



**Dublin San Ramon
Services District**
Water, wastewater, recycled water



Annual Comprehensive Financial Report 2025

Dublin, California
Fiscal Year Ended June 30

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025
Dublin San Ramon Services District
Dublin, California

Prepared by the Finance Department

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Introductory Section (Unaudited)



Don Biddle Community Park, Dublin California



December 11, 2025

To the Board of Directors and Customers of Dublin San Ramon Services District:

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. Dublin San Ramon Services District publishes this report to fulfill that requirement for the fiscal year ended June 30, 2025.

The management of Dublin San Ramon Services District assumes full responsibility for the completeness and reliability of the information in these financial statements, based upon a comprehensive system of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Cropper Accountancy Corporation/Cropper Rowe, LLP has issued an unmodified ("clean") opinion on Dublin San Ramon Services District's financial statements for the year ended June 30, 2025. The independent auditor's report is located in the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The District meets the definition of a stand-alone government in accordance with standards established by the Governmental Accounting Standards Board's Statement No. 14, The Financial Reporting Entity. Accordingly, the District also participates in two joint powers authorities (JPA), the Livermore-Amador Valley Water Management Agency (LAVWMA) and the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA) as of June 30, 2025.

District Overview and Economic Conditions

Overview

The District was formed in 1953 as the Parks Community Service District. The name was changed to Valley Community Services District (VCSD) in the early 1960s. VCSD became the vehicle for delivering local services before city governments existed, including water and wastewater services, recreation and parks, garbage collection, and fire protection. The name of the District was changed again in 1977 to Dublin San Ramon Services District (DSRSD) to reflect its service areas. By 1988, the cities of Dublin and San Ramon had incorporated and assumed responsibility for many of the services originally provided by the District, which allowed DSRSD to focus on water and wastewater services. In 1999, the District began providing a third service, recycled water. DSRSD currently provides water, recycled water, and wastewater services to more than 194,600 residents in Dublin, southern San Ramon, the Dougherty Valley area of San Ramon, and Pleasanton by contract.

Economic Conditions

As of August 2025, the District's service area, encompassing the cities of Dublin, Pleasanton, and South San Ramon, had unemployment rates of 4.8%, 4.8%, and 4.9%, respectively. The greater East Bay Region (Alameda and Contra Costa County) had unemployment rates of 5.1% and 5.2%, respectively during the same period, placing them among the top performing counties in California. The state's unemployment rate was 5.8% at this time¹.

According to the economic data from the US Census Bureau, the estimated median household income is \$202,216 for Dublin, \$176,390 for Pleasanton and \$227,209 for San Ramon. Household median incomes for these three cities are significantly higher compared to the Counties of Alameda with \$129,130 and Contra Costa with \$127,221². Overall, inflation increased by 2.5% from last year. Food and energy increased 3.5% and 0.7% respectively, while commodities other than food remained the same from the prior year³.

Approximately 38.7% of homeowners in Alameda County and 35.1% of homeowners in Contra Costa County spend less than one-fifth of their household income per month on mortgage. Approximately 42.9% of occupied units rented in Alameda County and 48.9% of occupied units rented in Contra Costa County spend over one-third of their household income in rent per month.⁴

Median home prices in Alameda County increased by 6.1% from the prior year. The cities of Dublin and Pleasanton respectively saw a 0.5% increase and 9.8% decrease. Contra Costa County saw an increase in median home price of 3.1% from the prior year and City of San Ramon saw an increase of 11.5%⁵.

¹ California Employment Development Department - Labor market Information October 2025

² United States Census Bureau S1901: Income in the Past 12 Months - 2024: ACS 1-Year Estimates Subject Table

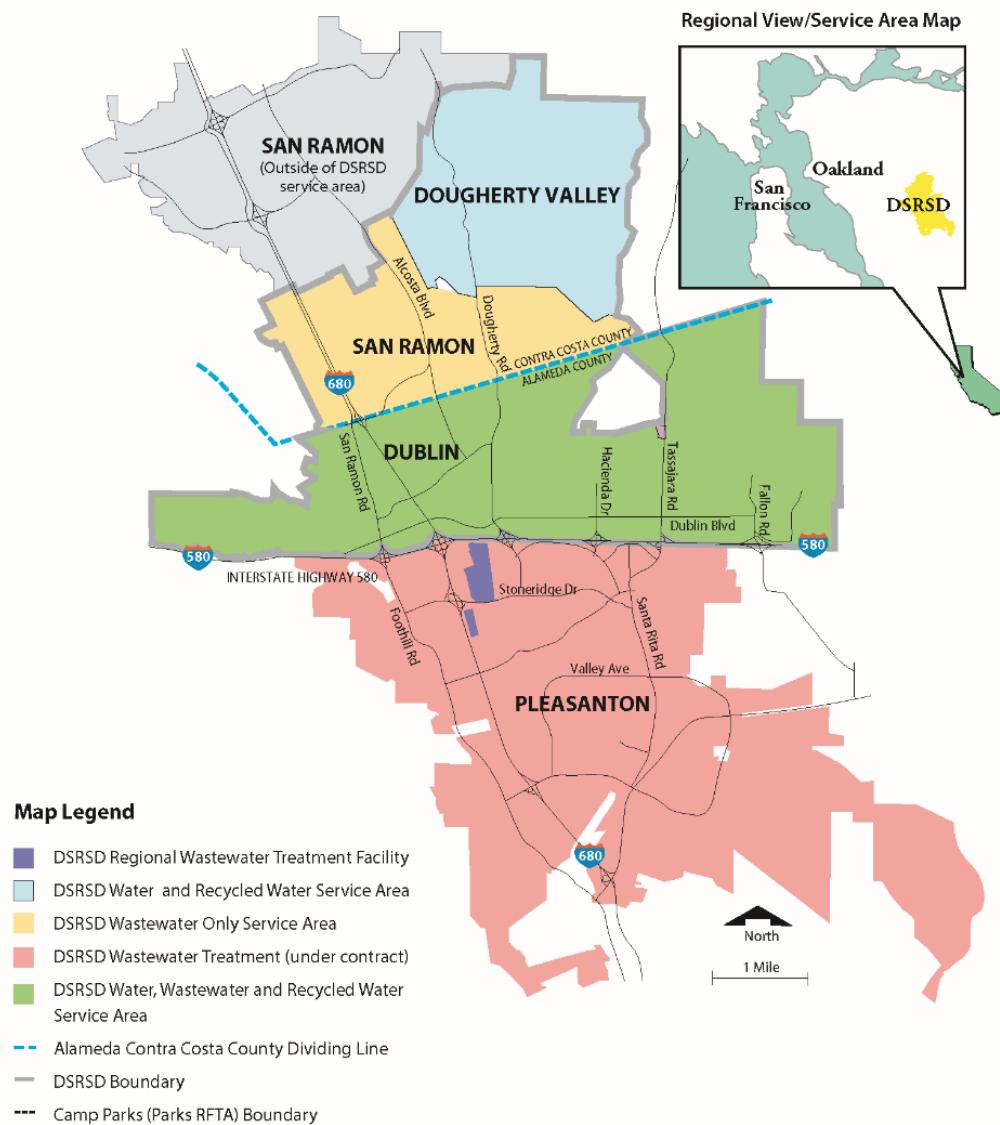
³ United States Bureau of Labor Statistics, Consumer Price Index, San Francisco Area-Oakland-Hayward – Aug 2025

⁴ United States Census Bureau DP04: Selected Housing Characteristics - 2024: ACS 1-Year Estimates Subject Table

⁵ CALIFORNIA ASSOCIATION OF REALTORS® – 2025 Economic & Housing Market update, Monthly Market Report as September 2025

Service Area

The District's service area lies within the Tri-Valley, which is part of the East Bay region of the San Francisco Bay Area. The City of Dublin, located approximately 35 miles east of San Francisco and 35 miles north of San Jose, comprises the largest part of the service area. The service area also includes two portions of the City of San Ramon: the original "Village", which is located to the north of Dublin, and the newer Dougherty Valley, located northeast of Dublin. By contract, the District provides wastewater treatment services for the City of Pleasanton, located south of Dublin. Located within commuting distance of major employers throughout the Bay Area, the Tri-Valley offers many transportation options, including Interstates 580 and 680, Bay Area Rapid Transit (BART), Altamont Commuter Express (ACE), and Livermore Amador Valley Transit Authority (LAVTA).



Financial Planning and Policies

District management is responsible for establishing and maintaining an internal control structure that protects the assets of the District from loss, theft, or misuse. The District uses the full accrual method for financial reporting and employs enterprise funds to account for its activities.

An enterprise fund is used to account for governmental activities that are similar to activities performed by a commercial enterprise. However, the purpose of an enterprise fund is not to maximize return, as in the private sector, but to provide a product or service to the public at a reasonable cost. Funds are used to track operations for internal budgeting and reporting. Each department budgets its operations among the enterprise funds. The 10-year capital improvement program, 2-year capital improvement program budget and the 2-year operating budget are approved by the Board of Directors. The general manager is authorized to approve budget transfers within a fund with certain limitations.

Recognizing the critical importance of financial planning and controls, the District has developed comprehensive financial policies based on industry best practices. The policies guide long-term planning and ensure that financial decisions are analyzed and applied in a consistent manner. The Board of Directors reviews and approves all financial policies.

District policies are available online at www.dsrsd.com/about-us/district-policies. Finance policies include:

- Apportioning Planning Costs (P400-22-1)
- Budget Accountability (P400-24-2)
- Capital Assets (P400-24-1)
- Capital Financing and Debt Management (P400-24-5)
- Consolidated Water Enterprise Fund (P400-23-3)
- Discontinuation of Residential Water Service for Nonpayment (P400-25-3)
- Financial Reserves (P400-24-6)
- Investment (P400-25-1)
- Project Cost Allocation (P400-24-4)
- Rate Policies and Guidelines (P400-24-3)
- Surplus Personal Property (P400-24-8)
- Utility Billing Leak Adjustments (P400-25-2)

The District has a long-term approach to financial planning and utilizes a 10-year financial planning model to develop 2-year budgets, 10-year capital plans, and various rate studies. This long-term focus aligns with Finance objectives to manage public funds to provide financial stability, cost of service-based rate management and development, and maintenance of a solid AA credit rating. Meeting these goals ensures timely and reasonable access to credit markets when needed.

Fiscal Year 2025

District policies are reviewed at least once every four years to ensure that the Board has the opportunity to be acquainted with all policies during their term of office. There were seven Finance policies updated in FY 2025.

For FY 2025, the Board adopted the following items:

- **July 2024** Budget Accountability Policy
- **July 2024** Capital Assets Policy
- **July 2024** Rate Policies and Guidelines Policy
- **October 2024** Capital Financing and Debt Management Policy
- **November 2024** Financial Reserves Policy
- **December 2024** Surplus Personal Policy
- **March 2025** Investment Policy

The District prepares quarterly financial reports for the Board which address trends in revenues, operation and maintenance (O&M), capital costs, and fund reserve levels. The Board adopts a 5-year Strategic Plan and conducts rate and fee studies approximately every five years. Rate and fee studies, operating and capital budgets, master and strategic plans may be found on the District website at www.dsrsd.com/about-us/library/financial-information.

For a detailed discussion and analysis of the District's operations during fiscal year ending June 30, 2025, please read the Management's Discussion and Analysis (MD&A) in the Financial Section of this report. Financial Trends, in the Statistical Section of this report, summarizes the historical fluctuations in revenues sources and operating expenses the District has experienced over the past 10 years.



Regional Wastewater Treatment Plant, Pleasanton California

Awards and Acknowledgments

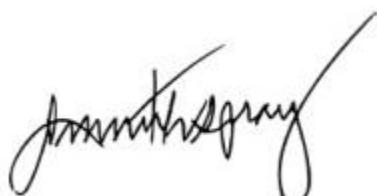
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Dublin San Ramon Services District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the 24th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only; we believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the hard work and dedication of the Finance Department staff, Christine Chen, Nick Johnson, Thinh Lucero, Jessie Valdez, Cindy Wei, and Candee Yang. We also want to express our appreciation to the staff members throughout the District who assisted and contributed to the information presented in this report. Finally, we would like to acknowledge the support of the DSRSD Board of Directors for its dedication to serving customers well by maintaining strong financial standards.

Respectfully submitted,



Jan Lee, P.E.
General Manager / Treasurer



Kenneth Spray, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Dublin San Ramon Services District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Board of Directors

BOARD OF DIRECTORS

As of June 30, 2025



Arun Goel
President



Richard Halket
Vice President



Dinesh Govindarao
Director



**Georgean
Vonheeder-Leopold**
Director

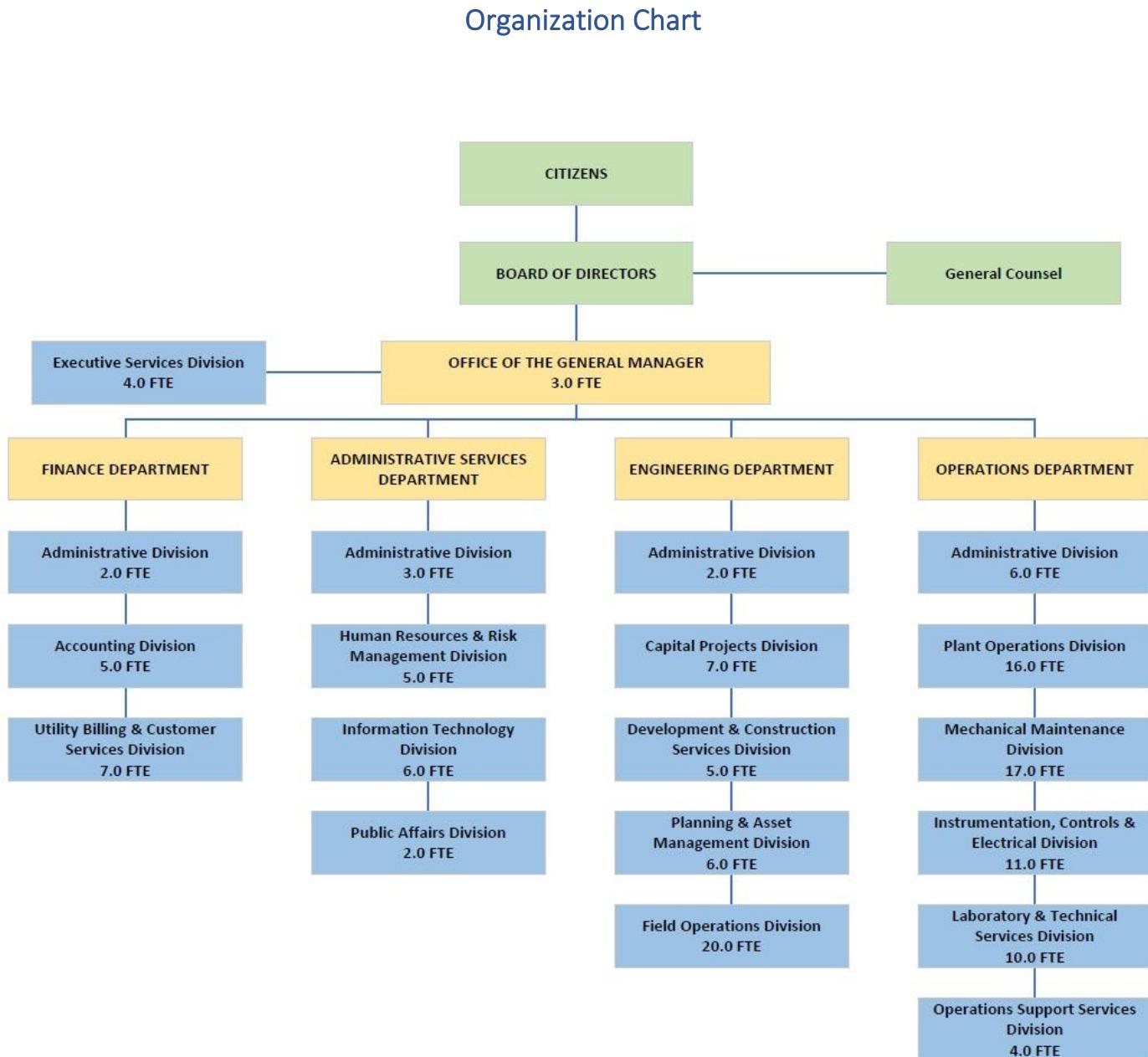


Ann Marie Johnson
Director

SENIOR MANAGEMENT TEAM

Jan Lee	General Manager
Kenneth Spray	Finance Director
Dan Gill	Operations Director
Steven Delight	Engineering & Technical Services Director
Michelle Gallardo	Administrative Services Director

Organization Chart



Financial Section



DSRSD Potable Water Reservoir, San Ramon California

**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dublin San Ramon Services District
Dublin, California

Opinions

We have audited the accompanying financial statements of the business-type activities of the Dublin San Ramon Services District (District), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Summarized Comparative Information

Other auditors audited the District's June 30, 2024 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in our report dated November 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

During the fiscal year ending June 30, 2025, the District's management determined that certain balances from the prior year needed to be adjusted. A prior period adjustment was made for GASB 101, Compensated Absences for \$2,257,270. In addition, an adjustment was made to record the 2017 Water Revenue Bond Premium of \$4,575,932. See Note 14 for further discussion of the prior period adjustments.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Cropper Rowe, LLP

CROPPER ROWE, LLP
Walnut Creek, California
December 3, 2025

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2025 and 2024

Financial Highlights for Fiscal Year 2025

- ✓ The District's net position increased \$23.9 million or 4.3% from \$553.1 million to \$576.9 million
- ✓ Service charge revenues increased \$8.0 million or 11.8% from \$67.2 million to \$75.2 million
- ✓ Capacity reserve fees decreased \$0.4 million or 3.6% from \$11.8 million to \$11.4 million
- ✓ Operating expenses (excluding depreciation) decreased \$1.1 million or 1.3% from \$82.6 million to \$81.5 million

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Dublin San Ramon Services District's basic financial statements. The District's basic financial statements consists of the Statements of Net Position, Statements of Revenues and Expenses and Changes in Net Position, Statements of Cash Flows, and Notes to Financial Statements. The notes to the financial statements provide narrative explanations or additional data as needed for full disclosure.

