Non-operating revenues (expenses)	379,581	1,027,607	(648,026)	1,159,885	(132,278)
Net loss before capital contributions	(693,188)	(2,334,362)	1,641,174	(1,767,215)	(567,147)
Capital contributions	4,225,506	1,516,034	2,709,472	3,803,748	(2,287,714)
Change in net position	3,532,318	(818,328)	4,350,646	2,036,533	(2,854,861)
Net position:					
Beginning of year (includes adjustment)	71,489,928	72,308,256	(818,328)	70,271,723	2,036,533
End of year	\$ 75,022,246	\$ 71,489,928	\$ 3,532,318	\$ 72,308,256	\$ (818,328)

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased by \$3,532,318 and decreased by \$818,328 for the fiscal years ended June 30, 2025 and 2024, respectively.

Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues:					
Water sales - residential and business	\$ 18,754,238	\$ 14,272,953	\$ 4,481,285	\$ 13,376,006	\$ 896,947
Water sales - other	504,630	307,559	197,071	368,622	(61,063)
Other charges for services	714,180	655,602	58,578	646,281	9,321
Total operating revenues	\$ 19,973,048	\$ 15,236,114	\$ 4,736,934	\$ 14,390,909	\$ 845,205
Non-operating:					
Investment (loss) gain	707,781	1,043,114	(335,333)	389,038	654,076
Lease revenue	175,034	169,435	5,599	169,435	-
Other non-operating revenues	241,615	322,701	(81,086)	1,298,880	(976,179)
Total non-operating revenues	1,124,430	1,535,250	(410,820)	1,857,353	(322,103)
Total revenues	\$ 21,097,478	\$ 16,771,364	\$ 4,326,114	\$ 16,248,262	\$ 523,102

In 2025, operating revenues increased by 31.09% or \$4,736,934 from \$15,236,114 to \$19,973,048, from the prior year, primarily due to a increase in water sales of \$4,678,356. Water sales increased from the prior year due to the annual rate increase that went into effect in July 2024. This rate increase is primarily due to the accumulated cost of inflation and passing through the increased cost of purchasing water from CCWD.

In 2024, operating revenues increased by 5.87% or \$845,205 from \$14,390,909 to \$15,236,114, from the prior year, primarily due to a increase in water sales of \$835,884. Water sales increased from the prior year due to the annual rate increase that went into effect in March 2024. This rate increase is primarily due to the cost of inflation and passing through the increased cost of purchasing water from CCWD.

75 | Diablo Water District

FY 2026/27 Budget

DIABLO WATER DISTRICT Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Total Expenses

	June 30, 2025	June 30, 2024	Change	June 30, 2023	Change
Operating expenses:					
Source of supply - water purchases	\$ 5,904,542	\$ 5,357,836	\$ 546,706	\$ 5,469,681	\$ (111,845)
Water treatment - Randall-Bold water treatment	2,821,682	2,739,841	81,841	2,105,829	634,012
Well expenses	87,295	41,432	45,863	413,275	(371,843)
Maintenance	870,716	604,685	266,031	491,879	112,806
Transmission and distribution	2,729,103	2,627,234	101,869	2,465,026	162,208
Customer service	2,078,113	1,874,312	203,801	1,467,139	407,173
Administrative and general	4,027,910	2,880,568	1,147,342	2,462,712	417,856
Operating expenses before depreciation	18,519,361	16,125,908	2,393,453	14,875,541	1,250,367
Depreciation expense	2,526,456	2,472,175	54,281	2,442,468	29,707
Total operating expenses	21,045,817	18,598,083	2,447,734	17,318,009	1,280,074
Non-operating expenses:					
Interest and amortization expense	744,849	507,643	237,206	697,468	(189,825)
Total non-operating	744,849	507,643	237,206	697,468	(189,825)
Total expenses	\$ 21,790,666	\$ 19,105,726	\$ 2,684,940	\$ 18,015,477	\$ 1,090,249

In 2025, operating expenses before depreciation expense increased by 14.84% or \$2,393,453 from \$16,125,908 to \$18,519,361, from the prior year, primarily due to increases in water treatment plant expenses of \$81,841, customer service expenses of \$203,801, administrative expenses of \$1,147,342 and transmission/distribution expenses of \$101,869. These increases are primarily due to the cost of inflation related items such as energy costs, insurance premiums, permits, water purchases and operation costs at CCWD, labor and material costs.

In 2024, operating expenses before depreciation expense increased by 8.41% or \$1,250,367 from \$14,875,541 to \$16,125,908, from the prior year, primarily due to increases in water treatment plant expenses of \$634,012, customer service expenses of \$407,173, administrative expenses of \$417,856 and transmission/distribution expenses of \$162,208. Expenses increased due to adding full-time employees to the District, Randall Bold Treatment Plant operation costs, as well as the cost of inflation on items such as energy costs and processing fees.

Capital Asset Administration

	June 30, 2025	June 30, 2024	June 30, 2023
Capital assets:			
Non-depreciable assets	\$ 14,015,934	\$ 12,024,312	\$ 7,470,219
Depreciable assets	109,804,128	106,216,079	104,730,280
Accumulated depreciation	(44,383,619)	(41,916,140)	(39,595,039)
Total capital assets, net	\$ 79,436,443	\$ 76,324,251	\$ 72,605,460

At the end of fiscal year 2025 and 2024, the District's investment in capital assets amounted to \$79,436,443 and \$76,324,251 (net of accumulated depreciation), respectively. Major capital asset additions during the year amounted to \$5,638,932 and \$6,029,502 for various projects and equipment. See Note 3 for further information.

Debt Administration

The long-term debt position of the District is summarized below:

	June 30, 2025	June 30, 2024	June 30, 2023
Long-term debt:			
Certificates-of-participation	\$ 7,272,308	\$ 7,737,560	\$ 8,193,855
Loans payable	9,177,000	9,751,000	10,309,000
Total long-term debt	\$ 16,449,308	\$ 17,488,560	\$ 18,502,855

Structured long-term debt items decreased by \$1,039,252 for the fiscal year ended June 30, 2025, due to regular principal payments on the District's structured long-term debt items. See Note 7 for further information.

Diablo Water District

FY 2026/27 Budget



***Public service is at the heart
of everything we do.***

Diablo Water District

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