DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors

NOTICE OF REGULAR MEETING
TIME: 6 p.m. **DATE:** Tuesday, June 6, 2017
PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA

AGENDA

Our mission is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

1. CALL TO ORDER

2. PLEDGE TO THE FLAG

3. ROLL CALL – Members: Duarte, Halket, Howard, Misheloff, Vonheeder-Leopold

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)
At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight's agenda. Comments should not exceed five minutes. Speakers' cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

6. REPORTS

6.A. Reports by General Manager and Staff
- Event Calendar
- Correspondence to and from the Board

6.B. Joint Powers Authority and Committee Reports

6.C. Agenda Management (consider order of items)

7. APPROVAL OF MINUTES

7.A. Regular Meeting of May 16, 2017
Recommended Action: Approve by Motion

8. CONSENT CALENDAR
Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board of Directors or the public prior to the time the Board votes on the Motion to adopt.

8.A. Award Construction Agreement to California Trenchless, Inc. and Approve a Capital Improvement Project Budget Increase for the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)
Recommended Action: Approve by Resolutions (2)

8.B. Correct Error in Signatory for Amendment No. 1 to the DERWA Sales Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD) and Rescind Resolution No. 19-17
Recommended Action: Adopt by Resolution

9. BOARD BUSINESS

9.A. Public Hearing: Approve Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and Adopt Two-Year CIP Budget for Fiscal Years Ending 2018 and 2019
Recommended Action: Hold Public Hearing and Adopt by Resolution

9.B. Public Hearing: Adopt Operating Budget for FYE 2018 and FYE 2019
Recommended Action: Hold Public Hearing and Adopt by Resolution

9.C. First Reading: Introduction of Ordinance Revising District Code Sections 5.30.010, 5.30.020, and 5.30.080 Governing Wastewater User Classifications for Nonresidential Users
Recommended Action: Introduce Ordinance and Waive Reading by Motion

9.D. Support Association of California Water Agencies' (ACWA) Policy on Bay-Delta Functional Flow Requirements
Recommended Action: Adopt by Resolution

10. BOARD MEMBER ITEMS
- Submittal of Written Reports from Travel and Training Attended by Directors

11. ADJOURNMENT

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

DUBLIN SAN RAMON SERVICES DISTRICT
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

May 16, 2017

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6 p.m. by President Richard Halket.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Richard M. Halket, Vice President Georgean M. Vonheeder-Leopold, Director D.L. (Pat) Howard, Director Edward R. Duarte, and Director Madelyne (Maddi) A. Misheloff.

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Judy Zavadil, Engineering Services Manager; Jeff Carson, Operations Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. CLOSED SESSION

At 6:02 p.m. the Board went into Closed Session.

A. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case. Receipt of claim from Mr. Shawn Costello pursuant to the Government Claims Act (Government Code §§810-996.6).

5. REPORT FROM CLOSED SESSION

At 6:06 p.m. the Board came out of Closed Session. President Halket announced that there was no reportable action.

6. SPECIAL ANNOUNCEMENTS/ACTIVITIES – General Manager McIntyre announced that the District's full management team is in attendance this evening for the occasion of the Board's review of the proposed budgets. He also reported that the current District Office re-carpeting project is nearing completion. Lastly, he congratulated Vice President Vonheeder-Leopold on her re-election to the Alameda LAFCo Board.

7. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:08 p.m. No public comment was received.

8. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:

- The Dublin Camp Parks Military History Center will hold its grand opening and ribbon cutting ceremony on Thursday, May 25 at 10 a.m.
- East Bay Municipal Utility District Director John Coleman will hold an update at the Lafayette Library and Learning Center on Thursday, May 25 at 8 a.m.

- Correspondence to and from the Board on an Item not on the Agenda - None

B. Joint Powers Authority and Committee Reports – None

C. Agenda Management (consider order of items) – No changes were made.

9. APPROVAL OF MINUTES – Regular Meeting of May 2, 2017

Director Misheloff MOVED for the approval of the May 2, 2017 minutes. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSTENTION (Vonheeder-Leopold).

10. CONSENT CALENDAR

Vice President Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

A. Approve the District's 2017–2022 Strategic Plan (Sixth Edition) – Approved – Resolution No. 24-17

B. Implement Standard Water Consumption Rates Under Normal Conditions Effective June 1, 2017, Rescind Stage 1 Water Supply Shortage Rates, Rescind Stage 1 10% Voluntary Water Conservation Goal and ***Rescind Resolution Nos. 85-15 and 39-16 –*** Approved – Resolution No. 25-17

C. Adopt Proclamation Honoring May 21-27, 2017 as National Public Works Week – Approved

D. Affirm No Changes to Staff Organization Personnel Policy (P700-13-1) – Approved

E. Accept the Following Regular and Recurring Reports: Water Supply and Conservation, Warrant List, and Upcoming Board Business – Approved

11. BOARD BUSINESS

A. Rejection of Claim – Mr. Shawn Costello

Administrative Services Manager Atwood reviewed the item for the Board.

Speaker: Mr. Shawn Costello (Dublin resident) – Mr. Costello addressed the Board and explained the nature of the claim that he submitted to the District. He requested that the Board move the location of the hydrant he collided with.

Director Howard MOVED for Rejection of Claim. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

B. Receive a Presentation on the Operating Budgets for FYE 2018 and FYE 2019 and Provide Direction to Staff

General Manager McIntyre reviewed the item for the Board. He and Administrative Services Manager Atwood led a presentation given by the senior management team, which provided an overview and departmental review of the proposed operating budget. The budget development process focused on the asset management program, local and regional wastewater rate studies, and financial projections. They reviewed areas of emphasis, major conclusions, expected revenues, expenditures assumptions and working capital funds.

Operations Manager Carson reviewed the Operations Department portion of the proposed budget and explained desired remedies, including seven new positions, to meet service area growth, and resolve the department having fallen behind industry standards for maintenance programs, system improvements, and emergency response. He outlined the department's recent reorganization and expectation to provide exceptional service, and highlighted the new Operations Support Services Division which has been created to support asset management, safety, and the operations divisions.

Engineering Services Manager Zavadil reviewed the Engineering Department portion of the proposed budget. She explained the several functions handled by the department including the Capital Improvement Program, facility planning, asset management support, development inspection and permitting, and recycled water permitting. She explained the shifting of departmental resources and workload to meet current and future needs. She also noted department goals regarding asset management, potable reuse, water supply, and numerous CIP projects. The department completed the Water, Wastewater Treatment Plant, and Biosolids master plans, and will complete the Local Wastewater Collection System Master Plan and Fee update in the next two years.

Ms. Atwood reviewed the Administrative Services Department portion of the proposed budget and noted the reorganization that took place in 2015/2016 which reduced management and line staffing. Current contract efforts include water rate and capacity reserve fees, new vehicles, OnBase system implementation, and labor negotiations. Goals for the next two years include successful labor negotiations, the water rate study and capacity reserves, policy streamlining, employee and citizen engagement, and records management.

General Manager McIntyre reviewed the Executive and Legislative Services portion of the proposed budget noting emphasis on community outreach on the potable reuse project, completion of the Joint Feasibility Study for Potable Reuse, continued development of the electronic content management system (OnBase) project, advancing the boardroom audio-visual project, and facilitation of 2018 district elections. He noted budget increases pertain to district election costs, district memberships, and advertising and printing. He closed the presentation with a summary of the proposed budget highlighting implementation of the new strategic plan, improved maintenance

and customer service, proposed wastewater rate increases, and increased focus on training, technology and asset management.

The Board and staff discussed various components of the proposed budget including the newly formed Operations Support Services group, the comparison of hiring an in-house limited-term construction inspector versus a consultant, the Boardroom improvement project status, performance measures and results, the summary of requested full-time employees, and how the rate stabilization fund is presented. The Board expressed it was pleased with the overall approach and the focus on maintenance, as the facilities the District builds and owns are expensive to take care of, and noted the recession slowed maintenance efforts, fortunately resulting in no major facility failures. The Board opined this budget document will be well received by the public. Mr. McIntyre reported the final budget proposal, incorporating updates stemming from this evening's discussion, will be brought forth for Board approval on June 6.

C. Receive Presentation on Draft Capital Improvement Program 10-Year Plan for FYEs 2018 through 2027 and 2-Year CIP Budget for FYEs 2018 and 2019 and Provide Direction to Staff

Senior Engineer Steve Delight, Capital Improvement Projects division supervisor, reviewed the item for the Board and gave a presentation describing the proposed CIP Plan and Budget. He explained there are 107 projects included in the 10-Year Plan, totaling $174.6 million, 64 of which are planned for in the 2-Year budget totaling $66.1 million. He reviewed the seven larger scale projects that account for 60% of the 2-Year budget expenditures: Dublin Trunk Sewer Line Rehabilitation, WWTP Anaerobic Digester 4, primary sedimentation expansion and improvements, biosolids dewatering, DERWA, Reservoir 10A, and water line replacement (Wineberry residential area).

The Board and staff discussed various components of the proposed CIP budget and planned projects. Director Howard inquired if staff has received any reports regarding ground settling under homes in the Wineberry area, as he has heard some comments from residents. Though staff reported they were not aware of any such issues, General Manager McIntyre stated he will have field operations prepare a report for the Board. The Board commented the CIP document was well done and agreed staff should stay the course with the proposed budget. The Board also noted the proposed plan is bold and inquired how staff will be able to manage this challenging volume of projects in the next few years. Mr. McIntyre stated the District has more dollars than project managers at present, and that since there are more projects staff would like to add, staff will revisit bringing on additional project managers in the next few years, but the workload should balance out in the interim.

D. Receive Update on the California Public Records Act from District General Counsel

General Counsel Nelson reviewed the item for the Board.

The Board and staff discussed various aspects of the update presented and impacts including records storage, possibly moving the Board to using District email accounts

and devices, as many agencies have done. Also, they discussed, the likelihood that pertinent Board training will be developed soon as a result of this ruling that.

12. BOARDMEMBER ITEMS

Vice President Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported she attended the Alameda County Special Districts Association (ACSDA) Executive Committee Meeting on April 12 at the Castro Valley Sanitary District, the ACSDA meeting on May 10 at the East Bay Regional Park District, and the California Association of Sanitation Agencies Board of Directors Teleconference Meeting on May 15. She summarized the activities and discussions at the meetings.

Director Duarte reported he attended the Contra Costa Special Districts Association meeting held on April 17 at the Central Contra Costa Sanitary District. He summarized the activities and discussions at the meeting. He also suggested the District give a community briefing presentation at one of these meetings in the future, which General Manager McIntyre responded would be looked into by staff.

13. ADJOURNMENT

President Halket adjourned the meeting at 8:03 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor

TITLE: Award Construction Agreement to California Trenchless, Inc. and Approve a Capital Improvement Project Budget Increase for the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)

RECOMMENDATION:

Staff recommends the Board of Directors approve, by two separate Resolutions, the following actions:

1) Award a construction agreement for the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) to California Trenchless, Inc., the lowest responsive, responsible bidder, in the amount of $222,500.

2) Approve a budget adjustment to the Capital Improvement Program Two-Year Budget for FYEs 2016 and 2017 to increase the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) budget by $338,100, from $81,900 to $420,000.

SUMMARY:

The Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019), as identified through the asset management program, will reconstruct and reroute approximately 390 feet of 8-inch sewer main that was installed in 1969. The existing pipeline is located in an easement along the north side of a flood control channel (Attachment 1) and has a significant sag due to channel bank movement. The District's operations staff clean this sewer monthly to prevent sanitary sewer overflows. Through an environmental investigation and review of design alternatives, staff determined that the least disruptive and best long-term alternative would be to reroute the sewer main within Davona Drive and tap into an existing manhole at the intersection of Davona Drive and Bowlin Avenue. This route allows the existing sewer main within the channel bank to be abandoned and allows access from the paved street for future maintenance.

Staff recommends the Board award the construction contract for the project to California Trenchless, Inc., the lowest responsive, responsible bidder. The bid period for the project began on April 10, 2017 and one bid was received on May 11, 2017. The engineer's construction cost estimate for the project was $210,200. The apparent low bid was received in the amount of $222,500 (Attachment 2) and contained no irregularities. The contract time for the project is 45 calendar days and is estimated to be completed by August 2017.

Staff also recommends the Board approve a budget adjustment to the Capital Improvement Program Two-Year Budget for FYEs 2016 and 2017 to increase the project budget by $338,100 from $81,900 to $420,000.The original budget for the project was used to complete the review of various sewer route alternatives, environmental investigation and design. Additional funds are needed to construct the project. The budget adjustment is based on the construction costs, construction management and District staff time to complete the project.

In conformance with the California Environmental Quality Act (CEQA), a categorical exemption was filed for the project with Contra Costa County in January 2017.

Originating Department: Engineering Services	**Contact: J. Yee**	**Legal Review: Not Required**
Cost: $222,500 award; $338,100 project budget increase	**Funding Source: Local Sewer Replacement (Fund 210)**	
Attachments: ☐ None ☐ Staff Report ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – Davona – Berwick Sewer Realignment Map** **Attachment 2 – Bid Results**	

	Dublin San Ramon Services District	Davona–Berwick Sewer Realignment	PROJECT NO.: 16–S019 MEETING OF: 06/06/17 SCALE: DATE: 05/25/17	

Dublin San Ramon Services District
Water, wastewater, recycled water

Results of Bid Opening for
Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)
Thursday, May 11, 2017 @ 2:00 p.m.

Engineer's Estimate:	$ 210,200

No.	Name of Bidder	Bid Amount
1	California Trenchless, Inc., Hayward, CA	$ 222,500

Contractor/Subcontractor	Contractor License No.	PWC Registration No.	Location	Trade	Amount of Work to be Performed
California Trenchless, Inc.					
Throop	1016225	14000043393	Pasadena, CA	Grout	$ 4,000

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH CALIFORNIA TRENCHLESS, INC. FOR CONSTRUCTION OF THE DAVONA-BERWICK 8" SEWER REPLACEMENT PROJECT (CIP 16-S019)

WHEREAS, facility improvements are needed that serve current customers of Dublin San Ramon Services District (DSRSD); and

WHEREAS, reconstructing and rerouting the existing sewer main for the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) (Project) is needed to protect Norris Creek from potential sewage overflows and reduce annual maintenance costs at this location; and

WHEREAS, on April 10, 2017 the District Secretary advertised for bid for the Project; and

WHEREAS, pursuant to said advertisement, one bid was received for the performance of said work and filed with the District Secretary; and

WHEREAS, California Trenchless, Inc. is the lowest responsive, responsible bidder, and it is the intention and desire of this Board to accept said bid of Two Hundred Twenty-Two Thousand, Five Hundred dollars ($222,500).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

1. The California Environmental Quality Act (CEQA) requirements for this project were satisfied through categorical exemption per CEQA Guideline 15302(c) and 15303(d) and filed with the County Clerk of Contra Costa County on January 18, 2017.

2. The bid of California Trenchless, Inc., in the amount of $222,500, is hereby accepted, and said bidder is hereby found and declared to be the lowest responsive, responsible bidder for said work.

3. That certain agreement titled "Agreement for the Construction of Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)" (Exhibit A), by and between Dublin San Ramon Services District, a California public agency, and California Trenchless, Inc., a copy of which agreement is on file in the Office of the General Manager, to which copy reference is hereby made for the full particulars thereof, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said agreement for and on behalf of Dublin San Ramon Services District.

4. The District Secretary is hereby authorized and directed to return to all unsuccessful bidders, and to the successful bidder upon execution by it of the aforementioned agreement, all securities guaranteeing execution of the Agreement upon award.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

SECTION 00500

AGREEMENT FOR THE CONSTRUCTION OF

Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)

THIS AGREEMENT, made and concluded, in duplicate, this _____ day of _____, 20 ____, between the Dublin San Ramon Services District ("District"), Dublin, California, and **California Trenchless, Inc., 2283 Dunn Road, Hayward, CA 94545, (510) 782-5335** ("Contractor").

W I T N E S S E T H:

1. That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the District, and under the conditions expressed in the two bonds, bearing even date with these presents, and hereunto annexed, the Contractor agrees with the District, at his/her own proper cost and expense, to do all the work and furnish all the materials necessary to construct and complete in good workmanlike and substantial manner the project entitled: **Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019)** in strict conformity with the Contract Documents (collectively defined in Section 01090-2.0), prepared therefor, which said plans and specifications are hereby specially referred to and by said reference made a part hereof.

2. Now, therefore, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work in accordance with the terms and conditions stipulated in the Contract Documents for the sum of **Two Hundred Twenty-Two Thousand Five Hundred** dollars **($222,500)** computed in accordance with Contractor's accepted proposal dated **May 11, 2017**, which accepted proposal is incorporated herein by reference thereto as if herein fully set forth. Compensation shall be based upon any lump sum bid items plus the unit prices stated in the Bid Schedule times the actual quantities or units of work and materials performed or furnished. The further terms, conditions, and covenants of this Agreement are set forth in the Contract Documents, each of which is by this reference made a part hereof. Payments are to be made to the Contractor in accordance with the provisions of the Contract Documents in legally executed and regularly issued warrants of the District, drawn on the appropriate fund or funds as required by law and order of the District thereof.

3. The District hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

4. The Contractor and any subcontractor performing or contracting any work shall comply with all applicable provisions of the California Labor Code for all workers, laborers and mechanics of all crafts, classifications or types, including, but not limited to the following:

(a) The Contractor shall comply with all applicable provisions of Section 1810 to 1815, inclusive, of the California Labor Code relating to working hours. The Contractor shall, as a penalty to the District, forfeit the sum of twenty-five dollars ($25) for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than 1-1/2 times the basic rate of pay.

(b) Pursuant to the provision of California Labor Code, Sections 1770 et. seq., the Contractor and any subcontractor under him shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the office of the District, which copies shall be made available to any interested party on request. The Contractor shall post a copy of said prevailing rate of per diem wages at each job site.

(c) As required by Section 1773.1of the California Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the Work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with this Section.

(d) To establish such travel and subsistence payments, the representative of any craft, classification, or type of workman needed to execute the contracts shall file with the Department of Industrial Relations fully executed copies of collective bargaining agreements for the particular craft, classification or type of work involved. Such agreements shall be filed within ten (10) days after their execution and thereafter shall establish such travel and subsistence payments whenever filed thirty (30) days prior to the call for bids.

(e) The Contractor shall comply with the provisions of Section 1775 of the California Labor Code and shall, as a penalty to the District, forfeit up to fifty dollars ($50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the Contract. The Contractor shall pay each worker an amount equal to the difference between the prevailing wage rates and the amount paid worker for each calendar day or portion thereof for which a worker was paid less than the prevailing wage rate.

(f) As required under the provisions of Section 1776 of the California Labor Code, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Said payroll shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available upon request by the public for inspection or for copies thereof; provided, however, that a request by the public shall be made through either the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subparagraph 4(f)(2) herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal offices of the Contractor.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

Each Contractor shall file a certified copy of the records, enumerated in Paragraph 4(f) with the entity that requested the records within ten (10) days after receipt of a written request. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor awarded the Contract or performing the Contract shall not be marked or obliterated. The Contractor shall inform the District of the location of the records enumerated under Paragraph 4(f) including the street address, city and county, and shall, within five (5) working days, provide a notice of change of location and address. The Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Paragraph 4(f). In the event that the Contractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or the District, forfeit twenty-five dollars ($25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Responsibility for compliance with Paragraph 4(f) lies with the Contractor.

(g) The Contractor and any subcontractors shall, when they employ any person in any apprenticeable craft or trade, apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the construction site for a certificate approving the Contractor or subcontractor under the apprenticeship standards for

the employment and training of apprentices in the area or industry affected; and shall comply with all other requirements of Section 1777.5 of the California Labor Code. The responsibility of compliance with California Labor Code Section 1777.5 during the performance of this Contract rests with the Contractor. Pursuant to California Labor Code Section 1777.7, in the event the Contractor willfully fails to comply with the provisions of California Labor Code Section 1777.5, the Contractor shall be denied the right to bid on any public works contract for up to three (3) years from the date noncompliance is determined and be assessed civil penalties.

(h) In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860), and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.

The Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and shall comply with such provisions and have Employer's Liability Limits of $1,000,000 per accident before commencing the performance of the Work of this Contract.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until the Contractor submits written evidence that it has obtained full Workers' Compensation Insurance coverage for all persons whom it employs or may employ in carrying out the Work under this Contract. This insurance shall be in accordance with the requirements of the most current and applicable state Workers' Compensation Insurance Laws. In accordance with the provisions of Section 1861 of the California Labor Code, the Contractor in signing this Agreement certifies to the District as true the following statement: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

A subcontractor is not allowed to commence work on the project until verification of Workers' Compensation Insurance coverage has been obtained and verified by the Contractor and submitted to the Construction Manager for the District's review and records.

(i) In accordance with the provisions of Section 1727 of the California Labor Code, the District, before making payment to the Contractor of money due under a contract for public works, shall withhold and retain therefrom all wages and penalties which have been forfeited pursuant to any stipulation in the Contract, and the terms of Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with Section 1720). But no sum shall be withheld, retained or forfeited, except from the final payment, without a full investigation by either the Division of Labor Standards Enforcement or by the District.

5. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this Agreement and the Bid Proposal of said Contractor, then this Agreement shall control, and nothing herein contained shall be considered as an acceptance of the said terms of said Proposal conflicting herewith.

6. The Contractor agrees to provide and maintain insurance coverage, and to indemnify and save harmless the parties named and in the manner set forth in Section 00800-2.0, **LIABILITY & INSURANCE**.

The duty of Contractor to indemnify and save harmless, as set forth herein, shall include a duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require Contractor to indemnify against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

7. The Contractor shall diligently prosecute the Work so that it shall be substantially completed within the time specified in Section 00800-1.1, **Time Allowed for Completion**.

8. Except as otherwise may be provided in other provisions of the Contract Documents, Contractor hereby expressly guarantees for one (1) full year from the date of the Substantial Completion of the Work under this Agreement and acceptance thereof by the District, to repair or replace any part of the Work performed hereunder which constitutes a defect resulting from the use of inferior or defective materials, equipment or workmanship. If, within said period, any repairs or replacements in connection with the Work are, in the opinion of the District, rendered necessary as the result of the use of inferior or defective materials, equipment or workmanship, Contractor agrees, upon receipt of notice from District, and without expense to District, to promptly repair or replace such material or workmanship and/or correct any and all defects therein. If Contractor, after such notice, fails to proceed promptly to comply with the terms of this guarantee, District may perform the work necessary to effectuate such correction and recover the cost thereof from the Contractor and/or its sureties.

In special circumstances where a particular item of work or equipment is placed in continuous service before Substantial Completion of the Work, the correction period for that item may start to run from an earlier date. This date shall be agreed upon by the Contractor and District on or before the item is placed in continuous service.

Any and all other special guarantees which may be applicable to definite parts of the Work under this Agreement shall be considered as an additional guarantee and shall not reduce or limit the guarantee as provided by Contractor pursuant to this paragraph during the first year of the life of such guarantee.

9. The Contractor shall provide, on the execution of this Agreement, a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount bid, which bond shall be on the form provided by the District in Section 00610, **BOND OF FAITHFUL PERFORMANCE**, and be conditioned upon the faithful performance of all work required to be performed by the Contractor under this Agreement. Said bond shall be liable for any and all penalties and obligations which may be incurred by Contractor under this Agreement. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California

be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

10. In addition to the bond required under Paragraph 9, hereof, Contractor shall furnish a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount of Bid, which bond shall be on the form provided by the District in Section 00620, **PAYMENT BOND**, and conform strictly with the provisions of Chapter 7, Title 15, Part 4, Division 3, of the Civil Code of the State of California, and all amendments thereto. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate Surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

11. The Contractor may substitute securities for the amounts retained by the District to ensure performance of the work in accordance with the provisions of Section 22300 of the Public Contract Code.

12. Contractor covenants that Contractor is licensed in accordance with the provisions of the Contractors' License Law of California as provided in Section 00010, **NOTICE INVITING BIDS**.

13. The Contractor shall be provided the time period specified in Section 01340-2.0, **MATERIAL AND EQUIPMENT SUBSTITUTIONS**, for submission of data substantiating a request for a substitution of an "or equal" item.

14. As required by Section 6705 of the California Labor Code and in addition thereto, whenever work under the Contract involves the excavation of any trench or trenches five (5) feet or more in depth, the Contractor shall submit in advance of excavations, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plan shall be prepared by a registered civil or structural engineer employed by the Contractor, and all costs therefore shall be included in the price named in the Contract for completion of the Work as set forth in the Contract Documents. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the District, the Design Consultant, Construction Manager nor any of their agents, consultants, or employees. The District's review of the Contractor's excavation plan is only for general conformance to the California Construction Safety Orders.

Prior to commencing any excavation, the Contractor shall designate in writing to the Construction Manager the "competent person(s)" with the authority and responsibilities designated in the Construction Safety Orders.

15. In accordance with Section 7104 of the Public Contract Code, whenever any work involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, the provisions of Section 00700-7.2, **Differing Site Conditions**, shall apply.

16. In accordance with Section 7103.5 of the Public Contract Code, the Contractor and subcontractors shall conform to the following requirements. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchases of goods, materials or services pursuant to this Contract or the subcontract. Such assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

17. In accordance with Section 4552 of the Government Code, the Contractor shall conform to the following requirements. In submitting a Bid to the District, the Contractor offers and agrees that if the Bid is accepted, it will assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchase of goods, materials, or services by the Contractor for sale to the District pursuant to the Bid. Such assignment shall be made and become effective at the time the Authority tenders final payment to the Contractor.

18. Pursuant to Public Contract Code Section 7100, the acceptance by the Contractor of an undisputed payment made under the terms of the Contract shall operate as, and shall be, a release to the District, and their duly authorized agents, from all claim of and/or liability to the Contractor arising by virtue of the contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the Contractor from the operation of the release.

19. In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first set forth above.

CONTRACTOR

By: _____

Title:_____

Dublin San Ramon Services District

By: _____
Daniel McIntyre, General Manager

ATTEST:

_____
Nicole Genzale, District Secretary

***** END OF SECTION *****

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AN ADJUSTMENT TO THE CAPITAL IMPROVEMENT PROGRAM TWO-YEAR BUDGET FOR FISCAL YEARS ENDING 2016 AND 2017 TO INCREASE THE PROJECT BUDGET FOR THE DAVONA-BERWICK 8" SEWER REPLACEMENT PROJECT (CIP 16-S019)

WHEREAS, the Board of Directors adopted the current CIP Two-Year Budget for Fiscal Years Ending (FYE) 2016 and 2017 (CIP Budget) on June 2, 2015, authorizing project and fund budgets for FYEs 2016 and 2017 to meet the District's capital infrastructure needs; and

WHEREAS, the CIP Budget included the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) (Project) with a budget of $81,900; and

WHEREAS, the original scope of the Project did not include the complex environmental and geotechnical review due to the location of the existing sewer main in the side of the creek bank that required a route alternative analysis and associated construction costs; and

WHEREAS, staff recommends revising the CIP Budget by increasing the Project budget by $338,100 from $81,900 to $420,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, that the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) budget is hereby increased from $81,900 to $420,000 in accordance with the project sheet (Exhibit A).

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

CIP Budget FYEs 16 and 17	Davona-Berwick 8" Sewer Replacement	
New	CIP #: 16-S019	Local Wastewater Replacement Fund (210)

Category: Wastewater Collection **Project Manager:** Jackie Yee

PURPOSE AND DESCRIPTION

Approximately 175 feet of existing 8-inch vitirified clay pipe sewer, constructed in 1969 and located in an easement along the north side of a flood control channel, has a significant sag that may be the result of the channel bank movement. It is on the Operations Department's "Trouble Spot" list for monthly cleaning to prevent sanitary sewer overflows. The project will replace that sewer beginning at a manhole in Davona Drive (San Ramon) located approximately 170 feet south of Bridgeport and continue approximately 175 feet east along the channel (MH T16D1-15 to MH T16D1-14). The project will evaluate alternatives including construction of a new sewer in Davona and redirecting flow south to an existing MH (T17B1-25), which may require coring through an existing box culvert, or an inverted siphon.

Impact Analysis:

Anticipated CEQA Requirement: Categorical Exemption [CEQA Guideline 15302].

Reference: District internal inspections, CMMS data

FINANCIAL OVERVIEW

	Proposed Budget			Actual + Estimated Cash Flow					
	Adopted Budget	Proposed Adjustment	Revised Budget	Actual Thru FYE 2015	Actual FYE 2016	Actual FYE 2017 to Date	Est. Remaining FYE 2017	Estimated Future	Total Projected Cashflow
Planning	6,300	21,871	28,171	0	2,361	25,810	0	0	28,171
Design	6,300	75,287	81,587	0	917	60,670	0	20,000	81,587
Construction	63,000	200,418	263,418	0	383	18,035	0	245,000	263,418
Const Mgmt	3,150	36,850	40,000	0	0	0	0	40,000	40,000
Admin Mgmt	3,150	3,674	6,824	0	0	726	1,498	4,600	6,824
Staff Time	0	0	0	0	0	0	0	0	0
Subtotal	**81,900**	**338,100**	**420,000**	**0**	**3,661**	**105,241**	**1,498**	**309,600**	**420,000**
Other Funding	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Net Impact	**81,900**	**338,100**	**420,000**	**0**	**3,661**	**105,241**	**1,498**	**309,600**	**420,000**

Fund Split Basis:

210	100%	81,900	338,100	420,000	3,661	105,241	1,498	309,600	420,000

NOTES:

6/6/17 Bid award to California Trenchless Inc for $222,500 and budget increase of $338,100 from $81,900 to $420,000

TITLE: Correct Error in Signatory for Amendment No. 1 to the DERWA Sales Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD) and Rescind Resolution No. 19-17

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, a change in the signatory to Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD) and rescind Resolution No. 19-17.

SUMMARY:

At the regular Board meeting on May 2, 2017, the Board adopted Resolution No. 19-17 approving Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD). The resolution incorrectly authorized the Board President to execute the amendment on behalf of the District. To conform to the authority levels of the original agreement, the amendment should be signed by the General Manager as was indicated in the amendment signature block.

Staff recommends the Board approve a new resolution authorizing the General Manager to execute Amendment No. 1 to the DERWA Sales Agreement and rescind Resolution No. 19-17.

Originating Department: Engineering Services	**Contact: J. Zavadil**	**Legal Review: Yes**
Cost: $0	**Funding Source: N/A**	
Attachments: ☐ None ☐ Staff Report ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☐ Other (see list on right)		

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO AGREEMENT FOR THE SALE OF RECYCLED WATER BY THE DSRSD-EBMUD RECYCLED WATER AUTHORITY (DERWA) TO THE DUBLIN SAN RAMON SERVICES DISTRICT (DSRSD) AND THE EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) AND RESCIND RESOLUTION NO. 19-17

WHEREAS, the Dublin San Ramon Services District (DSRSD), the East Bay Municipal Utility District (EBMUD), and the DSRSD-EBMUD Recycled Water Authority (DERWA) executed the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District on July 28, 2003; and

On May 2, 2017 the Board adopted Resolution No. 19-17 approving Amendment No. 1 to Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District and incorrectly authorizing the Board President to execute the amendment to the agreement on behalf of the District; and

WHEREAS, to conform to the authority levels of the original agreement, the amendment should be signed by the General Manager as was indicated in the Amendment No. 1 signature block.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

1) The General Manager and District Secretary are hereby authorized and directed to execute and to attest thereto, respectively, Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD) (Exhibit A) for and on behalf of the District.
2) Resolution No. 19-17 is hereby rescinded (Exhibit B).

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

AMENDMENT NO. 1 TO AGREEMENT FOR THE SALE OF RECYCLED WATER BY THE DSRSD-EBMUD RECYCLED WATER AUTHORITY TO THE DUBLIN SAN RAMON SERVICES DISTRICT AND THE EAST BAY MUNICIPAL UTILITY DISTRICT

This Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District (the "Agreement"), dated July 28, 2003, is made this 6th day of March, 2017, by and among the Dublin San Ramon Services District, a community services district (hereinafter referred to as "DSRSD"), the East Bay Municipal Utility District, a municipal utility district (hereinafter referred to as "EBMUD"), and the DSRSD-EBMUD Recycled Water Authority, a joint powers authority (hereinafter referred to as "DERWA") comprised of DSRSD and EBMUD (collectively, the "Parties").

RECITALS:

WHEREAS, it is the Parties mutual desire and intent to modify the grant funds sharing provisions in Section J.4, of Article V of the Agreement.