- The Statements of Net Position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statements of Revenues and Expenses and Changes in Net Position measures the success of District operations for the year and determines cost recovery through user fees and other charges, profitability, and credit worthiness.
- The Statements of Cash Flows provides information about District cash receipts and disbursements and net changes in cash that result from operating activities, non-capital financing activities, capital financing activities and investing activities. Thus, the Statements of Cash Flows show sources and uses of cash.

The format of the District's financial statements is in accordance with business-type activities known as enterprise funds. Enterprise funds are self-supporting funds that charge fees to users to cover the costs of operation, maintenance, and recurring capital replacement, and are similar to the accounting methods used by private sector companies. Enterprise funds report on the accrual basis of accounting recognizing all assets, liabilities, revenues and expenses applicable as of the financial statement date.

The District is governed by a Board of Directors, which sets policy, adopts budgets and appoints a General Manager to direct operations. Currently, the District service area is comprised of five divisions with one Director representing each division and serving overlapping four-year terms.

Changes in Net Position

The following condensed statements, Statements of Net Position (Table 1) and Statements of Revenues and Expenses and Changes in Net Position (Table 2), are presented in a comparative format together with dollar and percentage of change from the previous year, to help the reader analyze financial activity.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2025 and 2024

TABLE 1

As of June 30	Condensed Statements of Net Position						Change in 2024	
			Change in 2025					
	2025	2024	\$ Change	% Change	2023	\$ Change		
Current and restricted assets	\$279,855,454	\$261,497,303	\$18,358,151	7.0%	\$250,532,287	\$10,965,016	4.4%	
Investment in JPA	57,272,369	56,076,845	1,195,524	2.1%	54,085,969	1,990,876	3.7%	
Capital assets	302,323,046	297,728,581	4,594,465	1.5%	302,580,002	(4,851,421)	-1.6%	
Other assets	-	1,281	(1,281)	-100.0%	78,460	(77,179)	-98.4%	
Total assets	639,450,869	615,304,010	24,146,859	3.9%	607,276,718	8,027,292	1.3%	
Deferred outflow of resources	21,949,868	25,347,785	(3,397,917)	-13.4%	26,913,762	(1,565,977)	-5.8%	
Current and restricted liabilities	16,797,752	18,422,492	(1,624,740)	-8.8%	16,329,094	2,093,398	12.8%	
Long-term liabilities	61,725,373	62,027,980	(302,607)	-0.5%	52,886,203	9,141,777	17.3%	
Total liabilities	78,523,125	80,450,472	(1,927,347)	-2.4%	69,215,297	11,235,175	16.2%	
Deferred inflow of resources	5,901,507	7,099,574	(1,198,067)	-16.9%	10,894,379	(3,794,805)	-34.8%	
Net Position								
Net investment in capital assets	268,276,532	263,518,858	4,757,674	1.8%	271,185,002	(7,666,144)	-2.8%	
Restricted for Capital Improvements	213,439,474	163,543,047	49,896,427	30.5%	157,572,449	5,970,598	3.8%	
Restricted for assessment district	42,087	205,480	(163,393)	-79.5%	319,238	(113,758)	-35.6%	
Unrestricted	95,218,012	125,834,365	(30,616,353)	-24.3%	125,004,117	830,248	0.7%	
Total net position	\$576,976,105	\$553,101,748	\$23,874,357	4.3%	\$554,080,804	\$ (979,056)	-0.2%	

For the fiscal year ended June 30, 2025 (FY 2025), total assets increased \$24.1 million or 3.9% from FY 2024 compared to an increase of \$8.0 million or 1.3% from FY 2023 to FY 2024. The increase in both fiscal years is primarily due to changes in investments and changes in capital assets.

Total liabilities decreased \$1.9 million or 2.4% from FY 2024 to FY 2025 compared to the increase of \$11.0 million or 16.0% from FY 2023 to FY 2024. The decrease was due to the release of contractor bonds, less Accounts Payable liabilities, and compensation absences. The increase in FY 2024 was a result of pension and OPEB liabilities and the prior period adjustment from GASB 101 implementation.

Changes to the deferred inflows/outflows of resources are related to the District's pension and other post-employment benefits (OPEB) plans with the California Public Employees' Retirement System (CalPERS), for additional information see Financial Statement Note 9 – Pension Plan and Note 10 – Post Employment Health Care Benefits.

As a result of the change in assets and liabilities above, the District's total net position increased \$23.9 million or 4.3% from FY 2024 to FY 2025 compared to a decrease of \$0.9 million or 0.2% from FY 2023 to FY 2024. The increase from FY 2024 to FY 2025 is due primarily to investment performance and additions to capital assets, and the decrease from FY 2023 to FY 2024 is due primarily to increases in depreciation in FY 2024 in excess of other changes in the components of net position.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2025 and 2024

TABLE 2

Condensed Statements of Revenues and Expenses and Changes in Net Position

As of June 30	Change in 2025				Change in 2024		
			\$ Change	% Change			% Change
	2025	2024			2023	\$ Change	% Change
Operating revenues	\$ 75,231,776	\$ 67,276,389	\$ 7,955,387	11.8%	\$ 64,409,621	\$ 2,866,768	4.5%
Other revenues	12,887,306	13,537,245	(649,939)	-4.8%	16,670,602	(3,133,357)	-18.8%
Investment income	12,894,366	11,109,003	1,785,363	16.1%	2,400,474	8,708,529	362.8%
Capacity reserve fees	11,422,365	11,852,644	(430,279)	-3.6%	20,167,634	(8,314,990)	-41.2%
Contributions	5,717,180	1,936,425	3,780,755	195.2%	3,096,300	(1,159,875)	-37.5%
Total revenues	118,152,993	105,711,706	12,441,287	11.8%	106,744,631	(1,032,925)	-1.0%
Operating expenses	81,492,067	82,599,347	(1,107,280)	-1.3%	76,727,033	5,872,314	7.7%
Depreciation	11,642,434	13,255,148	(1,612,714)	-12.2%	8,817,221	4,437,927	50.3%
Non-operating expenses	1,144,135	1,175,114	(30,979)	-2.6%	1,392,292	(217,178)	-15.6%
Total expenses	94,278,636	97,029,609	(2,750,973)	-2.8%	86,936,546	10,093,063	11.6%
Changes in net position	23,874,357	8,682,097	15,192,260	175.0%	19,808,085	(11,125,988)	-56.2%
Beginning net position	553,101,748	550,169,461	2,932,287	0.5%	534,272,725	15,896,736	3.0%
Prior period adjustment	-	(5,749,810)	5,749,810		-	(5,749,810)	0.0%
Beginning net position, as restated	553,101,748	544,419,651	8,682,097	1.6%	534,272,725	10,146,926	1.9%
Ending net position	\$576,976,105	\$553,101,748	\$23,874,357	4.3%	\$554,080,804	\$ (979,062)	-0.2%

For FY 2025, total revenue increased \$12.4 million or 11.8% over FY 2024 compared to a decrease of \$1.0 million or 1.0% for FY 2024 over FY 2023. The increase was due to increase in water sales and contributions from developers. The decrease of \$1.0 million or 1.0% in FY 2024 was primarily due to a decrease in revenue from developer contributions within the service area.

Total expenses decreased by \$2.8 million or 2.8% for FY 2025 over FY 2024 compared to an increase of \$10.0 million or 11.6% from FY 2023 to FY 2024. The net decrease was due to reductions in depreciation expense and contractual services that offset increases in personnel and materials. The increase of \$10 million or 11.6% for FY 2024 over FY 2023 was primarily due to personnel costs and increases in depreciation for increased capital asset additions during the FY 2024.

Effective FY 2025, the District implemented GASB Statement No. 101, Compensation Absences. As a result of implementing GASB 101, the District recorded an adjustment to beginning net position for the prior fiscal year. For addition information, see Financial Statement Note 14 – B GASB Statement No. 101.

Capital Assets and Debt

During FY 2025, the District received 20,716 linear feet of sewer line, 31,107 linear feet of potable water line, and 3,240 linear feet of recycled water line contributed by developers valued at \$1.6 million, \$3.8 million, and \$0.3 million respectively. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2025 and 2024

Contributed sub-surface lines (Local Wastewater)	\$1,573,180
Contributed sub-surface lines (Water)	<u>4,067,800</u>
	<u><u>\$5,640,980</u></u>

In FY 2025 the District had the following additions to construction in progress:

Construction in Progress

Wastewater system expansion and improvements	5,740,609
Water system expansion and improvements	<u>4,855,311</u>
	<u><u>\$10,595,920</u></u>

Wastewater system improvements include the Alum Addition and the SCADA Improvement projects. Water system expansion and improvements include the completion of Water Lines Replacement in Wineberry area and Valve and Blow-Off Replacement projects.

Below is a recap of the District's current outstanding debt payable. For additional information on the District's debt obligations, see Financial Statement Note 7 – Long-term debt.

<u>Debt Payable</u>	Balance at 6/30/2024	Additions	Principal Payments	Balance at 6/30/2025
2017 Water Revenue Refunding Bonds	\$30,895,000	-	\$525,000	\$30,370,000

Rates and Other Economic Factors

The District is not subject to variations in general economic conditions, such as increases or declines in property tax values or sales taxes. Accordingly, the District sets its rates to cover the costs of operations, maintenance, replacement (OM&R), and debt-financed capital improvements.

Contacting the District

This financial report is designed to provide our customers, investors and creditors with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Financial Services Division at 7051 Dublin Blvd., Dublin, California 94568 or call 925-828-0515.

BASIC FINANCIAL STATEMENTS

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025

	2025			2024	
	Regional Wastewater	Local Wastewater	Water	Combined Totals	Combined Totals
ASSETS					
Current Assets:					
Pooled cash	\$ 2,781,663	\$ 399,413	\$ 2,966,573	\$ 6,147,649	\$ 13,060,404
Pooled investments	108,472,563	25,632,807	118,458,332	252,563,702	227,765,458
Restricted cash - debt service	-	-	964	964	-
Accounts receivable	8,825,185	397,641	9,090,426	18,313,252	18,573,056
Lease receivable	-	-	1,233,767	1,233,767	1,277,686
Interest receivable	570,436	134,841	639,036	1,344,313	817,180
Prepaid expenses	114,590	38,055	97,880	250,525	-
Deferred capacity reserve fees receivable	1,282	-	-	1,282	3,518
 Total current assets	 120,765,719	 26,602,757	 132,486,978	 279,855,454	 261,497,302
Non-Current Assets:					
Investment in JPA	18,083,885	-	39,188,484	57,272,369	56,076,845
Capital assets:					
Property, plant and equipment	195,522,563	76,161,454	217,082,201	488,766,218	470,046,593
Less accumulated depreciation	93,611,317	35,537,841	84,040,109	213,189,267	201,612,574
 Net property, plant and equipment	 101,911,246	 40,623,613	 133,042,092	 275,576,951	 268,434,019
Land and construction in progress	10,888,035	1,964,996	13,893,064	26,746,095	29,294,562
 Total capital assets	 112,799,281	 42,588,609	 146,935,156	 302,323,046	 297,728,581
Other assets:					
Deferred capacity reserve fees receivable - long term	-	-	-	-	1,281
 Total other assets	 -	 -	 -	 -	 1,281
 Total non-current assets	 130,883,166	 42,588,609	 186,123,640	 359,595,415	 353,806,707
 Total assets	 251,648,885	 69,191,366	 318,610,618	 639,450,869	 615,304,009
 Deferred Outflows of Resources:					
Deferred outflows pension related amounts	4,872,544	378,825	3,879,606	9,130,975	16,025,625
Deferred employer pension contributions	1,707,334	566,996	1,458,363	3,732,693	3,083,335
Deferred outflows OPEB related amounts	2,512,397	834,353	2,146,028	5,492,778	5,602,283
Deferred outflows OPEB Contributions	1,643,631	545,841	1,403,950	3,593,422	636,542
 Total deferred outflows of resources	 10,735,906	 2,326,015	 8,887,947	 21,949,868	 25,347,785

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025

	2025			2024
	Regional Wastewater	Local Wastewater	Water	Combined Totals
LIABILITIES				
Current liabilities:				
Accounts payable	1,136,401	403,892	5,943,644	7,483,937
Contractor bonds and deposits	2,074,452	-	2,566,612	4,641,064
Accrued expenses	195,060	64,778	166,615	426,453
Accrued compensated absences	1,574,379	434,618	1,131,159	3,140,156
Interest payable	-	-	554,860	554,860
Current portion of long-term debt	-	-	550,000	550,000
Unearned revenue and other liabilities	1,282	-	-	1,282
Total current liabilities	4,981,574	903,288	10,912,890	16,797,752
				18,422,492
Long term liabilities:				
Accrued compensated absences	432,229	116,910	309,011	858,150
Long-term debt				-
less current portion	-	-	32,940,690	32,940,690
Net pension liability	10,767,262	2,961,593	8,360,569	22,089,424
Net OPEB liability	1,687,761	560,496	1,441,645	3,689,902
DLD remediation reserve	2,147,207	-	-	2,147,207
Unearned revenue and other liabilities	-	-	-	1,281
Total long term liabilities	15,034,459	3,638,999	43,051,915	61,725,373
				62,027,980
Total liabilities	20,016,033	4,542,287	53,964,805	78,523,125
				80,450,472
Deferred inflows of resources				
Deferred inflows of resources - Pension	1,639,160	61,405	1,093,030	2,793,595
Deferred inflows of resources - OPEB	920,339	305,640	786,131	2,012,110
Deferred inflows of resources - Leases	-	-	1,095,802	1,095,802
Total deferred inflows of resources	2,559,499	367,045	2,974,963	5,901,507
				7,099,577
Net Position:				
Net investment in capital assets	112,799,281	42,588,609	112,890,570	268,278,460
Restricted for:				263,518,858
Capital Improvements	93,792,204	20,457,936	99,189,334	213,439,474
Assessment district	-	-	42,087	42,087
Unrestricted	33,217,774	3,561,504	58,436,806	205,480
Total net position	\$ 239,809,259	\$ 66,608,049	\$ 270,558,797	\$ 576,976,105
				\$ 553,101,748

See Accompanying Notes to Basic Financial Statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND POSITION
YEAR ENDED JUNE 30, 2025

	2025			2024
	Regional Wastewater	Local Wastewater	Water	Combined Totals
OPERATING REVENUES:				
Wastewater service charges	\$ 25,147,151	\$ 5,146,546	\$ -	\$ 30,293,697
Water sales	-	-	44,938,079	44,938,079
Other revenues	<u>4,467,902</u>	<u>1,568,475</u>	<u>5,630,556</u>	<u>11,666,933</u>
Total operating revenues	<u>29,615,053</u>	<u>6,715,021</u>	<u>50,568,635</u>	<u>86,898,709</u>
OPERATING EXPENSES:				
Personnel	15,571,898	4,614,225	13,036,937	33,223,060
Materials	5,038,929	159,517	21,683,702	26,882,148
Contractual services	10,033,427	715,744	10,130,107	20,879,278
Other	40,657	42,636	424,288	507,581
Depreciation	<u>5,502,654</u>	<u>1,621,034</u>	<u>4,518,746</u>	<u>11,642,434</u>
Total operating expenses	<u>36,187,565</u>	<u>7,153,156</u>	<u>49,793,780</u>	<u>93,134,501</u>
Operating Income (Loss)	<u>(6,572,512)</u>	<u>(438,135)</u>	<u>774,855</u>	<u>(6,235,792)</u>
NONOPERATING REVENUES (EXPENSE):				
Investment income	5,465,693	1,270,834	6,157,839	12,894,366
Gain (loss) on sale of assets	8,027	7,607	9,214	24,848
Gain(Loss) in Equity in JPA	1,547,099	-	(351,574)	1,195,525
Interest expense	-	-	(1,144,135)	(1,144,135)
Total non-operating revenues (expense), net	<u>7,020,819</u>	<u>1,278,441</u>	<u>4,671,344</u>	<u>12,970,604</u>
Income (Loss) Before Contributions	<u>448,307</u>	<u>840,306</u>	<u>5,446,199</u>	<u>6,734,812</u>
Non-cash contributions	-	1,589,380	4,127,800	5,717,180
Capital contributions - capacity reserve fees	6,471,370	550,814	4,400,181	11,422,365
Transfers in	6,513,788	2,106,689	16,063,170	39,527,610
Transfers (out)	<u>(6,922,630)</u>	<u>(2,106,689)</u>	<u>(15,654,328)</u>	<u>(24,683,647)</u>
Changes in net position	<u>6,510,835</u>	<u>2,980,500</u>	<u>14,383,022</u>	<u>23,874,357</u>
Total Net Position - Beg of Year	<u>233,298,424</u>	<u>63,627,549</u>	<u>256,175,775</u>	<u>553,101,748</u>
Prior period adjustment	-	-	-	(5,749,810)
Total Net Position - Beg of Year as Restated	<u>233,298,424</u>	<u>63,627,549</u>	<u>256,175,775</u>	<u>553,101,748</u>
Total Net Position - End of Year	<u>\$ 239,809,259</u>	<u>\$ 66,608,049</u>	<u>\$ 270,558,797</u>	<u>\$ 576,976,105</u>
	<u>\$ 553,101,748</u>			