NOW, THEREFORE, DSRSD, EBMUD and DERWA agree as follows:

1. Section J.4., of Article V of the Agreement, shall be replaced in its entirety with the following:

> 4. Future State and Federal Financial Assistance: The Member Agencies and DERWA shall communicate, cooperate, and coordinate the preparation and submittal of any application or request for future state and federal financing assistance for capital facilities that may be available for the DERWA Program. The Member Agencies shall submit joint funding requests or applications when advantageous to DERWA. Individual Member Agency efforts to pursue funding for the San Ramon Valley Recycled Water Program shall not compete or conflict with DERWA efforts to secure funding.
>
> a. The coordinated efforts of the Parties shall be such that the priority for each application for assistance shall be:
>
> (1) To meet grant requirements to complete service to customers including retrofits;

(2) To assist in the financing of Member Agency Facilities;

(3) To apply to any other needs of DERWA; and

(4) For the sole use of a Member Agency.

b. The benefit from any such future funding covered by this Article V.J.4. for Priority (1) and (2) uses described above shall be allocated by agreement between DERWA and the Member Agencies at the time an application or request is submitted, but no later than the time of grant award or appropriation of federal and state funding.

c. The benefit from any such future funding covered by this Article V.J.4. for Priority (3) uses described above shall be allocated to the Member Agencies "in accordance with the Construction Cost share agreed to for that facility, as set forth in this Article V.

d. The benefit from any such future funding covered by this Article V.J.4. for Priority (4) uses described above shall be allocated 100% to the Member Agency whose facilities are being funded.

SIGNATURE AND ATTESTATION

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their respective duly authorized representatives.

DSRSD/EBMUD Recycled Water Authority

By:_____
Authority Manager

ATTEST:

_____
Authority Secretary

Approved as to Form:

_____
DERWA Counsel

Dublin San Ramon Services District

By:_____
General Manager

ATTEST:

_____
District Secretary

Approved as to Form:

_____
DSRSD Counsel

East Bay Municipal Utility District

By:_____
General Manager

ATTEST:

_____
District Secretary

Approved as to Form:

_____
EBMUD Counsel

RESOLUTION NO. 19-17

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AMENDMENT NO. 1 TO AGREEMENT FOR THE SALE OF RECYCLED WATER BY THE DSRSD-EBMUD RECYCLED WATER AUTHORITY TO THE DUBLIN SAN RAMON SERVICES DISTRICT AND THE EAST BAY MUNICIPAL UTILITY DISTRICT

WHEREAS, the Dublin San Ramon Services District (DSRSD), the East Bay Municipal Utility District (EBMUD), and the DSRSD- EBMUD Recycled Water Authority (DERWA) executed the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District (DERWA Sales Agreement) on July 28, 2003; and

WHEREAS, Article V.J.4. of the DERWA Sales Agreement includes provisions for the coordination of the application and requests for future state and federal funding assistance, which are now outdated; and

WHEREAS, DSRSD, EBMUD and DERWA wish to revise Article V.J.4. of the DERWA Sales Agreement; and

WHEREAS, The DERWA Board approved Amendment No. 1. to the DERWA Sales agreement on March 6, 2017.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

The Board President and District Secretary are hereby authorized and directed to execute and to attest thereto, respectively, Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District (Exhibit A) for and on behalf of the District.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the

Res. No. 19-17

State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 2nd day of May 2017, and passed by the following vote:

AYES: 4 - Directors D.L. (Pat) Howard, Madelyne A. Misheloff, Edward R. Duarte, Richard M. Halket

NOES: 0

ABSENT: 1 – Director Georgean M. Vonheeder-Leopold

Richard M. Halket, President

ATTEST: Nicole Genzale, District Secretary

TITLE: Public Hearing: Approve Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and Adopt Two-Year CIP Budget for Fiscal Years Ending 2018 and 2019

RECOMMENDATION:

Staff recommends the Board of Directors: 1) hold a Public Hearing related to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019, and 2) by Resolution, approve the Capital Improvement Program Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and adopt a Two-Year CIP Budget for Fiscal Years Ending 2018 and 2019.

SUMMARY:

The Draft Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending (FYEs) 2018 through 2027 and Two-Year Budget for FYEs 2018 and 2019 was presented to the Board on May 16, 2017. The final CIP Plan and Budget includes changes to the fund splits and budgets of a few projects and the addition of one project with expenditures expected beyond the plan timeframe. The changes are shown in the table below. The working capital in each of the funds remains above the proposed minimum reserves for the Two-Year Budget.

The CIP Ten-Year Plan for FYEs 2018 through 2027 is presented for Board approval. The CIP Plan guides long-range policy and is used to identify, prioritize and schedule capital projects over the ten-year period. The Plan also projects revenue and expenditures and resultant working capital in the District's capital expansion and replacement funds. In approving the CIP Plan, the Board is authorizing staff to proceed with planning based upon the CIP Plan. Board approval of this planning document does not authorize any expenditures.

The CIP Two-Year Budget overlaps the first two years of the CIP Ten-Year Plan. By adopting the CIP Budget, the Board: 1) establishes maximum expenditures for the CIP budget for FYE 2018 and FYE 2019 as reflected in the Operating Budget, 2) authorizes total budgets for each CIP project or program, and 3) authorizes staff to proceed in either fiscal year with CIP projects.

Project	Draft CIP Funds/Budget	Final CIP Funds/Budget
Automated Water Meter Data Transmission Repeaters (17-W001)	620 – 100% $360,000	620 – 80% 610 – 20% $360,000
Wet Weather Flow Capacity and CCT Dewatering (14-P005)	310 – 65% 320 – 35% $507,381	310 – 85% 320 – 15% $507,381
Biogas Treatment (16-P028)	310 – 100% $1,880,767	320 – 67% 310 – 33% $4,030,767
Nutrient Removal (T16-42)	310- 75% 320 – 25% $42,780,000	310 – 80% 320 – 20% 42,780,000
DERWA RW Plant Phase 3 (T18-26)	-	620 – 100% $1,650,820

Originating Department: Engineering Services	Contact: S. Delight	Legal Review: Not Required
Cost: **$34,418,000 - FYE 2018** **$31,929,000 - FYE 2019**	**Funding Source:** **Replacement Funds 210, 310, 610** **Expansion Funds 220, 320, 620**	
Attachments: ☐ None ☐ Staff Report ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☐ Other (see list on right)		

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING THE CAPITAL IMPROVEMENT PROGRAM (CIP) TEN-YEAR PLAN FOR FISCAL YEARS ENDING 2018 THROUGH 2027 AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM TWO-YEAR BUDGET FOR FISCAL YEARS ENDING 2018 AND 2019

WHEREAS, District staff has prepared the "Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and Two-Year Budget for Fiscal Years Ending 2018 and 2019" (CIP Plan and Budget) that includes projects necessary to continue the mission of the District; and

WHEREAS, the CIP Two-Year Budget consists of the first two years of the CIP Ten-Year Plan; and

WHEREAS, the Board of Directors held a Public Hearing on June 6, 2017 to consider the adoption of the CIP Two-Year Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

1. The CIP Ten-Year Plan for Fiscal Years Ending 2018 through 2027 is hereby approved.

2. The CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019 included in the "Capital Improvement Program Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and Two-Year Budget for Fiscal Years Ending 2018 and 2019" attached (Exhibit A) and by reference incorporated herein, is hereby adopted.

3. Project and program budgets provided in CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019 project sheets are hereby established as the project budgets.

4. Unused program budget funds expire at each fiscal year-end.

5. Staff is authorized to proceed in either year with any and all projects and programs that are funded in the CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019, subject to compliance with the California Environmental Quality Act ("CEQA"), and to the conditions that total annual expenditures

from the corresponding funds shall not exceed the CIP Plan and Budget fiscal year budget, and that total project expenditures for each project shall not exceed the total project budget.

6. The General Manager, or the General Manager's designated representative, is authorized to file Notices of Exemption for each CEQA exempt project, when appropriate.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

CAPITAL IMPROVEMENT PROGRAM

Ten Year Plan
for Fiscal Years Ending 2018 through 2027

and

Two Year Budget
for Fiscal Years Ending 2018 and 2019

Dublin San Ramon Services District

Water, wastewater, recycled water

Capital Improvement Program

10 Year Plan

For Fiscal Years Ending 2018 through 2027

&

2 Year Budget

For Fiscal Years Ending 2018 and 2019

Adopted by Board Resolution No. ____ on June 6, 2017

Board of Directors
Richard Halket, President
Georgean Vonheeder-Leopold, Vice President
Edward Duarte, Director
Madelyne (Maddi) Misheloff, Director
D. L. (Pat) Howard, Director

General Manager
Dan McIntyre

Engineering Services Manager/District Engineer
Judy Zavadil, PE

Administrative Services Manager
Carol Atwood, CPA

Operations Manager
Jeff Carson

Capital Program Manager
Steve Delight, PE

Document Coordination
Gemma Lathi – *Administrative Analyst II*

Technical Assistance
Ken Peterson – *GIS Specialist II*
Mayette Bailey – *Financial Analyst*
Stan Kolodzie – *Associate Engineer*

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Chapter 1: Executive Summary

DISTRICT MISSION

The mission of the Dublin San Ramon Services District ("District" or "DSRSD") is *"to provide reliable, sustainable, water, wastewater, and recycled water services safely, efficiently and responsibly."*

DSRSD provides potable water, recycled water, and wastewater services for portions of the Livermore-Amador Valley and San Ramon Valley in the Counties of Alameda and Contra Costa. Specifically, the District provides:

- Water and recycled water distribution within the city of Dublin and to the Dougherty Valley portion of the city of San Ramon
- Wastewater collection, treatment and disposal for the city of Dublin and the southern portion of city of San Ramon in the I-680 corridor
- Wholesale recycled water treatment for Dublin San Ramon Services District – East Bay Municipal Utility District Recycled Water Authority (DERWA) and the city of Pleasanton
- Contract operation of DERWA facilities and the backbone transmission network
- Wastewater treatment and disposal, through contract, to the city of Pleasanton
- Contract operation of Livermore Amador Valley Water Management Authority (LAVWMA) facilities.

CAPITAL IMPROVEMENT PROGRAM BUDGET AND PLAN

The Capital Improvement Program (CIP) is integral to the achievement of the District's mission and implementation of the strategic plan. Many of the strategic plan goals required to carry the mission are accomplished through the CIP.

The District's CIP defines the projects to:

- Protect human health and the environment
- Maintain and rehabilitate existing assets
- Respond to regulatory requirements
- Accommodate planned future growth

The CIP consists of the Ten-Year Capital Improvement Plan (CIP Ten-Year Plan) and the Two-Year Capital Improvement Budget (CIP Two-Year Budget). The CIP Ten-Year Plan guides long-range policy and is also used to:

- Identify, prioritize, and schedule capital projects for the ten-year period
- Project the revenue and expenditures and resultant working capital in the District's capital expansion and replacement funds

The first two years of expenditures in the CIP Ten-Year Plan comprise the District's CIP Two-Year Budget. By adopting the CIP Two-Year Budget, the Board:

- Authorizes the initiation of project expenditures in either fiscal year 2018 or 2019
- Authorizes total budgets for the individual capital projects
- Establishes the maximum expenditures from each fund for fiscal years 2018 and 2019

Capital Replacement and Expansion Funds

The District has three business enterprises: local wastewater collection, regional wastewater treatment (resource recovery) and water. Each business has four funds: enterprise, rate stabilization, replacement and expansion. The Capital Improvement Program outlines the capital expenditures planned in the replacement and expansion funds.

Local Wastewater Replacement (Fund 210) – The funding source to replace and improve local sewer facilities to handle existing wastewater flows. Facilities include trunk sewer lines, lift stations, and related appurtenances that transfer wastewater from the point of origin to the regional wastewater treatment plant.

Local Wastewater Expansion (Fund 220) – The funding source to expand or add local sewer facilities to accommodate increased wastewater flows from new development.

Regional Wastewater Replacement (Fund 310) – The funding source to replace and improve the regional wastewater treatment plant to process existing wastewater flows before further treatment for recycled water or transit through the LAVWMA pipeline to the San Francisco Bay for disposal.

Regional Wastewater Expansion (Fund 320) – The funding source to expand or add to the regional wastewater treatment plant and related appurtenances that process future wastewater flows.

Water Replacement (Fund 610) – The funding source to replace and improve facilities to treat recycled water, as well as the pipelines, pump stations, reservoirs, and related appurtenances to distribute potable water from the Zone 7 turnouts to the customers and recycled water from the DERWA turnouts to the recycled water customers.

Water Expansion (Fund 620) – The funding source to expand or add facilities to treat recycled water and to distribute potable and recycled water.

A CIP project can have more than one funding source depending on the project scope. The fund split for multi-funded projects are determined based on the Board's Project Cost Allocation Policy.

Capital Improvement Program Expenditures

The CIP Ten-Year Plan for FYEs 2018 through 2027 includes 108 projects and programs totaling $175.8 million. The CIP Two-Year Budget includes 64 projects and programs totaling $66.3 million. A summary of CIP expenditures by fund over the ten-year plan period is provided in Table 1 and shown graphically in Figure 1. Individual CIP project expenditures by fund are provided in Appendix A. Table 2 provides a summary of CIP expenditures over the 2-year CIP budget for each fund grouped by business enterprise. All expenditures are provided in current dollars.

Capital Fund Balances

This CIP include fund working capital graphs for the ten-year term of the plan in Chapter 2. As revenues and expenditures change from year to year, the resulting fund working capital for each fund varies. Based on planned revenues and expenditures, all capital funds are anticipated to remain at or above the fund reserve minimums as further discussed in Chapter 2.

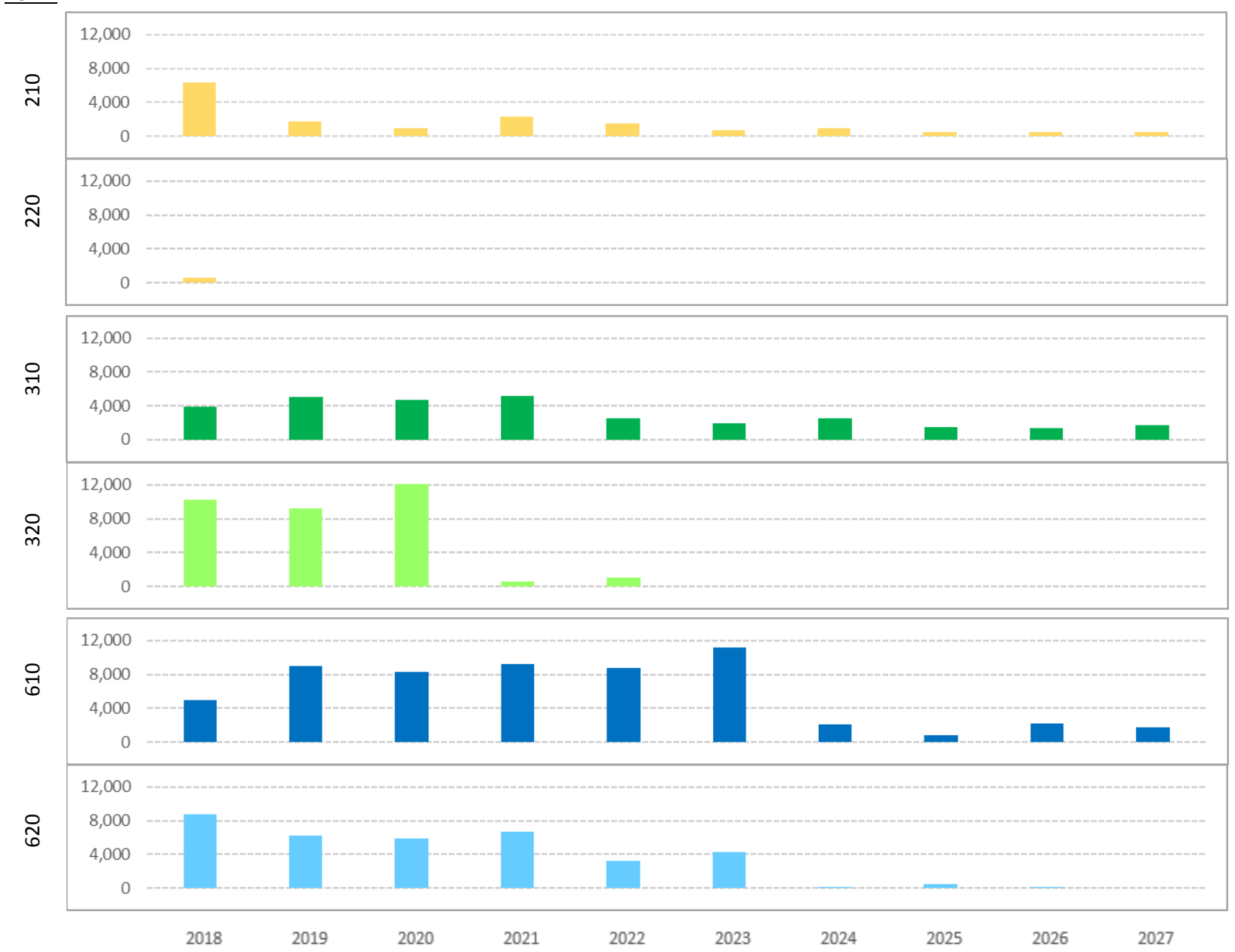
Table 1. Ten-Year CIP Plan expenditures by fund (in $1000's)

Fund	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	10 Year Total
210	6,384	1,727	904	2,308	1,465	663	969	479	449	521	**15,867**
220	534	-	-	-	-	-	-	-	-	-	**534**
310	3,914	5,126	4,998	5,569	2,542	1,926	2,499	1,499	1,374	1,674	**31,120**
320	10,328	9,190	13,427	1,340	1,043	-	-	-	-	-	**35,327**
610	4,920	9,663	8,257	9,281	8,811	11,256	2,138	767	2,170	1,751	**59,013**
620	8,338	6,223	5,569	6,689	3,189	3,916	19	19	19	-	**33,982**
Total	**34,419**	**31,929**	**33,154**	**25,188**	**17,050**	**17,760**	**5,624**	**2,764**	**4,012**	**3,945**	**175,844**
	2-Year:	**66,347**									

Table 2. Two-Year CIP Budget expenditures by fund and business enterprise

Project Categories:	Local Wastewater Replacement (Fund 210)	Local Wastewater Expansion (Fund 220)	Regional Wastewater Replacement (Fund 310)	Regional Wastewater Expansion (Fund 320)	Water Replacement (Fund 610)	Water Expansion (Fund 620)	Totals per Category
Study/Master Plan	171,250	513,750	753,750	21,250	-	-	**1,460,000**
General	344,000	15,000	186,500	-	954,500	90,000	**1,590,000**
Water System	41,161	5,580	5,000	-	13,368,657	14,471,613	**27,892,011**
Wastewater Collection	7,515,935	-	-	-	92,219		**7,608,154**
Resource Recovery Facilities	38,500	-	8,095,092	19,496,519	167,000		**27,797,111**
Totals per Fund	**8,110,846**	**534,330**	**9,040,342**	**19,517,769**	**14,582,376**	**14,561,613**	**66,347,276**

Figure 1. Ten-Year CIP Plan Expenditures by Fund (in $1000's)



HIGHLIGHTED PROJECTS

Dublin Trunk Sewer Rehabilitation (CIP 16-S021). This project will rehabilitate the Dublin trunk sewer in Village Parkway from Tamarack Drive south to Clark Ave, then from Clark Ave under Highway 580 to Commerce Circle in Pleasanton. The project also includes rehabilitation of the sewer from the intersection of the Dublin and Camp Parks trunk sewers to the wastewater treatment plant entrance. The Dublin trunk sewer was installed in 1960 and 1961. As part of the asset management program for the collection system, a large diameter sewer inspection project evaluating the condition of collection system trunk lines was completed in late 2013. The sewer showed significant deterioration and exposed reinforcing steel in locations. This project's total estimated cost is $6,665,000.

WWTP Anaerobic Digester No. 4 (CIP 07-3203). The 90% design of a fourth digester was completed in 2010. However, with the economic downturn and because the inflows to the wastewater treatment plant have not increased over the past few years, the project was postponed. The digesters decompose and stabilize the process volatile solids, reduce the solids volume, and eliminate pathogenic organisms. With all three digesters in service, there is sufficient digester capacity to accommodate the loading. However, digesters need to be taken out of service every 4 to 5 years for cleaning. The recently completed Wastewater Treatment Plant and Biosolids Master Plan identified that this project needs to be completed immediately in order to keep up with current solids loading rates. Without adequate digestion, increased volatile solids will enter the facultative sludge lagoons which could result in odor problems. The purpose of this project is to construct anaerobic digester No. 4 in approximately the same size and volume as digester No. 3 to provide adequate reliability and redundancy to this critical process. This project also includes the design of a fats, oils and grease (FOG) receiving

station. There are potential benefits to the community, the environment, and the District in receiving FOG for digestion. FOG digestion can provide a cost effective and environmentally superior method for waste haulers to dispose of the FOG, generate revenue to the District through tipping fees, increase gas production and improve the solids destruction capability of the digestion process. This project's total estimated cost is $13,131,000.

Primary Sedimentation Expansion and Improvements (17-P004). This project will improve primary treatment capacity at the wastewater treatment plant. Currently, there are four primary sedimentation basins at the plant that are performing below industry standards, which puts added burden on the downstream treatment process. Studies completed during the Wastewater Treatment Plant and Biosolids Master Plan update indicate that they may be operating below the industry standard. The project will add at least one new primary treatment basin, or potentially two. The District may also consider adding baffles to the new and existing primaries to increase treatment efficiency. Improved treatment efficiency will ease the loading on downstream treatment, reducing air needed for aeration, and improve the secondary process. Overall turbidity will be reduced in the effluent leaving the plant. An added bonus, solids that are captured in the primary process, once digested, are easily converted to biogas, and will increase overall digester gas production, which will offset natural gas currently used in the cogeneration engines. This project's total estimated cost is $10,000,000.

Biosolids Dewatering Facility (CIP 18-P013). The District operates six facultative sludge lagoons (FSL) to stabilize digested sludge from the wastewater treatment plant and a 55-acre dedicated land disposal (DLD) site where the biosolids residuals are tilled into the soil. The Wastewater Treatment Plant and Biosolids Master Plan evaluated the current method of biosolids handling and disposal. The master plan confirmed the current FSL/DLD operation has the lowest capital and operating costs for biosolids disposal and recommended continuing the current operation. The DLD is hydraulically limited, the water content of the biosolids will make the field too wet and the district cannot dispose the biosolids at the rate at which they are generated, resulting in an accumulation of biosolids in the FSLs. The Master Plan recommended the District begin to investigate a small scaleable dewatering system to handle a portion of the biosolids deposited in the FSL. The dewatered biosolids may be deposited at the DLD, or they may be hauled to another location for disposal. The current two-year budget includes $2,500,000 for the smaller pilot facility with the remaining budget in future years. This project's total estimated cost is $16,095,000. In an effort to diversify future disposal options, the District is participating in the Bay Area Biosolids to Energy Project (BAB2E). BAB2E continues to evaluate technologies that can potentially harvest the energy locked in biosolids and reclaim elements of value, while reducing the volume of the residuals. Should a viable alternative come along in the future, the District may choose to pursue it at that time.

Wet Weather Flow Capacity and Chlorine Contact Tank Dewatering (CIP 14-P005). This project will improve the wet weather flow capacity of the wastewater treatment plant secondary system. The current max flow rate that can be achieved at the treatment plant without diverting the holding basins is approximately 38 mgd. At this flow rate, the secondary clarifiers back up and become flooded. The condition has been studied, and the "bottleneck" is at the junction box that feeds water from the secondary effluent line to the chlorine contact tank. The project will remove a concrete wall and add a weir within the junction box to allow secondary effluent to flow more freely to the chlorine contact tank during wet weather events. This improvement will allow up to 46 mgd to flow through the structure. This project's total estimated cost is $507,000.

Reservoir 10A (17-W003). This project will replace the existing 3.0 million gallon reservoir with a new 4.1 million gallon reservoir. Existing Reservoir 10A was constructed in the 1940s as an open cut reservoir as part of the Camp Parks water system. It currently serves Zone 1 in central Dublin, however, the bottom elevation is about 15 feet above the rest of the zone's hydraulic grade line, creating operational difficulties. The recently approved 2016 Water System Master Plan identified a storage deficiency of 1.1 million gallons within Zone 1. The master plan reviewed potential sites to construct a new tank to fill the deficiency. The master plan recommended that the most economical course of action to mitigate the storage deficiency would be to demolish the existing reservoir and replace it with a larger reservoir that is at the correct elevation. This will gain additional storage, set the tank at the correct elevation, eliminate operational difficulties, and replace a 70 year old asset on property that the District currently owns. This project's total estimated cost is $7,636,000.

Water Line Replacement – Wineberry Area (16-W017). This project will rehabilitate or replace the waterlines in the Wineberry area consisting of Wineberry Way, Locust Place, Cypress Court, Locust Place – South and North, and Mullberry Place. The water pipelines in the area are constructed with asbestos concrete (AC), which was the pipeline material of choice in the mid-70s. The material is brittle and prone to cracks and leaks, and has had many leaks in the past several years. As part of the asset management program for the water distribution system, water mains constructed with AC of this era have been identified, and will systematically be rehabilitated or replaced over time. This project's total estimated cost is $2,207,000.

Potable Water Pump Station Standby Generators/Emergency Response (CIP 16-W012). This project will increase the reliability of the water distribution in the event of power outage. A power outage can be caused by several factors – storms, extreme heat, seismic event, localized issues with the power grid, etc. At this time, there is only one pump station in the water distribution system with a permanent standby generator. This project will add permanent standby generators at five pumps stations: 2C, 3A, 20B, 200A, and 300B. The addition of permanent standby generators will allow our water system operators to move water up to each of the distribution zones. This project's total estimated cost is $3,040,000.

DERWA Projects. With the expansion of DSRSD, EBMUD and Pleasanton recycled water distribution systems, it is anticipated that in the next two to three years, the recycled water peak day demand will exceed the wastewater available for recycled water treatment and will exceed the capacity of the DERWA water recycling plant and pump station. There are two DERWA projects included in the CIP which DSRSD will contribute towards: DERWA Supplemental Supply (CIP 16-R018) and DERWA Recycled Water Plant Phase 2 (CIP 16-R014). The estimated cost of both projects is $21,327,450 with a net cost of $10,085,237 after reimbursement from DERWA.

Capital Improvements to Increase Water Supply Program – Phase II (CIP 00-W002). This program will develop projects to meet the objectives of the Water Supply and Conservation Policy adopted by the Board on October 20, 2015. This program will focus on diversifying the sources of water supply so that no less than 60% of total demand (potable and recycled) is satisfied by local and regional water supplies, and that no more than 40% of total water supply (potable and recycled) comes from any one physical source. The program will fund the most feasible potable reuse projects outlined in the Tri-Valley Potable Reuse Feasibility Study. This $40 million program will be funded 25% by the Water Expansion Fund and 75% by the Water Replacement Fund based on the ratio of current water demands to projected build-out water demands.

Board Meeting Audio/Video Improvements (CIP 16-A004). The audio and video system equipment in the Board room is the original equipment installed when the building was constructed in 1992. It is difficult to find replacement parts or re-engineer the system to keep it functioning. To provide transparency in conducting District business, the District began providing video recordings of Board meetings on the District website in November 2012. The quality of the audio and video in the recordings is poor. This project will retrofit the boardroom lighting and sound system and install video cameras and video streaming equipment to enable quality video streaming and indexing of Board meetings. It will also improve the ability of people attending Board meeting to hear what is being said. There will be several options for improvement developed for this project. Depending on the option, selected there may be an additional ongoing annual cost for third party support for videotaping, streaming, and indexing of the video. This project's total estimated cost is $245,000.

CHAPTER 2: FINANCIAL OVERVIEW

REPLACEMENT AND EXPANSION FUND CASH FLOW AND WORKING CAPITAL

To assure the District has sufficient funds to maintain existing assets and to construct the facilities to meet the needs of new customers, the District projects the revenues and expenditures in the capital replacement and expansion funds over the ten-year CIP plan period and verifies the fund working capital is greater than the minimum financial reserve level as defined in the Financial Reserve Policy. A summary of the revenues and expenditures in replacement and expansion funds is provided below and a graph of each fund's ten-year cash flow and working capital is provided on pages 12 through 17.

Revenues

The revenue in the replacement and expansion funds includes:

- Replacement Allocations (indirectly from rates)
- Capacity Reserve Fees
- Interest
- Other Revenue

The Capital Improvement Program is funded by two main sources of revenue: rates and fees. Rates are collected from current customers and are used to pay normal operating costs. A portion of the rates is also allocated to the replacement funds (Replacement Allocations) to pay for capital projects that replace or improve facilities that benefit existing customers.

Capacity Reserve Fees are collected from development projects. The fees are used to pay for debt related to facilities that were built to add capacity for future customers and to pay for new projects that serve future customers. The District will often build a facility that is sized to meet capacity needs into the distant future. A buy-in component of the fee is collected for new development to pay for the use of existing excess capacity.

The revenues in the replacement funds are derived from replacement allocations from the operating fund rates and the buy-in component of capacity reserve fees. The revenues in the expansion funds are derived from capacity reserve fees as well as other revenue derived from permitting and inspection fees. In addition, each fund has interest revenue derived from the capital in the fund.

The revenue from rates over the ten-year plan is estimated by applying normal water rates to the fiscal year 2016 water consumption. The water consumption is increased by the estimated growth in customers from development in each year. The revenue is then adjusted by the current consumer price index in each year. A portion of the rates is then allocated to the capital replacement funds.

The revenue from fees is estimated based on the number of future water and wastewater connections anticipated with planned development provided by the cities of Dublin, Pleasanton, and San Ramon. The number of connections in the first three years are based on the planned development slated for those years. The number of projected connections over the remaining seven years of the plan are averaged over those years as the actual timing of development in the latter years is difficult to predict. The impact of developer use of capacity reserve fee credits have been accounted for by reducing the number of connections by the number of outstanding credits.

Expenditures

The expenditures in the replacement and expansion funds include:

- Capital Expenditures
- Other Expenses
- Loan Payments/Debt
- Allocated District Overhead

The CIP Ten-Year Plan and Two-Year Budget include capital expenditures for capital improvement projects and capital improvement programs.

Capital improvement projects include:

- All assets acquired through a public works contract as defined by the California Public Contract Code Section 1101.
- All "major infrastructure" capital assets, as defined in the District's Infrastructure Responsibility and Funding Policy.
- Studies that lead to the acquisition or improvement of a capital asset and the acquisition or improvement of any other capital asset that meet such criteria.

The CIP Ten-Year Plan also contains ten capital improvement programs. Programs assure adequate revenue is identified to fund capital assets or projects that are anticipated but do not yet have a definitive scope and budget. Once a specific scope of work and budget is identified, a project can be created from the CIP program.

Some programs set aside money for undefined asset rehabilitation and replacement projects. The District, based on the Asset Management replacement models, sets aside a basic level of expenditures for assets that are expected to reach the end of their useful life and may need to be repaired or replaced within the CIP ten-year plan period. These programs include:

- Water System Replacement and Rehabilitation Program (00-W001)
- Wastewater Collection System Replacement and Rehabilitation Program (00-S020)
- RWTF Replacement and Rehabilitation Program (00-P026)
- Fleet Replacement Program (T18-23)
- Facilities Replacement Program (T18-24)
- Reservoir Recoating Program (T16-67)
- Street Overlay Modification Program (00-A003)

Other programs set aside funding for a particular District initiative which may ultimately fund more than one individual CIP project.

- Energy Management Program (00-3120)
- Capital Improvements to Increase Water Supply Program-Phase 2 (00-W002)
- Capital Improvements to Increase Water Supply Program-Phase 1 (00-W001)

In addition to the capital expenditures, the working capital also accounts for allocated district overhead and other expenses. The "other expenses" associated with Local Sewer Expansion Fund (220) and Water Expansion Fund (620) include labor and materials to complete plan check and inspection of developer dedicated infrastructure. The "other expenses" associated with the replacement funds are items from

the operating budget and include capital outlay, professional services and materials. Capital outlay is the replacement of large items such as a pump or a truck. The costs of capital outlay items are directed to the appropriate, rate based, replacement fund in order to make sure that the correct funds are funding the items.

Other expenditures include loan payments and debt service. Local Wastewater Replacement Fund (210) shows an interfund loan from Local Wastewater Expansion Fund (220) that will be repaid over 6 years. Water Expansion Fund (620) shows a DERWA loan that will be repaid over ten years. Regional Expansion Fund (320) shows LAVMWA debt service which will be repaid through fiscal year 2031. Each funds expenditures are represented by blue bars on the working capital charts. Loan payments and debt service are shown as purple bars in the expense column.

Financial Reserves

The District's Financial Reserves Policy designates financial reserves in order to protect the District's investment in various assets, satisfy its commitments under its numerous financial, regulatory and contractual obligations and to stabilize long-term rates for its customers.

For capital replacement funds (210, 310, 610), the minimum reserve is twice the average annual expenditures in the fund based on the next 15 years of planned expenditure which includes the ten-year capital expenditures plus an estimate of asset replacement needs for the subsequent five years.

For the expansion funds (220, 320, and 620), minimum reserve is the greater of:

- Two years debt service
- Two years of project expenditures

Fund Financial Summary

The working capital remains above the minimum reserve for all capital replacement and expansion funds for the two year budget period.