See Accompanying Notes to Basic Financial Statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	2025				2024
	Regional Wastewater	Local Wastewater	Water	Combined Totals	Combined Totals
OPERATING ACTIVITIES:					
Cash received from user charges	\$ 32,034,259	\$ 7,644,653	\$ 47,450,466	\$ 87,129,378	\$ 78,277,348
Payments to or on behalf of employees	(15,322,590)	(3,824,976)	(12,218,036)	(31,365,602)	(30,627,429)
Payments for services and supplies	(11,798,256)	(3,351,539)	(34,148,585)	(49,298,380)	(52,523,791)
Net Cash Provided (Used) by Operating Activities	<u>4,913,413</u>	<u>468,138</u>	<u>1,083,845</u>	<u>6,465,396</u>	<u>(4,873,872)</u>
CAPITAL FINANCING ACTIVITIES:					
Capacity reserve fees collected	3,614,870	550,814	7,260,198	11,425,882	11,852,644
Acquisition and construction of capital assets	(4,467,423)	(1,256,986)	(4,795,309)	(10,519,718)	(8,421,888)
Proceeds from sale of fixed assets	8,027	7,607	9,214	24,848	-
Principal on long-term debt	-	-	(525,000)	(525,000)	(500,000)
Interest paid on long-term debt	-	-	(1,352,188)	(1,352,188)	(1,379,563)
Net Cash Provided (Used) by Financing Activities	<u>(844,526)</u>	<u>(698,565)</u>	<u>596,915</u>	<u>(946,176)</u>	<u>1,551,193</u>
INVESTING ACTIVITIES:					
Interest and dividends received	3,502,879	544,893	3,736,404	7,784,176	3,472,444
Lease interest received	-	-	38,332	38,332	-
Proceeds from investments sales and maturities	37,879,512	5,892,369	40,404,812	84,176,693	57,250,780
Purchase of Investments	(53,141,599)	(9,251,985)	(52,214,440)	(114,608,024)	(60,430,000)
Net Cash Provided (Used) by Investing Activities	<u>(11,759,208)</u>	<u>(2,814,723)</u>	<u>(8,034,892)</u>	<u>(22,608,823)</u>	<u>293,224</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,690,321)</u>	<u>(3,045,150)</u>	<u>(6,354,132)</u>	<u>(17,089,603)</u>	<u>(3,029,455)</u>
Cash and cash equivalents - beg of year	<u>41,599,744</u>	<u>8,319,949</u>	<u>42,524,183</u>	<u>92,443,876</u>	<u>95,473,331</u>
Cash and cash equivalents - end of year	<u><u>\$ 33,909,423</u></u>	<u><u>\$ 5,274,799</u></u>	<u><u>\$ 36,170,051</u></u>	<u><u>\$ 75,354,273</u></u>	<u><u>\$ 92,443,876</u></u>
OPERATING ACTIVITIES RECONCILIATION:					
Operating income (loss)	\$ (6,572,512)	\$ (438,135)	\$ 774,855	\$ (6,235,792)	\$ (16,997,361)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	5,502,654	1,621,034	4,518,746	11,642,434	13,255,148
Projects not capitalized	-	-	-	-	-
(Inc) Dec in investments in JPA	-	-	-	-	(1,990,876)
(Inc) Dec in accts recv and other current assets	2,304,616	891,577	(3,142,995)	53,198	645,543
Inc (Dec) in accts pay and other current liabilities	2,923,026	(1,889,266)	(1,812,608)	(778,848)	(539,371)
Inc (Dec) in DLD remediation reserve	-	-	-	-	11
Inc (Dec) in net pension liability	(203,843)	20,696	(117,440)	(300,587)	2,908,201
Inc (Dec) in net OPEB liability	(62,428)	(7,554)	(44,874)	(114,856)	73,661
(Inc) Dec in deferred outflows	1,514,918	462,241	1,420,758	3,397,917	1,565,977
Inc (Dec) in deferred inflows	(493,018)	(192,455)	(512,597)	(1,198,070)	(3,794,805)
Net cash provided (used) by operating activities	<u><u>\$ 4,913,413</u></u>	<u><u>\$ 468,138</u></u>	<u><u>\$ 1,083,845</u></u>	<u><u>\$ 6,465,396</u></u>	<u><u>\$ (4,873,872)</u></u>
NON CASH TRANSACTIONS:					
Investment fair value increase (decrease)				\$ 5,004,908	\$ 4,324,993
Investments in JPAs increase (decrease)				1,195,525	(1,990,876)
Developer contributions				5,717,180	1,936,425

See Accompanying Notes to Basic Financial Statements

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Dublin San Ramon Services District (the District) is organized under the Community Services District Act provisions of the general laws of the State of California and is governed by a five-member Board of Directors. The District, which was established in 1953 and became active in 1960, provides water, recycled water and wastewater collection and treatment services. The District's jurisdiction is approximately 26 square miles in the counties of Alameda and Contra Costa, California.

B. Basis of Accounting

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that costs and expenses, including depreciation, and providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

A Major fund is a fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all enterprise funds and at least 5 percent of the aggregate amount for all enterprise funds.

The District reports the following major Proprietary Funds:

Water Enterprise – This enterprise accounts for the operation, maintenance, and capital improvement projects of the water distribution system, which is funded by user charges and other fees.

Local Wastewater Enterprise – This enterprise accounts for the operation, maintenance, and capital improvement projects of the sewer collection system, which are funded by user charges and other fees.

Regional Wastewater Enterprise – This enterprise accounts for the operation, maintenance, and capital improvement projects of the sewer treatment facility system, which are funded by user charges and other fees.

C. Measurement Focus

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Reporting Entity

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by Generally Accepted Accounting Principles (GAAP). As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Financial accountability is interpreted to mean appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that there is a financial benefit or burden on the primary government. There are no potential component units identified for the Dublin San Ramon Services District.

In evaluating the financial reporting entity for purpose of preparing the basic financial statements, the District has determined it is financially accountable for the DSRSD Financing Corporation. The Corporation is a separate government entity whose purpose is to assist with the financing of certain public capital facilities for the District through the issuance of bonds or other forms of debt. The Corporation is controlled by the District and has the same governing body as the District, which also performs all accounting and administrative functions for the Corporation. The Corporation is included as a blended component unit in these basic financial statements. The Financing Corporation, was dissolved Sept 3, 2024 by Resolution 24-1.

E. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at acquisition value on the date of contribution. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value rather than fair value.

The District defines capital assets as assets with an initial, individual cost of \$20,000 or more and an estimated useful life in excess of three years.

Depreciation is computed by the straight-line method based on the estimated useful lives of related asset classifications. The District has assigned the useful lives listed below to capital assets:

Land Improvements	15-25 years
Buildings	10-50 years
Equipment	3-25 years
Sub-surface lines	25-50 years

F. Cash Flows Defined

For purpose of the statements of cash flows the District defines cash and cash equivalents to include all cash in deposit accounts, cash on hand, and amounts held in liquid investment pools, but does not include cash held in escrow for restricted purposes.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accounts Receivable

The District bills its water consumption and sewer usage on a cycle billing method. Cycle billing results in an amount of services rendered but not yet billed at year-end. The District has recorded this revenue by estimating the unbilled amount. The estimate was calculated by using the billing subsequent to the balance sheet date (June 30) and calculating the amount of service provided prior to June 30. This calculated amount is included in accounts receivable.

H. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated leave hours at current pay rates (See Note 1P for further detail).

I. Estimates

The District's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources expense until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

K. Prior Year Summarized Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived. As discussed in Note 14, the District made certain corrections to errors from the prior year during the fiscal year ended June 30, 2025, which required restatement of the Local Wastewater, Regional Wastewater and Water Funds. However, the District determined that it was not practicable to restate the balances in 2024, and instead, the error corrections are displayed as prior period corrections as discussed in Note 14.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Pension

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

M. Post-Employment Health Care Benefits

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

N. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include building structures, land, vehicles and equipment. The District only has one lease that falls under the lease requirement.

O. Subscription-Based Information Technology Arrangements

A subscription is defined as a contract that conveys control for the right to use another entity's subscription-based information technology software as specified in the contract for a period of time in an exchange or exchange-like transaction. The District will record significant subscription liabilities and intangible right-to-use subscription assets in the future, if any apply.

P. New Governmental Accounting Standards Board Statement Pronouncements

GASB Statement No. 101, Compensated Absences – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The provision of this statement were implemented during the fiscal year 2025. See Note 14 for additional details.

GASB Statement No. 102 - Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 (fiscal year 2025), and all reporting periods thereafter. The implementation of this pronouncement did not have a material impact on the District's financial statements.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS

A. Policies

Cash on hand and negotiable certificates of deposit are FDIC insured to the extent of \$250,000 for each bank used. Amounts in excess of \$250,000 are collateralized by pledged investments of the depository institution to the extent of 110% of all public funds held. As of June 30, 2025, the District's cash in bank was insured or collateralized as discussed above.

The District invests in individual investments and in investment pools. Individual investments are evidenced by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District managed investments.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value quarterly and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or Agency agreements.

Cash and cash equivalents	\$ 75,354,273
Investments	<u>183,357,042</u>
Total cash and investments	<u>\$ 258,711,315</u>

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

The District's Investment Policy and the California Government Code allow the District to invest in the following investment types provided the credit ratings of the issuers are acceptable to the District; and approved percentages and maturities are not exceeded.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

Authorized and Suitable Investments	Max %	Max% Issuer	Max Maturity (Years)	Min Rating
Agency Mortgage Securities	10.0	10.0	7.0	AA- by 1
Agency Mortgage Securities	30.0	30.0	5.0	AA- by 1
Asset-Backed Securities	20.0	5.0	5.0	AA- by 1
Banker's Acceptances	40.0	5.0	180 days	A-1 by 1 or A by 1
Commercial Paper	25.0	5.0	270 days	A-1 by 1 or A by 1
Corporate Medium Term Notes	30.0	5.0	5.0	A- by 1
FDIC Insured Time Deposits (Non-Negotiable CD/ TD	30.0	5.0	5.0	
		30.0		
Federal Agencies or US Gov-sponsored Enterprise Obligations	100.0	Callable 20.0	7.0	N/A
Local Agency Investment Fund (LAIF)	\$75.0 M	N/A	N/A	N/A
Local Government Investment Pool (LGIP)	100.0	N/A	N/A	N/A
Money Market Mutual Funds	20.0	N/A	Daily liquidity	AAA by 2
Mortgage-Backed Securities (Non-Agency)	20.0	5.0	5.0	AA- by 1
Municipal Securities (CA- Local Agency and Other States	30.0	5.0	7.0	A- by 1
Negotiable Certificates Of Deposit	30.0	5.0	5.0	A-1 by 1 or A- by 1 if > FDIC Limit
Repurchase Agreements (RA)	100.0	5.0	1.0	N/A subject to the Master RA
Supranational Obligations	30.0	10.0	5.0	AA- by 1
U. S. Treasuries	100.0		7.0	N/A

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by managing to a benchmark.

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

Investment Type	12 Months or less	13-24 Months	26-84 Months	Total
Corporate Bonds	4,948,972	14,441,458	17,979,817	37,370,248
Municipal Bonds	11,855,525	6,626,779	19,413,227	37,895,530
Asset Backed Securities	-	-	1,428,274	1,428,274
Money Market Funds	126,129	-	-	126,129
Not Rated				
US Treasuries & Agencies	2,244,013	-	50,032,569	52,276,582
US Agencies - Callable	12,748,530	9,650,580	29,606,608	52,005,717
California Asset Management Program	48,040,747	-	-	48,040,747
California Local Agency Investment Fund	21,190,273	-	-	21,190,273
Negotiable Certificates of Deposit	2,230,201	-	-	2,230,201
Total Investments	103,384,390	30,718,817	118,460,494	252,563,702

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments matured in an average of 248 days.

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2025, the fair value approximated is the District's cost. At June 30, 2025, these investments have an average maturity of 41 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's Investment Policy gives guidance on how the District manages its custodial credit risk. Presented below is the actual rating as of June 30, 2025 for each investment type as provided by Standard and Poor's.

Investment Type	Not Rated	AAA	AA+	AA	AA-	A+	A	A-	BBB+	Total
Corporate Bonds	-	\$4,765,126	\$4,714,299	\$4,832,234	\$6,360,782	\$5,520,326	\$1,527,686	\$8,113,341	\$1,536,453	\$37,370,248
Municipal Bonds	-	16,535,157	4,957,250	6,375,652	8,282,018	0	1,745,454			37,895,530
Asset Backed Securities	-	1,428,274	-	-	-	-	-	-		1,428,274
Money Market Funds	-	126,129	-	-	-	-	-	-		126,129
Not Rated										
US Treasuries	52,276,582	-	-	-	-	-	-	-		52,276,582
US Agencies - Callable	52,005,717	-	-	-	-	-	-	-		52,005,717
California Asset Management Program	48,040,747	-	-	-	-	-	-	-		48,040,747
California Local Agency Investment Fund	21,190,273	-	-	-	-	-	-	-		21,190,273
Negotiable Certificates of Deposit	2,230,201	-	-	-	-	-	-	-		2,230,201
Total Investments	\$175,743,521	\$22,854,685	\$9,671,549	\$11,207,886	\$14,642,800	\$5,520,326	\$3,273,139	\$8,113,341	\$1,536,453	\$252,563,702

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

F. Concentration Risk

As of June 30, 2025, significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds, are set forth below:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bureau	Securities of U.S. Government Agencies	22,899,497
Federal Home Loan Bank	Securities of U.S. Government Agencies	13,623,309

G. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2025 are described below.

Investment Type	Level 1	Level 2	Total
Corporate Bonds	\$37,370,248	\$ 37,370,248	
Municipal Bonds	37,895,530	37,895,530	
Asset Backed Securities	1,428,274	1,428,274	
Money Market Funds	\$ 126,129		126,129
Not Rated			-
US Treasuries	52,276,582	52,276,582	
US Agencies - Callable	52,005,717	52,005,717	
California Asset Management Program	48,040,749	48,040,749	
California Local Agency Investment Fund	21,190,271	21,190,271	
Negotiable Certificates of Deposit	2,230,201	2,230,201	
Total Investments	\$ 126,129	\$ 252,437,573	\$ 252,563,702

US Treasuries and Agencies Securities, Corporate Bonds, Municipal Bonds, and Negotiable Certificates of Deposits categorized as Level 2 are valued based on matrix pricing which uses observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The District has restricted its net position for capital expansion, asset replacement and other purposes in the amounts set forth below:

	June 30, 2025	June 30, 2024
Capital Improvements for Replacements and Expansion		
Local Sewer	\$ 20,457,936	\$ 9,745,931
Regional Sewer	93,792,204	60,895,594
Water	<u>99,189,334</u>	<u>92,901,520</u>
	<u>213,439,474</u>	<u>163,543,045</u>
Dougherty Valley Assessment District	42,087	205,480
Total Restriction on Net Position	<u>\$ 213,481,561</u>	<u>\$ 163,748,525</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - CAPITAL ASSETS

Changes in Local WasterWater, Regional Waster water and Water and accumulated Depreciation for the year ended June 30, 2025, is summarized as follows:

Historial Cost

	Balance at June 30, 2024	Additions	Retirements	Transfers	Balance at June 30, 2025
Local Waste Water					
Land	\$ 850,861	\$ -	\$ -	\$ -	\$ 850,861
Construction in progress	723,633	1,273,186	-	(882,684)	1,114,135
Total capital assets not being depreciated	1,574,494	1,273,186	-	(882,684)	1,964,996
Land Improvements	2,515,352	-	-	-	2,515,352
Buildings	2,832,209	-	-	-	2,832,209
Equipment	3,790,796	-	(25,374)	96,523	3,861,945
Sub-surface lines	64,413,989	1,573,180	-	782,027	66,769,197
Intangibles	182,751	-	-	-	182,751
Total capital assets being depreciated	73,735,097	1,573,180	(25,374)	878,550	76,161,454
Total Local Waste Water	75,309,591	2,846,366	(25,374)	(4,134)	78,126,449
Regional Waste Water					
Land	\$ 56,012	\$ -	\$ -	\$ -	\$ 56,012
Construction in progress	8,229,456	4,467,423	-	(1,864,856)	10,832,023
Total capital assets not being depreciated	8,285,467	4,467,423	-	(1,864,856)	10,888,035
Land Improvements	17,836,337	-	-	293,316	18,129,652
Buildings	81,318,287	-	-	165,121	81,483,408
Equipment	89,538,781	-	(11,837)	1,406,419	90,933,363
Sub-surface lines	4,214,677	-	-	-	4,214,677
Intangibles	761,463	-	-	-	761,463
Total capital assets being depreciated	193,669,544	-	(11,837)	1,864,856	195,522,563
Total Regional Waste Water	201,955,011	4,467,423	(11,837)	-	206,410,597
WATER					
Land	\$ 6,806,072	\$ -	\$ -	\$ -	\$ 6,806,072
Construction in progress	12,628,528	4,855,311	-	(10,396,847)	7,086,992
Total capital assets not being depreciated	19,434,600	4,855,311	-	(10,396,847)	13,893,064
Land Improvements	3,815,621	-	-	132,981	3,948,602
Buildings	59,330,133	-	-	-	59,330,133
Equipment	16,907,259	-	(28,530)	4,283,956	21,162,684
Sub-surface lines	122,010,225	4,067,800	-	5,984,044	132,062,070
Intangibles	578,712	-	-	-	578,712
Total capital assets being depreciated	202,641,950	4,067,800	(28,530)	10,400,981	217,082,201
Total Water	222,076,550	8,923,111	(28,530)	4,134	230,975,265
Total Capital Assets	499,341,152	16,236,900	(65,741)	(0)	515,512,311