<u>Local Wastewater Replacement Fund (210) and Expansion Fund (220).</u> Although the working capital in Fund 210 remains above the fund minimum reserve target, the cash flow in this fund is based on two proposed actions. The first is an interfund loan from Fund 220 to provide the funding for two large projects in this fund, the Dublin Trunk Sewer Rehabilitation Project and the Dublin Boulevard Widening (Dublin Lift Station relocation) Project. The second is a substantial increase in the replacement allocations to this fund from rates.

The total revenue for Fund 210 historically has been approximately $900,000 with two thirds of the revenue derived from the buy-in component of the capacity reserve fees and the remaining from rates. The current funding level is not sufficient given the increasing rehabilitation and replacement costs associated with the aging infrastructure. In addition, the revenue from the capacity reserve fees is uncertain from year to year because of local economic factors. If development experiences a lull, the revenue stream from the buy-in component shrinks, potentially aggravating cash flow problems for the fund. To mitigate this issue, staff has proposed an increase in local wastewater rates to increase the replacement allocations from the rates to this fund.

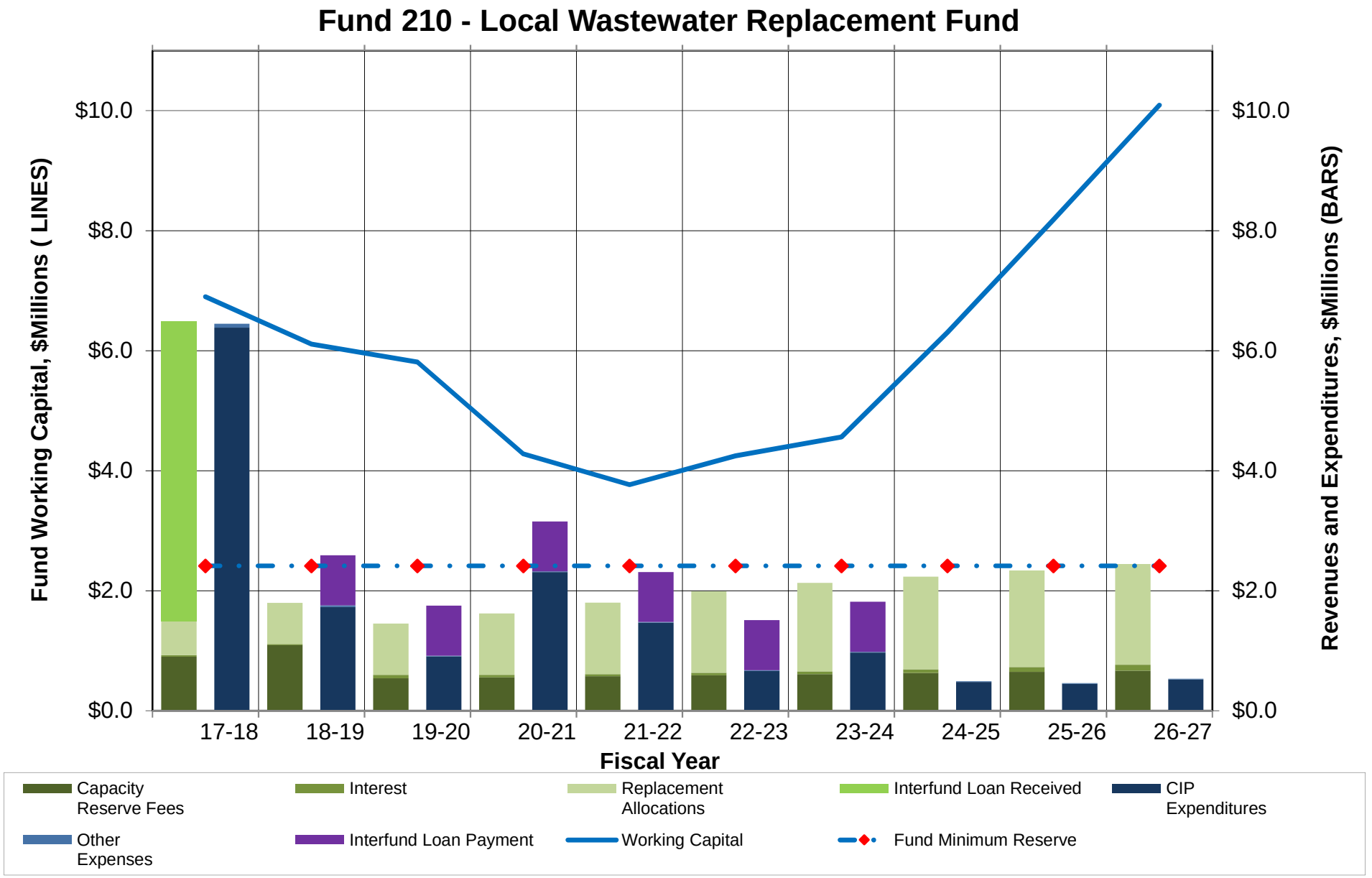
Fund 220 has one major "expenditure" shown in 17-18. This expenditure is an interfund loan to the local replacement fund, and will be repaid over 6 years, also shown on the chart. There are no other major expenditures over the ten-year planning period.

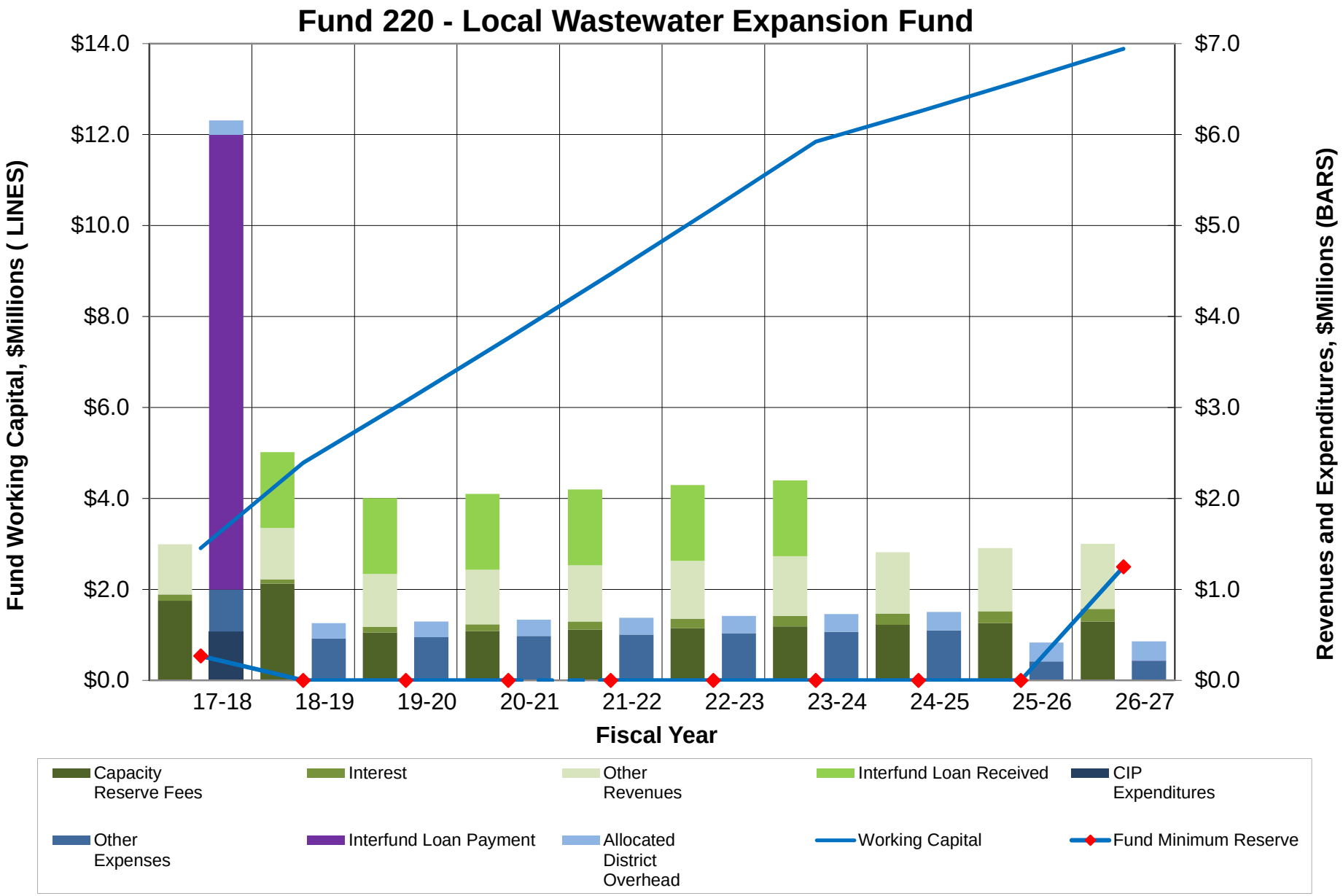
Regional Wastewater Replacement Fund (310) and Expansion Fund (320). These funds show a healthy balance well above the minimum reserve over the life of the plan. There are several large projects planned over the first five years with funding split between the replacement and expansion funds. Fund 310 is shown gaining balance towards the end of the plan, which, based on the Asset Management Program, will coincide with an anticipated increase in capital replacement costs due to aging infrastructure. Fund 320 gains balance towards the end of the plan, saving for the eventual payoff of fund debt.

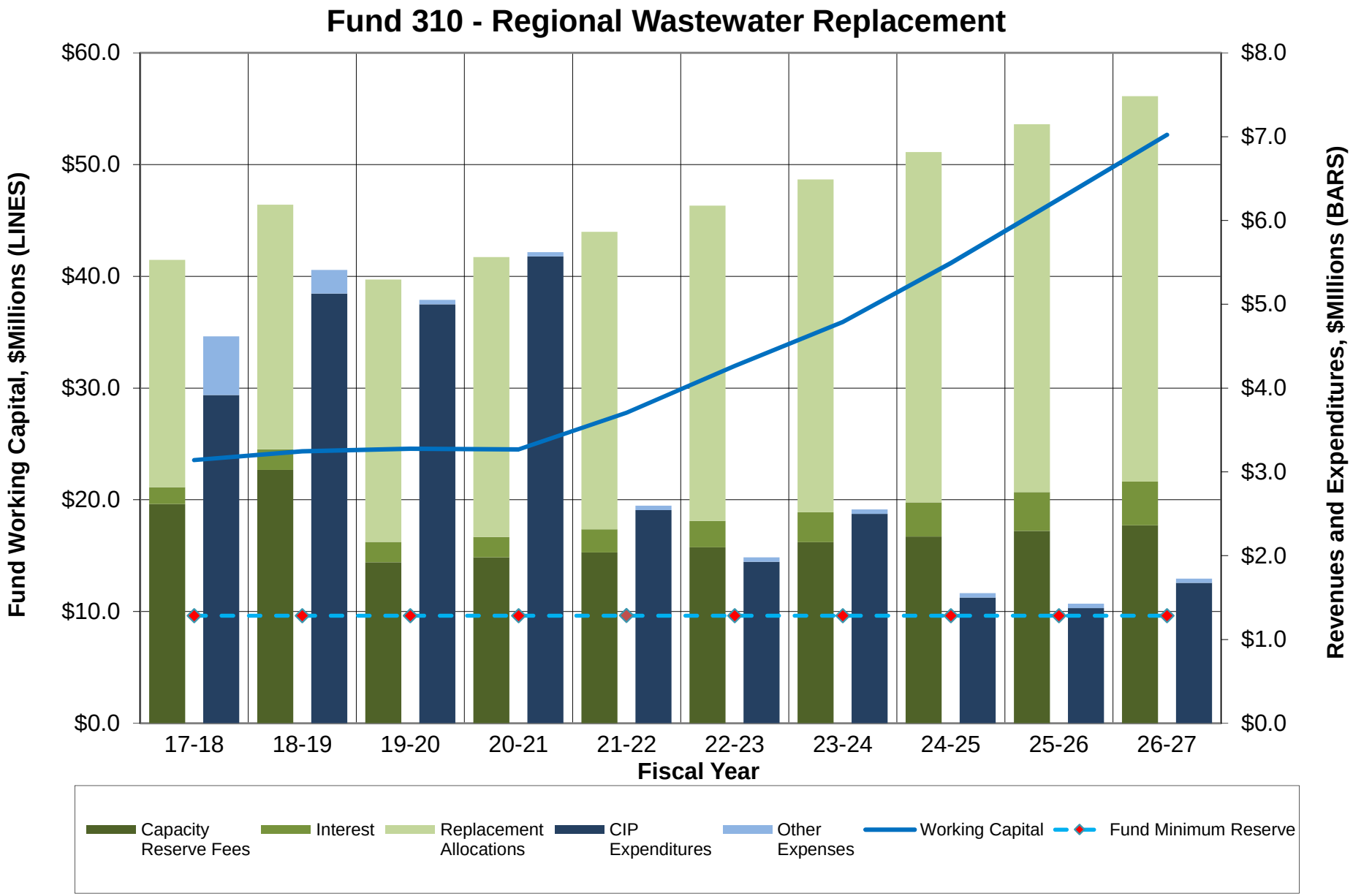
The Water Replacement Fund (610) and Expansion Fund (620). These funds show reasonable balances throughout the plan. The working capital for Fund 610 shows a downward trend over the first six years of the plan before it begins to recover. This is due to an anticipated potable reuse project. If that project schedule is delayed, the working capital would adjust accordingly. Fund 620 has several large projects over the first several years of the plan, and beyond that, there is only one significant expansion project remaining beyond the ten-year plan horizon.

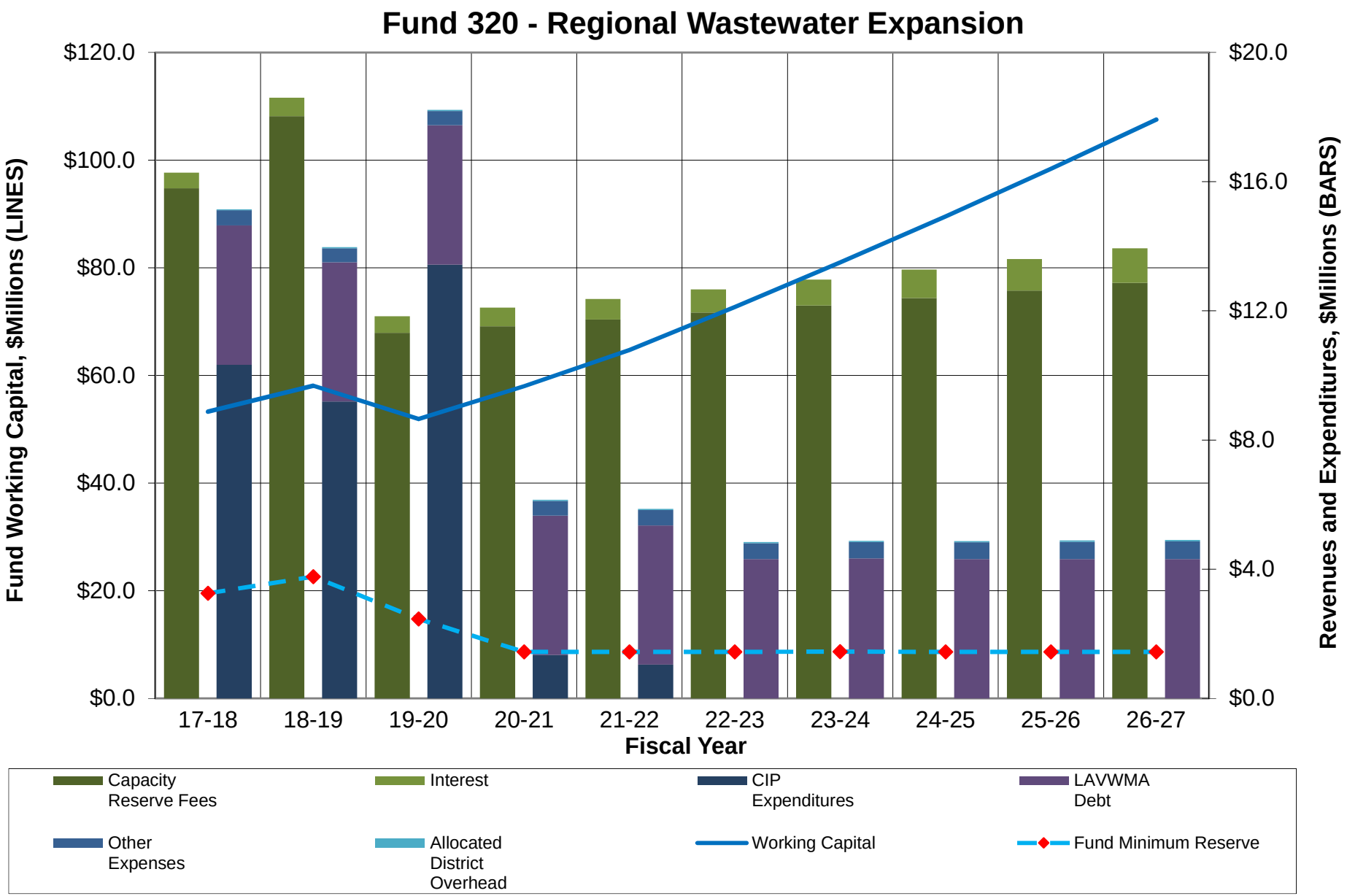
FUND CASH FLOW AND WORKING CAPITAL GRAPHS

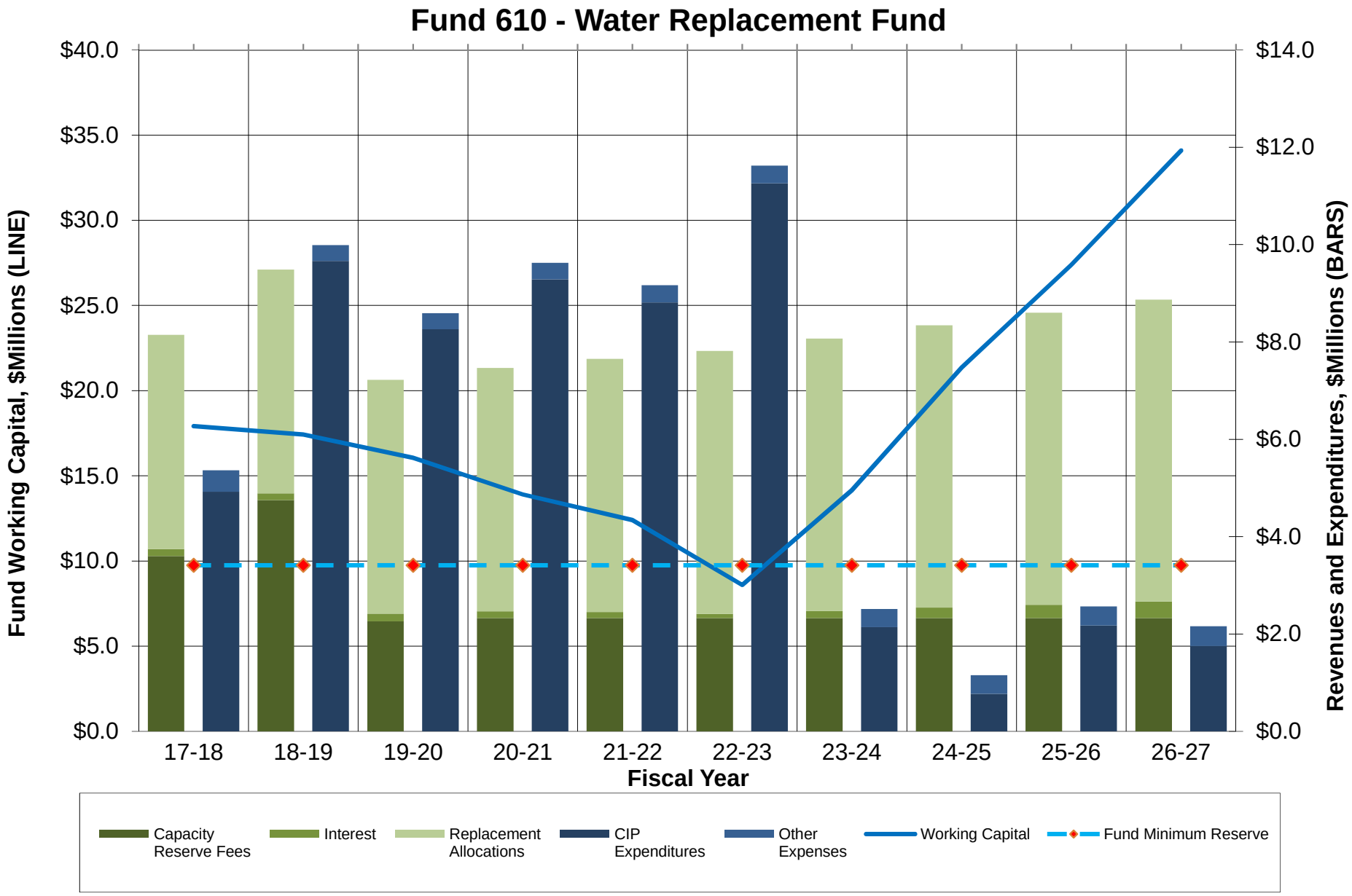
The following pages show the cash flow and working capital graphs for each fund.

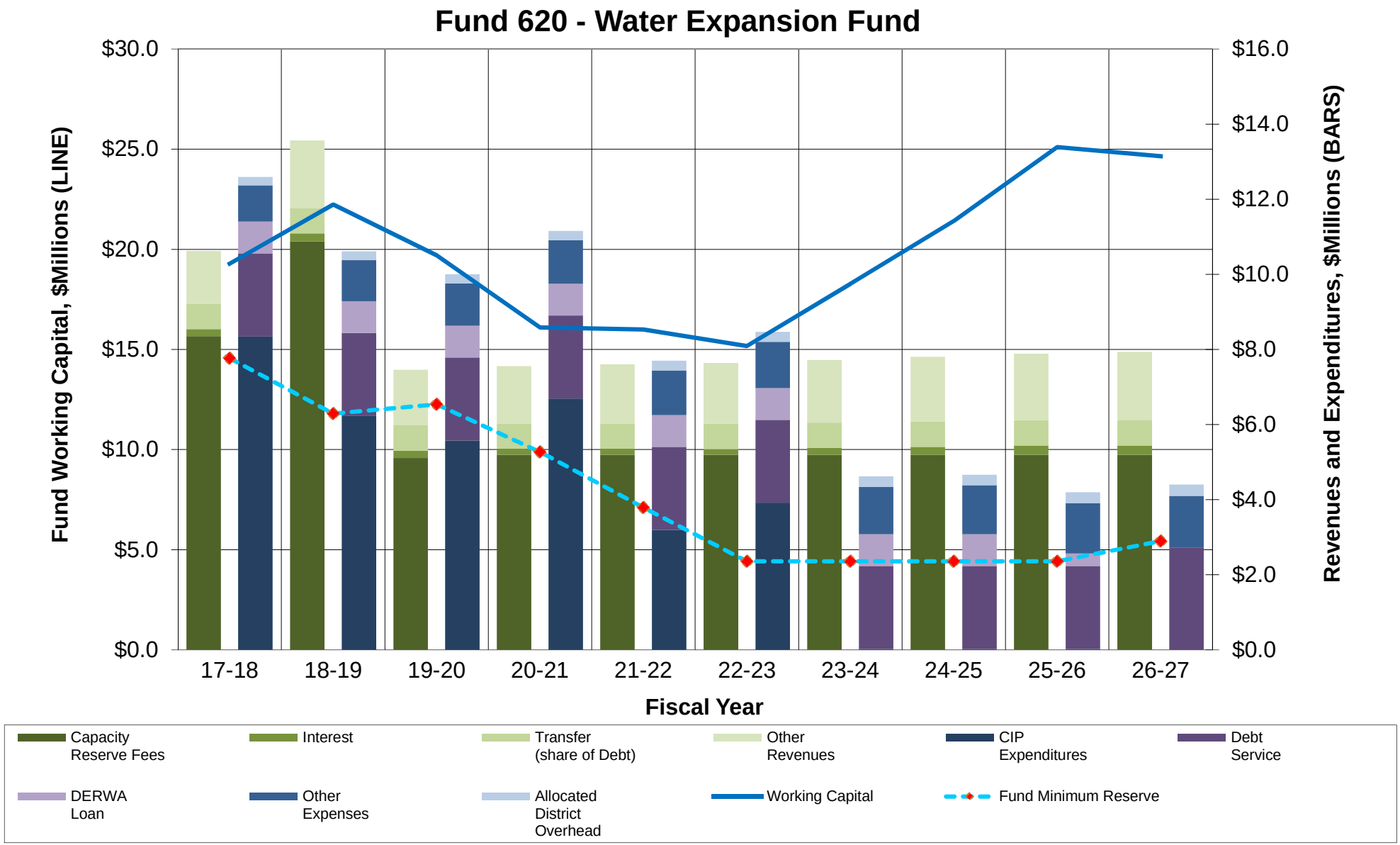

Fund 210 - Local Wastewater Replacement Fund
Fund Working Capital, $Millions (LINES)
Revenues and Expenditures, $Millions (BARS)
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
Replacement Allocations
Interfund Loan Received
CIP Expenditures
Other Expenses
Interfund Loan Payment
Working Capital
Fund Minimum Reserve


Fund 220 - Local Wastewater Expansion Fund
Fund Working Capital, $Millions (LINES)
Revenues and Expenditures, $Millions (BARS)
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
$7.0
$6.0
$5.0
$4.0
$3.0
$2.0
$1.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
Other Revenues
Interfund Loan Received
CIP Expenditures
Other Expenses
Interfund Loan Payment
Allocated District Overhead
Working Capital
Fund Minimum Reserve


Fund 310 - Regional Wastewater Replacement
Fund Working Capital, $Millions (LINES)
Revenues and Expenditures, $MIllions (BARS)
$60.0
$50.0
$40.0
$30.0
$20.0
$10.0
$0.0
$8.0
$7.0
$6.0
$5.0
$4.0
$3.0
$2.0
$1.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
Replacement Allocations
CIP Expenditures
Other Expenses
Working Capital
Fund Minimum Reserve


Fund 320 - Regional Wastewater Expansion
Fund Working Capital, $Millions (LINES)
Revenues and Expenditures, $Millions (BARS)
$120.0
$100.0
$80.0
$60.0
$40.0
$20.0
$0.0
$20.0
$16.0
$12.0
$8.0
$4.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
CIP Expenditures
LAVWMA Debt
Other Expenses
Allocated District Overhead
Working Capital
Fund Minimum Reserve


Fund 610 - Water Replacement Fund
Fund Working Capital, $Millions (LINE)
Revenues and Expenditures, $Millions (BARS)
$40.0
$35.0
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
Replacement Allocations
CIP Expenditures
Other Expenses
Working Capital
Fund Minimum Reserve


Fund 620 - Water Expansion Fund
Fund Working Capital, $Millions (LINE)
Revenues and Expenditures, $Millions (BARS)
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
$16.0
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
17-18
18-19
19-20
20-21
21-22
22-23
23-24
24-25
25-26
26-27
Fiscal Year
Capacity Reserve Fees
Interest
Transfer (share of Debt)
Other Revenues
CIP Expenditures
Debt Service
DERWA Loan
Other Expenses
Allocated District Overhead
Working Capital
Fund Minimum Reserve

BUDGET CONTROLS

Two-Year Project Budget

By Board adoption of the CIP Two-Year Budget, each project and program and their corresponding budget listed in the first two years (FYEs 2018 and 2019) of the CIP Ten-Year Plan is authorized and may be fully expended with the following conditions:

- The total expenditures for each individual project shall not exceed the project total.
- The total allocated expenditures may be initiated in either FYE 2018 or 2019.

Additional project budget approval conditions are discussed in the following sections.

Project Approval from a Program

Approval authority for projects created from a program are consistent with the approval authority limits outlined in the District purchasing procedures:

- The general manager may approve a project of $100,000 or less created from a program.
- The general manager may approve an increase in the budget of a project created from a program provided adequate program funds are available up to the general manager's authority of $100,000.
- A project created from a program in excess of $100,000 or a budget increase that is greater than the general manager's authority requires Board approval.

Program Budgets

Upon completion of a project created from a program, any unused funds are returned to the program provided it is in the same fiscal year. Funding allocated to program budgets are not cumulative from year to year. Program budgets that do not fund specific projects by the end of the fiscal period do not carry forward. Thus, the program's total expenditures shall not exceed the total program budget for each fiscal year. The Board must approve increases in a program budget.

CIP Budget Implementation

The general manager may authorize staff to complete the implementation process or use consultant and construction contracts in standard District form, task orders and purchase orders for services, equipment, materials and supplies up to the authority of $100,000 per the District Purchasing Policy. In addition, the general manager has the authority to adjust contracts that were previously approved by the Board, up to the purchasing authority of $100,000. All work authorized by the general manager or submitted to the Board for authorization shall be procured and managed in accordance with District purchasing procedures and Purchasing Policy.

Actions Requiring Board Approval

The following is a summary of project and budget actions requiring Board approval:

- Addition of a new project not created from a program
- Addition of a new project created from a program in excess of $100,000
- Acceleration of a future project that had to unexpectedly start in either FYE 2018 or 2019
- Increase in a project budget in excess of $100,000
- Increase in a program budget
- Increase in a project budget where the revised project budget is in excess of $100,000
- Authorization of contracts, task orders, purchases or construction contracts in excess of $100,000

Chapter 3: Project Sheets

Grouped by the following project categories, and arranged in the order of project timing.

- Study/Master Plan
- General
- Water System
- Wastewater Collection
- Resource Recovery Facilities

CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

CATEGORY: STUDY/MASTER PLAN

CIP No.	Project Name	Page
2-Year Projects		
14-P004	WWTP/Biosolids Master Plan	21
16-S001	Wastewater Collection System Master Plan Update and Connection Fee Study	22
18-P002	WWTP Electrical System Master Plan	23
Future Projects		
T14-10	Water System Master Plan Update and Operations Plan Update	24

CATEGORY: STUDY/MASTER PLAN **Regional Wastewater Expansion (Fund 320)**

CIP No. 14-P004 WWTP/Biosolids Master Plan

Funding Allocation: 85% **320** 15% **310**

Project Manager: Judy Zavadil **Status:** Continuing Project

Project Summary:

The last complete Wastewater Treatment Plant (WWTP) Master Plan was completed in 1997 with updates completed in 2005 and 2007. The current average dry weather flow (ADWF) to the WWTP is approximately 11 MGD. Substantial WWTP improvements will be required at approximately 14.5 MGD. Prior to the flows reaching 14.5 MGD, a WWTP Master Plan is needed. The Master Plan will: evaluate current and projected future wastewater flows and strength; determine when additional facilities are required due to hydraulic or treatment limitations; evaluate options for biosolids dewatering and disposal; evaluate current technologies to meet treatment requirements; develop costs estimates; and support a capacity reserve fee study.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

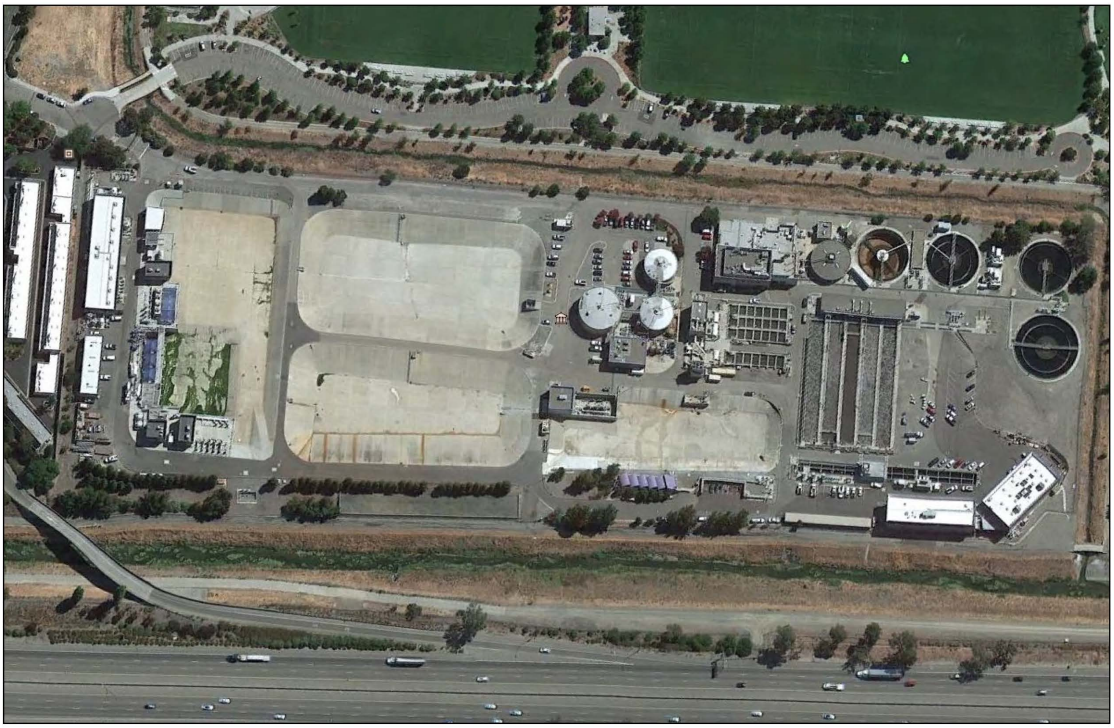
Reference: WWTP Master Plan Update 2007

Fund Allocation Basis: Fund split based on ADWF that initiates project vs. buildout flowrate

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
1,675,000	25,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,700,000**
Current Adopted Budget	$1,700,000
Increase/(Decrease)	$0



CATEGORY: STUDY/MASTER PLAN **Local Wastewater Expansion (Fund 220)**

CIP No. 16-S001 Wastewater Collection System Master Plan Update and Connection Fee Study

Funding Allocation: 75% **220** 25% **210**

Project Manager: Stan Kolodzie **Status:** Continuing Project

Project Summary:

This project will update the 2005 Wastewater Collection System Master Plan, a planning document used to ensure the overall wastewater collection system has adequate capacity as the system expands. Planned developments have changed in density, new developments have been proposed, and street alignments have been established since the last update. The Wastewater Collection System Master Plan is to be updated every five (5) years or as development necessitates. Wastewater connection fee study will also be done at the same time of the Master Plan update.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference: 2005 Wastewater Collection System Master Plan Update.

Fund Allocation Basis: Fund split matches the 2010 Local Connection Fee Study

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
175,000	685,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$860,000**
Current Adopted Budget	$500,000
Increase/(Decrease)	$360,000

CATEGORY: STUDY/MASTER PLAN **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P002 WWTP Electrical System Master Plan

Funding Allocation: 100% **310**

Project Manager: S. Delight/M. Atendido **Status:** New Project

Project Summary:

The last Electrical Master Plan was completed in 2004. This master plan will review the WWTP electrical system and determine the required improvements to support current electrical demands as well as the future electrical demands of WWTP processes planned in the 2017 WWTP and Biosolids Master Plan.

CEQA:	Not a project under CEQA [CEQA Guideline 15378].
Reference:	2004 Electrical Master Plan Update
Fund Allocation Basis:	Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	750,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$750,000**
Current Adopted Budget	$0
Increase/(Decrease)	$750,000

CATEGORY: STUDY/MASTER PLAN **Water Expansion (Fund 620)**

CIP No. T14-10 Water System Master Plan Update and Operations Plan Update

Funding Allocation: 100% **620**

Project Manager: **Status:** Future Project

Project Summary:

This project will update the District's 2016 Water System Master Plan in five years. The master plan outlines the water system required to serve our customers from current conditions through future build-out conditions ensuring the water system operation is reliable as systems expand. This project also includes a capacity reserve fee study based on the master plan recommended infrastructure projects.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference: 2016 Water System Master Plan

Fund Allocation Basis:

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	500,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$500,000**
Current Adopted Budget	$0
Increase/(Decrease)	$500,000

CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

CATEGORY: GENERAL

CIP No.	Project Name	Page
2-Year Projects		
16-A004	Board Meeting Audio/Video Improvements	27
16-A005	Corporation Yard and Administrative Facilities	28
16-A006	District Office Improvements	29
17-A006	District Pavement Rehabilitation	30
17-A007	Wide Area Network Communications Phase 2	31
18-A001	Field Operations Facility Security Systems Improvements	32
00-A003	Street Overlay Modification PROGRAM	33
Future Projects		
T18-01	Computing Infrastructure Replacement	34
T18-02	Network Infrastructure and Security	35
T18-17	Electric Vehicle Charging Station	36
T18-23	Fleet Replacement PROGRAM	37
T18-24	Facilities Asset Replacement PROGRAM	38

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-A004 Board Meeting Audio/Video Improvements

Funding Allocation: 45% **310** 45% **610** 10% **210**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

This project will retrofit the Boardroom lighting and audio system and install video cameras and video streaming equipment to facilitate quality video streaming and indexing of Board meetings. There will be an additional ongoing annual operating cost for third party support for videoing, streaming, and indexing of the video.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference:

Fund Allocation Basis: Project will mainly benefit customers so the allocation is based on revenues by fund.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	25,000	75,000	145,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$245,000**
Current Adopted Budget	$100,000
Increase/(Decrease)	$145,000

CATEGORY: GENERAL **Water Replacement (Fund 610)**

CIP No. 16-A005 Corporation Yard and Administrative Facilities

Funding Allocation: 55% **610** 30% **620** 10% **210** 5% **220**

Project Manager: Robyn Mutobe **Status:** Continuing Project

Project Summary:

The lease with the US Army for the Field Operations Division (FOD) temporary facilities at Camp Parks terminated in October 2016. In March 2016, the District acquired a commercial building and warehouse at 7035 Commerce Circle in Pleasanton for approximately $4.9 million to become the Field Operations facility. The property is located adjacent to the LAVWMA pump station. Infrastructure including building security, HVAC improvements and control systems, new materials bins, business and SCADA networks, and fencing and parking improvements were completed in spring/summer 2016 and FOD moved to the facility in August 2016. Renovations including a new lobby, new locker rooms, a new mudroom, and kitchen/breakroom improvements will be completed by May 2017 and a backup generator will also be installed by late 2017.

CEQA: Building renovation covered by City of Pleasanton EIR; materials bin work - CEQA NOE filed by DSRSD

Reference: Field Operations Division Corporation Yard Study, January 2009.

Fund Allocation Basis: Fund split is based upon the estimated Field Operations cost split between potable water, recycled water and sewer activities.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
7,334,697	250,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$7,584,697**
Current Adopted Budget	$7,350,000
Increase/(Decrease)	$234,697

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-A006 District Office Improvements

Funding Allocation: 53% **310** 37% **610** 10% **210**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

The District office was constructed in 1992. The carpet and wall coverings are original and considerably worn. To date, the following work has been completed: rehabilitation and/or replacement of all three entry gates and upgrade of the main lobby area. The main lobby upgrade included repairing leaky roof, replacing water-damaged ceiling tiles and framework (to improve future access to ceiling area), updating lobby displays, remediating mold around the drinking fountain, removing wallpaper, resurfacing and painting the lobby walls, adding District name and logo to the wall, upgrading display of Board of Director photos, and deep cleaning floor tiles and replacing carpets. The remaining work to be completed will be replacing the office area carpet and repainting walls in the Boardroom concurrently with the Board Meeting Audio/Video Improvements project (CIP 16-A004).

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference:

Fund Allocation Basis: Will be used primarily by emploees to conduct District business so fund split is based on employee allocation.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
200,000	50,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$250,000**
Current Adopted Budget	$200,000
Increase/(Decrease)	$50,000

CATEGORY: GENERAL **Water Replacement (Fund 610)**

CIP No. 17-A006 District Pavement Rehabilitation

Funding Allocation: 80% **610** 20% **210**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project has evaluated the existing paved access roads at District facilities excluding the Regional Wastewater Treatment Facility. The various access roads will be scheduled for repair, maintenance or reconstruction based on the evaluation report. The roads were ranked by severity (minor, moderate or major improvements). Minor improvements had minor cracking due to roots, lack of proper edging, poor drainage, and expansive soils. Moderate improvements were similar to minor improvements but were more severe and noted by existing visual damage. Major improvements had complex subsurface and geologic conditions that need in depth study for recommended design and construction.

CEQA: Categorical Exemption [CEQA Guideline 15301].

Reference: Pavement Investigation Report, Pavement Rehabilitation Project Phase 1, December 12, 2016, Construction Testing Services

Fund Allocation Basis: Based on approximate area of access roads to facilities associated with each fund.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
25,000	320,000	250,000	200,000	40,000	200,000	0	200,000	0	0	0	0

Total Estimated Project Cost	**$1,235,000**
Current Adopted Budget	$100,000
Increase/(Decrease)	$1,135,000

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. 17-A007 Wide Area Network Communications Phase 2

Funding Allocation: 46% **310** 44% **610** 10% **210**

Project Manager: Jackie Yee/Bob Treppa **Status:** Continuing Project

Project Summary:

This project will allow for increased access speed and bandwidth at remote sites. Increases in application demands and database systems cause delays in data transmissions and production slowdowns. This project will remove current AT&T leased data lines and install District-owned, multi-strand fiber lines or wireless networks for communications in data and phone systems for faster and bigger-piped communication links. This project will upgrade the existing communication links for the Regional Wastewater Treatment Plant (RWTP) and Field Operations Facility (FOF) in areas of data and phone communications. These upgrades will also allow for future bandwidth requirements in areas of audio and video transmission. Through FYE 2016, the project has completed 1) the fiber connection between the District Office and RWTP, 2) the wireless connection between the District Office and FOF, 3) wireless connection between FOF and RWTP, and 4) purchase and installation of wide area network security appliances to support these connections. The remaining funds will install fiber between RWTP and the new FOF on Commerce Circle and the LAVWMA site.

CEQA: Categorical Exemption [CEQA Guideline 15303]

Reference: 2002 Information Technology Master Plan

Fund Allocation Basis: Project is replacement-oriented and will use the standard "general capital asset" allocation

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
365,000	250,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$615,000**
Current Adopted Budget	$365,000
Increase/(Decrease)	$250,000

CATEGORY: GENERAL **Water Replacement (Fund 610)**

CIP No. 18-A001 Field Operations Facility Security Systems Improvements

Funding Allocation: 55% **610** 30% **620** 10% **210** 5% **220**

Project Manager: Dan Lopez **Status:** New Project

Project Summary:

Current security at the Field Operations Facility is minimal and has led to false alarms. This project will add card readers to interior and exterior doors, cameras to warehouse and exterior, and BOSCH panel access to exterior access points. Additions will ensure a secure workplace for employee safety and reduce risk of theft and vandalism, while reducing the number of false and nuisance alarms.

CEQA:

Reference:

Fund Allocation Basis: Based upon Field Operation cost between potable water, recycled water and sewer activities.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	50,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$50,000**
Current Adopted Budget	$0
Increase/(Decrease)	$50,000

CATEGORY: GENERAL **Local Wastewater Replacement (Fund 210)**

CIP No. 00-A003 Street Overlay Modification PROGRAM

Funding Allocation: 50% **210** 50% **610**

Project Manager: Rudy Portugal **Status:** Continuing Program

Project Summary:

The District is required to adjust infrastructure access to any increases in street grades. This project will raise manholes and valve boxes annually in conjunction with overlay projects conducted by the City of Dublin and City of San Ramon using the Tri-Valley Intergovernmental Reciprocal Services Agreement.

CEQA: Categorical Exemption [CEQA Guideline 15301].

Reference: Coordination meetings with City staff.

Fund Allocation Basis: Fund split is based upon the number of valve boxes and manholes in the system. There are twice as many valve boxes as manholes, however, manholes cost twice as much to raise. Each project created will be based upon the actual work included.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	800,000

Total Estimated Project Cost	**$2,400,000**
Current Adopted Budget	$0
Increase/(Decrease)	$2,400,000

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-01 Computing Infrastructure Replacement

Funding Allocation: 50% **310** 38% **610** 12% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will modernize and replace the computing infrastructure for the processing of multiple database applications including our Enterprise Resource Planning (ERP), Geographic Information System (GIS), Laboratory Information Management System (LIMS) and Computerized Maintenance Management System (CMMS). Blade servers and storage area networks were originally purchased in 2011. By 2022, the equipment will be at least ten years old, three years past best practice replacement schedule of seven years.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference: Best practice for network technology replacement.

Fund Allocation Basis: Based on employee allocation.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	160,000	120,000	0	0	0	0	0

Total Estimated Project Cost	**$280,000**
Current Adopted Budget	$0
Increase/(Decrease)	$280,000

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-02 Network Infrastructure and Security

Funding Allocation: 50% **310** 38% **610** 12% **210**

Project Manager: **Status:** Future Project

Project Summary:

Most "best practices" call for network technology replacement every seven years. This is often the product life-cycle for network switching, communications, and includes the regular faster cycling review for network security. This project will address replacements needed for the business network in years 2024 and 2025, and the Field Operations Facility SCADA network in 2027.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference: Best practice for network technology replacement.

Fund Allocation Basis: Based on employee allocation.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	250,000	250,000	0	500,000	0

Total Estimated Project Cost	**$1,000,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,000,000

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-17 Electric Vehicle Charging Station

Funding Allocation: 50% **310** 38% **610** 12% **210**

Project Manager: **Status:** Deferred Project

Project Summary:

This project will install electric vehicle charging stations at the Regional Wastewater Treatment Facility, Field Operations Facility, and District Office.

CEQA:

Reference: Staff recommendation.

Fund Allocation Basis: Based on employee allocation.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	100,000	0

Total Estimated Project Cost	**$100,000**
Current Adopted Budget	$0
Increase/(Decrease)	$100,000

CATEGORY: GENERAL **Water Replacement (Fund 610)**

CIP No. T18-23 Fleet Replacement PROGRAM

Funding Allocation: 50% **610** 30% **310** 20% **210**

Project Manager: **Status:** Placeholder

Project Summary:

This program will set aside annual capital outlay funding to meet the District's vehicle asset replacement requirements in future years. The District will use a comprehensive approach and follow best practice fleet operations to implement a cost effective fleet replacement program. Although not a capital project, this program is included in the CIP planning to make sure that capital outlay cashflow is incorporated to support future rate and fee studies.

CEQA: Not a project under CEQA [CEQA Guideline 15378].

Reference: Current vehicle asset inventory.

Fund Allocation Basis: Ratio based on department/function associated with each vehicle.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000

Total Estimated Project Cost	**$3,900,000**
Current Adopted Budget	$0
Increase/(Decrease)	$3,900,000

CATEGORY: GENERAL **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-24 Facilities Asset Replacement PROGRAM

Funding Allocation: 66% **310** 32% **610** 2% **210**

Project Manager: **Status:** Placeholder

Project Summary:

This program will set aside annual capital outlay funding to meet the District's facilities asset replacement requirements in future years. The District will use a comprehensive approach and follow best practice to implement a cost effective facilities asset replacement program. Although not a capital project, this program is included in the CIP planning to make sure that capital outlay cashflow is incorporated to support future rate and fee studies. The estimated annual replacement cost is based on 1% of the District's total real property value per California Sanitation Risk Management Authority (CSRMA) report dated January 2016.

CEQA: To be determined based on individual projects funded by program.

Reference:

Fund Allocation Basis: Ratio based on department/function associated with each facility.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	2,150,000

Total Estimated Project Cost	**$5,590,000**
Current Adopted Budget	$0
Increase/(Decrease)	$5,590,000

CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

CATEGORY: WATER SYSTEM

CIP No.	Project Name	Page
2-Year Projects		
09-6101	Water and Recycled Water SCADA Improvements	41
12-W013	Water Main - Fallon Rd, Tassajara Rd to Tassajara Creek	42
15-W004	Dougherty Road Utilities	43
15-W017	Water Distribution System Water Quality Improvements	44
16-A016	District Facilities Security Project - Phase 2	45
16-R014	DERWA Recycled Water Plant - Phase 2	46
16-R018	DERWA Supplemental Supply	47
16-W009	Potable Water Supply Reliability Planning	48
16-W012	Potable Water Pump Station Standby Generators/Emergency Response	49
17-W001	Automated Water Meter Data Transmission Repeaters	50
17-W003	Reservoir 10A	51
18-W003	Reservoir 2 Recoating	52
05-6204	Water Main-Bollinger Canyon Rd. to Reservoir 200B	53
12-W016	Reservoir 1B Recoating	54
16-R013	Water Reuse Demonstration Project	55
14-W008	Reservoir 20B	56
16-W017	Water Lines Replacement - Wineberry Area	57
18-W004	MCC Improvements - PS1A and PS3A	58
18-W005	Commercial Recycled Water Fill Station Enhancements	59
00-W002	Capital Improvements to Increase Water Supply PROGRAM - Phase 2	60
00-W011	Water System Replacement and Rehabilitation PROGRAM	61
Future Projects		
17-W002	Electrical Service to Reservoirs 10A and 200B	62
08-6103	Water Main - Sebille Ave to 12th St	63
T16-28	Water Lines Replacement - Tamarack Drive - Village Pkwy to Firethorn Way	64
T16-29	Water Lines Replacement - Canterbury Lane and Cardigan Street	65
T16-30	Water Line Replacement Phase 2 - Canterbury Lane	66
T18-03	SCADA Field Wireless	67
T10-85	Camp Parks Water Main - Mitchell Drive, Powell to 8th Streets	68
T10-87	Camp Parks Cromwell Avenue and 12th Street Main Replacement	69
T18-22	Reservoir 20A Recoating	70

CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

CATEGORY: WATER SYSTEM

CIP No.	Project Name	Page
T16-31	Water Line Replacement - Ironwood Drive	71
T16-37	Microfiltration Rack and Membrane Replacement	72
T10-86	Camp Parks Water Mains - Lorring Street and Monroe Avenue	73
08-6202	Pump Station 20A Improvements	74
T00-29	Turnout 6	75
T18-26	DERWA Recycled Water Plant - Phase 3	76
00-W001	Capital Improvement to Increase Water Supply PROGRAM - Phase 1	77
T16-67	Reservoir Recoating PROGRAM	78

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 09-6101 Water and Recycled Water SCADA Improvements

Funding Allocation: 98% **610** 2% **210**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

This project will upgrade the Field Operations Division (FOD) Supervisory Control and Data Acquisition (SCADA) System. The SCADA system consists of programmable logic controllers (PLCs) wired to the instrumentation, pumps, and valves at each of the District facilities. The status of all the facilities is communicated between the facilities and to a central SCADA server via a radio, telephone and fiber communications system and is provided on custom system displays for the operators to monitor the system, change operating parameters and troubleshoot operational issues. The facilities' status is also recorded on a central SCADA historian allowing for analysis of historical data.

The upgrade includes 1) replacing over 40 PLCs at the District pump stations, reservoirs and sewer lift stations, 2) replacing the existing unlicensed 980 MHz serial radio system with a licensed frequency microwave and 4.9 GHz ethernet radio system between all the facilities, 3) upgrading the SCADA displays and historian for easier analysis of the real time and historical data, 4) completing the development of SCADA design standards to be used for all future FOD and WWTP SCADA installations, 5) making security improvements at each of the sites such as wiring all the reservoir hatches and exterior panels with intrusion alarms, and 6) installing District security card readers at each of the locations to turn off and on the security system at each site as well as identify the staff entering the site. The system was also designed to allow for future security and emergency communication improvements.

CEQA: Categorical Exemption [CEQA Guideline 15301, Existing Facilities].

Reference: SCADA Master Plan, March 2010

Fund Allocation Basis: Fund split based on ratio of SCADA sites in collection system, DSRSD water and recycled system, and DERWA. Amount is net cost to DSRSD.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
5,422,178	1,500,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$6,922,178**	**DSRSD Net Cost: $6,778,921**
Current Adopted Budget	$6,663,136	Other Funding: approx 5% of cost charged to DERWA; DERWA cost to be split 57/43 between DSRSD and EBMUD
Increase/(Decrease)	$259,042	

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 12-W013 Water Main - Fallon Rd, Tassajara Rd to Tassajara Creek

Funding Allocation: 100% **620**

Project Manager: Rhodora Biagtan **Status:** Continuing Project

Project Summary:

This development project installed 400 feet of 16-inch water main in Pressure Zone 2 and 1,700 feet of 20-inch water main in Pressure Zone 3 on Fallon Road. The project has been accepted by the District from the developer. However, the associated developer reimbursement will be disbursed when funds are available per Board policy or direction.

CEQA: EIR certified by City of Dublin 5/10/1993.

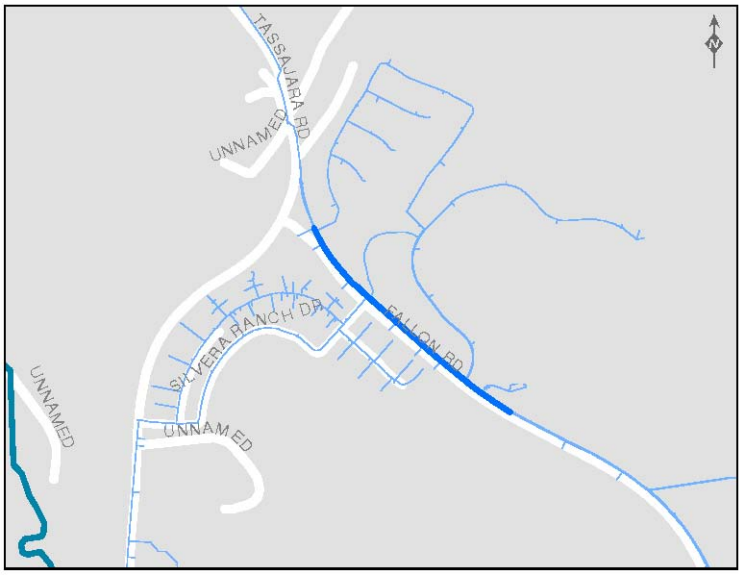
Reference: Pinn Bros. AWFA dated 7/27/2004 for Silveria Property - Phase IV.

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	315,500	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$315,500**
Current Adopted Budget	$315,500
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 15-W004 Dougherty Road Utilities

Funding Allocation: 55% **610** 30% **620** 10% **210** 5% **220**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

This project will install fiber optic conduit and construct a short segment of recycled water pipeline in conjunction with the City of Dublin Dougherty Road Widening Project and complete a portion of the conduit that leads to the Gleason property. The majority of the fiber optic conduit required is in place with the exception of a section in Dougherty Road. With this project, the District will install two 4-inch fiber optic conduits starting at Sierra Lane and Dougherty Road and proceed north to an existing pull box at Scarlett Drive and Dougherty Road. The District will also extend an 8-inch recycled water line from the existing 30-inch DERWA main in Dougherty Road and one 4-inch fiber optic conduit into Camp Parks at Eigth Street.

CEQA: Categorical Exemption [CEQA Guideline 15303]

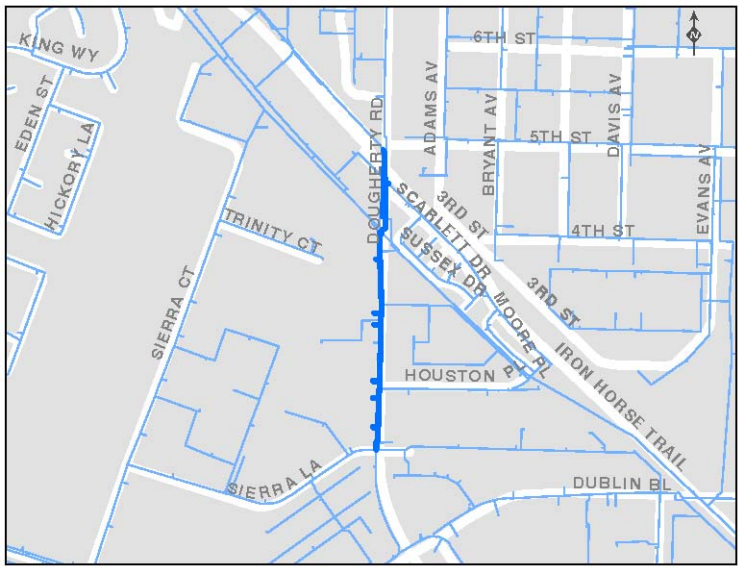
Reference: City of Dublin Dougherty Road Widening Project

Fund Allocation Basis: Based on number of facilities associated with each fund.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
23,391	111,609	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$135,000**
Current Adopted Budget	$110,000
Increase/(Decrease)	$25,000



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 15-W017 Water Distribution System Water Quality Improvements

Funding Allocation: 100% **610**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

This project will install a chloramination system at Reservoir 1A and low horsepower mixers in Reservoirs 1A, 3A, 3B, 10A, 300A and 300B. The District has experienced loss of chlorine residual in the water distribution system. Installing the chloramination system and the mixers will reduce water age in the tanks and facilitate maintaining chlorine residual throughout the system.

CEQA: Categorical Exemption [CEQA Guideline 15301, 15303].

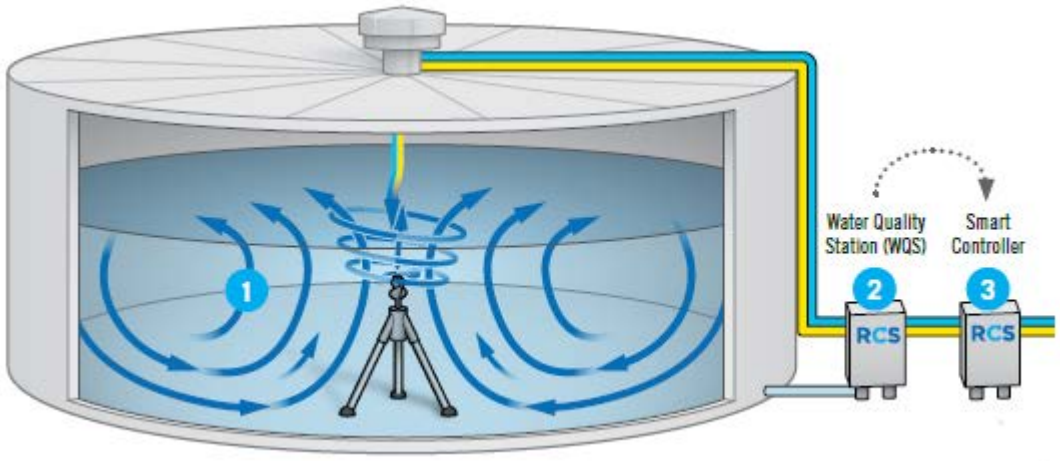
Reference: None.

Fund Allocation Basis: Project is required to maintain existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
236,881	359,419	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$596,300**
Current Adopted Budget	$596,300
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 16-A016 District Facilities Security Project - Phase 2

Funding Allocation: 90% **610** 10% **310**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

This project will 1) review past recommendations for physical security for the potable and recycled water facilities and the sewer lift stations, 2) inventory which recommendations have been implemented, either installed over the last few years or installed as part of the SCADA project (09-6101) and, 3) develop a plan and cost estimate for remaining required improvements. The project cost will be revised in future years to include the cost of construction once the required improvements are defined.

CEQA: To be determined.

Reference: Physical Security Risk Assessment, Pinkerton Consulting, April 2004.

Fund Allocation Basis: Based on number of facilities associated with each fund.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	50,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$50,000**
Current Adopted Budget	$50,000
Increase/(Decrease)	$0

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 16-R014 DERWA Recycled Water Plant - Phase 2

Funding Allocation: 100% **620**

Project Manager: Robyn Mutobe **Status:** Continuing Project

Project Summary:

This DERWA project will expand the DERWA Water Recycling Plant from its design capacity of 9.7 mgd to 16.5 mgd. The project will add a new band screen and ballasted flocculating clarifier and additional tertiary influent pumps, ultraviolet disinfection modules, and Pump Station R1 pumps. DSRSD will be responsible for the design and construction of the facility expansion. Per the Agreement for the Sale of Recycled Water by DERWA to DSRSD and EBMUD and the DERWA Pleasanton Agreement, cost of the project will be funded in the same proportion as allocation of future incremental capacity rights.

CEQA: CEQA Addendum to 1996 Dublin San Ramon Valley Recycled Water Program EIR

Reference: San Ramon Valley Recycled Water Facilities, July 1996; Dublin Recycled Water Expansion Project, Title XVI Feasibility Study, Draft DERWA Reycled Water Treatment Facilites Plan, July 2015.

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
10,517,843	7,985,000	328,157	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$18,831,000**	**DSRSD Net Cost: $8,662,260**
Current Adopted Budget	$19,035,000	Other Funding: DERWA project; cost share based on facility capacity allocation: DSRSD 46%, EBMUD 27%, Pleasanton 27%. Expected reimbursement of $10,168,740
Increase/(Decrease)	($204,000)	

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 16-R018 DERWA Supplemental Supply

Funding Allocation: 100% **620**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

This project will provide for a supplemental source of supply to the recycled water program. The recycled water demands are projected to exceed the Regional Wastewater Treatment Facility (RWTF) inflow during peak months until buildout of the Dublin and Pleasanton service areas. This project will identify and construct necessary facilites to provide supplemental water. It is anticipated the supplemental water will either be pumped from the groundwater fringe basin, water from Hopyard well 7, seasonal storage at the chain of lakes, diverted from Livermore effluent discharges to LAVWMA, or diverted wastewater from Contra Costa County Sanitary District service area treated at the RWTF.

CEQA: CEQA addendum to 1996 EIR prepared by DSRSD and approved by DERWA.

Reference: DERWA Permanent Supplemental Supplies - completed studies.

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	900,450	0	750,000	0	0	846,000	0	0	0	0	0

Total Estimated Project Cost	**$2,496,450**	**DSRSD Net Cost: $1,447,941**
Current Adopted Budget	$900,450	Other Funding: DERWA project and will be funded by DERWA (DSRSD 58%, EBMUD 42%)
Increase/(Decrease)	$1,596,000	

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 16-W009 Potable Water Supply Reliability Planning

Funding Allocation: 65% **610** 35% **620**

Project Manager: Rhodora Biagtan **Status:** Continuing Project

Project Summary:

This project will plan water supply projects that would permanently reduce the District's reliance on the State Water Project and/or bridge the gap from the present to the time in the future when the State Water Project Delta Conveyance Facilities first go into operation. The primary goal is to maintain or improve upon the District's current water supply reliability level through a diversification of its supply portfolio. This effort will develop projects for inclusion in the 2020 Urban Water Management Plan, to be implemented either in partnership with Zone 7, or independently by the District after 2024. Projects could include potable reuse, participation in regional desalination, "north of Delta" transfer through an EBMUD intertie, or other concepts to be developed. The project is also funding the District's portion of the Joint Tri-Valley Potable Water Reuse Feasibility Study which is an interagency effort among the signatories of the Tri-Valley Intergovernmental Reciprocal Services Master Agreement. Other potential projects include improvements to interties with other agencies.

CEQA: To be determined.

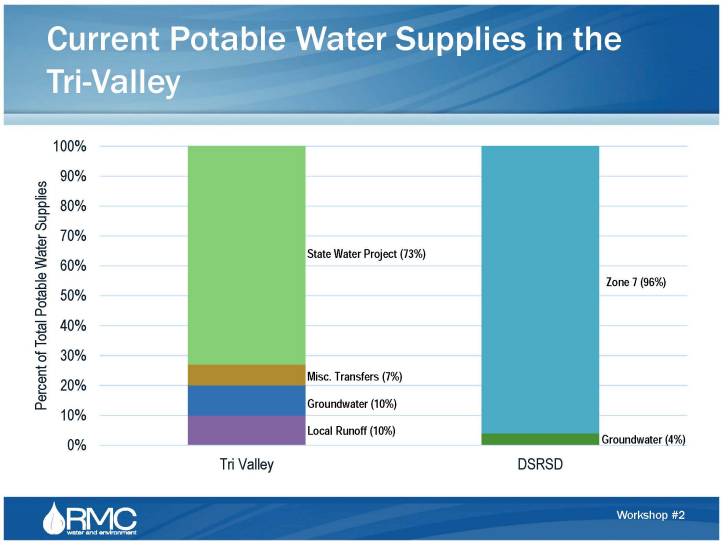
Reference: Long Term Alternative Water Supply Study, 2015.

Fund Allocation Basis: Fund split is based on current demand vs. buildout at time of project inception.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
169,380	330,620	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$500,000**
Current Adopted Budget	$500,000
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 16-W012 Potable Water Pump Station Standby Generators/Emergency Response

Funding Allocation: 100% **610**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

The 2016 Water Master Plan evaulated the overall potable water system to meet recommended planning and design criteria. Pumping criteria is met under normal operating conditions. However in the event of power outages, pumping criteria will not be met, eventually leading to a loss of fire protection. A power outage can be caused by several factors - storms, extreme heat, seismic event, localized issues with the power grid, etc. At this time, there is only one pump station in the water distribution system with a permanent standby generator. This project will add permanent standby generators at five pumps stations: 2C, 3A, 20B, 200A, and 300B. The addition of permanent standby generators will allow our water system operators to move water up to each of the distribution zones, increasing system reliability.

CEQA: Categorical Exemption [CEQA Guideline 15303].

Reference: 2016 Water System Master Plan

Fund Allocation Basis: Project is required to maintain existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	375,000	2,665,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$3,040,000**
Current Adopted Budget	$500,000
Increase/(Decrease)	$2,540,000

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 17-W001 Automated Water Meter Data Transmission Repeaters

Funding Allocation: 80% **620** 20% **610**

Project Manager: Vicki Goldman **Status:** Continuing Project

Project Summary:

This project will install Automatic Meter Integration (AMI) repeaters and Tower Gateway Base Stations (TBS) to correct existing data transmission problems and avoid similar future problems in anticipated high density residential developments. The combination of repeaters and TBS needed will be determined by vendor's expert inspection of existing neighborhoods and review of plans as submitted. The project will result in better billing system operation, improved accuracy and reduction in staff time for manually correcting inaccurate or missing readings.