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Note 4 – CAPITAL ASSETS (Continued)

Accumulated Depreciation

	Balance at June 30, 2024	Additions	Retirements	Transfers	Balance at June 30, 2025
<hr/>					
Local WasteWater					
Land Improvements	\$ (572,037)	\$ (115,247)	\$ -	\$ -	\$ (687,284)
Buildings	(982,857)	(89,046)	-	-	(1,071,903)
Equipment	(2,892,119)	(201,120)	25,374	-	(3,067,865)
Sub-surface lines	(29,476,893)	(1,203,438)	-	-	(30,680,331)
Intangibles	(18,275)	(12,183)	-	-	(30,459)
Accumulated Depreciation	<u>(33,942,181)</u>	<u>(1,621,034)</u>	<u>25,374</u>	<u>-</u>	<u>(35,537,841)</u>
Regional WasteWater					
Land Improvements	\$ (5,999,417)	\$ (344,965)	\$ -	\$ -	\$ (6,344,382)
Buildings	(37,221,017)	(1,675,527)	-	-	(38,896,544)
Equipment	(43,196,255)	(3,347,104)	11,837	-	(46,531,522)
Sub-surface lines	(1,627,665)	(84,294)	-	-	(1,711,959)
Intangibles	(76,146)	(50,764)	-	-	(126,910)
Accumulated Depreciation	<u>(88,120,501)</u>	<u>(5,502,654)</u>	<u>11,837</u>	<u>-</u>	<u>(93,611,317)</u>
WATER					
Land Improvements	\$ (2,954,495)	\$ (87,754)	\$ -	\$ -	\$ (3,042,249)
Buildings	(23,916,359)	(1,432,044)	-	-	(25,348,403)
Equipment	(13,082,598)	(631,211)	28,530	-	(13,685,279)
Sub-surface lines	(39,538,570)	(2,329,157)	-	-	(41,867,726)
Intangibles	(57,871)	(38,581)	-	-	(96,452)
Accumulated Depreciation	<u>(79,549,893)</u>	<u>(4,518,746)</u>	<u>28,530</u>	<u>-</u>	<u>(84,040,109)</u>
Total Accumulated Depreciation	<u>(201,612,575)</u>	<u>(11,642,434)</u>	<u>65,741</u>	<u>-</u>	<u>(213,189,267)</u>
Total Capital Assets, Net	<u>297,728,578</u>	<u>4,594,466</u>	<u>-</u>	<u>-</u>	<u>302,323,046</u>

The District had outstanding construction commitments on capital projects totaling \$8,393,524 at June 30, 2025.

Depreciation expense for the District for June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Regional Wastewater Fund	5,502,654	5,717,909
Local Wastewater Fund	1,621,034	1,911,691
Water Fund	\$ 4,518,746	\$ 5,625,548
Total Depreciation expense	<u>\$ 11,642,434</u>	<u>\$ 13,255,148</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – DEFERRED CAPACITY RESERVE FEES RECEIVABLE

In fiscal year ended June 30, 1997, the District implemented a deferred payment program for regional sewer capacity reserve fees as a means to attract new business to the area. The program was modified in subsequent years and is now designed for commercial and affordable housing with regional sewer capacity reserve fees owed between \$25,000 and \$100,000. Loans bear an interest rate of 5%. Customers make a 20% down payment of regional sewer capacity reserve fees owed and enter into an agreement with the District to pay the balance over a maximum of ten years. The capacity reserve fee revenue is recognized as it is received. The portions outstanding are recorded as deferred capacity reserve fees receivable, which amounted to \$1,282 at June 30, 2025.

NOTE 6 – JOINT POWERS AUTHORITIES

A. LAVWMA

The District is one of three participants in the Livermore Amador Valley Water Management Agency (LAVWMA), a joint powers authority formed in 1974, which constructed and operates an export pumping facility through which all wastewater in the area is discharged. The other two participants are the Cities of Livermore and Pleasanton, each also having a one-third representation in LAVWMA's Board of Directors, composed of two representatives from each participating agency. The LAVWMA's Board of Directors approves LAVWMA's annual budget, which is prepared by LAVWMA's general manager. The Agency charges its members for project costs in proportion to their rights to the Agency's capacity.

The District contracts with the City of Pleasanton ("City") to provide wastewater treatment. The District establishes user charges for these wastewater services. The City then establishes those same charges in its service area and remits the charges they collect to the District upon receipt. A portion of the user charge is for the services provided by LAVWMA. LAVWMA bills the District for both the District's and Pleasanton's share of these costs (which includes both operations and debt service). Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568 or LAVWMA's website at lavwma.com.

LAVWMA issued \$54,790,000 principal amount of 2021 Sewer Revenue Refunding Bonds on August 11, 2021. Proceeds of the issuance were used to refund and retire the 2011 Sewer Revenue Refunding Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated July 1, 2021, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2021 Bonds, a lien on the Net Revenues of their respective wastewater systems (the "Sewer Systems"), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2021 Bonds.

As of June 30, 2025, the District's share of the JPA is estimated to be 27.97%, which amounts to \$18,083,885, based on LAVWMA records and is reflected as an Investment in JPA in the District's Wastewater Fund. This amount is an estimate and is unaudited as of the date of this report.

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2024:

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

	2024 LAVWMA Audit Financials	2024 District Allocation
Total assets	\$ 122,293,931	
Total liabilities and deferred inflows of resources	<u>60,942,556</u>	
Total net position	<u>61,351,375</u>	
Total operating revenue	11,996,736	
Total operating expenses	(8,672,089)	
Total non-operating revenue/expenses	<u>4,132,030</u>	
Net Change	\$ 7,456,677	
Beginning Net Position	<u>53,894,698</u>	-
Ending Net Position/2024 Financial Report	\$ 61,351,375	\$ 16,536,786

The amount for 2024 was \$16,536,786, or 26.95% of member equity and agrees to the audited financials. Member equity is a calculation conducted for each asset type according to the contractually agreed ownership shares.

B. DERWA

The District is also a participant (along with East Bay Municipal Utility District) in the DSRSD/EBMUD Recycled Water Authority (DERWA), a joint powers authority formed in 1995 to plan, design, construct, own and operate various facilities which together will maximize the volume of recycled water deliveries while recovering its costs. Each member provides two representatives to DERWA's Board of Directors which approves the annual budget prepared by DERWA's Treasurer. The Authority began its operations on June 28, 1995.

DERWA constructed a water recycling system, including treatment, conveyance, pumping and storage facilities which became operational on February 1, 2006. Operation and maintenance expenses are allocated based on each member's actual usage. Capital costs, including debt service, are allocated based on each member's proportional share of capital assets.

Financial statements may be obtained from DERWA, P.O. Box 24055 Oakland, California 94623 or DERWA's website at www.srvrwp.org.

As of June 30, 2025, the District's share of the JPA is \$39,188,484, and is reflected as an Investment in JPA in the District's Water Fund. This amount is an estimate and is unaudited as of the date of this report.

Financial information for DERWA summarized below is as of and for the year ended June 30, 2024:

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

B. DERWA

	2024 DERWA Audit Financials	2024 District Allocation
Total assets	\$ 72,015,382	
Total liabilities and deferred inflows of resources	<u>2,949,170</u>	
Total net position	<u>61,351,375</u>	
Total operating revenue	8,807,505	
Total operating expenses	(8,576,967)	
Total non-operating revenue/expenses	<u>105,319</u>	
Net Change	\$ 335,857	
Beginning Net Position	<u>68,730,355</u>	
Ending Net Position/2024 Financial Report	<u>\$ 69,066,212</u>	<u>\$ 39,540,059</u>

The amount for 2024 was \$39,540,059 and agrees to the audited financials.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT

	Original Issue Amount	Balance June 30, 2024	Retirements	Balance June 30, 2025	Amount due within one year
2017 Water Revenue Refunding Bonds 2-5%, due 8/1/2041	\$ 33,590,000	\$ 30,895,000	\$ 525,000	\$ 30,370,000	\$ 550,000
2017 Water Revenue Refunding Bond Premium on refunding	4,575,932	3,314,723	194,032	3,120,690	
Total long-term debt		\$ 34,209,723	\$ 719,032	\$ 33,490,690	\$ 550,000

A. 2017 Water Revenue Refunding Bonds

The District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds on December 1, 2017. Proceeds of the issuance were used to refund the outstanding portion of the 2011 Water Revenue Refunding Bonds and pay costs of issuance. The interest rate is 2-5%. The aggregate difference in debt service between the refunding debt and the refunded debt was \$2,745,178. Principal payments are due annually beginning August 1, 2018 through August 1, 2041.

The issuance is payable from a pledge of fees, charges and other amounts received from the available Net Revenue of the water enterprise. The pledge of future Water Fund Revenues ends upon repayment of the \$42,631,382 in remaining debt service on the bonds that is scheduled to occur in 2041.

The District's bond covenants contain events of default that require the net revenue of the District to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the District to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the District; or if any court or competent jurisdiction shall assume custody or control of the District.

The District is subject to certain revenue bond covenants, the most restrictive of which requires the setting of rates and charges to yield net revenue (as defined) equal to at least 120% of the current annual debt service requirements of the water revenue bonds.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. Repayment Schedule

Shown below are maturities for the debt issues:

For The Year					
Ending June 30	Principal	Premium	Interest	Total	
2026	\$ 550,000	\$ 194,032	\$ 1,325,313	\$ 2,069,345	
2027	1,020,000	194,032	1,286,063	2,306,063	
2028	1,360,000	194,032	1,226,563	2,586,563	
2029	1,420,000	194,032	1,157,063	2,577,063	
2030	1,495,000	194,032	1,084,187	2,579,187	
2031-2035	8,660,000	970,160	4,193,563	12,853,563	
2036-2040	10,940,000	970,160	1,833,547	12,773,547	
2041-2042	4,925,000	210,210	155,083	5,080,083	
Total payments due	<u>\$ 30,370,000</u>	<u>\$ 3,120,690</u>	<u>\$ 12,261,382</u>	<u>\$ 42,825,414</u>	

NOTE 8 – COMPENSATED ABSENCES

As of June 30, 2025, accrued compensated absences are as follows:

	Business Type Activities			Total
	Local Wastewater	Regional Wastewater	Water	
Summary of Activity:				
Beginning balance	\$ 203,012	\$ 780,512	\$ 558,476	\$ 1,542,000
Additions	608,070	1,831,014	1,564,007	4,003,091
Payments	(259,554)	(604,918)	(682,314)	(1,546,786)
Ending balance	<u>\$ 551,528</u>	<u>\$ 2,006,608</u>	<u>\$ 1,440,169</u>	<u>\$ 3,998,305</u>
Due within one year	\$ 434,618	\$ 1,574,379	\$ 1,131,159	\$ 3,140,156

NOTE 9 – PENSION PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits provided

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

Active plan members in the Miscellaneous Plan Classic members (Tier 1) for members hired before January 1, 2013 and PEPRA members (Tier 2) for members hired on or after January 1, 2013 are required to contribute 8% and 7.75%, respectively, of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

For Tier 1 members, on November 16, 2004, the Board of Directors approved a resolution authorizing an amendment to the contract between CalPERS and the Dublin San Ramon Services District. Prior to the amendment, the Retirement Plan formula was 2.0% at 55. The new formula of 2.7% at 55 provides local miscellaneous members 2.7% of pay at age 55 for each year of service credited with the employer. The formula is based on the member's final one year compensation. If retirement is earlier than 55, the percentage of final compensation decreases for each quarter of age to 2% at age 50. Former District employees' service credit will not be affected by this change and the change became effective in November 2004. Tier 1 members pay 2% of the employer cost through 2024.

For Tier 2 members, the formula is 2% at age 62, based on the member's final three years' compensation.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<u>Miscellaneous</u>	
Hire date	Prior To	On or After
Benefit formula	January 1, 2013	January 1, 2013
Benefit Vesting schedule	2.7% @ 55	2.0% @ 62
Benefit payments	5 years service	5 years service
Retirement age	Monthly for life	Monthly for life
Monthly benefits, as a % of eligible compensation	50 - 55	52 -67
Required employee contribution rates	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	8.00%	7.75%
	16.02%	7.87%

C. Contributions

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

For the year ended June 30, 2025, District's total contribution to the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 3,732,694

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLAN (Continued)

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 22,089,424</u>
Total Net Pension Liability	<u>\$ 22,089,424</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on the District's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.4478%
Proportion - June 30, 2024	<u>0.4567%</u>
Change - Increase (Decrease)	0.0089%

For the year ended June 30, 2025, the District recognized pension expense of \$6,682,206. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,732,694	
Differences between actual and expected experience	1,909,832	\$ (74,519)
Changes of assumptions	567,744	
Differences between the actual contributions and the proportionate share of contributions		(2,719,076)
Net differences between projected and actual earnings on plan investments	1,271,658	
Differences in proportion	<u>5,381,741</u>	
 Total	 <u>\$ 12,863,669</u>	 <u>\$ (2,793,595)</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLAN (Continued)

\$3,732,694 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Fiscal Year Ended June 30:	Deferred Outflows (Inflows) of Resources
2026	\$ 4,064,355
2027	2,766,025
2028	(57,216)
2029	(435,784)
Total	<u>\$ 6,337,380</u>

E. Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

	Miscellaneous
Amortization Method/Period	For details, see June 30, 2022 Funding Valuation Report, Section 2
Asset Valuation Method	Market Value with Direct Rate Smoothing. For details, see June 30, 2022 Funding Valuation
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Costs Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Inflation	2.30%
Projected Salary Increase	2.80%
Investment Rate of Return, incl	6.80%
Mortality	Derived by CALPERS Membership Data for all funds (1)

(1) The mortality table used was developed based on CALPERS' specific data. The probabilities or mortality are based on the 2021 CalPERS Experience Study, for the period Mortality rates incorporate full generational mortality 2000-2019 improvements using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CALPERS website.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLAN (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical information for all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

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

Asset Class	Assumed Asset Allocation	Real Return Years (1, 2)
Global Equity - Cap-Weighted	30%	4.54%
Global Equity - Non-Cap-Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-Backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-2022 Asset Liability Management study

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLAN (Continued)

G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Miscellaneous - All Tiers Plan's Net Pension Liability		
1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
\$ 35,780,901	\$ 22,089,424	\$ 10,860,392

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

NOTE 10 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description and Benefits Provided

The District provides medical and dental benefits for employees, hired before July 1, 2014; that retire from the District and their families under third-party insurance plans under an agent multiple-employer plan. Employees hired after July 1, 2014 will no longer be eligible for retiree dental benefits. While the District participates in the CalPERS medical plan, it is required to pay the same amounts for retiree medical insurance as it does for active employees. The Board sets the benefit amounts by resolution each year for each bargaining group and in accordance with current employee contracts.

Prior to 2004, the District paid these benefits regardless of the employee's length of service. Currently, all new employees are automatically enrolled in a medical vesting program where they are eligible for benefits based upon amounts set by CalPERS and length of service. Employees under the vesting program are not eligible to receive any medical benefits without accumulating at least ten years of CalPERS service with at least five of those years as a District employee.

As of June 30, 2025, 110 retirees are receiving medical benefits, 124 retirees are receiving dental benefits, and 129 active participants are eligible for future benefits.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024 that was used to determine the total OPEB liability based on the following actuarial methods and assumptions: (a) 6.20% investment rate of return, (b) 3% projected annual salary increase, (c) 2.50% inflation rate, and (d) 6.50% health inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biennially as results are compared to past expectations and new estimates are made about the future. The District's OPEB liability is being amortized as a level percentage of projected payrolls using a 30 year closed amortization period.

In accordance with the District's budget, the OPEB plan is to be funded throughout the year as a percentage of payroll. The District Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the District Board. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.20 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return (with the effect of inflation)
Global Equity	34%	4.70%	7.10%
Fixed Income	41%	2.60%	5.00%
Global real Estate (REITs)	17%	4.00%	6.40%
TIPS	5%	1.40%	3.80%
Commodities	3%	2.00%	4.40%
Total	100%		
Assumed Long-Term Rate of Inflation		2.40%	
Discount Rate		6.20%	

C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability (Asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
As of FY 2024 (Measurement date 6/30/2023)	\$ 32,583,764	\$ 28,779,006	\$ 3,804,758
Changes Recognized for the Measurement Period:			
Service Costs	1,223,647		1,223,647
Interest on the total OPEB liability	1,846,031		1,846,031
Change Due to Change in Discount Rate	(2,426,124)		(2,426,124)
Differences between expected and actual experiences	2,289,876		2,289,876
Net investment income		2,421,229	(2,421,229)
Contributions - employer		636,542	(636,542)
Administrative expenses		(9,485)	9,485
Benefit payments and refunds	(1,685,148)	(1,685,148)	-
Net Changes during fiscal year ended 2025	1,248,282	1,363,138	(114,856)
As of FY 2025 (Measurement date 6/30/2024)	\$ 33,832,046	\$ 30,142,144	\$ 3,689,902

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

D. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.20 percent) or 1-percentage-point higher (7.20 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate -1% (5.20%)	Current Discount Rate (6.20%)	Discount Rate +1% (7.20%)
\$ 7,895,510	\$ 3,689,902	\$ 211,013

E. Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current healthcare cost trend rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate -1% (5.00%)	Health Care Cost Trend Rate (6.00%)	Discount Rate +1% (7.00%)
\$ (259,877)	\$ 3,689,902	\$ 8,534,142

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

The District recognized OPEB expense of \$3,593,422 as of fiscal year ended June 30, 2025. This amount included \$1,924,136 in payments paid to retirees including \$387,615 that were considered implicit subsidies.