CEQA: Categorical Exemption [CEQA Guideline 15303]

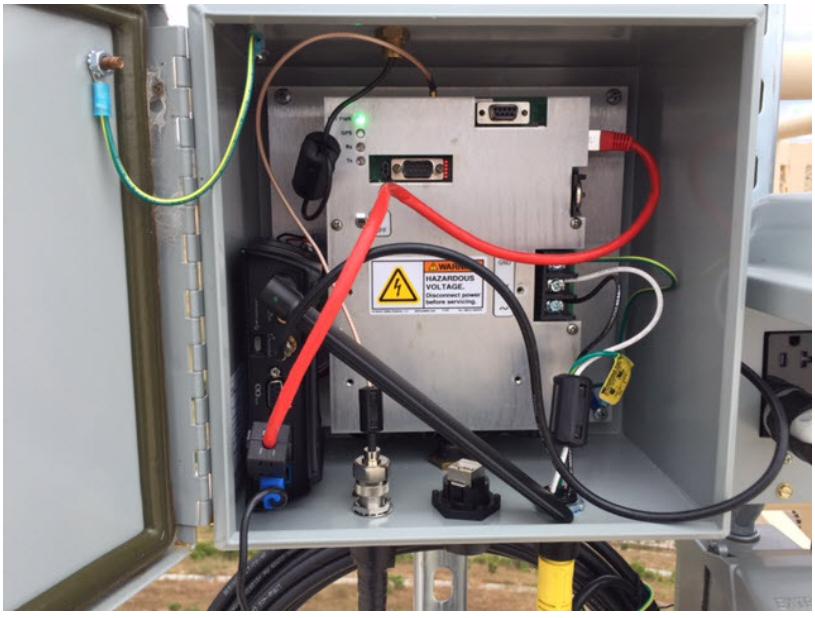
Reference: Customer Service staff recommendation

Fund Allocation Basis: Ratio of cost to maintain existing equipment vs. cost of equipment to support new water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	48,000	84,000	24,000	24,000	24,000	84,000	24,000	24,000	24,000	0	0

Total Estimated Project Cost	**$360,000**
Current Adopted Budget	$360,000
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 17-W003 Reservoir 10A

Funding Allocation: 100% **620**

Project Manager: Robyn Mutobe **Status:** Continuing Project

Project Summary:

This project will replace the existing 3.0 million gallon reservoir with a new 4.1 million gallon reservoir. Existing Reservoir 10A was constructed in the 1940s as an open cut reservoir as part of the Camp Parks water system. It currently serves Zone 1 in central Dublin, however, the bottom elevation is about 15 feet above the rest of the zone's hydraulic grade line, creating operational difficulties. The recently approved 2016 Water System Master Plan identified a storage deficiency of 1.1 million gallons within Zone 1. The master plan reviewed potential sites to construct a new tank to fill the deficiency. The master plan recommended that the most economical course of action to mitigate the storage deficiency would be to demolish the existing reservoir and replace it with a larger reservoir that is at the correct elevation. This will gain additional storage, set the tank at the correct elevation, eliminate operational difficulties, and replace a 70 year old asset on property that the District currently owns.

CEQA: CEQA Mitigated Negative Declaration/EIR

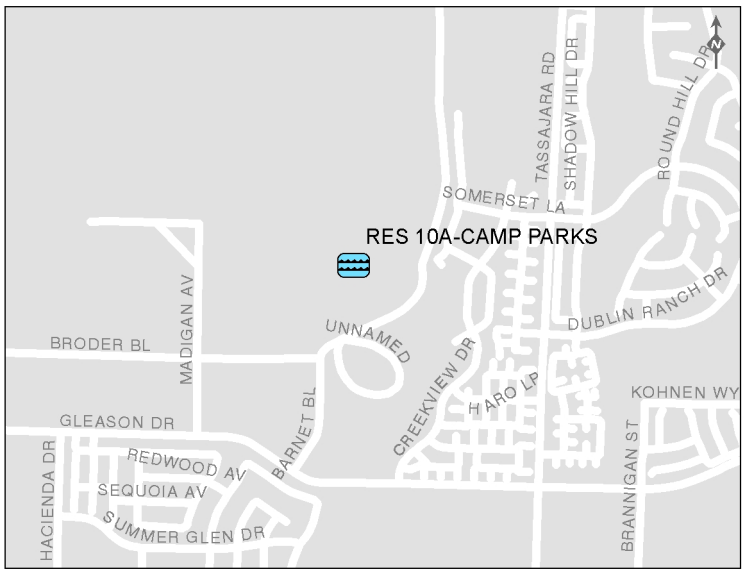
Reference: 2016 Water System Master Plan

Fund Allocation Basis: Project is required to provide water storage capacity for future development.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
970,000	3,300,000	3,366,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$7,636,000**
Current Adopted Budget	$7,636,000
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 18-W003 Reservoir 2 Recoating

Funding Allocation: 100% **610**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

This project will recoat the exterior and interior of Reservoir 2. The reservoir was cleaned and inspected in 2016. The inspection report indicated that there are multiple coating blisters on the interior surfaces and areas of corrosion on the roof. The interior and exterior coatings are original. The project will also recoat all tank and piping appurtenances including the roof hatch and vents, interior and exterior ladders, manways, inlet, outlet, and overflow pipes. A new cathodic protection system will also be installed to replace the original system.

CEQA:	Categorical Exemption [CEQA Guideline 15301].
Reference:	2016 Department of Health Inspection Report
Fund Allocation Basis:	Project is required to maintain existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	490,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$490,000**
Current Adopted Budget	$0
Increase/(Decrease)	$490,000

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 05-6204 Water Main-Bollinger Canyon Rd. to Reservoir 200B

Funding Allocation: 100% **620**

Project Manager: Rhodora Biagtan **Status:** Continuing Project

Project Summary:

This project will provide potable water service to Dougherty Valley Pressure Zone 2. Approximately 1,700 feet of 14-inch water main will be designed and installed from Bollinger Canyon Road south to Reservoir 200B. The project is being constructed by Shapell Industries with an agreement to reimburse them with connection fee credits for project costs when the facilities are dedicated to the District. Half of the pipeline, from the tank to the future Dougherty Road alignment, has been constructed. The remaining section of the pipeline will be be constructed when the future Dougherty Road is completed.

CEQA: EIR certified by Contra Costa County 11/30/97.

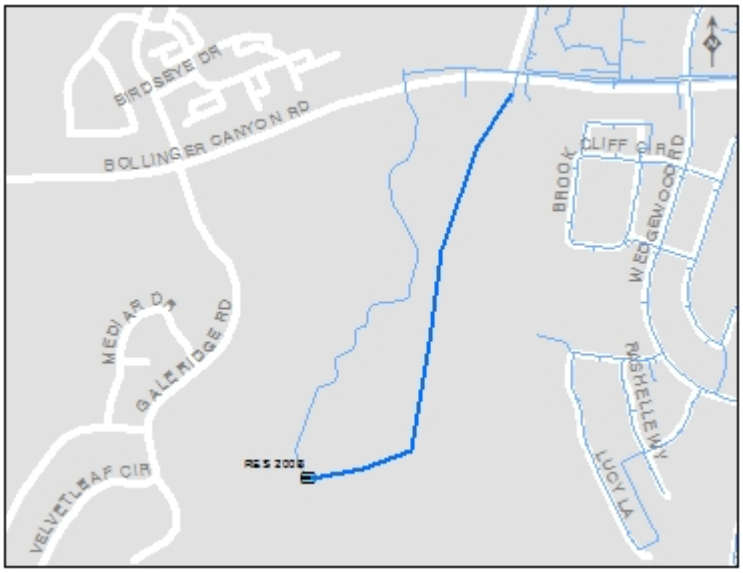
Reference: 1992 Dougherty Valley Water, Wastewater & Recycled Water Facilities Plan; 2016 Water Master Plan Update

Fund Allocation Basis: Project is required to provide conveyance to future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
2,623	0	824,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$826,623**
Current Adopted Budget	$250,900
Increase/(Decrease)	$575,723



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 12-W016 Reservoir 1B Recoating

Funding Allocation: 100% **610**

Project Manager: Robyn Mutobe **Status:** Continuing Project

Project Summary:

This project will recoat the exterior and interior of Reservoir 1B. The reservoir was cleaned and inspected in 2016. The inspection report indicated that there are multiple coating blisters on the interior surfaces and areas of corrosion on the roof. The interior and exterior coatings are original. The project will also recoat all tank and piping appurtenances including the roof hatch and vents, interior and exterior ladders, manways, inlet, outlet, and overflow pipes. A new cathodic protection system will also be installed to replace the original system for all reservoirs. Reservoir 1B is a four million gallon (MG) shared facility with 2.35 MG owned by DSRSD and 1.65 MG owned by Zone 7. Per Basic Agreement for Construction and Joint Use of 4MG Dougherty Reservoir and Appurtenant Facilities dated April 19, 1983, DSRSD pays for 50% of operations and maintenance costs.

CEQA: Categorical Exemption [CEQA Guideline 15301].

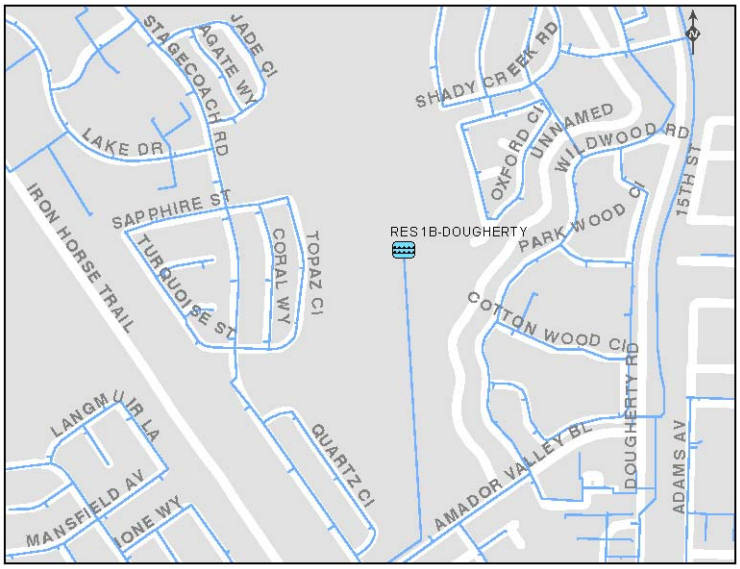
Reference: 2016 Dept. of Health Services inspection report; video testing report.

Fund Allocation Basis: Project is required to maintain existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	1,025,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,025,000**
Current Adopted Budget	$1,835,000
Increase/(Decrease)	($810,000)



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 16-R013 Water Reuse Demonstration Project

Funding Allocation: 100% **620**

Project Manager: Judy Zavadil **Status:** Continuing Project

Project Summary:

The water reuse treatment demonstration project will (1) develop treatment system design criteria for reuse of District treated water, (2) develop sufficient treated water quality data and work with the relevant regulatory agency, State Water Resources Control Board's Division of Drinking Water, to demonstrate regulatory compliance for reuse of District treated water, and (3) conduct public outreach regarding potable reuse and provide opportunities for the public to see the reuse treatment process, and understand the level of treatment provided and finished water quality. Budget is based on a six-month demonstration project that includes microfiltration, reverse osmosis, and advanced oxidation located at the District Regional Wastewater Treatment Facility.

CEQA: To be determined.

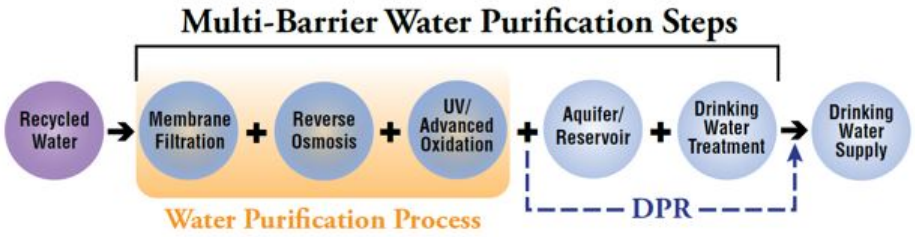
Reference:

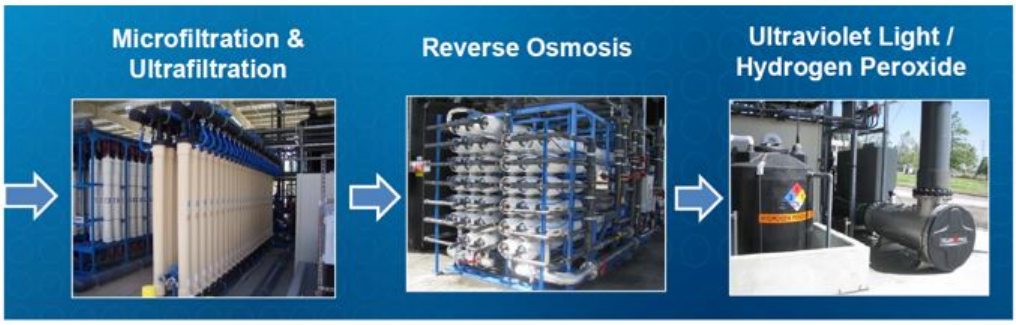
Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	100,000	200,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$300,000**
Current Adopted Budget	$300,000
Increase/(Decrease)	$0





CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 14-W008 Reservoir 20B

Funding Allocation: 100% **620**

Project Manager: Rudy Portugal **Status:** New Project

Project Summary:

Reservoir 20B will provide potable water storage capacity for eastern Dublin and, in combination with existing Pump Station 300B, will provide potable water to Dougherty Valley. The 1.3 million gallon potable water reservoir will be constructed in eastern Dublin. Along with the reservoir, up to 8,700 linear feet of 12-inch Zone 2 pipeline will be needed to integrate the reservoir into the water system. Property acquisition may be required. Project implementation will be dependent on future development growth in service areas.

CEQA: CEQA Initial Study/Mitigated Negative Declaration

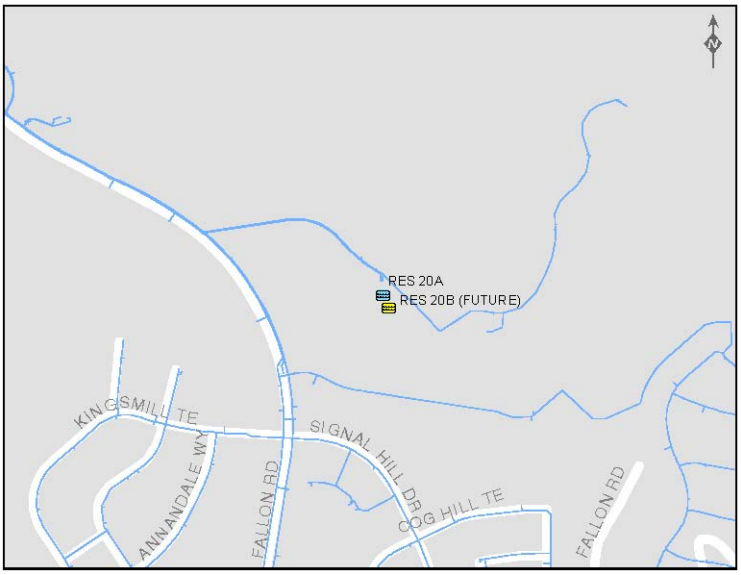
Reference: 2016 Water Master Plan Update

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	655,000	3,495,000	3,000,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$7,150,000**
Current Adopted Budget	$7,150,000
Increase/(Decrease)	$0



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 16-W017 Water Lines Replacement - Wineberry Area

Funding Allocation: 100% **610**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

This project will replace approximately 4400 feet of 8-inch asbestos concrete pipe (ACP) potable water lines, services, and appurtenances on Wineberry, Cypress Court, Locust Place - South and North, and Mulberry Place. This area has a history of water service repairs.

CEQA:	Statutory Exemption [CEQA Guideline 15282]
Reference:	Maintenance service history
Fund Allocation Basis:	Project is required to replace existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	2,207,200	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$2,207,200**
Current Adopted Budget	$2,207,200
Increase/(Decrease)	$0

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 18-W004 MCC Improvements - PS1A and PS3A

Funding Allocation: 100% **610**

Project Manager: Maurice Atendido **Status:** New Project

Project Summary:

The motor control centers (MCCs) at Pump Station 1A and Pump Station 3A are over 30 years old and replacement parts (i.e. starters, circuit breakers, protective devices, power monitoring equipment, etc.) require modifications to existing MCC buckets because exact replacements are no longer readily available. Pump Station 1A is a critical pump station since it is the only Pressure Zone 1 pump station in western Dublin.

CEQA: Categorical Exemption [CEQA Guideline 15302].

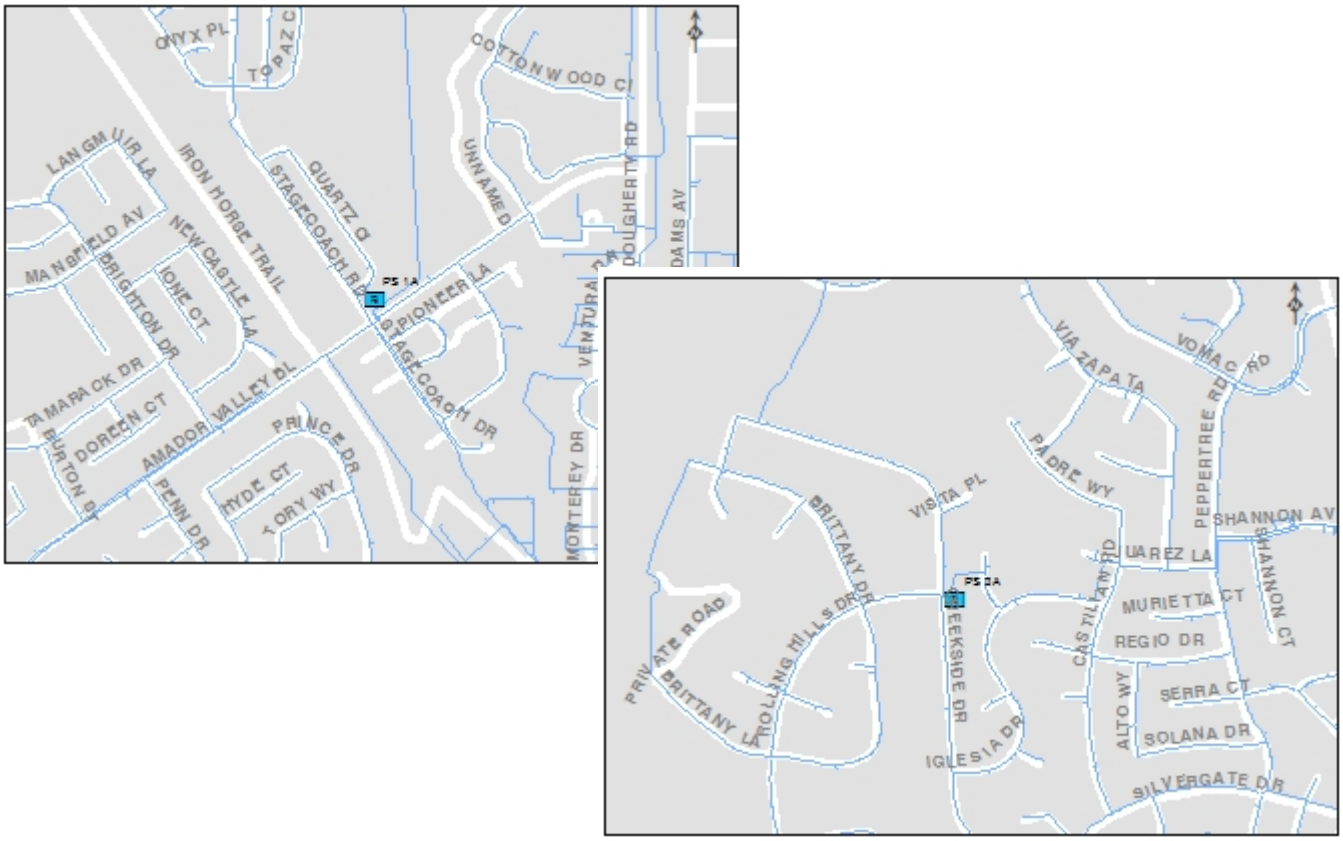
Reference: None.

Fund Allocation Basis: Project is required to replace existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	79,350	188,700	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$268,050**
Current Adopted Budget	$0
Increase/(Decrease)	$268,050



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 18-W005 Commercial Recycled Water Fill Station Enhancements

Funding Allocation: 100% **620**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

The District has operated a commercial recycled water fill station since 2006 when the sand filter plant became operational. The commercial scale fill station allows contractors to get water for construction purposes by filling large water trucks. It operated with few customers from 2006 to 2014. With the onset of the drought in 2014, the use of potable water for construction was curtailed, causing a large increase in customers. Minor upgrades to the fill station were completed to speed up truck fill times. However, the operation is manual and the Distict relies on customers filling out log sheets to document the water used. The manual logs are reviewed by staff to create invoices. If a contractor is behind on payment, there is no system in place to prevent them from getting additional water. This project will automate the fill station with a card reader or passcode system linked to the District network. Each load of water will be documented and uploaded directly into the billing system and will generate a flag on contractors behind on payments and deactivate the card readers of contractors on default.

CEQA: To be determined.

Reference: Staff recommendation.

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	60,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$60,000**
Current Adopted Budget	$0
Increase/(Decrease)	$60,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 00-W002 Capital Improvements to Increase Water Supply PROGRAM - Phase 2

Funding Allocation: 75% **610** 25% **620**

Project Manager: Judy Zavadil **Status:** Continuing Program

Project Summary:

This program will develop projects to meet the objectives of the Water Supply and Conservation Policy adopted by the Board on October 20, 2015. The program will focus on diversifying the sources of water supply so that no less than 60% of total demand (potable and recycled) is satisfied by local and regional water supplies, and that no more than 40% of total water supply (potable and recycled) comes from any one physical source. The program will fund the most feasible potable reuse projects outlined in the District's Long-Term Water Supply Study, September 2016, and developed further in the Joint Tri-Valley Potable Water Reuse Feasibility Study. It may include a range of diversification projects including an intertie project with EBMUD to serve "north of the Delta" transfers, or participation in a regional desalination project. Any of the projects funded by this program may be completed in partnership with Tri-Valley or neighboring agencies based on recommendatons by the Potable Water Supply Reliability Planning project (CIP 16-W009).

CEQA:	Environmental Impact Report
Reference:	Long Term Alternative Water Supply Study, September 2015; Water Supply and Conservation Policy, and 2016 Water Capacity Reserve Fee Study
Fund Allocation Basis:	Based on the ratio of current water demands to projected build-out demands at the time of program inception

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	1,000,000	4,000,000	3,000,000	10,000,000	10,000,000	12,000,000	0	0	0	0	0

Total Estimated Project Cost	**$40,000,000**
Current Adopted Budget	$0
Increase/(Decrease)	$40,000,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 00-W011 Water System Replacement and Rehabilitation PROGRAM

Funding Allocation: 100% **610**

Project Manager: Steven Delight **Status:** Continuing Program

Project Summary:

This program is an element of the District's Asset Management Program and will fund projects to upgrade, replace and improve water system facilities to ensure the District provides uninterrupted water supply service. This program provides for the renewal or replacement of equipment on an as-needed basis or the upgrade of equipment as it becomes obsolete. This program may also be used to investigate issues that lead to the identification of projects that require the creation of a specific CIP project.

CEQA:	To be determined based on individual projects funded by program.
Reference:	District internal inspections; CMMS
Fund Allocation Basis:	Program required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	10,580,000

Total Estimated Project Cost	**$13,580,000**
Current Adopted Budget	$0
Increase/(Decrease)	$13,580,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 17-W002 Electrical Service to Reservoirs 10A and 200B

Funding Allocation: 100% **610**

Project Manager: **Status:** Deferred Project

Project Summary:

This project will install underground conduits and electrical circuits for power and communications between Pump Station 10A and Reservoir 10A. Current power at Reservoir 10A is provided through Alameda County and the power supply has been unreliable. This project will also install a more reliable power source for Reservoir 200B which is currently using a solar panel that requires frequent maintenance.

CEQA: Categorical Exemption [CEQA Guideline 15303].

Reference: Electrical and Instrumentation staff recommendation.

Fund Allocation Basis: Required improvement to existing water system

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
40,800	0	0	545,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$585,800**
Current Adopted Budget	$195,000
Increase/(Decrease)	$390,800

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. 08-6103 Water Main - Sebille Ave to 12th St

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will provide additional capacity to meet fire flows deficiencies in central Dublin due to revised fire department regulations. This project will design and install 1420 feet of 12-inch water main in 12th Street from Sebille Avenue to the east end of 12th Street (northwest corner of U.S. Department of Justice) located in Camp Parks. This project will be coordinated with Camp Parks development.

CEQA: Statutory Exemption [CEQA Guideline 15282]

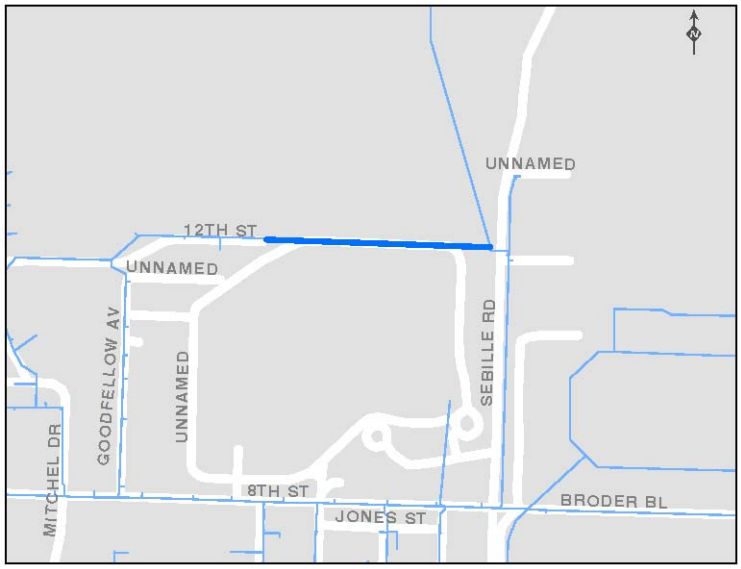
Reference: Fire Department Regulations

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	444,600	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$444,600**
Current Adopted Budget	$359,500
Increase/(Decrease)	$85,100



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-28 Water Lines Replacement - Tamarack Drive - Village Pkwy to Firethorn Way

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace the existing 2300 feet of 8-inch and 10-inch asbestos cement pipe (ACP) potable water lines in Tamarack Drive from Village Parkway to Firethorn Way, along with valves, hydrants, and services. The lines were installed in 1961. Staff reviewed the pipe repair history, corrosion information and the acoustic evaluation and have concluded that they are near the end of their useful lives and therefore should be replaced.

CEQA: Statutory Exemption [CEQA Guideline 15282]

Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	1,101,780	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,101,780**
Current Adopted Budget	$0
Increase/(Decrease)	$1,101,780

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-29 Water Lines Replacement - Canterbury Lane and Cardigan Street

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace approximately 2800 feet of existing 4-inch, 6-inch and 8-inch asbestos cement pipe (ACP) potable water lines in Canterbury Lane from Bedford Way to Flanders Way, Cardigan Street, Mayan Court, Flanders Way, and Cardigan Court, along with valves, hydrants, and services. The lines were installed in 1961. Staff reviewed the pipe repair history, corrosion information and the acoustic evaluation and have concluded that they are near the end of their useful lives and therefore should be replaced.

CEQA: Statutory Exemption [CEQA Guideline 15282]

Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	1,190,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,190,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,190,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-30 Water Line Replacement Phase 2 - Canterbury Lane

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace approximately 3700 feet of existing 4-inch, 6-inch and 8-inch asbestos cement pipe (ACP) potable water lines in Canterbury Lane from Flanders Way to Bedford Way, Bedford Way from Canterbury to Alene Street, Hastings Way, Sutton Lane, Jasmine Court, and Canterbury Court, along with valves, hydrants, and services. The lines were installed in 1961. Staff reviewed the pipe repair history, corrosion information and the acoustic evaluation and have concluded that they are near the end of their useful lives and therefore should be replaced.

CEQA: Statutory Exemption [CEQA Guideline 15282]

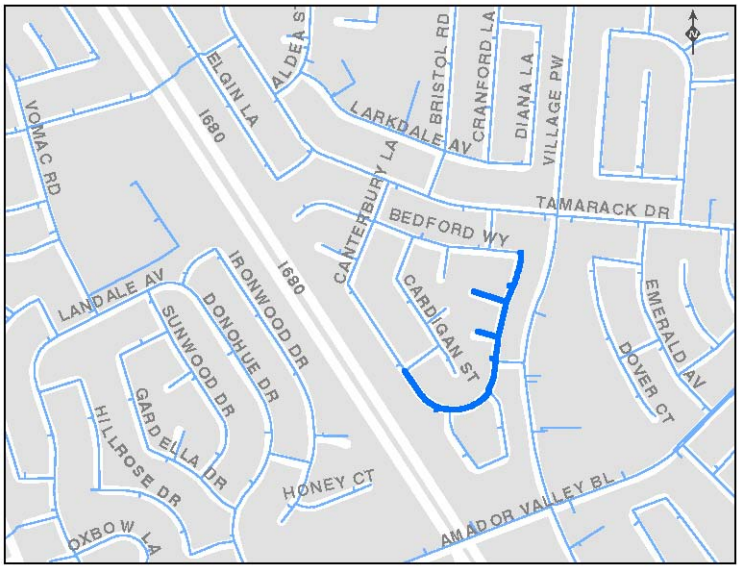
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	1,208,770	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,208,770**
Current Adopted Budget	$0
Increase/(Decrease)	$1,208,770



CATEGORY: WATER SYSTEM **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-03 SCADA Field Wireless

Funding Allocation: 52% **310** 37% **610** 11% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project leverages the new communications infrastructure of the SCADA network to provide secure wireless communication from the various field assets of pump stations and major reservoirs to the business network resources (i.e. Lucity, SharePoint) and unified communications system (Jabber, phone system).

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference:

Fund Allocation Basis: Based on number of facilities associated with each fund.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	53,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$53,000**
Current Adopted Budget	$0
Increase/(Decrease)	$53,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T10-85 Camp Parks Water Main - Mitchell Drive, Powell to 8th Streets

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will install a new 500 feet of 8-inch potable water line in Mitchell Drive north of 8th Street and will include miscellaneous modifications. There have been numerous main repairs required in this area. This project will be coordinated with Camp Parks development.

CEQA: Statutory Exemption [CEQA Guideline 15282]

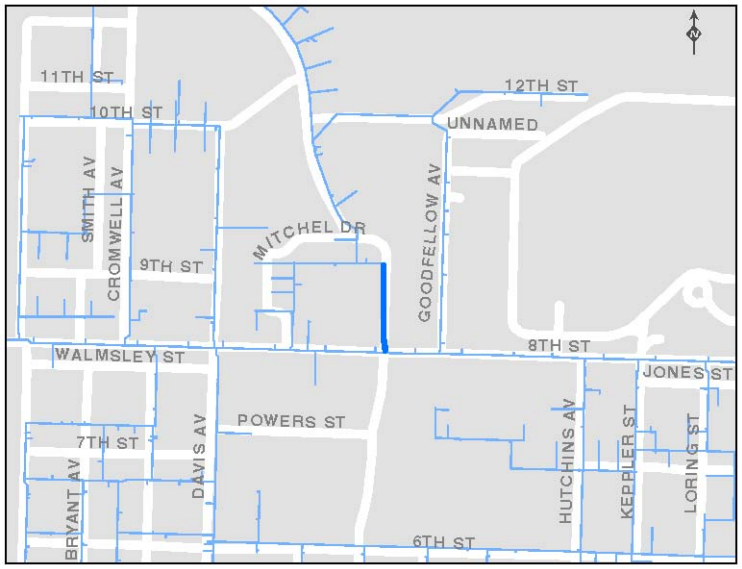
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	170,900	0	0	0	0	0	0	0

Total Estimated Project Cost	**$170,900**
Current Adopted Budget	$0
Increase/(Decrease)	$170,900



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T10-87 Camp Parks Cromwell Avenue and 12th Street Main Replacement

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace 2800 feet of 6-inch asbestos concrete pipe (ACP) potable water lines west of Cromwell Avenue between 10th and 12th Streets, and in 12th Street west of Cromwell Avenue to north of Davis Avenue. These lines have a history of frequent breaks and repairs, several have been shear type breaks. This project will be coordinated with Camp Parks development.

CEQA:	Statutory Exemption [CEQA Guideline 15282]
Reference:	Camp Parks Privatization Study, WBA, July 1998
Fund Allocation Basis:	Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	513,610	0	0	0	0	0	0	0

Total Estimated Project Cost	**$513,610**
Current Adopted Budget	$0
Increase/(Decrease)	$513,610

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T18-22 Reservoir 20A Recoating

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will recoat the exterior and interior of Reservoir 20A. The reservoir was cleaned and inspected in 2016. The inspection report indicated that there are multiple coating blisters on the interior surfaces and areas of corrosion on the roof. The interior and exterior coatings are original. The project will also recoat all tank and piping appurtenances including the roof hatch and vents, interior and exterior ladders, manways, inlet, outlet, and overflow pipes. A new cathodic protection system will also be installed to replace the original system. This project will take place after the completion of Reservoir 20B. It may also need to coordinate construction timing with the golden eagle nesting in the tree near the tank site. If the eagle is still there, construction cannot take place until after July 1.