The District reported deferred revenues and inflows in resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Contributions	\$ 3,593,422	
Changes of Assumptions	890,420	\$ (2,012,110)
Differences between expected and actual experience	3,312,567	
Net difference between projected and actual earnings on OPEB plan investments	1,289,791	
Total	\$ 9,086,200	\$ (2,012,110)

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the June 30, 2024 measurement period is 5.86 years for deferred resources arising in the fiscal year. Specifically, liability changes due to (1) plan experience that differs from what was assumed in the prior year and (2) assumption changes during the year are recognized over the EARSL period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ 1,110,757
2027	1,756,120
2028	401,687
2029	232,102
2030	(19,998)
Total	<u>\$ 3,480,668</u>

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 58 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

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

In addition to the primary insurance types provided for through CSRMA listed above, the District also maintains commercial fidelity bonds, public employee dishonesty and public official bonds, to protect against employee theft or defalcation. Settled claims for CSRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

The following is a summary of the insurance policies carried by the District as of June 30, 2025:

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 – RISK MANAGEMENT (Continued)

Company Name	Insurance Program Type of Coverage	Limits	Deductible
Berkley Insurance Company/Allied World			
National Assurance Company	Excess liability	\$ 10,750,000	None
Alliant Property Insurance Program (APIP)	Special form property	228,832,448	\$ 25,000
Interstate Fire and Casualty Insurance Company	Public entity pollution liability (claims made and reported)	25,000,000	None
Lloyd's of London Beazley Syndicate	Cyber liability coverage	2,000,000	None
Travelers Property and Casualty	Public official bond	100,000	None
National Union Fire Insurance Co.	A CIP CSRMA master crime policy	2,000,000	2,500
Safety National Casualty Corporation	Excess workers' compensation employers' liability	Statutory	None
Travelers Insurance Company	ID fraud master policy identity theft	25,000	None
Lloyd's of London Beazley	ADWRP - Alliant Deadly Weapons Response	500,000	None
<u>Pooled Insurance Program</u>			
CSRMA Pooled Liability			
Munich American Reinsurance Co.	Errors & omissions and employment practices liability	15,500,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation employers' liability	1,000,000	None

Prior to July 1, 1994, the District was self-insured for workers' compensation and will continue to be responsible for any claims existing as of that date.

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The District's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by a third party claims administrator based on prior years claims experience as follows:

	2025	2024
Balance at July 1	\$ 405,066	\$ 382,954
Net changes in liability for claims and		
claims incurred but not reported	628,619	496,684
Claims paid	(607,232)	(474,572)
Balance at June 30	<u><u>\$ 426,453</u></u>	<u><u>\$ 405,066</u></u>

The District has not exceeded its insurance coverage limits in any of the last three years. The District's liability is included in accrued expenses on the financial statements.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 22, 2024. The contract was extended until August 22, 2026. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2025, the District's water purchases from Zone 7 amounted to \$19,155,784.

The District is a defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

The District operates a Dedicated Land Disposal site upon which the District processes biosolids produced by the District's wastewater treatment plant. On August 8, 2007, the San Francisco Bay Regional Water Quality Control Board issued Waste Discharge Requirements, which require the District to perform corrective actions for known and reasonably foreseeable releases from the Dedicated Land Disposal site. At this time, the Regional Board and the District expect that the most likely corrective action, if any is needed, would be related to the potential impact to groundwater quality and resulting closure and post-closure activities. The District prepared an analysis in December 2007 to determine the estimated costs of these corrective actions which comprise drilling two extraction wells and constructing a conveyance pipeline for discharge of potentially impacted ground water into the District's collection system. The Study also included estimated costs of operation, maintenance and monitoring of the above facilities for a ten year period after closure of the site which is expected to occur within thirty to fifty years. In September 2016, a study was prepared to update the closure and post-closure care costs. Actual closure and post-closure care costs may be higher, lower, or even not required due to inflation variances, changes in technology, or changes in State or Federal regulations.

The present value of these closure and post closure costs, discounted at 5 percent amounted to \$2,147,207 as of June 30, 2025. The District is required by State and federal laws and regulations to make annual funding contributions to finance closure and post-closure care. The District is in compliance with these requirements for the year ended June 30, 2025 with the establishment of the fully-funded liability for this purpose.

Note 13 – INTERFUND TRANSFERS

Interfund transfers are transactions used to move money from one fund to another for specified purposes. These transfers are an essential component of the district's financial management and are included in both the revenue and expense sections of the district's budget.

Each enterprise fund is required to contribute funds to its respective replacement fund to ensure the future repair and replacement of its facilities and infrastructure. The amounts to be transferred are determined during each budget cycle, based on the current fund balance and anticipated future project expenses. This approach helps maintain the long-term sustainability of the district's assets and ensures that sufficient funds are available for necessary capital improvements.

By aligning interfund transfers with long-term financial planning, the district can better manage its resources and fulfill its obligations for future infrastructure needs.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Note 14 – PRIOR YEAR ADJUSTMENTS

A. Correction of an Error - Bond Premium

During fiscal year end June 30, 2025, the District's management determined that the bond premium from the 2017 Water Revenue Refunding Bond, was not recorded. As such, no amortization was taken for the fiscal years from 2018 through 2024, and as a result the amortization expense was omitted. A restatement to correct this error was made in the current year to reflect debt premium capitalization and thereby reducing the corresponding interest expense. A journal entry was made to correct the ending Net Position as of June 30, 2024 and is reflected in the 2025 long term debt balance sheet. The entry resulted in an increase of \$4,575,932 of bond premium, with a reduction of \$1,455,241 resulting in the ending bond premium balance of \$3,120,691 (See Note 7).

B. Implementation of GASB 101 – Compensated Absences

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB 101 establishes a unified model for recognizing and measuring liabilities associated with compensated absences, including vacation, sick leave, paid time off, and other qualifying leave types.

As a result of implementing GASB 101, the District changed its accounting principle for compensated absences to recognize a liability for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.

Based on the provision of GASB 101, the District made a journal entry that retroactively adjusted the net position by \$2,257,270. The adjustment increased the liability for Sick by \$2,056,982, with corresponding payroll taxes of \$200,288.

This change in accounting principle was applied retroactively, resulting in a restatement of beginning net position as of June 30, 2024. The impact of the restatement is summarized below:

Account	6/30/24 Previously Reported	Adjustment for GASB 101	Adjustment for Bond Premium	6/30/24 Balance as Restated
Liabilities:				
Accrued Sick Leave	-	2,056,982	-	2,056,982
Increase in Payroll Taxes	-	200,288	-	200,288
2017 Water Revenue Bond Premium	-		3,492,540	3,492,540
Total Increase in Liabilities	-	2,257,270	3,492,540	5,749,810
 Net Position:				
Unrestricted	-	2,257,270	3,492,540	5,749,810
Total Decrease in Net Position	-	2,257,270	3,492,540	5,749,810

REQUIRED SUPPLEMENTARY INFORMATION

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2025

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – COST SHARING MULTIPLE EMPLOYER PLAN*

Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.4567%	0.4478%	0.4163%	-0.0612%	0.3340%	0.3041%	0.2623%	0.2634%	0.3730%	0.0185%
Proportion share of the net pension liability (asset)	\$ 22,089,424	\$ 22,390,011	\$ 19,481,810	\$ (1,162,379)	\$ 14,089,817	\$ 12,177,945	\$ 9,884,912	\$ 10,384,742	\$ 12,957,811	\$ 12,698,750
Covered payroll	17,965,917	16,813,572	15,604,785	15,115,187	13,865,188	14,277,527	13,051,223	12,592,116	12,592,116	12,009,479
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	122.95%	133.17%	124.85%	-7.69%	101.62%	85.29%	75.74%	82.47%	102.90%	105.74%
Plan's Fiduciary net position	124,593,916	116,495,329	112,422,195	123,880,746	103,881,003	99,764,640	94,791,258	90,325,711	76,197,801	72,030,535
Plan's Fiduciary net position as a percentage of the total pension liability	84.94%	83.88%	85.23%	100.95%	88.06%	89.12%	90.56%	89.69%	85.47%	78.40%
Notes to schedule:										
Changes in assumptions. None										

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2025

SCHEDULE OF CONTRIBUTIONS (PENSION)*

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	3,732,694	3,083,335	2,992,729	2,605,100	2,935,170	2,089,605	1,859,162	1,504,792	1,401,296
Contractually in relation to the actuarially determined contribution	3,732,694	3,083,335	2,992,729	2,605,100	2,935,170	2,089,605	1,859,162	1,504,792	6,401,296
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	(5,000,000)
Covered payroll	18,970,975	17,965,917	16,813,572	15,604,785	15,115,187	13,865,188	14,277,527	13,051,223	12,592,116
Contributions as a percentage of covered payroll	19.68%	17.16%	17.80%	16.69%	19.42%	15.07%	13.02%	11.53%	50.84%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown

Valuation Date: June 30, 2022

Actuarial cost method	Entry age
Amortization Method/Period	For details, see June 30, 2022 Funding Valuation Report, Section 2
Asset Valuation Method	Market Value with Direct Rate Smoothing. For details, see June 30, 2022 Funding Valuation
Inflation	2.30%
Projected Salary Increase	2.80%
Investment Rate of Return	6.90% (1)
Mortality/Retirement Age	Derived by CALPERS Membership Data for all funds (2)

(1) Net of pension plan investment expenses, including inflation

(2) The probabilities of retirement and mortality are based on the Nov. 2021 CalPERS Experience Study based on data observed from 2000 to 2019. Pre-retirement and post-retirement mortality rates are projected generationaly for future years using 80% of Scale MP-2020 published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementations

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2025

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS AGENT MULTIPLE PLAN*

Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability								
Service Cost	1,223,647	1,041,607	1,011,269	1,041,280	1,008,504	1,053,670	1,020,504	848,840
Interest	1,846,031	1,631,720	1,563,109	1,573,687	1,493,182	1,764,023	1,661,164	1,701,163
Differences between expected and actual experience	2,289,876	1,831,142		791,149		(4,001,696)		(3,586,818)
Changes in assumptions	(2,426,124)	1,052,542		752,348		(1,209,136)		4,149,122
Benefit payments	(1,685,148)	(1,419,538)	(1,369,742)	(1,316,018)	(1,217,291)	(1,154,397)	(1,110,367)	(1,080,081)
Net change in total OPEB liability	1,248,282	4,137,473	1,204,636	2,842,446	1,284,395	(3,547,536)	1,571,301	2,032,226
Total OPEB liability - beginning	32,583,764	28,446,291	27,241,655	24,399,209	23,114,814	26,662,350	25,091,049	23,058,823
Total OPEB liability - ending (a)	33,832,046	32,583,764	28,446,291	27,241,655	24,399,209	23,114,814	26,662,350	25,091,049
OPEB fiduciary net position								
Contributions - employer	636,542	596,768		897,924	1,251,832	1,251,832	1,212,732	1,080,081
Net investment income	2,421,229	1,090,084	(4,275,538)	5,863,962	1,549,013	1,776,771	1,880,973	2,232,198
Administrative expense	(9,485)	(8,260)	(8,677)	(10,821)	(13,965)	(5,441)	(43,338)	(11,330)
Benefit payment, including refundns of employee contributions	(1,685,148)	(1,419,538)	(1,369,742)	(1,316,018)	(1,217,291)	(1,154,397)	(1,110,367)	(1,080,081)
Net change in plan fiduciary net position	1,363,138	259,054	(5,653,957)	5,435,047	1,569,589	1,868,765	1,940,000	2,220,868
Plan fiduciary net position - beginning	28,779,006	28,519,952	34,173,909	28,738,862	27,169,273	25,300,508	23,360,508	21,139,640
Plan fiduciary net position - ending (b)	30,142,144	28,779,006	28,519,952	34,173,909	28,738,862	27,169,273	25,300,508	23,360,508
Net OPEB liability (asset) - ending (a)-(b)	3,689,902	3,804,758	(73,661)	(6,932,254)	(4,339,653)	(4,054,459)	1,361,842	1,730,541
Plan fiduciary net position as a percentage of the total OPEB liability	89%	88%	100%	125%	118%	118%	95%	93%
Covered-employee payroll (not based on measure of pay)	17,932,267	16,813,572	15,473,082	15,148,687	13,918,661	14,287,090	13,112,995	12,531,924
Net OPEB liability (asset) as a percentage of covered-employee payroll	20.58%	22.63%	-0.48%	-45.76%	-31.18%	-28.38%	10.39%	13.81%

Notes to schedule

* - Fiscal year 2018 was the first year of implementation

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2025

SCHEDULE OF CONTRIBUTIONS (OPEB) Last 10 years*

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution to ADC	1,660,436	636,541	596,768	931,328	897,924	865,924	1,251,832	1,212,732
Contribution in relation to ADC	(3,593,422)	(636,541)	(596,768)	-	(897,924)	(1,487,795)	(1,251,832)	(1,212,732)
Contributions deficiency (excess)	(1,932,986)	-	-	931,328	-	(621,871)	-	-
Covered-employee payroll	<u>18,970,975</u>	<u>17,932,267</u>	<u>16,813,572</u>	<u>15,473,082</u>	<u>15,148,687</u>	<u>13,918,661</u>	<u>14,287,090</u>	<u>13,112,995</u>
Contributions as a percentage of covered payroll	18.94%	3.55%	3.55%	0.00%	5.93%	10.69%	8.76%	9.25%
Percent of ADC Contributed	216.41%	100.00%	100.00%	0.00%	100.00%	171.82%	100.00%	100.00%
Notes to Schedule								
Valuation Date:	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	7/1/2017	7/1/2017

Methods and assumptions used to determine contribution rates

	June 30,
Actuarial date	2023
Actuarial cost method	Entry-age Normal
Amortization Method/Period	30 Years Close/29 Years Remain
Asset Valuation Method	Market Value with Direct Rate Smoothing. For details, see June 30, 2022 Funding Valuation
Inflation	2.50% per year
Projected Salary Increase	3% per year
Investment Rate of Return	5.60%
Healthcare cost-trend rates	6% in 2026, stepping down to 3.9% in 2075
Retirement Age	From 50 to 75
Mortality Improvement	MacLeod Watts Scale 2022
Mortality	CalPERS 2021 Experience Study

* Fiscal year 2018 was the 1st year of implementations

SUPPLEMENTARY INFORMATION

**DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Combined Totals
ASSETS					
Current assets:					
Pooled cash	\$ 1,873,484	\$ 102,264	\$ 374,337	\$ 431,578	\$ 2,781,663
Pooled investments	7,229,446	11,400,324	41,730,822	48,111,971	108,472,563
Accounts receivable	5,987,653	-	820,614	2,016,918	8,825,185
Interest receivable	45,633	59,273	216,989	248,541	570,436
Prepaid expenses	114,590				114,590
Deferred capacity reserve fees receivable	-		371	911	1,282
Total current assets	15,250,806	11,561,861	43,143,133	50,809,919	120,765,719
Non-current assets:					
Investment in JPA	18,083,885	-	-	-	18,083,885
Capital assets:					
Property, plant and equipment	195,522,563	-	-	-	195,522,563
Less accumulated depreciation	93,611,317	-	-	-	93,611,317
Net property, plant and equipment	101,911,246	-	-	-	101,911,246
Land and construction in progress	10,888,035	-	-	-	10,888,035
Total capital assets	112,799,281	-	-	-	112,799,281
Other assets:					
Deferred capacity reserves receivable - long term	-	-	-	-	-
Total other assets	-	-	-	-	-
Total non-current assets	130,883,166	-	-	-	130,883,166
Total assets	146,133,972	11,561,861	43,143,133	50,809,919	251,648,885
Deferred outflows of resources					
Deferred outflows pension related amounts	4,872,544	-	-	-	4,872,544
Deferred employer pension contributions	1,707,334	-	-	-	1,707,334
Deferred outflows OPEB related amounts	2,512,397	-	-	-	2,512,397
Deferred outflows OPEB contributions	1,643,631	-	-	-	1,643,631
Total deferred outflows of resources	10,735,906	-	-	-	10,735,906

**DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Combined Totals
LIABILITIES					
Current liabilities:					
Accounts payable	1,061,267	-	68,837	6,297	1,136,401
Contractor bonds and deposits	1,990,020	-	34,539	49,893	2,074,452
Accrued expenses	195,060	-	-	-	195,060
Accrued compensated absences	1,574,379	-	-	-	1,574,379
Current portion of long-term debt	-	-	-	-	-
Unearned revenue	-	-	371	911	1,282
Total current liabilities	4,820,726	-	103,747	57,101	4,981,574
Long term liabilities:					
Accrued compensated absences	432,229	-	-	-	432,229
Net pension liability	10,767,262	-	-	-	10,767,262
Net OPEB liability	1,687,761	-	-	-	1,687,761
DLD remediation reserve	2,147,207	-	-	-	2,147,207
Unearned revenue	-	-	-	-	-
Total long term liabilities	15,034,459	-	-	-	15,034,459
Total liabilities	19,855,185	-	103,747	57,101	20,016,033
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,639,160	-	-	-	1,639,160
Deferred inflows of resources - OPEB	920,339	-	-	-	920,339
Total deferred inflows of resources	2,559,499	-	-	-	2,559,499
NET POSITION					
Net investment in capital assets	112,799,281	-	-	-	112,799,281
Restricted for:					
Capital Improvements	-	-	43,039,386	50,752,818	93,792,204
Unrestricted	21,655,913	11,561,861	-	-	33,217,774
Total net position	\$ 134,455,194	\$ 11,561,861	\$ 43,039,386	\$ 50,752,818	\$ 239,809,259

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Combined Totals
OPERATING REVENUES					
Wastewater service charges	\$ 25,147,151	\$ -	\$ -	\$ -	\$ 25,147,151
Other revenues	4,467,902	-	-	-	4,467,902
Total operating revenues	<u>29,615,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,615,053</u>
OPERATING EXPENSES					
Personnel	15,571,898	-	-	-	15,571,898
Materials	5,038,929	-	-	-	5,038,929
Contractual services	6,182,737	-	269,369	3,581,321	10,033,427
Other	40,657	-	-	-	40,657
Depreciation	5,502,654	-	-	-	5,502,654
Total operating expenses	<u>32,336,875</u>	<u>-</u>	<u>269,369</u>	<u>3,581,321</u>	<u>36,187,565</u>
OPERATING INCOME (LOSS)	<u>(2,721,822)</u>	<u>-</u>	<u>(269,369)</u>	<u>(3,581,321)</u>	<u>(6,572,512)</u>
NONOPERATING REVENUES (EXPENSE)					
Investment income	354,710	577,544	2,122,512	2,410,927	5,465,693
Gain(Loss) on sale of assets	8,027	-	-	-	8,027
Gain(Loss) in Equity in JPA	1,547,099	-	-	-	1,547,099
Total non-operating revenues	<u>1,909,836</u>	<u>577,544</u>	<u>2,122,512</u>	<u>2,410,927</u>	<u>7,020,819</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
Capital contributions - capacity reserve fees	(811,986)	577,544	1,853,143	(1,170,394)	448,307
Transfers in	-	-	1,811,906	4,659,464	6,471,370
Transfers (out)	3,813,788	-	2,700,000	-	6,513,788
Changes in net position	(3,108,842)	-	(3,695,859)	(117,929)	(6,922,630)
	(107,040)	577,544	2,669,190	3,371,141	6,510,835
TOTAL NET POSITION - BEG OF YEAR	<u>121,048,317</u>	<u>10,984,317</u>	<u>40,370,196</u>	<u>60,895,594</u>	<u>233,298,424</u>
Reclass Debt Service from Capital Fund to Operating Fund	13,513,917	-	-	(13,513,917)	-
TOTAL NET POSITION - BEG OF YEAR AS RESTATE	<u>134,562,234</u>	<u>10,984,317</u>	<u>40,370,196</u>	<u>47,381,677</u>	<u>233,298,424</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 134,455,194</u>	<u>\$ 11,561,861</u>	<u>\$ 43,039,386</u>	<u>\$ 50,752,818</u>	<u>\$ 239,809,259</u>

**DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Combined Totals
ASSETS					
Current assets:					
Pooled cash	\$ 199,649	\$ 17,033	\$ 92,357	\$ 90,374	\$ 399,413
Pooled investments	3,363,403	1,898,806	10,295,814	10,074,784	25,632,807
Accounts receivable	397,641	-	-	-	397,641
Interest receivable	19,711	9,872	52,800	52,458	134,841
Prepaid expenses	38,055	-	-	-	38,055
Total current assets	4,018,459	1,925,711	10,440,971	10,217,616	26,602,757
Non-current assets:					
Capital assets:					
Property, plant and equipment	76,161,454	-	-	-	76,161,454
Less accumulated depreciation	35,537,841	-	-	-	35,537,841
Net property, plant and equipment	40,623,613	-	-	-	40,623,613
Land and construction in progress	1,964,996	-	-	-	1,964,996
Total capital assets	42,588,609	-	-	-	42,588,609
Other assets:					
Due from Other Funds - Long term	-	-	-	-	-
Total other assets	-	-	-	-	-
Total non-current assets	42,588,609	-	-	-	42,588,609
Total assets	46,607,068	1,925,711	10,440,971	10,217,616	69,191,366
Deferred outflows of resources					
Deferred outflows pension related amounts	378,825	-	-	-	378,825
Deferred employer pension contributions	566,996	-	-	-	566,996
Deferred outflows OPEB related amounts	834,353	-	-	-	834,353
Deferred outflows OPEB contributions	545,841	-	-	-	545,841
Total deferred outflows of resources	2,326,015	-	-	-	2,326,015

**DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Combined Totals
LIABILITIES					
Current liabilities:					
Accounts payable	203,241	-	151,084	49,567	403,892
Accrued expenses	64,778	-	-	-	64,778
Accrued compensated absences	434,618	-	-	-	434,618
Total current liabilities	702,637	-	151,084	49,567	903,288
Long term liabilities:					
Accrued compensated absences	116,910	-	-	-	116,910
Net pension liability	2,961,593	-	-	-	2,961,593
Net OPEB liability	560,496	-	-	-	560,496
Total long term liabilities	3,638,999	-	-	-	3,638,999
Total liabilities	4,341,636	-	151,084	49,567	4,542,287
Deferred inflows of resources					
Deferred inflows pension related amounts	61,405	-	-	-	61,405
Deferred inflows OPEB	305,640	-	-	-	305,640
Total deferred inflows of resources	367,045	-	-	-	367,045
NET POSITION					
Net investment in capital assets	42,588,609	-	-	-	42,588,609
Restricted for:					
Capital Improvements	-	-	10,289,887	10,168,049	20,457,936
Unrestricted	1,635,793	1,925,711	-	-	3,561,504
Total net position	\$ 44,224,402	\$ 1,925,711	\$ 10,289,887	\$ 10,168,049	\$ 66,608,049

DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL WASTEWATER OPERATIONS
COMBINING SCHEDULES OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Combined Totals
OPERATING REVENUES					
Wastewater service charges	\$ 5,146,546	\$ -	\$ -	\$ -	\$ 5,146,546
Other revenues	1,568,475	-	-	-	1,568,475
Total operating revenues	<u>6,715,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,715,021</u>
OPERATING EXPENSES					
Personnel	4,614,225	-	-	-	4,614,225
Materials	159,517	-	-	-	159,517
Contractual services	715,744	-	-	-	715,744
Other	42,636	-	-	-	42,636
Depreciation	1,621,034	-	-	-	1,621,034
Total operating expenses	<u>7,153,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,153,156</u>
OPERATING INCOME (LOSS)	(438,135)	-	-	-	(438,135)
NONOPERATING REVENUES					
Investment income	148,580	97,490	513,975	510,789	1,270,834
Gain(Loss) on sale of assets	7,607	-	-	-	7,607
Total non-operating revenues	<u>156,187</u>	<u>97,490</u>	<u>513,975</u>	<u>510,789</u>	<u>1,278,441</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(281,948)	97,490	513,975	510,789	840,306
Non-cash contributions	1,589,380	-	-	-	1,589,380
Capital contributions - capacity reserve fees	-	-	534,510	16,304	550,814
Transfers in	1,306,689	-	800,000	-	2,106,689
Transfers (out)	(800,000)	-	(1,201,714)	(104,975)	(2,106,689)
Changes in net position	1,814,121	97,490	646,771	422,118	2,980,500
TOTAL NET POSITION - BEG OF YEAR	42,410,281	1,828,221	9,643,116	9,745,931	63,627,549
TOTAL NET POSITION - BEG OF YEAR AS RESTATED	42,410,281	1,828,221	9,643,116	9,745,931	63,627,549
TOTAL NET POSITION - END OF YEAR	\$ 44,224,402	\$ 1,925,711	\$ 10,289,887	\$ 10,168,049	\$ 66,608,049

**DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Combined Totals
ASSETS					
Current assets:					
Pooled cash	\$ 1,973,651	\$ 110,251	\$ 372,887	\$ 509,784	\$ 2,966,573
Pooled investments	7,768,421	12,290,716	41,569,028	56,830,167	118,458,332
Restricted Cash - Debt Service	964	-	-	-	964
Accounts receivable	7,488,087	1,602,339	-	-	9,090,426
Lease receivable	-	1,233,767	-	-	1,233,767
Interest receivable	75,072	63,587	210,005	290,372	639,036
Prepaid Expenses	97,880	-	-	-	97,880
Total current assets	<u>17,404,075</u>	<u>15,300,660</u>	<u>42,151,920</u>	<u>57,630,323</u>	<u>132,486,978</u>
Non-current assets:					
Investment in JPA	39,188,484	-	-	-	39,188,484
Net pension asset	-	-	-	-	-
Capital assets:					
Property, plant and equipment	217,082,201	-	-	-	217,082,201
Less accumulated depreciation	84,040,109	-	-	-	84,040,109
Net property, plant and equipment	<u>133,042,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,042,092</u>
Land and construction in progress	<u>13,893,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,893,064</u>
Total capital assets	<u>146,935,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,935,156</u>
Total non-current assets	<u>186,123,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,123,640</u>
Total assets	<u>203,527,715</u>	<u>15,300,660</u>	<u>42,151,920</u>	<u>57,630,323</u>	<u>318,610,618</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	3,879,606	-	-	-	3,879,606
Deferred employer pension contributions	1,458,363	-	-	-	1,458,363
Deferred outflows OPEB related amounts	2,146,028	-	-	-	2,146,028
Deferred outflows OPEB contributions	1,403,950	-	-	-	1,403,950
Total deferred outflows of resources	<u>8,887,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,887,947</u>

**DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING SCHEDULES OF NET POSITION
JUNE 30, 2025**

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Combined Totals
LIABILITIES					
Current liabilities:					
Accounts payable	5,413,143	-	495,615	34,886	5,943,644
Contractor bonds and deposits	2,504,204	-	62,408	-	2,566,612
Accrued Expenses	166,615	-	-	-	166,615
Accrued compensated absences	1,131,159	-	-	-	1,131,159
Interest Payable	554,860	-	-	-	554,860
Bonds payable - current portion	550,000	-	-	-	550,000
Total current liabilities	10,319,981	-	558,023	34,886	10,912,890
Long term liabilities:					
Accrued compensated absences	309,011	-	-	-	309,011
Bonds payable - less current portion	32,940,690	-	-	-	32,940,690
Net pension liability	8,360,569	-	-	-	8,360,569
Net OPEB liability	1,441,645	-	-	-	1,441,645
Total long term liabilities	43,051,915	-	-	-	43,051,915
Total liabilities	53,371,896	-	558,023	34,886	53,964,805
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,093,030	-	-	-	1,093,030
Deferred inflows of resources - OPEB	786,131	-	-	-	786,131
Deferred inflows of resources - Leases	-	1,095,802	-	-	1,095,802
Total deferred inflows of resources	1,879,161	1,095,802	-	-	2,974,963
NET POSITION					
Net investment in capital assets	112,890,570	-	-	-	112,890,570
Restricted for:					
Capital Improvements	-	-	41,593,897	57,595,437	99,189,334
Assessment district	42,087	-	-	-	42,087
Unrestricted	44,231,948	14,204,858	-	-	58,436,806
Total net position	\$ 157,164,605	\$ 14,204,858	\$ 41,593,897	\$ 57,595,437	\$ 270,558,797

**DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS**
COMBINING SCHEDULES OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Combined Totals
OPERATING REVENUES					
Water sales	\$ 44,938,079	\$ -	\$ -	\$ -	\$ 44,938,079
Other revenues	3,088,771	2,541,785	-	-	5,630,556
Total operating revenues	<u>48,026,850</u>	<u>2,541,785</u>	<u>-</u>	<u>-</u>	<u>50,568,635</u>
OPERATING EXPENSES					
Personnel	13,036,937	-	-	-	13,036,937
Materials	21,683,702	-	-	-	21,683,702
Contractual services	9,047,114	-	272,905	810,088	10,130,107
Other	359,464	64,824	-	-	424,288
Depreciation	4,518,746	-	-	-	4,518,746
Total operating expenses	<u>48,645,963</u>	<u>64,824</u>	<u>272,905</u>	<u>810,088</u>	<u>49,793,780</u>
OPERATING INCOME (LOSS)	<u>(619,113)</u>	<u>2,476,961</u>	<u>(272,905)</u>	<u>(810,088)</u>	<u>774,855</u>
NONOPERATING REVENUES (EXPENSE)					
Investment income	620,040	746,461	1,981,417	2,809,921	6,157,839
Gain(Loss) on sale of assets	9,214	-	-	-	9,214
Gain(Loss) in Equity in JPA	(351,574)	-	-	-	(351,574)
Interest Expense	(1,144,135)	-	-	-	(1,144,135)
Total non-operating revenues (expenses)	<u>(866,455)</u>	<u>746,461</u>	<u>1,981,417</u>	<u>2,809,921</u>	<u>4,671,344</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
Non-cash contributions	(1,485,568)	3,223,422	1,708,512	1,999,833	5,446,199
Capital contributions - capacity reserve fees	4,127,800	-	-	-	4,127,800
Transfers in	-	-	1,362,736	3,037,445	4,400,181
Transfers (out)	9,563,170	-	6,500,000	-	16,063,170
	<u>(6,500,000)</u>	<u>(4,050,098)</u>	<u>(3,732,058)</u>	<u>(1,372,172)</u>	<u>(15,654,328)</u>
Changes in net position	<u>5,705,402</u>	<u>(826,676)</u>	<u>5,839,190</u>	<u>3,665,106</u>	<u>14,383,022</u>
TOTAL NET POSITION - BEG OF YEAR	<u>143,577,046</u>	<u>15,031,534</u>	<u>35,754,707</u>	<u>62,006,520</u>	<u>256,369,807</u>
Reclass Debt Service from Capital Fund to Operating Fund	<u>7,882,157</u>	<u>-</u>	<u>-</u>	<u>(8,076,189)</u>	<u>(194,032)</u>
TOTAL NET POSITION - BEG OF YEAR AS RESTATED	<u>151,459,203</u>	<u>15,031,534</u>	<u>35,754,707</u>	<u>53,930,331</u>	<u>256,175,775</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 157,164,605</u>	<u>\$ 14,204,858</u>	<u>\$ 41,593,897</u>	<u>\$ 57,595,437</u>	<u>\$ 270,558,797</u>

Statistical Overview Section (Unaudited)



Pump Station 20B, Dublin California

Statistical Overview Section (Unaudited)

The statistics in this section provide context to help readers understand what the financial statements, note disclosures, and required supplementary information reveal about the District's overall financial health. In contrast to the Financial Section, information in the Statistical Section is not subject to an independent audit.