CEQA: Categorical Exemption [CEQA Guideline 15301]

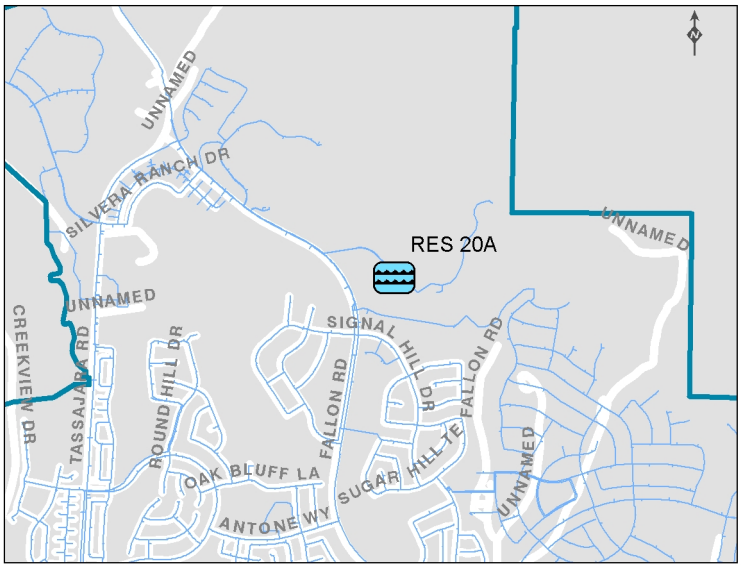
Reference: 2016 Inspection report

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	1,350,000	0	0	0	0	0

Total Estimated Project Cost	**$1,350,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,350,000



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-31 Water Line Replacement - Ironwood Drive

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace approximatley 2800 feet of existing 4-inch, 6-inch and 8-inch asbestos cement pipe (ACP) potable water lines in Ironwood Drive, Irving Way, Honey Court, and Ironwood Court, along with valves, hydrants, and services. The lines were installed in 1960. Staff reviewed the pipe repair history, corrosion information and the acoustic evaluation and have concluded that they are near the end of their useful lives and therefore should be replaced.

CEQA: Statutory Exemption [CEQA Guideline 15282]

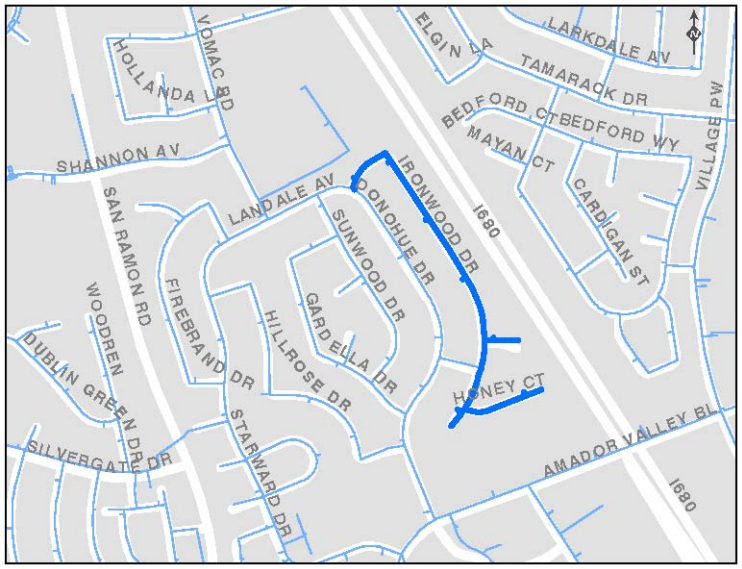
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	1,210,260	0	0	0	0

Total Estimated Project Cost	**$1,210,260**
Current Adopted Budget	$0
Increase/(Decrease)	$1,210,260



CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-37 Microfiltration Rack and Membrane Replacement

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace the microfiltration/ultraviolet (MF/UV) facility membrane racks with an open platform membrane system designed for membrane module interchangeability for more competitive membrane pricing. The membranes will also be replaced. The MF/UV system was constructed in 1998 and the membrane racks will be at the end of their useful life by 2025.

CEQA: Categorical Exemption [CEQA Guidelines 15301, 15303]

Reference: Microfiltration Membrane Replacement Evaluation, Carollo Engineers, October 2014

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	3,500,000	0	0

Total Estimated Project Cost	**$3,500,000**
Current Adopted Budget	$0
Increase/(Decrease)	$3,500,000

DSRSD Net Cost: $997,500

Other Funding: Pleasanton/DERWA share of cost $2,502,500 based on DERWA Agreement for Sale of RW Water to EBMUD and DSRSD, July 2003.

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T10-86 Camp Parks Water Mains - Lorring Street and Monroe Avenue

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Project

Project Summary:

This project will replace 1200 feet of 8-inch potable water lines in Lorring Street and Monroe Avenue, from 7th to 8th Streets, as well pipelines in Jones and 7th Streets. These lines have had several recent breaks and have required numerous repairs. This project will be coordinated with Camp Parks development.

CEQA: Statutory Exemption [CEQA Guideline 15282]

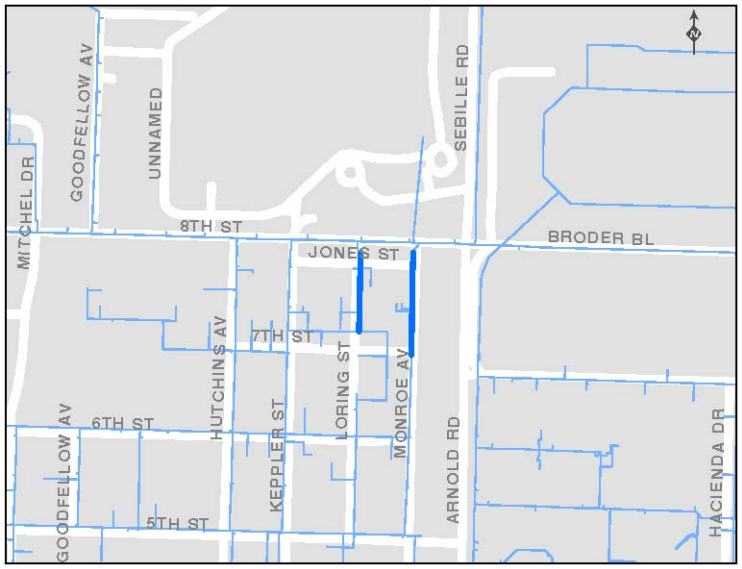
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	355,100	0

Total Estimated Project Cost	**$355,100**
Current Adopted Budget	$0
Increase/(Decrease)	$355,100



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 08-6202 Pump Station 20A Improvements

Funding Allocation: 100% **620**

Project Manager: **Status:** Future Project

Project Summary:

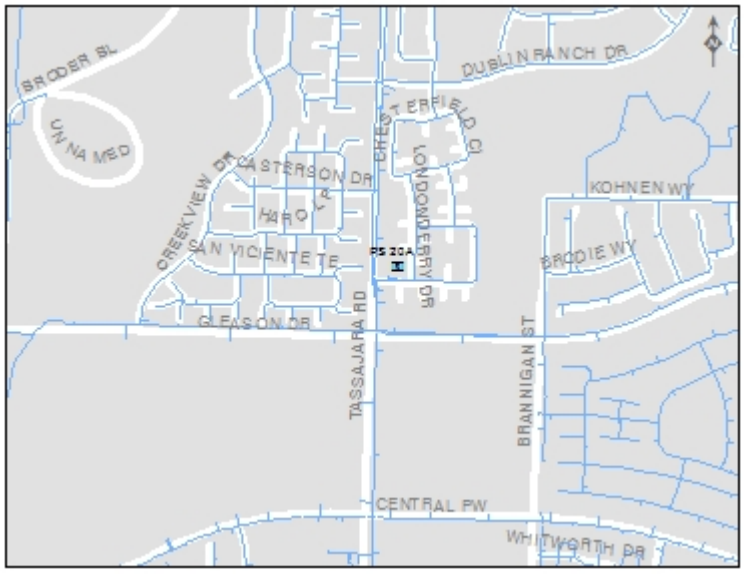
This project will add an additional pump to Pump Station 20A. The pump station was constructed with provisions for the addition of a fourth pump that matches the existing pumps. Pump Station 20B was sized assuming that this additional pump would be installed. The additional pump is needed to meet buildout pumping capacity in Pressure Zone 2 in eastern Dublin as identified in the 2016 Water Master Plan Update. This project also includes modifications to the motor control center and controls required to accommodate the fourth pump.

CEQA:	EIR Certified by City of Dublin 5/10/93
Reference:	2005 Basis of Design Report for Pump Station 20B; Eastern Dublin Specific Plan; 2016 Water Master Plan Update
Fund Allocation Basis:	Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	469,040

Total Estimated Project Cost	**$469,040**
Current Adopted Budget	$327,500
Increase/(Decrease)	$141,540



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. T00-29 Turnout 6

Funding Allocation: 100% **620**

Project Manager: **Status:** Future Project

Project Summary:

This project will provide water supply for development in eastern Dublin. A turnout from Zone 7 south off I-580 at Pimlico Drive with a capacity of 6000 gpm (8.6 mgd) will be installed. This project will include 2300 feet of 20-inch main from the turnout to Dublin Boulevard with 200 feet of trenchless pipeline to cross under I-580. This turnout will include chemical feed facilities. Project will be dependent on future development growth in service areas.

CEQA: Previous EIR certified 5-10-93 by City of Dublin

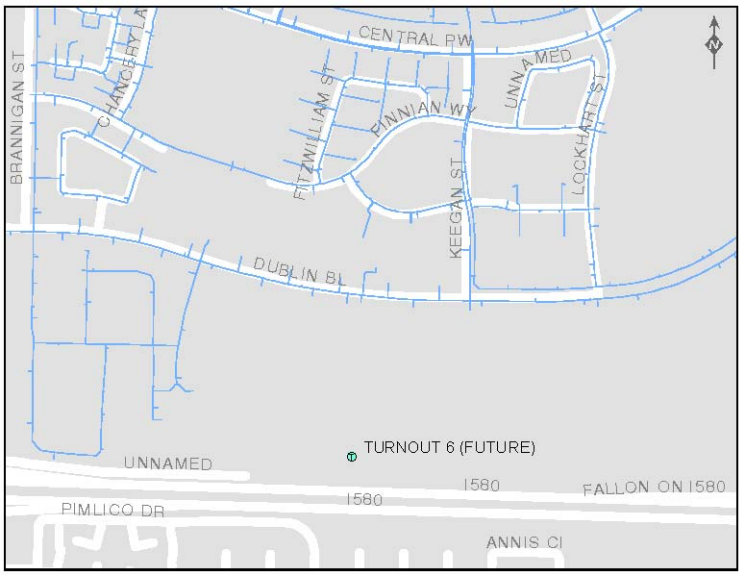
Reference: 2016 Water Master Plan Update

Fund Allocation Basis: Project is required to support future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	2,000,000

Total Estimated Project Cost	**$2,000,000**
Current Adopted Budget	$0
Increase/(Decrease)	$2,000,000



CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. T18-26 DERWA Recycled Water Plant - Phase 3

Funding Allocation: 100% **620**

Project Manager: **Status:** Future Project

Project Summary:

This project will add an additional sand filter and UV at the DERWA Reycled Water Plant to acommodate ultimate recycled water demands.

CEQA: To be determined.

Reference:

Fund Allocation Basis: Project in support of future water customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	3,301,640

Total Estimated Project Cost	**$3,301,640**	**Net Cost to DSRSD: $1,650,820**
Current Adopted Budget	$0	DERWA funded project; Assume DSRSD 50% portion based on DSRSD, Pleasanton and EBMUD needed capacity after Phase 2
Increase/(Decrease)	$3,301,640	

CATEGORY: WATER SYSTEM **Water Expansion (Fund 620)**

CIP No. 00-W001 Capital Improvement to Increase Water Supply PROGRAM - Phase 1

Funding Allocation: 67% **620** 33% **610**

Project Manager: **Status:** Future Program

Project Summary:

The objective of this program is to fund projects that increase potable water supply and develop recycled water and potable water supply improvements. Through FYE 2016, this program funded 1) the Recycled Water Expansion Phase 1: Distribution to West Dublin and Alameda County Facilities Project; 2) the Recycled Water Expansion State Grant Assistance Project; 3) the Water Supply Contingency Plan; 4) the in-progress Water Supply Reliability project in support of the Joint Tri-Valley Potable Reuse Water Feasibility Study; and 5) the Water Reuse Demonstration project. The remainder of the program funds will be used to expand the current recycled water distribution system and to continuously meet the recycled water demands 100% of time, which may include acquiring additional wastewater effluent supplies and/or off-season wastewater effluent storage and to actively promote water conservation for commercial and residential customers, with a long-term goal of a permanent system-wide average annual residential potable water use of no more than 70 gallons per capita per day.

CEQA: To be determined.

Reference:

Fund Allocation Basis: Based on the ratio of current water demands to projected buildout demands at the time of program inception

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	1,000,000	1,000,000	1,000,000	534,000	0	0	0	0	0

Total Estimated Project Cost	**$3,534,000**
Current Adopted Budget	$0
Increase/(Decrease)	$3,534,000

CATEGORY: WATER SYSTEM **Water Replacement (Fund 610)**

CIP No. T16-67 Reservoir Recoating PROGRAM

Funding Allocation: 100% **610**

Project Manager: **Status:** Future Program

Project Summary:

This project will recoat the interiors and paint the exteriors of potable and recycled reservoirs. The recoating and painting will provide corrosion control, extend the reservoir useful life and maintain facility aesthetics. There are five reservoirs, 30A, 300A, 1A, 3A and 3B, that will require recoating from FYE 2026 through FYE 2030.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	500,000	500,000	1,656,000

Total Estimated Project Cost	**$2,656,000**
Current Adopted Budget	$0
Increase/(Decrease)	$2,656,000

CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

CATEGORY: WASTEWATER COLLECTION

CIP No.	Project Name	Page
2-Year Projects		
16-A002	Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin Court	80
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14-S001	Camp Parks Sewer Rehabilitation Project - Goodfellow Ave North of 8th Street	88
T14-02	Camp Parks Sewer Rehabilitation Project - Davis and Cromwell, 8th to 10 Streets	89
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CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 16-A002 Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin Court

Funding Allocation: 90% **210** 10% **610**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

This project will relocate water and sewer utilities to accommodate the widening of Dublin Blvd between Sierra Court and Dublin Court by the City of Dublin. Due to the complex construction activities and sequencing required for the widening of Dublin Blvd, this project will be completed in two parts. The first part is relocating the District's sewer Lift Station 1 prior to the City widening Dublin Blvd. This part is to be completed by the District's contractor between April 2017 and October 2017. The lift station is currently located in the sidewalk alongside Dublin Blvd. With the widening of Dublin Blvd, the lift station would be located in a travelled lane which would make access to the lift station hazardous for both District staff and the public. The second part is relocation of water and sewer facilities (e.g. water meters, services, backflow preventers, fire hydrants, etc.) to outside the proposed widened Dublin Blvd. This part also includes vertical adjustments of water valve and sewer manhole covers within Dublin Blvd. This part will be completed by the City's contractor performing the construction work of widening Dublin Blvd. This part is scheduled to be completed between September 2017 and December 2018. The District will reimburse the City for the portion of the cost to relocate the water and sewer facilities through the Tri-Valley Intergovernmental Reciprocal Services Agreement.

CEQA: Categorical Exemption [CEQA 15302(c) and 15061(b)(3)] - NOE filed 2/10/17

Reference: Tri-Valley Intergovernmental Reciprocal Services Agreement, 12/4/2014

Fund Allocation Basis: Ratio of sewer and water appurtenances affected.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
1,030,810	922,190	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,953,000**
Current Adopted Budget	$1,953,000
Increase/(Decrease)	$0

CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 16-S019 Davona-Berwick 8" Sewer Replacement

Funding Allocation: 100% **210**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

Approximately 175 feet of existing 8-inch vitrified clay pipe (VCP) sewer, constructed in 1969 and located in an easement along the north side of a flood control channel, has a significant sag that may be the result of the channel bank movement. It is on the Operations Department's trouble spot list for monthly cleaning to prevent sanitary sewer overflows. The project will replace the sewer beginning at a manhole in Davona Drive (San Ramon) located approximately 170 feet south of Bridgeport and continue approximately 175 feet east along the channel (MH T16D1-15 to MH T16D1-14). The project will evaluate alternatives including construction of a new sewer in Davona and redirecting flow south to an existing manhole (MH T17B1-25), which may require coring through an existing box culvert or an inverted siphon.

CEQA: Statutory Exemption [CEQA Guideline 15282]

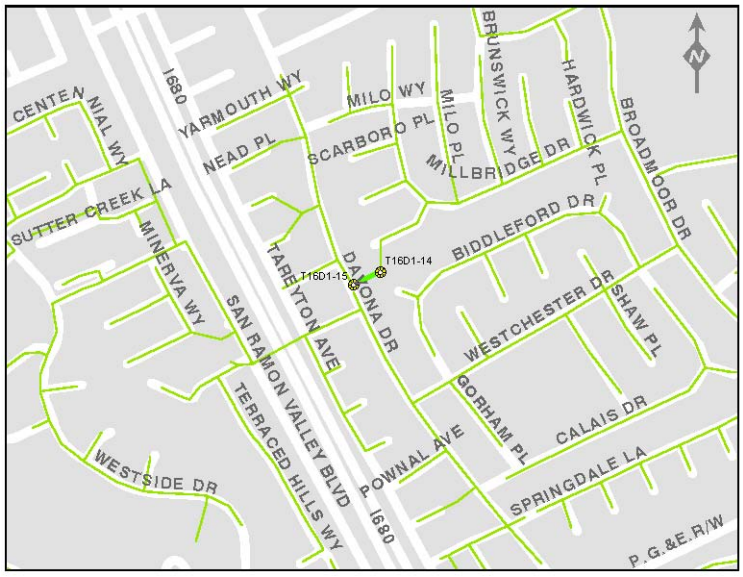
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
110,400	309,600	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$420,000**
Current Adopted Budget	$420,000
Increase/(Decrease)	$0



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 16-S021 Dublin Trunk Sewer Rehabilitation

Funding Allocation: 100% **210**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project will rehabilitate 7,945 feet of 33-inch to 42-inch diameter reinforced concrete pipe (RCP) Dublin trunk sewer. The project extends from Village Parkway and Tamarack Drive south to Village Parkway and Clark Ave, then from Clark Ave under Highway 580 to Commerce Circle in Pleasanton. The project also includes rehabilitation of the sewer from the intersection of the Dublin and east Dublin PRFTA trunk sewers to the Regional Wastewater Treatment Facility (RWTF) entrance. The Dublin trunk sewer was installed in 1960 and 1961. The sewer has deteriorated and has significant spalling and exposed reinforcing steel in locations. The project will first evaluate alternatives for pipeline lining, bypass pumping, and construction phasing. Based on this evaluation, the construction methods and phasing may be modified as the project progresses.

CEQA: Categorical Exemption [CEQA Guidelines 15302(c) and 15303(d)], Notice of Exemption filed 1/18/17

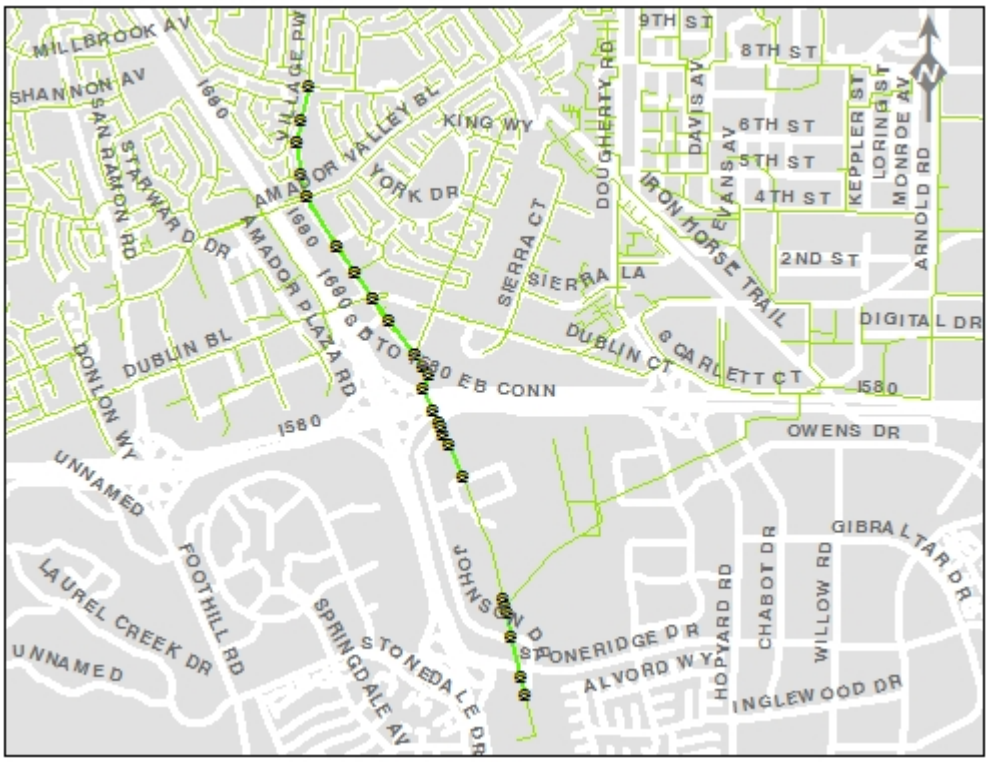
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
2,166,852	4,498,100	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$6,664,952**
Current Adopted Budget	$6,664,952
Increase/(Decrease)	$0



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 16-S034 Sewer Collection System Replacement and Rehabilitation

Funding Allocation: 100% **210**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project will rehabilitate or replace over 20 individual sections of sewer line that are cracked, broken or have offset joints. As part of the Asset Management Program for the collections system, sewer lines are periodically inspected and given a condition rating in accordance with the Pipeline Assessment Certification Program (PACP). The sewer lines with the most severe PACP structural condition ratings were identified for repair. This project will determine the most cost-effective repair for each section of pipeline and develop standard technical specifications that can be used for a variety of sewer line repair methods such as cured-in place pipe (CIPP), trenching, spot repairs, etc. The current budget is for design only, the project budget will be increased to include construction after repair recommendations have been determined.

CEQA: Statutory Exemption [CEQA Guideline 15282]

Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
67,700	155,000	155,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$377,700**
Current Adopted Budget	$67,700
Increase/(Decrease)	$310,000

CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 16-S022 Camp Parks Sewer Repair

Funding Allocation: 100% **210**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

The project would repair/rehabilitate approximately 282 feet of 24-inch vitrified clay pipe (VCP) in Camp Parks that was broken with hinged fractures and out of round. It is located downstream from manhole# MH W20C1-26), for approximately 100 feet downstream, about 25 feet of which is under a creek, and just upstream of the Camp Parks equipment storage and maintenance facility. The project will evaluate alternatives for spot repair or temporary rehabilitation to prevent collapse.

CEQA: Statutory Exemption [CEQA Guideline 15282]

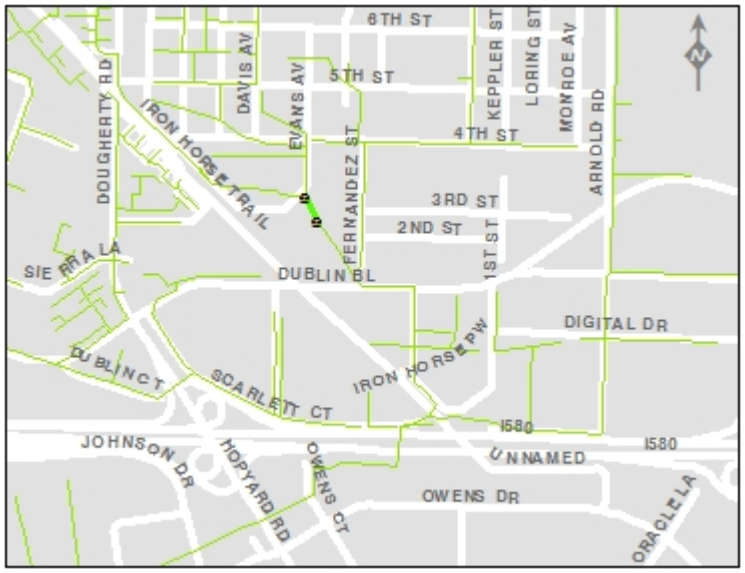
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
3,611	0	240,389	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$244,000**
Current Adopted Budget	$244,000
Increase/(Decrease)	$0



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 18-S006 San Ramon Golf Course 24" Trunk Sewer Rehabilitation

Funding Allocation: 100% **210**

Project Manager: Jackie Yee **Status:** New Project

Project Summary:

This section of existing 24-inch reinforced concrete pipe (RCP) installed in 1961 has deteriorated with corrosion visible and concrete spalling. The project will rehabilitate approximately 470 feet of the trunk sewer in the Iron Horse Trail at the San Ramon Valley Golf Course from about 1500 feet north of Alcosta Blvd, south to about 1000 feet north of Alcosta Blvd.

CEQA: Statutory Exemption [CEQA Guideline 15282]

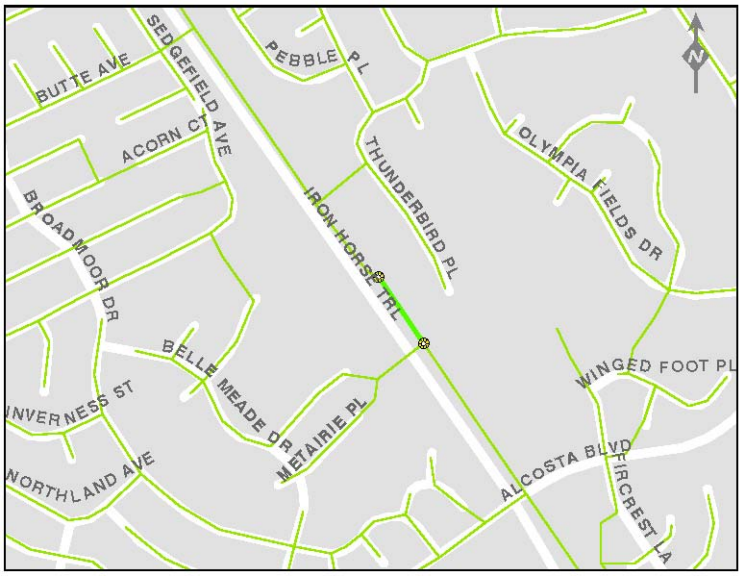
Reference: Asset Management Program: results of National Plant Services field investigation (CCTV, sonar, laser) of large diameter sewers

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	557,500	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$557,500**
Current Adopted Budget	$0
Increase/(Decrease)	$557,500



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 18-S007 Alcosta Blvd Sewer Replacement

Funding Allocation: 100% **210**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

The project will replace approximately 1250 feet of 10-inch of vitrified clay pipe (VCP) sewer located in Alcosta Blvd from approximately at Village Parkway east to the Iron Horse Trail. The sags in the pipe make it impossible to TV to determine its condition and requires cleaning on frequent basis (3-month trouble spot). The project will replace the sewer as needed to prevent the potential of sanitary sewer overflow (SSO) incidents.

CEQA: Statutory Exemption [CEQA Guideline 15282]

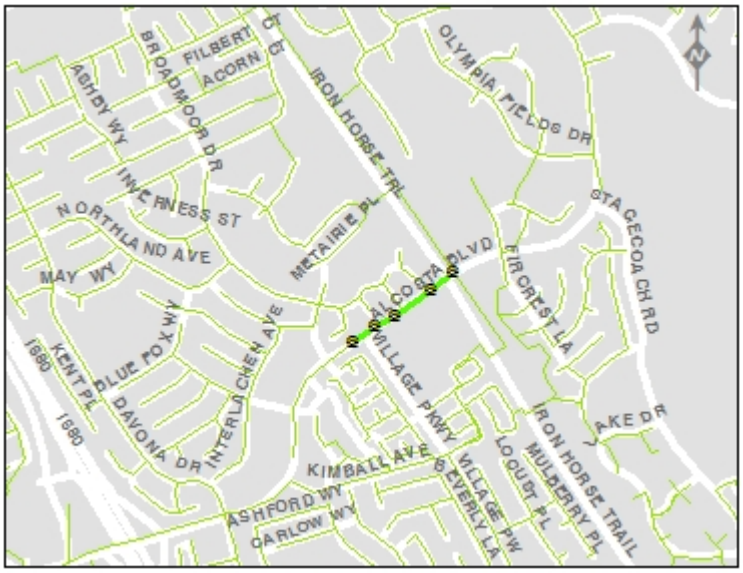
Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	480,375	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$480,375**
Current Adopted Budget	$0
Increase/(Decrease)	$480,375



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 00-S020 Wastewater Collection System Replacement and Rehabilitation PROGRAM

Funding Allocation: 100% **210**

Project Manager: Steven Delight **Status:** Continuing Program

Project Summary:

This project will insure that uninterrupted sewer collection service is provided and will include, but are not limited to, repairing leaking pipes, pipe joints and manholes to reduce the amount of infiltration and inflow rates, which will reduce operating costs at the wastewater treatment plant and extend the LAVWMA wet weather capacity. Sewer lines and manholes will be repaired or replaced as identified by District staff annually.

CEQA: To be determined based on each project funded by the program.

Reference: Asset Management Program

Fund Allocation Basis: Program is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	145,000	145,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000

Total Estimated Project Cost	**$4,190,000**
Current Adopted Budget	$0
Increase/(Decrease)	$4,190,000

CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 14-S001 Camp Parks Sewer Rehabilitation Project - Goodfellow Ave North of 8th Street

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will rehabilitate approximately 1500 feet of 8-inch of vitrified clay pipe (VCP) sewer on Goodfellow Avenue north of 8th Street. It will include fixing the siphon installed by the Federal Corrections Institute (FCI). This pipe has several cracks and fractures leading to high inflow and infiltration rates. Project cost will be dependent on the method of rehabilitation which may be slip line, pipeburst or replacement.

CEQA: Statutory Exemption [CEQA Guideline 15282]

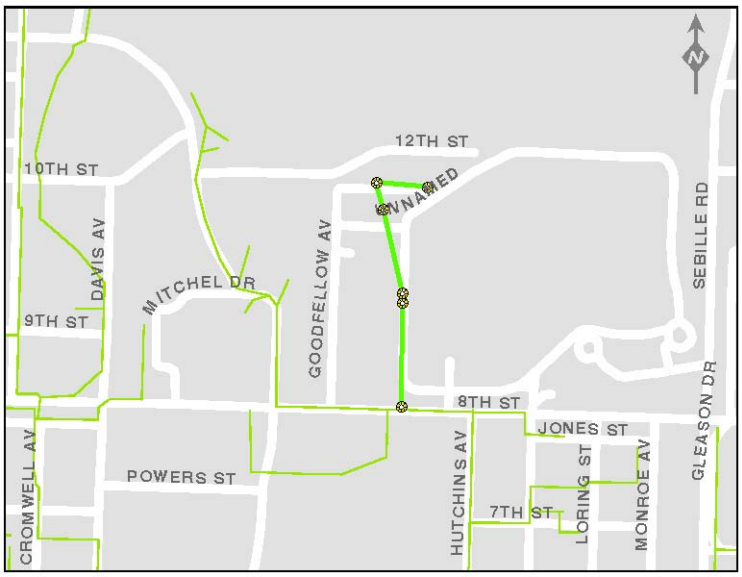
Reference: Camp Parks Privatization Study, WBA, July 1998

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
794	0	0	389,215	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$390,009**
Current Adopted Budget	$225,000
Increase/(Decrease)	$165,009



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. T14-02 Camp Parks Sewer Rehabilitation Project - Davis and Cromwell, 8th to 10 Streets

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will rehabilitate approximately 2600 feet of 12-inch of vitrified clay pipe (VCP) sewer along Davis and Cromwell Avenues, between 8th and 10th Streets. The existing sewer has several cracks and fractures leading to high inflow and infiltration rates. The project may pipeburst, or slip line, or replace the pipe in its entirety.