Regional Wastewater Treatment Plant, Pleasanton California

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

1. City of Dublin principal employers
2. City of San Ramon principal employers
3. Demographic and economic indicators

FINANCIAL TRENDS

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

1. Changes in net position
2. Total revenue sources
3. Total expense sources
4. Net position by component

REVENUE CAPACITY

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

1. Water sold by type of customer
2. Principal customers
3. Water and sewer rates

DEBT CAPACITY

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

1. Pledged revenue coverage
2. Outstanding debt by type

OPERATING INFORMATION

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

1. Wastewater average daily effluent flow
2. Water consumption and connections
3. Authorized full-time equivalent District employees by function/program
4. Capital assets by function/ program

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

City of Dublin Principal Employers

Fiscal Year 2024 and Nine Years Prior

Employer	2015		2024 ¹	
	Employees	Rank	Employees	Rank
United States Government & Federal Correction Institute	2,100	1	3,109	1
County of Alameda	465	6	1,308	2
Dublin Unified School District	1,117	3	1,292	3
Ross Stores Headquarters	1,200	2	1,081	4
Zeiss Meditec	535	5	767	5
Kaiser Permanente	-		542	6
Patelco Credit Union	-		461	7
Target Stores	388	7	352	8
Snowflake, Inc.	-		350	9
TriNet	-		215	10
SAP (Formerly: Sybase Corporation)	604	4		
Callidus Cloud	350	8		
De Silva Gates Construction	300	9		
Safeway	284	10		
Total	7,343		9,477	

¹ Source: City of Dublin, Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2024

City of San Ramon Principal Employers Principal Employers Fiscal Year 2024 and Nine Years Prior

Employer	2015		2024 ¹	
	Employees	Rank	Employees	Rank
PG&E	427	9	2,230	1
Chevron USA Inc	3,600	1	1,852	2
Robert Half International Inc.	1,000	4	1,364	3
BMO Bank N.A.			658	4
San Ramon Regional Medical Center	706	6	650	5
Primed Management Consulting	450	8	453	6
Five9, Inc.			448	7
United Parcel Service			385	8
Target Corporation			223	9
Armanino LLP			206	10
Bank of the West	1,600	2		
AT&T	1,227	3		
Accenture LLP	750	5		
General Electric Company	600	7		
IBM Corporation	401	10		
Total	10,761		8,469	

¹ Source: City of San Ramon, Annual Comprehensive Financial Report, Fiscal Year 2023-2024

Demographic and Economic Indicators

Last Ten Calendar Years

Calendar Year	City of Dublin Population ^{2,4}	Alameda County Personal Income ¹	Alameda County Per Capita Personal Income ¹	City of Dublin Unemployment Rate ³
2016	57,349	109,572,257	67,356	2.60%
2017	59,686	116,802,392	71,282	2.70%
2018	63,241	125,583,845	76,644	2.50%
2019	64,577	131,535,494	81,171	2.10%
2020	65,716	144,751,041	87,078	7.40%
2021	64,695	164,437,681	99,746	4.00%
2022	68,482	159,241,119	97,754	2.40%
2023	71,750	173,018,284	106,657	3.80%
2024	72,917	n-a ⁴	n-a ⁴	4.70%
2025	74,691	n-a ⁴	n-a ⁴	4.80%
Calendar Year	City of San Ramon Population ²	Contra Costa County Personal Income ¹	Contra Costa County Per Capita Personal Income ¹	City of San Ramon Unemployment Rate ³
2016	78,363	81,451,804	67,356	2.90%
2017	80,550	86,986,057	76,527	3.00%
2018	82,643	91,653,896	82,506	2.50%
2019	83,957	97,550,344	85,324	2.20%
2020	83,118	106,318,748	92,264	7.30%
2021	83,863	115,342,618	99,312	4.00%
2022	83,820	109,965,993	95,047	2.40%
2023	82,870	119,219,394	103,218	3.80%
2024	82,525	n-a ⁴	n-a ⁴	4.70%
2025	83,391	n-a ⁴	n-a ⁴	4.90%

Source:

- 1 U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income".
Last updated: February 20, 2025-- new statistics for 2023; revised statistics for 2010-2019.
- 2 State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2025. Sacramento, California, May 2025.
- 3 State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag).
Last updated: Unemployment rates as of August 2025
- 4 As of September 30, 2025, data for 2024 and 2025 not yet available

Financial Trends

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting. Amounts expressed in thousands)

	2016	2017	2018	2019	2020
Operating Revenues					
Water	\$29,627	\$35,293	\$36,063	\$35,277	\$42,487
Wastewater	24,804	24,316	26,199	27,107	28,917
Total operating revenues	\$54,431	\$59,609	\$62,261	\$62,384	\$71,404
Operating Expenses					
Water	26,147	37,635	39,012	37,438	46,278
Wastewater	29,609	31,435	31,767	36,093	37,107
Total operating expenses	\$55,756	\$69,070	\$70,779	\$73,530	\$83,385
Net Operating Revenues (Expenses)	(\$1,325)	(\$9,461)	(\$8,518)	(\$11,146)	(\$11,982)
Non-Operating Revenues (Expenses)					
Interest earnings	1,639	354	696	7,137	7,103
Interest expense	(1,929)	(1,918)	(1,712)	(1,467)	(1,454)
Non-operating revenue (expenses)	48	(37)	652	6	7
Non-cash contributions	1,461	4,485	982	2,360	1,535
Capital contributions	34,462	20,330	29,944	27,667	14,632
Total non-operating revenues (expenses)	\$35,681	\$23,215	\$30,562	\$35,703	\$21,823
Change in Net Position	\$34,356	\$13,754	\$22,044	\$24,557	\$9,841

Source: Dublin San Ramon Services District audited financial statements

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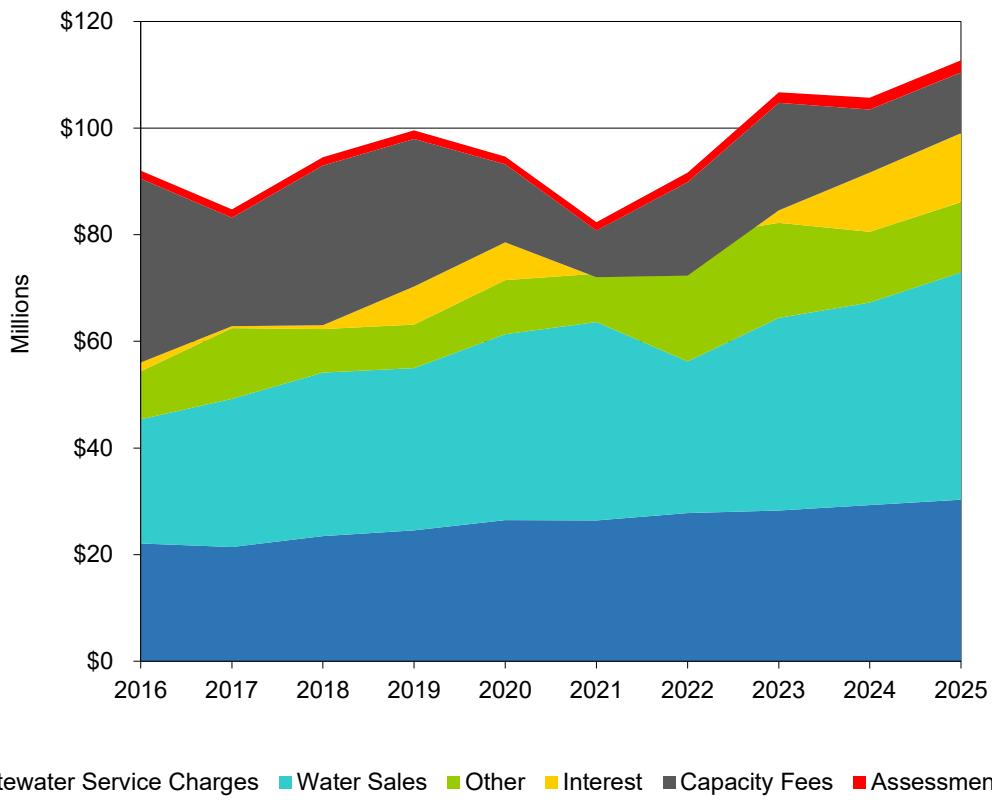
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	2021	2022	2023	2024	2025
Operating Revenues					
Water	\$41,249	\$43,167	\$42,730	\$44,016	\$50,569
Wastewater	28,962	32,586	37,006	34,825	36,330
Total operating revenues	\$70,211	\$75,752	\$79,736	\$78,841	\$86,899
Operating Expenses					
Water	39,293	38,487	43,654	49,788	49,794
Wastewater	33,381	32,167	41,890	46,207	43,341
Total operating expenses	\$72,674	\$70,654	\$85,544	\$95,995	\$93,135
Net Operating Revenues (Expenses)	(\$2,463)	\$5,099	(\$5,808)	(\$17,154)	(\$6,236)
Non-Operating Revenues (Expenses)					
Interest earnings	(663)	(7,102)	2,400	11,109	12,894
Interest expense	(1,438)	(1,416)	(1,392)	(1,369)	(1,144)
Non-operating revenue (expenses)	1,270	1,633	1,344	1,970	1,220
Non-cash contributions	2,802	3,829	3,096	1,936	5,717
Capital contributions	8,749	17,529	20,168	11,853	11,422
Total non-operating revenues (expenses)	\$10,719	\$14,473	\$25,616	\$25,499	\$30,110
Change in Net Position	\$8,256	\$19,571	\$19,808	\$8,345	\$23,874

Source: Dublin San Ramon Services District audited financial statements

Total Revenue Sources

Last Ten Fiscal Years



■ Wastewater Service Charges ■ Water Sales ■ Other ■ Interest ■ Capacity Fees ■ Assessment District

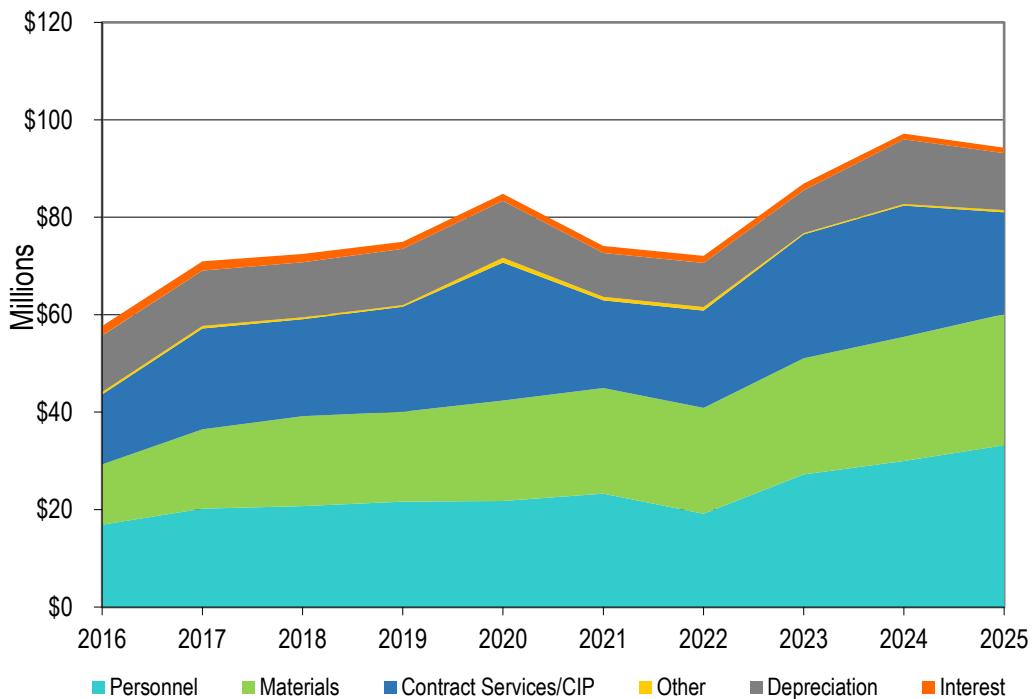
Revenue Sources Fiscal Years 2016 Through 2025

Fiscal Year Ending	Total	Wastewater Service Charges	Water Sales	Other	Interest	Capacity Fees	Assessment District
2016	92,041,190	22,092,217	23,280,944	9,019,081	1,639,420	34,462,453	1,547,074
2017	84,741,940	21,408,029	27,831,941	13,255,892	354,329	20,330,328	1,561,421
2018	94,534,991	23,478,551	30,651,524	8,186,244	695,673	29,944,208	1,578,791
2019	99,554,176	24,540,413	30,452,244	8,143,805	7,136,641	27,667,384	1,613,689
2020	94,680,267	26,483,936	34,854,618	10,120,402	7,102,863	14,631,802	1,486,646
2021	82,367,742	26,415,616	37,188,141	9,084,227	(663,326)	8,748,665	1,594,419
2022	91,640,949	27,795,077	28,458,312	23,188,523	(7,102,151)	17,528,816	1,772,372
2023	106,744,628	28,238,648	36,170,973	17,791,843	2,400,469	20,167,634	1,975,061
2024	105,709,147	29,285,609	37,990,780	13,252,507	11,108,694	11,852,644	2,218,913
2025	112,725,985	30,293,697	42,644,106	13,177,476	12,894,366	11,422,366	2,293,974

Source: Dublin San Ramon Services District audited financial statements

Total Expenses Sources

Last Ten Fiscal Years



Expenses for Fiscal Years 2016 through 2025

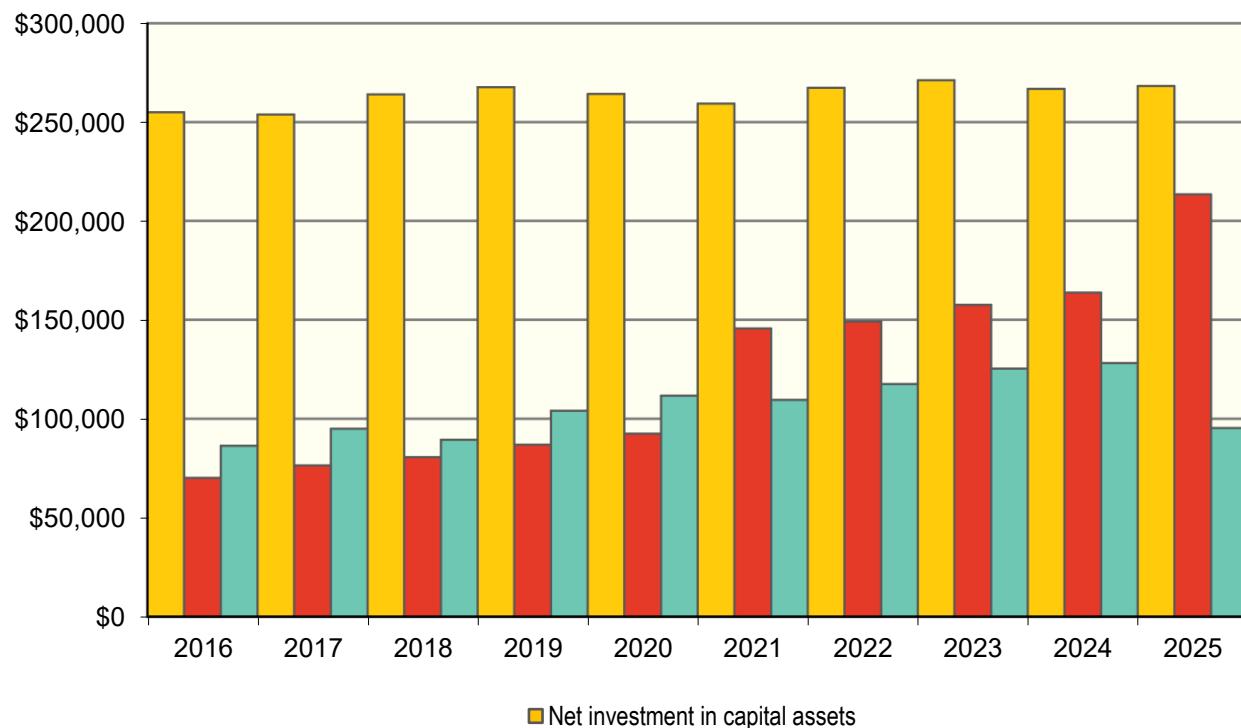
Fiscal Year Ending	Total	Personnel	Materials	Contract Services/CIP	Other	Depreciation	Interest
2016	57,685,170	16,894,081	12,404,304	14,363,125	487,478	11,607,463	1,928,719
2017	70,988,042	20,186,984	16,271,615	20,729,632	477,539	11,404,287	1,917,985
2018	72,490,743	20,754,356	18,414,001	19,910,203	407,162	11,293,079	1,711,942
2019	74,997,656	21,650,770	18,419,851	21,540,241	377,898	11,541,721	1,467,175
2020	84,838,939	21,750,589	20,628,632	28,308,098	970,545	11,727,255	1,453,820
2021	74,112,213	23,304,574	21,619,639	18,043,734	725,631	8,980,372	1,438,263
2022	72,069,615	19,174,834	21,719,949	19,944,581	728,021	9,086,272	1,415,958
2023	86,936,548	27,216,437	23,840,406	25,440,305	229,888	8,817,221	1,392,291
2024	97,170,060	30,010,256	25,474,343	26,917,855	337,341	13,255,148	1,175,117
2025	94,278,636	33,223,060	26,882,148	20,879,278	507,581	11,642,434	1,144,135

Source: Dublin San Ramon Services District audited financial statements

Net Position by Component

Last Ten Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)



Net investment in capital assets

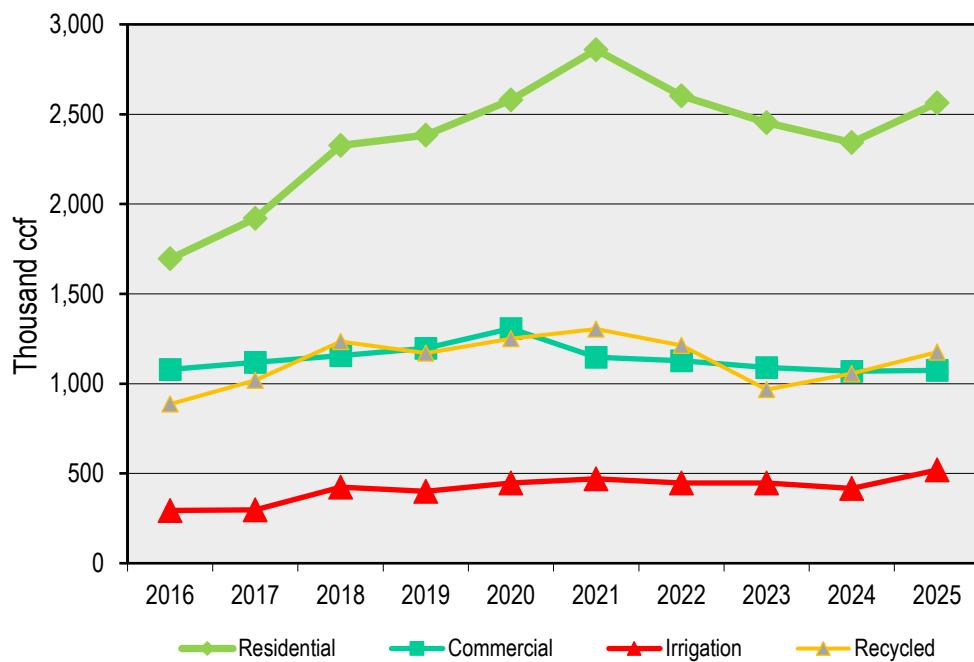
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities										
Net investment in capital assets	\$254,961	\$253,841	\$264,020	\$267,682	264,272	259,331	267,361	271,185	263,519	268,278
Restricted	70,100	76,395	80,572	86,846	92,440	145,597	149,135	157,572	163,749	213,439
Unrestricted	86,331	94,910	89,357	103,978	111,635	109,530	117,534	125,323	125,834	95,258
Total net position	\$411,392	\$425,145	\$433,949	\$458,505	\$468,347	\$514,458	\$534,029	\$554,081	\$553,102	\$576,976

Source: Dublin San Ramon Services District audited financial statements

Revenue Capacity

Water Sold by Type of Customer

Last Ten Fiscal Years (amounts in thousand CCF)



Fiscal Year	Type of Customer					Total
	Residential	Commercial	Irrigation	Recycled		
2016	1,695	1,080	294	886	3,955	
2017	1,921	1,118	298	1,018	4,355	
2018	2,327	1,156	424	1,235	5,142	
2019	2,384	1,197	400	1,170	5,151	
2020	2,580	1,307	446	1,250	5,583	
2021	2,859	1,147	470	1,304	5,780	
2022	2,602	1,127	447	1,213	5,389	
2023	2,453	1,090	447	967	4,957	
2024	2,342	1,069	417	1,057	4,885	
2025	2,564	1,074	519	1,176	5,333	

Source: Dublin San Ramon Services District ERP Consumption Report

Principal Customers

Last Ten Fiscal Years

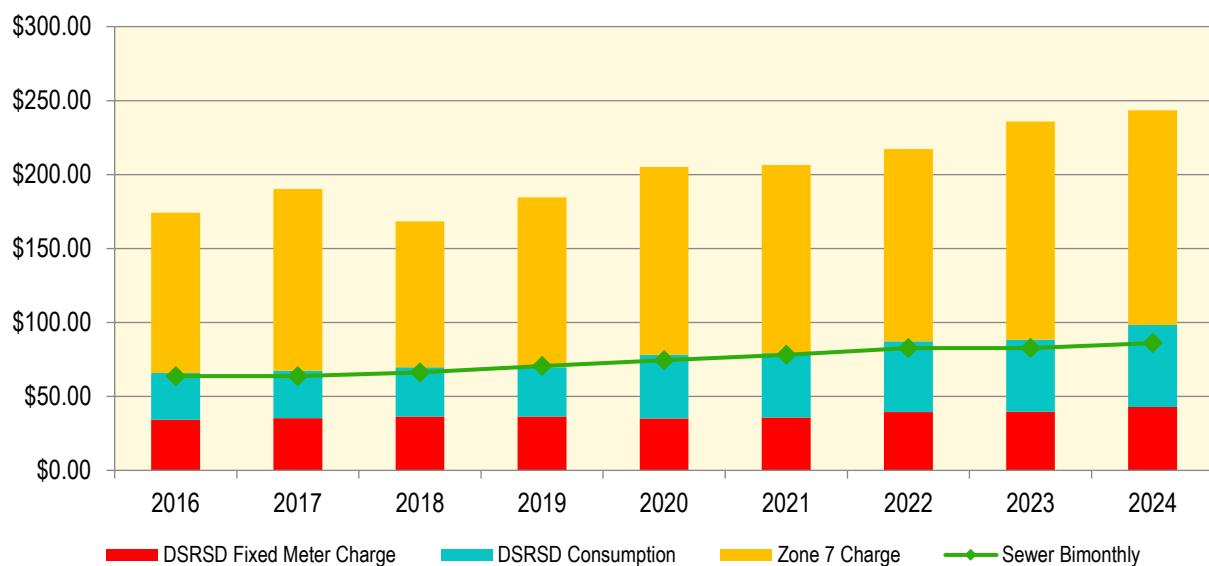
Customer	2016			2025		
			% of Total			% of Total
	Annual	Rank	Annual	Annual	Rank	Annual
	Billing		Billing	Billing		
City of Pleasanton	\$9,568,959	1	21.09%	12,146,823	1	16.65%
City of Dublin	896,631	5	1.98%	1,877,947	2	2.57%
City of San Ramon	1,181,833	4	2.60%	1,706,112	3	2.34%
Alameda County General Services Agency	1,472,898	3	3.25%	1,426,475	4	1.96%
Dublin Unified School District	413,922	7	0.91%	707,856	5	0.97%
Dublin Ranch Golf Course	424,396	6	0.94%	681,797	6	0.93%
Avalon Bay Communities Inc	318,938	8	0.70%	375,744	7	0.52%
San Ramon Valley Unified School District	299,597	9	0.66%	350,534	8	0.48%
The Holdings Sixty-Three Inc				256,270	9	0.35%
The Terraces at Dublin Ranch				207,458	10	0.28%
Federal Correctional Institution (FCI)	2,098,459	2	4.62%			
Amador Lakes Apartments	223,971	10	0.49%			
All Others	28,473,558	(1)	62.8%	53,200,787	(2)	72.9%
Total	\$45,373,162		100.0%	\$72,937,803		100.0%

(1) Customers included in 'All Others' when listed individually make up less than 0.5% of total annual billings.

(2) Customers included in 'All Others' when listed individually make up less than 0.2% of total annual billings.

Water and Sewer Rates

Last Ten Fiscal Years



Continued on next page>>

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Fiscal Year	Water Bimonthly						Sewer Bimonthly
	DSRSD Fixed Meter Charge	DSRSD Consumption	Zone 7 Charge	Zone 7 Fixed Charge	33 CCF*	Total Water	Base Rate
2016	34.31	31.39	108.57 ¹		\$139.96	174.27	63.73
2017	35.23	32.18	122.76 ²		\$154.94	190.17	63.73
2018	36.45	33.30	98.67 ³		\$131.97	168.42	66.23
2019	36.45	33.30	114.84		\$148.14	184.59	70.58
2020	35.16	42.90	⁴ 127.05		\$169.95	205.11	74.48
2021	35.73	43.56	127.05		\$170.61	206.34	78.10
2022	36.86	44.88	130.02		\$174.90	211.76	81.00
2023	39.37	47.85	146.85		\$194.70	234.07	82.62
2024 ⁵	39.59	48.62	147.65	12.93	\$209.20	248.79	82.58
2025	42.92	55.44	145.13	14.27	\$214.84	257.76	86.03

Notes: Water rates are based on a 5/8" meter, which is the standard size for residences.

The average water usage for residential customers varies year to year; 33 ccf is used for historical comparisons only.

¹ For consistency, the Temporary Infrastructure Charge adopted June 23, 2009, and effective for fiscal years 2010 to 2012 is not included.

¹ In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge

² In calendar year 2017, Zone 7 restructured rates to include a fixed charge and a volume-based rate and maintained the \$0.57/ccf Temporary Conservation Surcharge.

³ In calendar year 2018, Zone 7 rates included a fixed charge and a volume-based rate and removed the \$0.57/ccf Temporary Conservation Surcharge.

⁴ In calendar year 2020, volumetric rate structure changed from tiered-rates to uniform rates

⁵ In May 2024, the District established a pass-through zone 7 fixed charge in addition to the Zone 7 consumption charge

Source: Dublin San Ramon Services District

<https://www.dsrsd.com/your-account/rates-fees/water-rates>

<https://www.dsrsd.com/your-account/rates-fees/wastewater-rates>

Debt Capacity

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ending	2011 Water Bonds	2017 Water Refunding Bonds ¹	2011 LAVWMA Obligation	2021 (LAVWMA) Sewer Refunding Bonds
2016	7.20		7.50	
2017	4.48		7.00	
2018		9.50 ²	9.20	
2019		9.27	12.20	
2020		5.51	10.30	
2021		5.10	6.7	
2022		6.54		1.42
2023		5.92		1.94
2024		4.86		1.48
2025		6.26		1.88

Note: Details regarding current outstanding debt can be found in the notes (7) to the financial statements.

¹ Net revenues include capacity reserve fees

² Updated to reflect fiscal year ending 2018 actual instead of estimates from final Official Statement dated December 13, 2017

Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	2011 Water Bonds	Water Refunding Bonds	2011 LAVWMA Obligation	2021 LAVWMA Sewer refunding Bonds	Total	Estimated Population Served	Debt per Capita
2016	\$34,810,000.00		\$35,276,816.00		\$70,086,816.00	173,000	405
2017	\$34,520,000.00		\$33,779,317.00		\$68,299,317.00	178,000	384
2018		\$33,590,000.00	\$32,204,024.00		\$65,794,024.00	186,000	354
2019		\$33,180,000.00	\$30,548,995.37		\$63,728,995.37	188,000	339
2020		\$32,760,000.00	\$28,808,396.00		\$61,568,396.00	187,900	328
2021		\$32,325,000.00	\$26,978,333.00		\$59,303,333.00	187,500	316
2022		\$31,870,000.00		\$21,311,172.00	\$53,181,172.00	196,000	271
2023		\$31,395,000.00		\$19,543,344.00	\$50,938,344.00	192,900	264
2024		\$30,895,000.00		\$17,701,614.00	\$48,596,614.00	191,800	253
2025		\$30,370,000.00		\$15,785,981.37	\$46,155,981.37	194,600	237

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.

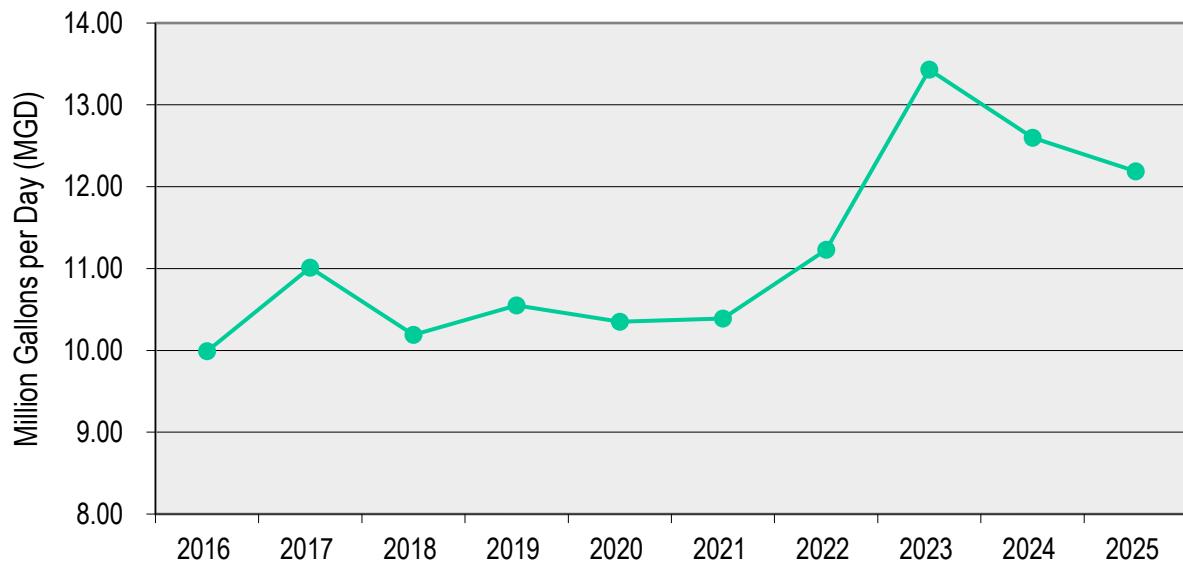
Sources: Dublin San Ramon Services District audited financial statements (Long-Term Debt Note 7)

Sources: 2021 Sewer Refunding Bonds from LAVWMA Revenue Refunding Bonds Schedule

Operating Information

Wastewater Average Daily Effluent Flow

Last Ten Fiscal Years

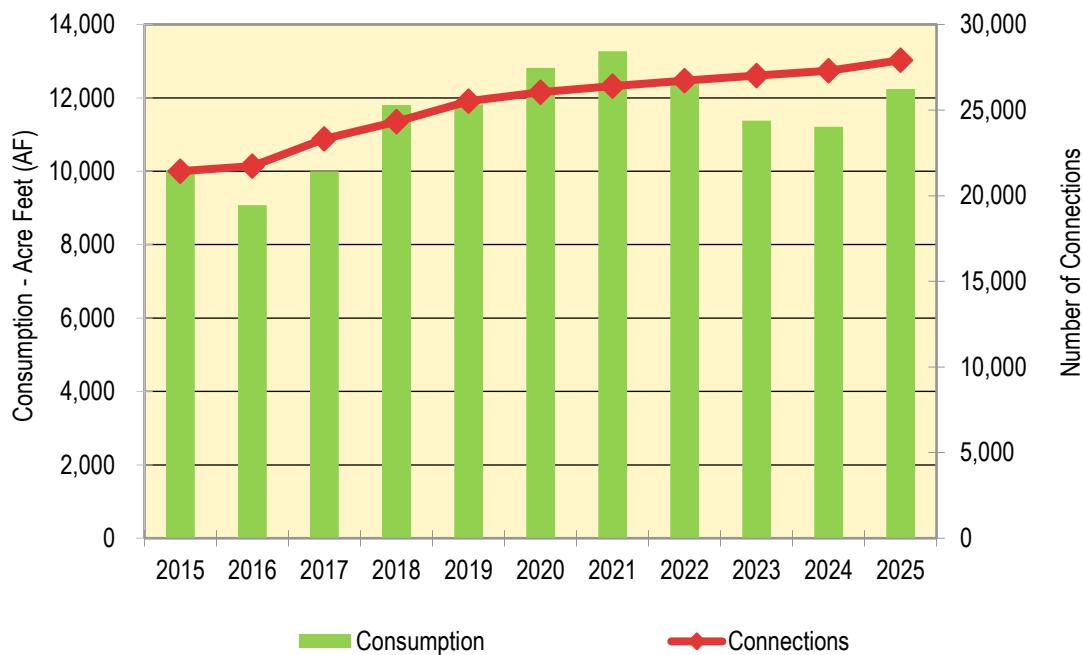


Fiscal Year Ending	Wastewater Avg. Daily Flow (MGD)	Wastewater Total Annual Flow (MG)
2016	9.99	3,646
2017	11.01	4,019
2018	10.19	3,719
2019	10.55	3,852
2020	10.35	3,777
2021	10.39	3,792
2022	11.23	4,100
2023	13.43	4,902
2024	12.60	4,613
2025	12.19	4,451

Source: Dublin San Ramon Services District Annual Comprehensive Financial Report

Water Consumption and Connections

Last Ten Fiscal Years



Fiscal Year Ending	Water (AF) Consumption	Number of Connections
2016	9,079	21,722
2017	9,998	23,324
2018	11,804	24,324
2019	11,825	25,521
2020	12,817	26,044
2021	13,269	26,396
2022	12,371	26,710
2023	11,379	27,013
2024	11,214	27,291
2025	12,243	27,912

Source: Dublin San Ramon Services District (includes potable and recycled water).

Full-Time Authorized Equivalent District Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Office of the General Manager	5.00	5.00	5.00	5.00	2.00	2.00	2.00	2.00	3.00	3.00
Executive Services					4.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	1.50	1.50	1.50	1.00	1.00	2.00	2.00	2.00	3.00	3.00
Organizational Services										
Human Resources and Risk Mgmt.	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00
Public Affairs	3.50	3.50	3.50	3.50	3.50	3.40	3.40	3.40	3.40	3.40
Safety	2.00	2.00	2.00	2.00	2.00					
Financial Services	4.00	4.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	5.00
Utility Billing & Customer Services	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Information Technology Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	22.50	21.50	20.50	23.00	23.00	2.60	2.60	2.60	2.00	2.00
Capital Projects						8.00	8.00	8.00	7.00	7.00
Development & Construction Services						7.00	7.00	7.00	6.00	6.00
Planning and Asset Mgmt.						5.00	5.00	5.00	6.60	6.60
Operations Administration	5.00	5.00	6.00	2.00	3.00	1.00	1.00	1.00	2.00	2.00
Field Operations	12.00	12.00	16.00	16.00	17.00	16.00	17.00	17.00	20.00	20.00
Plant Operations	12.00	12.00	12.00	13.00	14.00	13.00	14.00	14.00	16.00	16.00
Mechanical Maintenance						16.00	16.00	16.00	17.00	17.00
Instrumentation, Controls & Electrical						10.00	10.00	10.00	11.00	11.00
Laboratory & Technical Services						8.00	8.00	8.00	10.00	10.00
Operation Support Services	22.00	23.00	25.00	26.00	27.00	7.00	8.00	8.00	8.00	8.00
Total¹	108.0	108.0	115.0	115.0	120.0	128.0				
Retirees ²	74.00	74.00	84.00	84.00	95.00	95.00	100.00	103.00	120.00	124.00

¹ Source: Dublin San Ramon Services District Operating Budget

² Source: Retirees with medical or dental coverage

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water										
Miles of potable water mains										
Miles of potable water mains	307.8	319.0	321.0	331.0	334.0	338.0	341.0	343.0	346.0	347.0
Miles of recycled water mains	63.7	66.7	68.0	69.0	72.0	72.0	72.0	76.0	72.0	73.0
Number of potable water reservoirs	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Storage capacity potable water (million gallons)	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	25.0
Number of recycled water reservoirs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Storage capacity recycled water (million gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater										
Miles of sanitary sewers										
Miles of sanitary sewers	206.0	207.0	207.0	219.0	220.0	222.0	225.0	226.0	229.0	233.0
Number of treatment plants	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treatment capacity (million gallons per day)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Source: Dublin San Ramon Services District										



Dublin San Ramon Services District

Water, wastewater, recycled water

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