CEQA: Statutory Exemption [CEQA Guideline 15282]

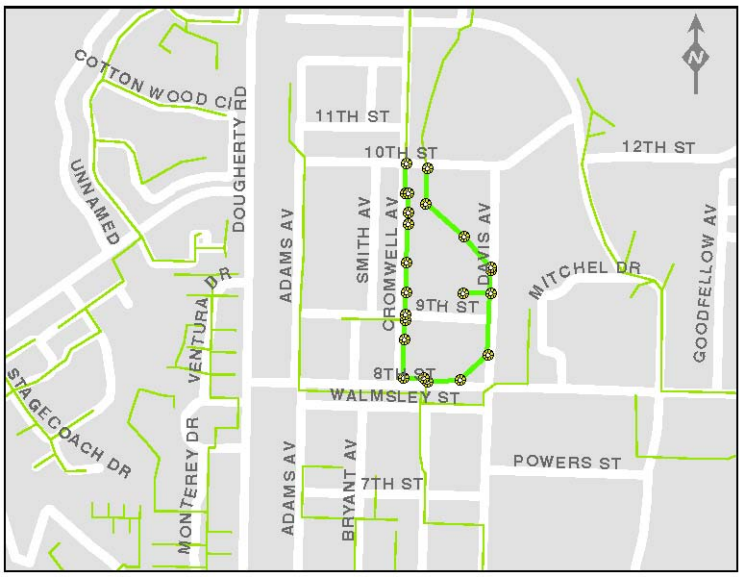
Reference: Camp Parks Privatization Study, WBA, July 1998

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	1,113,480	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,113,480**
Current Adopted Budget	$0
Increase/(Decrease)	$1,113,480



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. T16-22 East Dublin 36" Trunk Sewer Rehabilitation

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will rehabilitate approximately 670 feet of an existing 36-inch reinforced concrete pipe (RCP) of the East Dublin PRFTA trunk. The pipe was installed in 1960 and have deteriorated with some corrosion visible and significant spalling. The first pipe reach (Johnson BP) is in an easement that begins just west of Johnson Drive (about 500 feet north of Owens Drive) and continues west almost to Owens Drive (loop). The second pipe section (Hacienda BP) is in an easement just south of I-580 between Owens Court and the Pleasanton BART parking lot (behind Dahlin Group Bldg).

CEQA: Statutory Exemption [CEQA Guideline 15282]

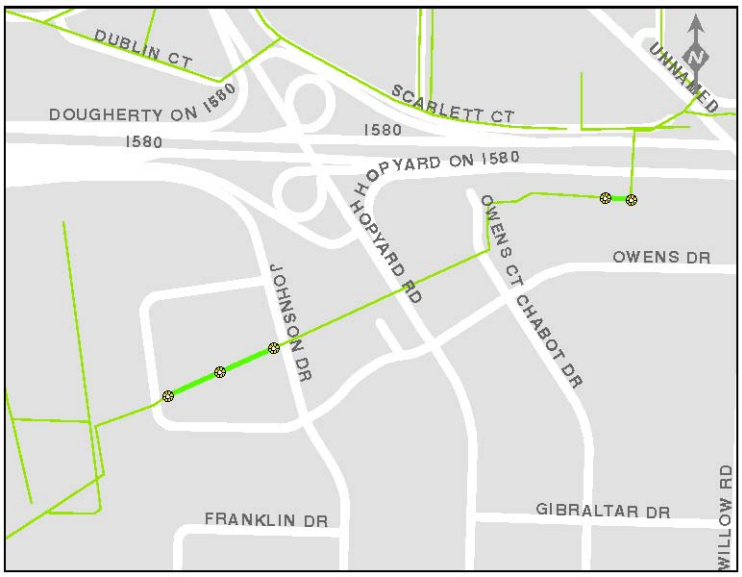
Reference: Results of National Plant Services field investigation (CCTV, sonar, laser) of large diameter sewers

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	737,600	0	0	0	0	0	0	0

Total Estimated Project Cost	**$737,600**
Current Adopted Budget	$0
Increase/(Decrease)	$737,600



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 14-S002 Camp Parks Sewer Rehabilitation Project - Adams 8th to 10th Streets

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will rehabilitate approximately 1300 feet of 12-inch of vitrified clay pipe (VCP) sewer along Adams Avenue between 8th and 10th Streets. The existing sewer has several cracks and fractures leading to high inflow and infiltration rates. Project cost will be dependent on the method of rehabilitation which may be slip line, pipeburst or replacement.

CEQA: Statutory Exemption [CEQA Guideline 15282]

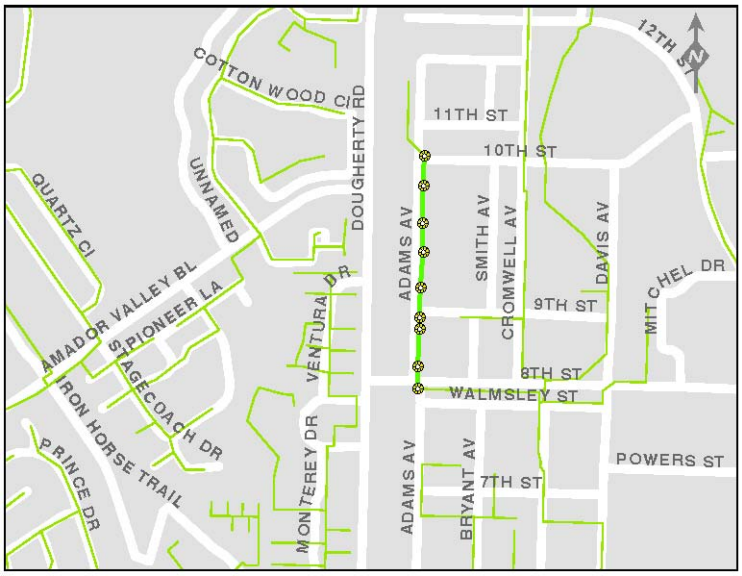
Reference: Camp Parks Privatization Study, WBA, July 1998

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
36,063	0	0	0	0	469,740	0	0	0	0	0	0

Total Estimated Project Cost	**$505,803**
Current Adopted Budget	$270,000
Increase/(Decrease)	$235,803



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. T16-50 Iron Horse Trail Sewer Replacement

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

The project will replace approximately 1650 feet of 8-inch and 10-inch of polyvinyl chloride pipe (PVC) and vitrified clay pipe (VCP) sewer located just north of the Alameda/Contra Costa County line that cross the Iron Horse Trail and the adjacent creek. The project will also add manholes; at this time, the manhole spacing makes TV inspection and cleaning problematic. The sags in the pipe make it impossible to TV to determine its condition and requires cleaning on frequent basis (3-month trouble spot). The project will replace the sewer and additional sewers upstream as needed to prevent the potential of sanitary sewer overflow (SSO) incidents.

CEQA: Statutory Exemption [CEQA Guideline 15282]

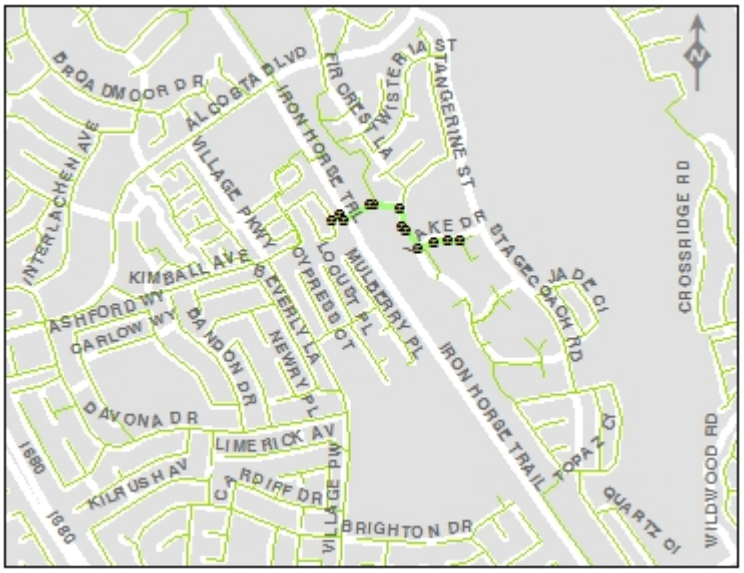
Reference: District internal inspections, CMMS data; Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	487,765	0	0	0	0	0	0

Total Estimated Project Cost	**$487,765**
Current Adopted Budget	$0
Increase/(Decrease)	$487,765



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Replacement (Fund 210)**

CIP No. 08-2101 Donahue Dr./Vomac Rd. Relief Sewer

Funding Allocation: 100% **210**

Project Manager: **Status:** Future Project

Project Summary:

This project will investigate and improve the inflow and infiltration (I&I) identified in the 2005 Sewer Master Plan. There are 3 sub-basins that lead to the Donahue/Vomac area. One or all of these sub-basins are contributing to unusually high infiltration and inflow rate. The investigation will likely include additional TV inspection, flow monitoring, and smoke testing. Problem areas identified will be repaired and replaced. It is anticipated that repairs and replacement of 8 and 10 inch sewer mains in the sub-basin will be needed.

CEQA: Categorical Exemption [CEQA Guideline 15302]

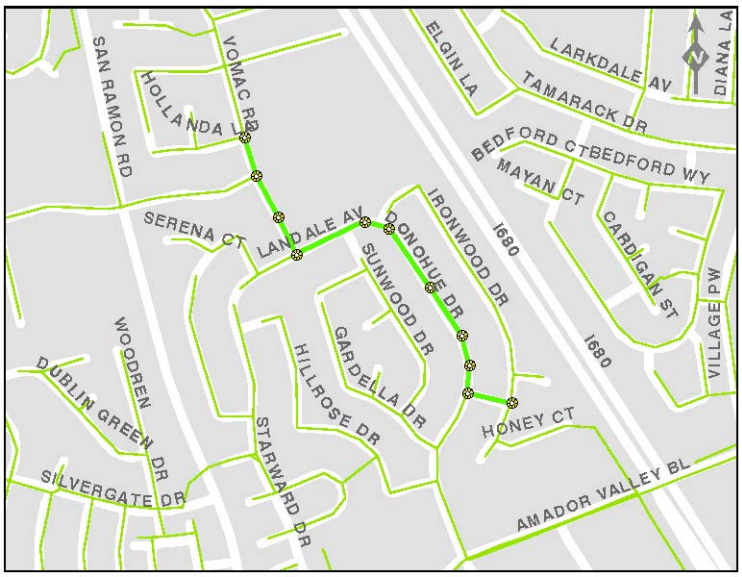
Reference: 2005 Wastewater Collection System Master Plan Update.

Fund Allocation Basis: Project is required to replace or rehabilitate existing local wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
71,445	0	0	0	0	0	200,000	450,000	0	0	0	0

Total Estimated Project Cost	**$721,445**
Current Adopted Budget	$696,833
Increase/(Decrease)	$24,612



CATEGORY: WASTEWATER COLLECTION **Local Wastewater Expansion (Fund 220)**

CIP No. T00-76 Dublin Trunk Relief Sewer

Funding Allocation: 100% **220**

Project Manager: **Status:** Future Project

Project Summary:

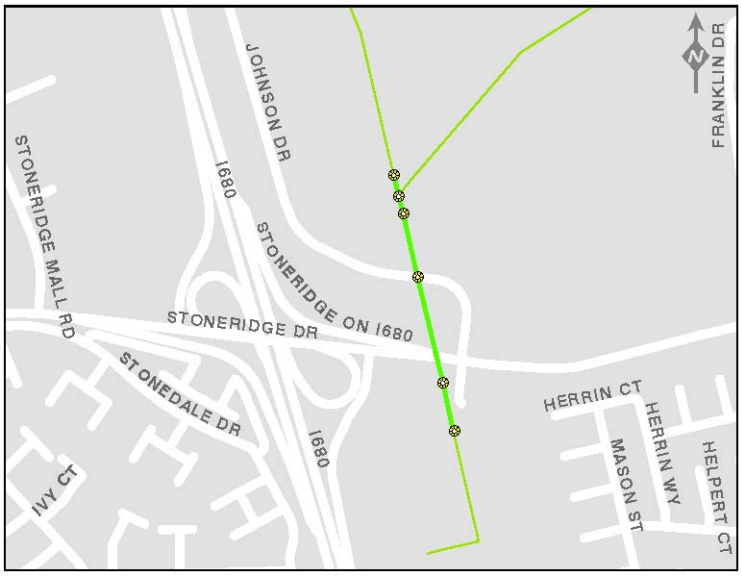
The project will construct a relief sewer for the Dublin trunk sewer downstream of the east Dublin trunk sewer connection located within the District's Dedicated Land Disposal site to an existing 48-inch sewer line within the WWTP, near the East Amador Lift Station. The project consists of approximately 2100 feet of a 42-inch parallel pipeline. The 2005 Wastewater Collection System Master Plan Update indicated that the Dublin Trunk sewer surcharges in a 20-year return frequency storm. This project is required to comply with the Regional Water Quality Control Board (RWQCB) design requirements and to reduce infiltration and inflow rate.

CEQA:	Initial Study may be required.
Reference:	2005 Wastewater Collection System Master Plan Update
Fund Allocation Basis:	Project is required to convey future customer wastewater flows.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	6,235,000

Total Estimated Project Cost	**$6,235,000**
Current Adopted Budget	$0
Increase/(Decrease)	$6,235,000



CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

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CIP 10-YEAR PLAN FYEs 2018 through 2027

** Listed according to project timing from earliest to latest*

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CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 05-3103 FSL Piping Improvements

Funding Allocation: 100% **310**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

The facultative sludge lagoons (FSLs) are a biological process that must have monitoring and controls in place to enable the process to be well operated. The return of the cap water from the FSLs has a large impact on the secondary treatment process at the wastewater treatment plant which can negatively impact the tertiary treatment of the effluent. This project will install various process controls in the FSL system including: improvements to the return flow overflow systems; replacement of chlorinated secondary effluent process water system (3 Water or 3W) charging valves; addition of new sludge charging valves; and sampling locations for digested sludge and return flows.

CEQA: Categorical Exemption [CEQA Guideline 15302]

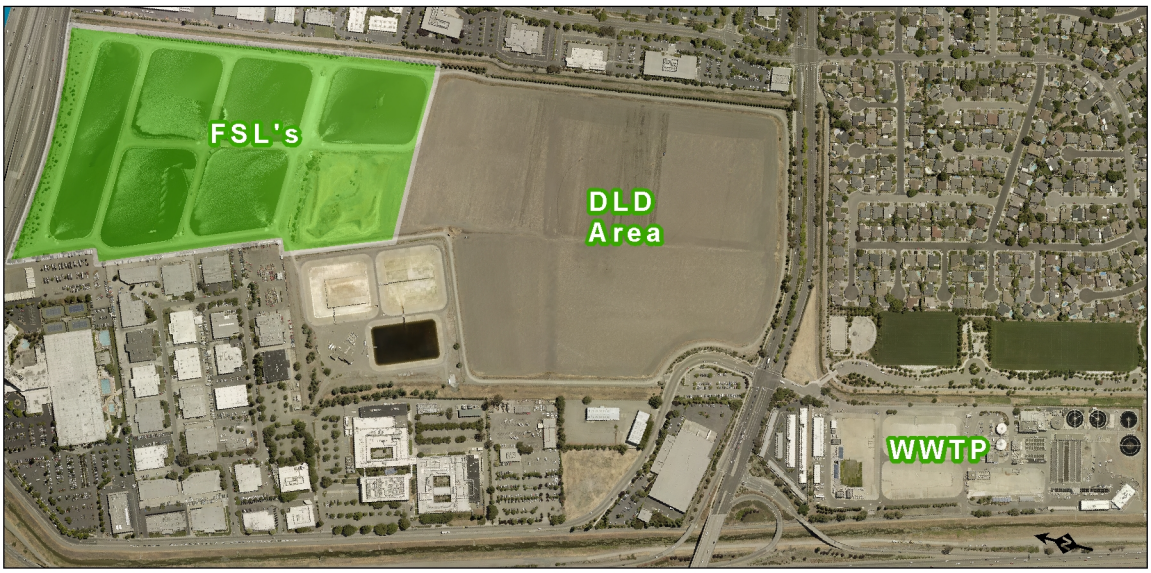
Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
530,105	99,264	85,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$714,369**
Current Adopted Budget	$714,369
Increase/(Decrease)	$0



CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. 07-3201 DSRSD Participation in Regional Biosolids Facility Project

Funding Allocation: 100% **320**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

The District is participating in a regional biosolids facility project in coalition with 19 Bay Area agencies. The environmental phase is complete as well as a 10% design. At this time, District staff is monitoring the testing efforts of a super critical water oxidation "aquacritox" pilot facility in Valencia, Spain. Upon completion of all testing activities, the viability of the project at a District facility will be reevaluated. To date, the District continues to participate with the coalition. The coalition is adjusting its mission and moving its focus towards evaluating all technologies that are new innovative solutions to reuse biosolids in a beneficial way. Annual coalition dues have been paid from this project in the past. In future budget cycles, dues for participation with the coalition may be shifted to the operating budget.

CEQA: Statutory Exemption [CEQA Guideline 15262]

Reference:

Fund Allocation Basis: Project is required to provide biosolids reuse for future customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
577,276	35,000	35,000	0	0	0	0	0	0	0	0	101,054

Total Estimated Project Cost	**$748,330**
Current Adopted Budget	$748,330
Increase/(Decrease)	$0

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. 07-3203 Anaerobic Digester No. 4

Funding Allocation: 89% **320** 11% **310**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

This project will plan, design and construct a new 1.03 MG anaerobic digester and all ancillary equipment at the wastewater treatment plant (WWTP) to provide adequate biosolids process redundancy under current AWDF. The WWTP has three anaerobic digesters; two with a volume of 0.58 MG and one with a volume of 1.03 MG. With the three digesters in service, there is sufficient digester capacity. However, if the largest digester were taken out of service for maintenance, the WWTP would not have sufficient digester capacity. When the ADWF reaches approximately 14 mgd, the digester needs to be constructed in order to take the largest digester out of service to maintain solids treatment capacity. Reduced digester capacity increases the risk of digester upset, which could lead to odor issues. To provide adequate reliability and redundancy to this critical unit process, a fourth digester is required. This project also include a fats, oils, and grease (FOG) receiving facility to increase digester gas production. Parking modifications and internal landscaping around the digester and plant administration building will be made to accommodate displaced parking due to digester construction.

CEQA:	WWTP Expansion and Improvement Project, Initial Study/Mitigated Negative Declaration, May 1998
Reference:	2017 WWTP and Biosolids Master Plan; WWTP Process Capacity Study; Anaerobic Digester No. 4 Preliminary Design Report, May 2009; Ninety Percent Design Drawings, June 2010
Fund Allocation Basis:	Fund split based on total volume needs for future capacity vs. redundancy for existing capacity.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
3,632,041	9,498,785	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$13,130,826**
Current Adopted Budget	$9,869,256
Increase/(Decrease)	$3,261,570

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 12-P003 RAS Line Rehabilitation

Funding Allocation: 100% **310**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project will reline approximately 550 feet of 24-inch steel pipeline that convey the wastewater treatment plant return activated sludge (RAS). The RAS system is an integral part of the treatment process and the plant cannot risk failure of the system. The 24-inch RAS line was inspected during a repair of the line and was found to be in poor shape with multiple leaks due to coating holidays and corrosion. The structural integrity of the pipe is fair and lining the pipe will extend its life.

CEQA: Categorical Exemption [CEQA 15302]

Reference: Inspection results

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
156,636	587,500	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$744,136**
Current Adopted Budget	$744,136
Increase/(Decrease)	$0

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 13-S004 Pump Stations VFD Replacements

Funding Allocation: 100% **310**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

The project will replace 17 Robicon brand variable frequency drives (VFD) which are used to control pump speed and flow at District facilities. The existing VFDs are currently functioning; however, Robicon went out of business several years ago and no other company picked up support of their product line. Replacement parts cannot be found and there is no technical support. Some of the pumps that are using these VFDs are very important and the District cannot have them out of service. The most important pumps that have these VFDs are the influent pumps, the effluent pumps, and the recycled water pump station PSR1. The recycled pump station is a DERWA facility and the cost for that replacement will be reimbursed to the District.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
272,477	490,700	537,300	745,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$2,045,477**	**DSRSD Net Cost: $1,534,108**
Current Adopted Budget	$2,045,477	Other Funding: DERWA pays for PSR1 portion which is 25% of the cost of the project
Increase/(Decrease)	$0	

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-P023 RWTF Lighting

Funding Allocation: 100% **310**

Project Manager: Maurice Atendido **Status:** Continuing Project

Project Summary:

This project will review the overall lighting at the Regional Wastewater Treatment Facility (RWTF) and install lighting along the roadway from the front gate to Building A.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference: Staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
27,000	20,000	20,000	18,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$85,000**
Current Adopted Budget	$85,000
Increase/(Decrease)	$0

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-P024 RWTF Fire Alarm System Upgrades

Funding Allocation: 100% **310**

Project Manager: Dan Lopez **Status:** Continuing Project

Project Summary:

The Regional Wastewater Treatment Facility (RWTF) currently has four different fire alarm controls panels (FACP) on two separate systems. Two of the FACPs are obsolete and the other two are crude remotes to the primary systems at Building A and Building R. There are separate dialers with two phones lines (primary and backup) for each system. This configuration complicates the maintenance and testing of the systems. This project will integrate the entire system into a single FACP that could be easily networked and expanded as needed. Some of the existing infrastructure (i.e. smoke detectors, strobes, pull stations, etc.) will be utilized to the extent possible which should reduce cost and labor. The upgrade will also include other items such as adding fire alarm notification devices to the first and second floors of Building A, tying in flow switch (at riser) to FACP, panel programming, and fire alarm drawings that will improve staff's ability to maintain and repair the system.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference: Staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	93,150	111,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$204,150**
Current Adopted Budget	$33,000
Increase/(Decrease)	$171,150

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. 16-P028 Bio-Gas Treatment System Improvements

Funding Allocation: 67% **320** 33% **310**

Project Manager: Robyn Mutobe **Status:** Continuing Project

Project Summary:

The existing biogas scrubber cleans and pressurizes biogas prior to being sent to the cogeneration engines. Clean biogas improves engine effiency and assists in meeting BAAQMD regulations at cogen. When the new digester, primaries, and fats, oils and grease (FOG) station are put into operation, additional solids will collected for digestion. The additional solids will increase biogas production. At this time, the biogas scrubber is working at capacity. Additional gas will need to be cleaned prior to sending it to cogen. This project will evaluate the existing biogas scrubber and make recommendations to improve the existing scrubber or replace it.

CEQA: Categorical Exemption [CEQA Guideline 15303]

Reference: 2017 WWTP and Biosolids Master Plan

Fund Allocation Basis: Based on 140 scfm current gas flow vs 430 scfm new gas flow after improvements

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
50,767	30,000	0	1,950,000	2,000,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$4,030,767**
Current Adopted Budget	$70,000
Increase/(Decrease)	$3,960,767

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-P030 EPS1 and EPS2 Pump Modifications

Funding Allocation: 100% **310**

Project Manager: Shawn Quinlan **Status:** Continuing Project

Project Summary:

This project will modify three effluent pump station #1 (EPS1) pumps and two effluent pump station # 2 (EPS2) pumps to maintain full pumping capacity in wet weather conditons. The effluent pump bushings require modifications to flush out sediment and plastics. Three of the pumps have seized up and had to be pulled out and repaired. This project will modify the bushings of the remaining pumps.

CEQA: Categorical Exemption [CEQA Guideline 15301 and 15302]

Reference: Staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
52,985	197,015	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$250,000**
Current Adopted Budget	$250,000
Increase/(Decrease)	$0

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 16-P031 RWTF Administration Building Improvements

Funding Allocation: 100% **310**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project will complete several improvements to the Regional Wastewater Treatment Facility (RWTF) Administration building. It will repair the leaking roof, repair a sagging floor section, replace the carpet on the main floor, replace vinyl tile in lab, develop an overall space utilization plan, upgrade fire system for existing infrastructure, and install security card readers. The security card readers will be installed on three different back and side doors to the building and in the 2nd floor laboratory area. Readers will allow access control; security and safety over equipment and controlled substances per Drug Enforcement Administration (DEA) requirement.

CEQA:

Reference: Staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
162,481	97,516	0	0	75,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$334,997**
Current Adopted Budget	$260,000
Increase/(Decrease)	$74,997

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. 17-P004 Primary Sedimentation Expansion and Improvements

Funding Allocation: 85% **320** 15% **310**

Project Manager: Jackie Yee **Status:** Continuing Project

Project Summary:

This project will construct up to three additional primary sedimentation tanks at the Regional Wastewater Treatment Facility (RWTF). The primary treatment capacity is undersized for the facility's current average dry weather flow. Insufficient primary treatment capacity overburdens the aeration basins and secondary clarifiers leading to higher energy costs and more difficulties in controlling the secondary effluent water quality. The additional primary sedimentation tanks will provide the treatment capacity needed for current and buildout flows.

CEQA:	Initial Study/Mitigated Negative Declaration
Reference:	2017 WWTP and Biosolids Master Plan
Fund Allocation Basis:	Based on ratio of WWTP flow at which project was estimated to be required to WWTP buildout flow per the 2007 WWTP Master Plan Update

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
400,000	2,115,000	7,485,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$10,000,000**
Current Adopted Budget	$4,794,000
Increase/(Decrease)	$5,206,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P008 RWTF Industrial Control Network Security Essentials

Funding Allocation: 52% **310** 37% **610** 11% **210**

Project Manager: Bob Treppa **Status:** New Project

Project Summary:

This project will improve the network infrastructure to bring the Regional Wastewater Treatment Facility (RWTF) network up to current standards as a tighter security schema will be implemented. Much of the current industrial control switching is legacy equipment handed down from the business network or is consumer grade rather than industrial. Much of the equipment is past end-of-life and no longer supported by vendor or the manufacturer. This project will improve network security and standardize network switching to Cisco 4000i (like Field SCADA) and 3850's to allow for more security . Additional security allows for more wireless connections to provide denser connectivity from mobile devices.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference: Staff Recommendations

Fund Allocation Basis: Project will benefit entire SCADA network including treatment plant and field operations facilities.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	250,000	100,000	50,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$400,000**
Current Adopted Budget	$0
Increase/(Decrease)	$400,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P009 RWTF Access Security Assessment

Funding Allocation: 100% **310**

Project Manager: Dan Lopez **Status:** New Project

Project Summary:

This project will assess the current security at the Regional Wastewater Treatment Facility (RWTF). In the past, residents, contractors, and vendors have entered the plant site unescorted. Once inside, the visitors do not always check in to the administration building. This project will examine options and provide a design to increase site security.

CEQA:	Categorical Exemption [CEQA Guideline 15302]
Reference:	Staff recommendations
Fund Allocation Basis:	Project is required to protect existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	50,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$50,000**
Current Adopted Budget	$0
Increase/(Decrease)	$50,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P010 Biogas Flare Improvements

Funding Allocation: 100% **310**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

This project will replace the Regional Wastewater Treatment Facility's existing biogas flare. Typically, all biogas is used to power the cogen engines after the gas is scrubbed. If the gas scrubber is out of service, or if cogen is offline, biogas must be vented to prevent overpressurization of the digesters. The flare cleanly burns the biogas under a BAAQMD permit. At this time, the existing flare is out of compliance with Bay Area Air Quality Management District (BAAQMD) requirements. This project will evaluate and replace the existing flare and three- way control valves located on the digesters. Additional permitting may be required through the BAAQMD.

CEQA: Categorical Exemption [CEQA Guideline 15301 and 15302]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	200,000	350,000	75,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$625,000**
Current Adopted Budget	$0
Increase/(Decrease)	$625,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P011 Chlorinated Secondary Effluent Process Water System Condition Assessment

Funding Allocation: 100% **310**

Project Manager: Aaron Johnson **Status:** New Project

Project Summary:

This project will assess the condition of the existing chlorinated secondary effluent process water (3 Water or 3W) system at the wastewater treatment plant. The current 3W system is the backbone for plant operations. 3W is treated process water used for spray water, pump seal water, and cooling water for cogen. When 3W system goes down, the overall plant process is compromised. Although the 3W system is currently backed up with recycled water (4 Water or 4W) system, 4W relies on the same piping as 3W, meaning the backup is only for pump failure and not for a major leak. This evaluation will look at the pumps as well as the existing piping. The project will also evaluate other critical pipelines within the boundaries of the plant. Recommendations may be to replace sections of 3W or potentially to connect a backup water supply to key processes. This project is for evaluation only, additional funding will be needed based on recommendations.

CEQA: Not a project under CEQA [CEQA Guideline 15378]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	75,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$75,000**
Current Adopted Budget	$0
Increase/(Decrease)	$75,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P012 Inner Sewer Wetwell and Pumping Assessment

Funding Allocation: 100% **310**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

This project will assess the current inner sewer wetwell and pumping system. This system is integral to the wastewater treatment plant process as it pumps intersewer water around the influent pumps and metering system. This pump around is neccesary for accurate metering of plant influent flows. However, this system is problematic and the pumps have a short service life due to conditions. This project will assess the equipment and wetwell to determine if the equipment is sized properly or perhaps determine that there is a better way to satisfy the goal for accurate influent metering. This project is for evaluation only, additional funding will be needed based on recommendations from the report.

CEQA:

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	75,000	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$75,000**
Current Adopted Budget	$0
Increase/(Decrease)	$75,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 05-3206 WWTP SCADA Improvements

Funding Allocation: 100% **310**

Project Manager: Rudy Portugal **Status:** Continuing Project

Project Summary:

This project will upgrade the WWTP Supervisory Control and Data Acquisition (SCADA) communication network, replace and program the programmable logic controllers (PLCS), replace the servers, install a new database repository for historical data and acquire a web portal to view SCADA data over the District's business network. The WWTP SCADA servers communicate with the plant PLCs through ARCNET, a legacy control system for which parts are no longer available and soon will no longer be supported. This project will convert the ARCNET system to an industry standard ethernet system. This project will also replace the PLCs with ethernet compatible water/wastewater industry standard PLCs. This project will involve complex construction sequencing to allow for parallel SCADA systems during implementation as the plant processes cannot be interrupted. It will also require thorough testing of the PLC programming and communication system to assure reliable plant operation after cut-over to the new system.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference: SCADA System Master Plan, March 2010

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
253,304	0	450,000	905,500	1,355,500	0	0	0	0	0	0	0

Total Estimated Project Cost	**$2,964,304**
Current Adopted Budget	$2,964,179
Increase/(Decrease)	$125

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 14-P005 Wet Weather Flow Capacity and Chlorine Contact Tank Dewatering

Funding Allocation: 85% **310** 15% **320**

Project Manager: Steven Delight **Status:** Continuing Project

Project Summary:

This project will remove a divider wall between the chlorine contact tank (CCT) influent channel and the CCT and remove the weir in the chlorine junction box to allow greater flows through these structures. The project will also add a CCT dewatering system. When the wastewater treatment plant flow is greater than 37 mgd, the secondary clarifiers flood due to hydralic constraints downstream of the clarifiers. Removal of the walls and weirs will allow for greater flows through the wastewater treatment plant. Also, the chlorine contact tank should ideally be cleaned once every quarter. Dewatering the CCT for cleaning involves extensive pumping equipment setup and staff time, and once everything is set up, it takes time to pump out the water. This project will design neccessary pumping valving and controls for a CCT dewatering system.

CEQA:	Mitigated Negative Declaration approved by Board on 8/17/1999
Reference:	Secondary Effluent Wet Weather Capacity Review, RMC, August 2014; 2017 WWTP and Biosolids Master Plan
Fund Allocation Basis:	Based on current vs projected buildout average dry weather flow at the time of project inception.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
57,381	0	450,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$507,381**
Current Adopted Budget	$2,270,194
Increase/(Decrease)	($1,762,813)

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. 18-P013 Biosolids Dewatering Facility

Funding Allocation: 100% **320**

Project Manager: Robyn Mutobe **Status:** New Project

Project Summary:

The water content of the biosolids harvested from District's facultative sludge lagoons (FSLs) limits the amount of biosolids that can be placed on the dedicated land disposal (DLD) site. With this limitation, the FSLs are slowly accumulating biosolids. The current land application of biosolids on the DLD is by far the most cost-effective solution for biosolids management. To continue using the DLD for biosolids disposal, the biosolids need to be dewatered. This project will construct a new biosolids dewatering facilities and building at the DLD site. The dewatering of biosolids will allow the DLD to continue to be the primary method of sludge disposal. Should the District wish to diversify biosolid management or take advantage of new technologies to recover biosolids as a resource, dewatering will be required. Therefore, dewatering is a near term solution for biosolids disposal that will also move the District toward diversifying its biosolids management in the long term. This project is required for both options of continuing with DLD disposal or participation in a regional biosolids facility (CIP 07-3201).

CEQA:	To be determined
Reference:	2017 Wastewater Treatment Plant and Biosolids Master Plan
Fund Allocation Basis:	Project is required to meet the needs for biosolids disposal for future customers.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	2,525,000	12,120,000	0	0	0	0	0	0	0	1,450,000

Total Estimated Project Cost	**$16,095,000**
Current Adopted Budget	$0
Increase/(Decrease)	$16,095,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P014 WWTP Recycled and Potable Water Systems

Funding Allocation: 100% **310**

Project Manager: Jackie Yee **Status:** New Project

Project Summary:

This project will separate the potable water and fire systems at the Regional Wastewater Treatment Facility (RWTF) and expand the use of recycled water for the plant processes. The current fire main supplies both the potable and fire water systems. The project will separate the systems by installing 2000 feet of 3-inch and 500 feet of 2-inch potable water lines to Buildings A, D, S, T, and fleet maintenance building. This project will also install approximately 550 feet of 3-inch above ground and 350 feet of 3-inch below ground recycled water pipe to the cogeneration building, blower building, plant air compressors, bar screens, 1250kW and 750 kW generators, and buildings S and T.

CEQA: Categorical Exemption [CEQA Guideline 15303]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	200,000	184,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$384,000**
Current Adopted Budget	$0
Increase/(Decrease)	$384,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P015 Gravity Belt Thickener Rehabilitation

Funding Allocation: 100% **310**

Project Manager: Dan Lopez **Status:** New Project

Project Summary:

This project will rehabilitate the worn components on the gravity belt thickener and upgrade the controls. The District purchased a truck mounted gravity belt thickener in 2003. The thickener is used when the dissolved air flotation thickener, which thickens the waste activated sludge prior to the digesters, is taken out of service for maintenance and repairs. When the thickener is not in service, it is rented to other agencies for use. For solids handling reliability, the thickener must be kept in good working condition.

CEQA:

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	40,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$40,000**
Current Adopted Budget	$0
Increase/(Decrease)	$40,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P016 Alum Addition

Funding Allocation: 75% **310** 25% **320**

Project Manager: Rudy Portugal **Status:** New Project

Project Summary:

This project will construct facilites to add alum to the facultative sludge lagoon return water. The addition of alum will precipitate phosphate from the return water and reduce the formation of struvite. Currenty, one of the strategies to avoid the formation of struvite at the wastewater treatment plant (WWTP) is to run the WWTP in a mode where the phosphate remains in the liquid process and exits the WWTP with the effluent, rather than remaining in the biosolids and forming struvite in the digesters. However, this mode of operation is not as effective in producing a consistently high quality effluent. The additon of alum will allow the WWTP to operate in an alternate mode that will produce a better settling sludge and higher quality effluent, thus eliminating the need for an additional clarifier.

CEQA:	Categorical Exemption [CEQA Guideline 15303]
Reference:	To be determined
Fund Allocation Basis:	Project is required to improve current operations; based on current vs. projected buildout average dry weather flow at the time of project inception.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	800,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$800,000**
Current Adopted Budget	$0
Increase/(Decrease)	$800,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 18-P017 Public Outreach Signage at RWTF

Funding Allocation: 100% **310**

Project Manager: Sue Stephenson **Status:** New Project

Project Summary:

Facility tours are one way the District communicates the value we provide the community 24/7. Engaging with our customers in an on-going, direct, proactive way builds confidence in the District as a reliable, trustworthy service provider and increases our customers' understanding of what they get for their money. Tours also promote careers in the water/wastewater industry. This project will purchase and install signs at the Regional Wastewater Treatment Facility (RWTF) to help facilitate the tours that are given on a regualr basis. The project will also paint a mural on the west side of Building S which faces Interstate 680, making it very visible to travelers. The mural will promote how DSRSD is "Keeping our Waterways Clean."

CEQA:

Reference:

Fund Allocation Basis: Project will benefit existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	70,000	30,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$100,000**
Current Adopted Budget	$0
Increase/(Decrease)	$100,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 00-3120 Energy Management PROGRAM

Funding Allocation: 75% **310** 25% **610**

Project Manager: Steven Delight **Status:** Continuing Program

Project Summary:

Over the next 10 years, energy management is going to be a significant issue for wastewater and recycled water treatment. This project will fund participation in local and regional efforts regarding alternative energy, evaluating existing systems, studying and evaluating technologies and making minor improvements to existing systems. Examples of potential projects include: evaluating most efficient digester gas usage in the cogeneration system; partnering with other agencies in offsite solar power; assessing value of digester gas storage; experimenting with low energy lighting; and an Energy Management Master Plan.

CEQA: To be determined based on individual projects funded by program.

Reference:

Fund Allocation Basis: Based on ratio of energy used at treatment plant vs. water facilities

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	75,000	75,000	250,000	250,000	350,000	0	0	0	0	0	0

Total Estimated Project Cost	**$1,000,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,000,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 00-P026 RWTF Replacement and Rehabilitation PROGRAM

Funding Allocation: 100% **310**

Project Manager: Steven Delight **Status:** Continuing Program

Project Summary:

This program will fund projects to upgrade, replace and improve facilities and equipment within the Regional Wastewater Treatment Facility (RWTF) to meet operational and permit requirements. Some equipment is now more than 30 years old. This program provides for the renewal, replacement and/or increase in capacity of process equipment on an as-needed basis or the upgrade of equipment as it becomes obsolete. This program may also be used to investigate issues that lead to the identification of projects that require the creation of a specific CIP project. Increases in future years' estimated cashflow reflect anticipated Asset Management Program needs as plant infrastructure ages.

CEQA: To be determined based on individual projects funded by program.

Reference: Staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	400,000	400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000

Total Estimated Project Cost	**$13,800,000**
Current Adopted Budget	$0
Increase/(Decrease)	$13,800,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. 15-P018 Foul Air Line Rehabilitation

Funding Allocation: 100% **310**

Project Manager: **Status:** Deferred Project

Project Summary:

This project will rehabilitate the foul air line which conveys odorous air fom the bar screen building to the biofilter. The foul air is constructed of corrugated plastic line pipeline and the joints have weakened. The foul air has been leaking through the existing pavement and holding basin #2 causing cracking and base failure in the pavement. The foul air line will be assessed for repairs. The rehabilitation may range from sealing joints and sliplining to full replacement, including the reconstruction of the center manhole that is currently inaccessible and making it accessible for future repairs and maintenance. The sealed air line will stop pavement damage, provide more efficient treatment through the biofilter, and decrease foul air escaping into the atmosphere that is sometimes noticed by pedestrians on the nearby trail.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference: Operations staff recommendation

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
142,364	0	0	350,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$492,364**
Current Adopted Budget	$176,000
Increase/(Decrease)	$316,364

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T16-01 Hypochlorite Building Rehabilitation

Funding Allocation: 100% **310**

Project Manager: **Status:** Deferred Project

Project Summary:

The four sodium hypochlorite bulk storage tanks at the wastewater treatment plant were replaced during the summer of 2014. During the tank replacement, a visual analysis of the existing pads and building were reviewed by a structural engineer. The coating at the perimeter of the existing tank pads and coating on the tank room slab have failed in areas where the old storage tanks had leaked. The coating in the pump room had failed completely due to chemical exposure. This project will address those findings and correct the problems. Concrete samples will be taken and tested for chloride ion concentration. Concrete repair will be undertaken before reinforcing steel capacity is compromised. Alternatives to arrest any ongoing corrosion will also be investigated and implemented. Concrete coating will be applied over the concrete repairs and corroded pipe; pump supports in the pump room will be replaced; and the wall to slab, wall-to-wall connection and roof beams will also be strengthened to update the building to current seismic standards.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference: Hypochlorite Storage Building Condition and Seismic Assessment, Carollo Engineers, October 2014

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	306,000	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$306,000**
Current Adopted Budget	$0
Increase/(Decrease)	$306,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T16-35 Ferrous Chloride System Improvements

Funding Allocation: 100% **310**

Project Manager: **Status:** Deferred Project

Project Summary:

The ferrous chloride tank and containment area is over 30 years old. This project will replace the 6500 gallon ferrous chloride storage tank, repair the concrete secondary containment area, and install a control system for dosing to the headworks based on flow for improved odor control.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference: Tank Integrity Assessment for the Ferrous Chloride Storage Tank, Trident Environmental and Engineering, Inc., April 2004

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	102,600	0	0	0	0	0	0	0	0

Total Estimated Project Cost	**$102,600**
Current Adopted Budget	$0
Increase/(Decrease)	$102,600

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-05 FSL MCC Improvements

Funding Allocation: 100% **310**

Project Manager: **Status:** Deferred Project

Project Summary:

The motor control center (MCC) at the facultative sludge lagoons (FSL) is over 30 years old and replacement parts (i.e. starters, circuit breakers, protective devices, power monitoring equipment, etc.) will require modifications to existing MCC buckets because exact replacements are no longer readily available. This is a critical MCC since it is a single point of failure for power and controls for the FSL mixers and valves.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	65,550	99,900	0	0	0	0	0	0	0

Total Estimated Project Cost	**$165,450**
Current Adopted Budget	$0
Increase/(Decrease)	$165,450

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T00-37 Recoating of Digester Interior Covers 3, 2, and 1

Funding Allocation: 100% **310**

Project Manager: **Status:** Future Project

Project Summary:

The life expectancy of a digester steel cover is ten years. This project will repair and coat the interior covers of the digesters, if needed, to extend their useful life. As part of the project, the digesters will be drained and cleaned so the interior covers can be inspected. After the condition of each interior cover is determined, necessary work will be performed. Digester 1 was last cleaned in 2012 and Digesters 2 and 3 in 2013.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	79,000	79,000	132,000	0	0	0	0	0	0

Total Estimated Project Cost	**$290,000**
Current Adopted Budget	$0
Increase/(Decrease)	$290,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T16-11 WWTP Motor Control Center and Distribution Panel "A" Improvements

Funding Allocation: 100% **310**

Project Manager: **Status:** Deferred Project

Project Summary:

This project will upgrade the wastewater treatment plant's motor control centers (MCCs) and electrical distribution panel A (DPA) to a standard 65,000 ampere interrupting capacity (AIC) rating. Based on the most recent short circuit analysis, ten MCCs and the DPA do not have adequate short circuit equipment AIC ratings to either handle possible fault scenarios or to handle future expansions. The upgrade will also require modifications to existing MCC buckets as the MCCs are over 20 years old and exact replacement parts (i.e. starters, circuit breakers, etc.) are no longer readily available.

CEQA: Categorical Exemption [CEQA Guideline 15301, 15302]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	203,550	693,750	471,750	0	0	0	0	0

Total Estimated Project Cost	**$1,369,050**
Current Adopted Budget	$0
Increase/(Decrease)	$1,369,050

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T12-19 RWTF Fencing and Security - Phase 2

Funding Allocation: 100% **310**

Project Manager: **Status:** Future Project

Project Summary:

This project will improve security along the Regional Wastewater Treatment Facility (RWTF) perimeter. This project will install 8-feet tall vinyl coated fence along the south, west and north and half of the east perimeter of the RWTF. It will also include screening landscaping where space permits. Phase 1 replaced the fencing along the eastern perimeter from the Administration building to the southeast corner of the RWTF. That phase also included landscaping for screeening of the RWTF from the adjacent Val Vista Park.

CEQA: Negative Declaration approved May 19, 1998

Reference: Physical Security Risk Assessment, Pinkerton Consulting, April 2004

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	1,210,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$1,210,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,210,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T16-40 RWTF Pavement Repair

Funding Allocation: 100% **310**

Project Manager: **Status:** Future Project

Project Summary:

This project will repair and seal coat pavement at the Regional Wastewater Treatment Facility (RWTF). The facility's pavement is subject to vehicles with heavy loads. This work is required periodically to maintain the integrity of the pavement.

CEQA: Categorical Exemption [CEQA Guideline 15301]

Reference:

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	325,000	0	0	0	0	0	0	0

Total Estimated Project Cost	**$325,000**
Current Adopted Budget	$0
Increase/(Decrease)	$325,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. T16-54 Odor Reduction Tower Replacement

Funding Allocation: 100% **320**

Project Manager: **Status:** Future Project

Project Summary:

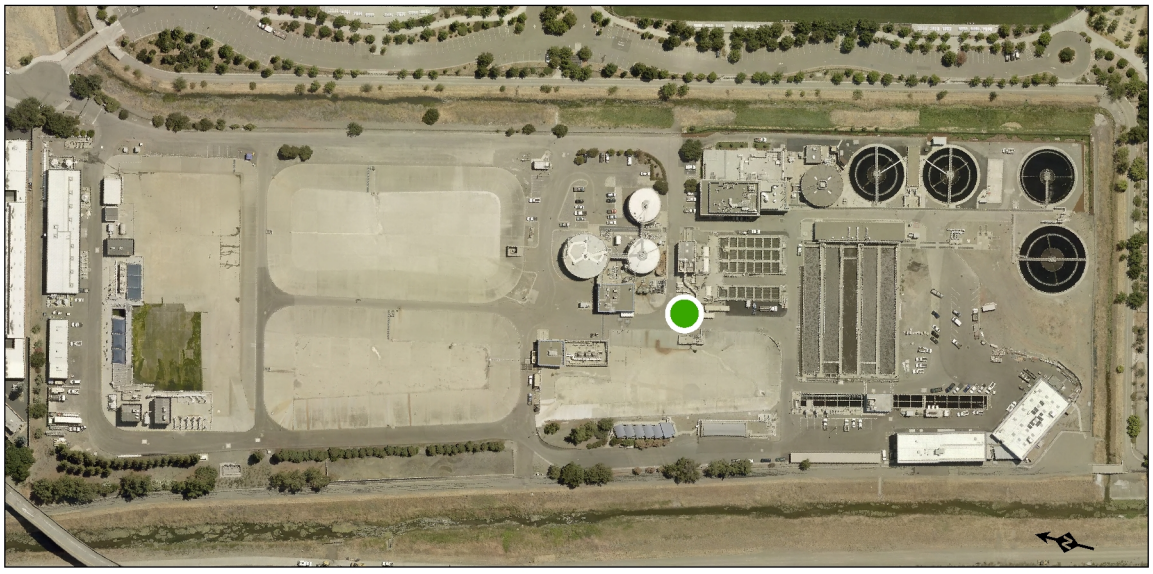
This project will either rehabilitate or replace the Odor Reduction Tower (ORT) at the Regional Wastewater Treatment Facility (RWTF). The ORT treats odorous air from the influent pump room, aerated grits tanks, and the grit building. Although the ORT effectively treats hydrogen sulfide, it does not effectively treat reduced sulfur compounds. This project will help the District meet the RWTF odor control goals to minimize odor impacts to the surrounding community.

CEQA:	Categorical Exemption [CEQA Guideline 15302]
Reference:	2008 Update to Odor Control Focus Areas Analysis, CH2M Hill, July 2009
Fund Allocation Basis:	New project is odor control associated with increasing flows into WWTP.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	1,042,500	0	0	0	0	0	0

Total Estimated Project Cost	**$1,042,500**
Current Adopted Budget	$0
Increase/(Decrease)	$1,042,500



CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T18-15 Cogeneration Engine Replacement

Funding Allocation: 100% **310**

Project Manager: **Status:** Future Project

Project Summary:

The Asset Management Program has identified many items on the cogeneration system that are in need of replacement. The option for a full replacement of the engines and ancillary equipment compared to the cost of replacement items for the engines need to be considered. One of the engines is in excess of 50 years old based on the block casting numbers.

CEQA: Categorical Exemption [CEQA Guideline 15302]

Reference: Asset Management Program

Fund Allocation Basis: Project is required to replace or rehabilitate existing regional wastewater fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	20,000	1,000,000	0	0	0	0

Total Estimated Project Cost	**$1,020,000**
Current Adopted Budget	$0
Increase/(Decrease)	$1,020,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. T10-62 Emergency Power for Distribution Panel-D

Funding Allocation: 100% **320**

Project Manager: **Status:** Future Project

Project Summary:

This project will install a 900 kW emergency power generator for the distribution panel-D (DPD) switchgear to support continued growth of the service population and the corresponding increases in influent pumping and related wastewater treatment plant equipment, such as the bar screens, primary clarifiers, etc. The DPD is currently provided with emergency power via the existing generator, but higher flows will require an additional generator. Emergency power is also a requirement of the District's NPDES Permit. This project will be revised per updated Electrical Master Plan scheduled for completion in 2019.

CEQA:	To be determined
Reference:	2004 WWTP Electrical Master Plan and dependent on findings of 2019 Electrical Master Plan Update; 2017 WWTP and Biosolids Master Plan
Fund Allocation Basis:	Project is required for future customer wastewater treatment capacity.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	5,560,000

Total Estimated Project Cost	**$5,560,000**
Current Adopted Budget	$0
Increase/(Decrease)	$5,560,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. T10-83 Cover Primary Clarifiers

Funding Allocation: 100% **320**

Project Manager: **Status:** Future Project

Project Summary:

This project will cover the primary clarifiers. The settled sewerage channel and the primary clarifiers have been identified in the Odor Control Master Plan as areas in the wastewater treatment plant that have odor issues. The project may cover the entire primary tanks or only the launderers. The foul air removed from the primary clarifiers will be treated in a new odor treatment facility that also serves the settled sewerage channel and other processes in the area.

CEQA:	Categorical Exemption [CEQA Guideline 15303]
Reference:	2008 Update to Odor Control Focus Areas Analysis, CH2M Hill, July 2009; 2017 WWTP and Biosolids Master Plan
Fund Allocation Basis:	New project is odor control associated with increasing flows into WWTP.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	2,080,000

Total Estimated Project Cost	**$2,080,000**
Current Adopted Budget	$0
Increase/(Decrease)	$2,080,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Expansion (Fund 320)**

CIP No. T12-08 Cover Settled Sewage Channel and Selector

Funding Allocation: 100% **320**

Project Manager: **Status:** Future Project

Project Summary:

This project will cover the settled sewage channel and the selector. The settled sewage channel and the primary clarifiers have been identified in the Odor Control Master Plan as areas in the wastewater treatment plant that have odor issues. The covers will also allow the addition of air to the settled sewage channel, which will increase the performance of the plant. The foul air removed from the settled sewage channel will be treated in a new odor treatment facility that also serves the primary clarifiers and other items in the area. This project will also include replacement of the odor reduction tower with a new high performance biofilter in the current biofilter location. The new biofilter will be constructed modular and will be added when the primaries are covered.

CEQA:	To be determined
Reference:	2008 Update to Odor Control Focus Areas Analysis, CH2M Hill, July 2009; 2017 WWTP and Biosolids Master Plan
Fund Allocation Basis:	New project is odor control associated with increasing flows into WWTP.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	3,900,000

Total Estimated Project Cost	**$3,900,000**
Current Adopted Budget	$0
Increase/(Decrease)	$3,900,000

CATEGORY: RESOURCE RECOVERY FACILITIES **Regional Wastewater Replacement (Fund 310)**

CIP No. T16-42 Nutrient Removal

Funding Allocation: 80% **310** 20% **320**

Project Manager: **Status:** Future Project

Project Summary:

In April 2014, the Bay Area Regional Water Quality Control Board (RWQCB) issued a San Francisco Bay Nutrients Watershed permit to municipal wastewater dischargers. The permit requires wastewater dischargers to evaluate reductions in nutrient discharges through treatment upgrades and contribute toward studies to develop a San Francisco Bay Nutrient Management Strategy. The District is working with the Bay Area Clean Water Agencies (BACWA) to address the permit requirements. If the current studies determine wastewater discharges have an adverse effect on Bay water quality, the RWQCB will impose nutrient load limits on the wastewater treatment plant effluent which will require treatment upgrades. Although future regulation or the extent of the regulation is uncertain, it is prudent that the District plan for some future treatment upgrades. This project assumes the addition of three aeration basins, a fifth secondary clarifier, and chlorination improvements to meet BACWA Level 2 effluent nutrient requirements.

CEQA: To be determined

Reference: RWQCB's San Francisco Bay Nutrients Watershed Permit; 2017 WWTP and Biosolids Master Plan

Fund Allocation Basis: Based on ratio of current ADWF to projected buildout ADWF at the time of project inception.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
0	0	0	0	0	0	0	0	0	0	0	42,780,000

Total Estimated Project Cost	**$42,780,000**
Current Adopted Budget	$0
Increase/(Decrease)	$42,780,000

APPENDIX A:
Project Expenditures by Fund

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Local Wastewater Replacement (Fund 210)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	210 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
General														
16-A004	Board Meeting Audio/Video Improvements	10%	2,500	7,500	14,500	0	0	0	0	0	0	0	0	24,500
16-A005	Corporation Yard and Administrative Facilities	10%	25,000	0	0	0	0	0	0	0	0	0	0	25,000
16-A006	District Office Improvements	10%	5,000	0	0	0	0	0	0	0	0	0	0	5,000
17-A006	District Pavement Rehabilitation	20%	64,000	50,000	40,000	8,000	40,000	0	40,000	0	0	0	0	242,000
17-A007	Wide Area Network Communications Phase 2	10%	25,000	0	0	0	0	0	0	0	0	0	0	25,000
18-A001	Field Operations Facility Security Systems Improvements	10%	5,000	0	0	0	0	0	0	0	0	0	0	5,000
00-A003	Street Overlay Modification PROGRAM	50%	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	400,000	1,200,000
T18-23	Fleet Replacement PROGRAM	20%	0	0	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	300,000	780,000
T18-24	Facilities Asset Replacement PROGRAM	2%	0	0	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	43,000	111,800
T18-01	Computing Infrastructure Replacement	12%	0	0	0	0	19,200	14,400	0	0	0	0	0	33,600
T18-02	Network Infrastructure and Security	12%	0	0	0	0	0	0	30,000	30,000	0	60,000	0	120,000
T18-17	Electric Vehicle Charging Station	12%	0	0	0	0	0	0	0	0	0	12,000	0	12,000
Resource Recovery Facilities														
18-P008	RWTF Industrial Control Network Security Essentials	11%	27,500	11,000	5,500	0	0	0	0	0	0	0	0	44,000
Study/Master Plan														
16-S001	Wastewater Collection System Master Plan Update and Connection Fee Study	25%	171,250	0	0	0	0	0	0	0	0	0	0	171,250
Wastewater Collection														
16-A002	Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin Court	90%	829,971	0	0	0	0	0	0	0	0	0	0	829,971
16-S019	Davona-Berwick 8" Sewer Replacement	100%	309,600	0	0	0	0	0	0	0	0	0	0	309,600
16-S021	Dublin Trunk Sewer Rehabilitation	100%	4,498,100	0	0	0	0	0	0	0	0	0	0	4,498,100
16-S034	Sewer Collection System Replacement and Rehabilitation	100%	155,000	155,000	0	0	0	0	0	0	0	0	0	310,000

Portion of Estimated Cashflow Allocated to Local Wastewater Replacement (Fund 210)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	210 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
00-S020	Wastewater Collection System Replacement and Rehabilitation PROGRAM	100%	145,000	145,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000	4,190,000
16-S022	Camp Parks Sewer Repair	100%	0	240,389	0	0	0	0	0	0	0	0	0	240,389
18-S006	San Ramon Golf Course 24" Trunk Sewer Rehabilitation	100%	0	557,500	0	0	0	0	0	0	0	0	0	557,500
18-S007	Alcosta Blvd Sewer Replacement	100%	0	480,375	0	0	0	0	0	0	0	0	0	480,375
14-S001	Camp Parks Sewer Rehabilitation Project - Goodfellow Ave North of 8th Street	100%	0	0	389,215	0	0	0	0	0	0	0	0	389,215
T14-02	Camp Parks Sewer Rehabilitation Project - Davis and Cromwell, 8th to 10 Streets	100%	0	0	0	1,113,480	0	0	0	0	0	0	0	1,113,480
T16-22	East Dublin 36" Trunk Sewer Rehabilitation	100%	0	0	0	737,600	0	0	0	0	0	0	0	737,600
14-S002	Camp Parks Sewer Rehabilitation Project - Adams 8th to 10th Streets	100%	0	0	0	0	469,740	0	0	0	0	0	0	469,740
T16-50	Iron Horse Trail Sewer Replacement	100%	0	0	0	0	487,765	0	0	0	0	0	0	487,765
08-2101	Donahue Dr./Vomac Rd. Relief Sewer	100%	0	0	0	0	0	200,000	450,000	0	0	0	0	650,000
Water System														
09-6101	Water and Recycled Water SCADA Improvements	2%	30,000	0	0	0	0	0	0	0	0	0	0	30,000
15-W004	Dougherty Road Utilities	10%	11,161	0	0	0	0	0	0	0	0	0	0	11,161
T18-03	SCADA Field Wireless	11%	0	0	5,830	0	0	0	0	0	0	0	0	5,830
			6,384,082	1,726,764	903,645	2,307,680	1,465,305	663,000	968,600	478,600	448,600	520,600	2,243,000	18,109,876

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Local Wastewater Expansion (Fund 220)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	220 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
General														
16-A005	Corporation Yard and Administrative Facilities	5%	12,500	0	0	0	0	0	0	0	0	0	0	12,500
18-A001	Field Operations Facility Security Systems Improvements	5%	2,500	0	0	0	0	0	0	0	0	0	0	2,500
Study/Master Plan														
16-S001	Wastewater Collection System Master Plan Update and Connection Fee Study	75%	513,750	0	0	0	0	0	0	0	0	0	0	513,750
Wastewater Collection														
T00-76	Dublin Trunk Relief Sewer	100%	0	0	0	0	0	0	0	0	0	0	6,235,000	6,235,000
Water System														
15-W004	Dougherty Road Utilities	5%	5,580	0	0	0	0	0	0	0	0	0	0	5,580
			534,330	0	0	0	0	0	0	0	0	0	6,235,000	6,769,330

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Regional Wastewater Replacement (Fund 310)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	310 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
General														
16-A004	Board Meeting Audio/Video Improvements	45%	11,250	33,750	65,250	0	0	0	0	0	0	0	0	110,250
16-A006	District Office Improvements	53%	26,500	0	0	0	0	0	0	0	0	0	0	26,500
17-A007	Wide Area Network Communications Phase 2	46%	115,000	0	0	0	0	0	0	0	0	0	0	115,000
T18-23	Fleet Replacement PROGRAM	30%	0	0	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	450,000	1,170,000
T18-24	Facilities Asset Replacement PROGRAM	66%	0	0	283,800	283,800	283,800	283,800	283,800	283,800	283,800	283,800	1,419,000	3,689,400
T18-01	Computing Infrastructure Replacement	50%	0	0	0	0	80,000	60,000	0	0	0	0	0	140,000
T18-02	Network Infrastructure and Security	50%	0	0	0	0	0	0	125,000	125,000	0	250,000	0	500,000
T18-17	Electric Vehicle Charging Station	50%	0	0	0	0	0	0	0	0	0	50,000	0	50,000
Resource Recovery Facilities														
05-3103	FSL Piping Improvements	100%	99,264	85,000	0	0	0	0	0	0	0	0	0	184,264
07-3203	Anaerobic Digester No. 4	11%	1,044,866	0	0	0	0	0	0	0	0	0	0	1,044,866
12-P003	RAS Line Rehabilitation	100%	587,500	0	0	0	0	0	0	0	0	0	0	587,500
13-S004	Pump Stations VFD Replacements	100%	299,906	402,975	558,750	0	0	0	0	0	0	0	0	1,261,631
16-P023	RWTF Lighting	100%	20,000	20,000	18,000	0	0	0	0	0	0	0	0	58,000
16-P024	RWTF Fire Alarm System Upgrades	100%	93,150	111,000	0	0	0	0	0	0	0	0	0	204,150
16-P028	Bio-Gas Treatment System Improvements	33%	9,900	0	643,500	660,000	0	0	0	0	0	0	0	1,313,400
16-P030	EPS1 and EPS2 Pump Modifications	100%	197,015	0	0	0	0	0	0	0	0	0	0	197,015
16-P031	RWTF Administration Building Improvements	100%	97,516	0	0	75,000	0	0	0	0	0	0	0	172,516
17-P004	Primary Sedimentation Expansion and Improvements	15%	317,250	1,122,750	0	0	0	0	0	0	0	0	0	1,440,000
18-P008	RWTF Industrial Control Network Security Essentials	52%	130,000	52,000	26,000	0	0	0	0	0	0	0	0	208,000
18-P009	RWTF Access Security Assessment	100%	50,000	0	0	0	0	0	0	0	0	0	0	50,000
18-P010	Biogas Flare Improvements	100%	200,000	350,000	75,000	0	0	0	0	0	0	0	0	625,000
18-P011	Chlorinated Secondary Effluent Process Water System Condition Assessment	100%	75,000	0	0	0	0	0	0	0	0	0	0	75,000

Portion of Estimated Cashflow Allocated to Regional Wastewater Replacement (Fund 310)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	310 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
18-P012	Inner Sewer Wetwell and Pumping Assessment	100%	75,000	0	0	0	0	0	0	0	0	0	0	75,000
00-3120	Energy Management PROGRAM	75%	56,250	56,250	187,500	187,500	262,500	0	0	0	0	0	0	750,000
00-P026	RWTF Replacement and Rehabilitation PROGRAM	100%	400,000	400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	13,800,000
05-3206	WWTP SCADA Improvements	100%	0	450,000	905,500	1,355,500	0	0	0	0	0	0	0	2,711,000
14-P005	Wet Weather Flow Capacity and Chlorine Contact Tank Dewatering	85%	0	382,500	0	0	0	0	0	0	0	0	0	382,500
18-P014	WWTP Recycled and Potable Water Systems	100%	0	200,000	184,000	0	0	0	0	0	0	0	0	384,000
18-P015	Gravity Belt Thickener Rehabilitation	100%	0	40,000	0	0	0	0	0	0	0	0	0	40,000
18-P016	Alum Addition	75%	0	600,000	0	0	0	0	0	0	0	0	0	600,000
18-P017	Public Outreach Signage at RWTF	100%	0	70,000	30,000	0	0	0	0	0	0	0	0	100,000
15-P018	Foul Air Line Rehabilitation	100%	0	0	350,000	0	0	0	0	0	0	0	0	350,000
T16-01	Hypochlorite Building Rehabilitation	100%	0	0	306,000	0	0	0	0	0	0	0	0	306,000
T16-35	Ferrous Chloride System Improvements	100%	0	0	102,600	0	0	0	0	0	0	0	0	102,600
T18-05	FSL MCC Improvements	100%	0	0	65,550	99,900	0	0	0	0	0	0	0	165,450
T00-37	Recoating of Digester Interior Covers 3, 2, and 1	100%	0	0	79,000	79,000	132,000	0	0	0	0	0	0	290,000
T16-11	WWTP Motor Control Center and Distribution Panel "A" Improvements	100%	0	0	0	203,550	693,750	471,750	0	0	0	0	0	1,369,050
T12-19	RWTF Fencing and Security - Phase 2	100%	0	0	0	1,210,000	0	0	0	0	0	0	0	1,210,000
T16-40	RWTF Pavement Repair	100%	0	0	0	325,000	0	0	0	0	0	0	0	325,000
T18-15	Cogeneration Engine Replacement	100%	0	0	0	0	0	20,000	1,000,000	0	0	0	0	1,020,000
T16-42	Nutrient Removal	80%	0	0	0	0	0	0	0	0	0	0	34,224,000	34,224,000
Study/Master Plan														
14-P004	WWTP/Biosolids Master Plan	15%	3,750	0	0	0	0	0	0	0	0	0	0	3,750
18-P002	WWTP Electrical System Master Plan	100%	0	750,000	0	0	0	0	0	0	0	0	0	750,000
Water System														
16-A016	District Facilities Security Project - Phase 2	10%	5,000	0	0	0	0	0	0	0	0	0	0	5,000
T18-03	SCADA Field Wireless	52%	0	0	27,560	0	0	0	0	0	0	0	0	27,560
			3,914,117	5,126,225	4,998,010	5,569,250	2,542,050	1,925,550	2,498,800	1,498,800	1,373,800	1,673,800	41,093,000	72,213,402

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Regional Wastewater Expansion (Fund 320)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	320 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
Resource Recovery Facilities														
07-3201	DSRSD Participation in Regional Biosolids Facility Project	100%	35,000	35,000	0	0	0	0	0	0	0	0	101,054	171,054
07-3203	Anaerobic Digester No. 4	89%	8,453,919	0	0	0	0	0	0	0	0	0	0	8,453,919
16-P028	Bio-Gas Treatment System Improvements	67%	20,100	0	1,306,500	1,340,000	0	0	0	0	0	0	0	2,666,600
17-P004	Primary Sedimentation Expansion and Improvements	85%	1,797,750	6,362,250	0	0	0	0	0	0	0	0	0	8,160,000
14-P005	Wet Weather Flow Capacity and Chlorine Contact Tank Dewatering	15%	0	67,500	0	0	0	0	0	0	0	0	0	67,500
18-P013	Biosolids Dewatering Facility	100%	0	2,525,000	12,120,000	0	0	0	0	0	0	0	1,450,000	16,095,000
18-P016	Alum Addition	25%	0	200,000	0	0	0	0	0	0	0	0	0	200,000
T16-54	Odor Reduction Tower Replacement	100%	0	0	0	0	1,042,500	0	0	0	0	0	0	1,042,500
T10-62	Emergency Power for Distribution Panel-D	100%	0	0	0	0	0	0	0	0	0	0	5,560,000	5,560,000
T10-83	Cover Primary Clarifiers	100%	0	0	0	0	0	0	0	0	0	0	2,080,000	2,080,000
T12-08	Cover Settled Sewage Channel and Selector	100%	0	0	0	0	0	0	0	0	0	0	3,900,000	3,900,000
T16-42	Nutrient Removal	20%	0	0	0	0	0	0	0	0	0	0	8,556,000	8,556,000
Study/Master Plan														
14-P004	WWTP/Biosolids Master Plan	85%	21,250	0	0	0	0	0	0	0	0	0	0	21,250
			10,328,019	9,189,750	13,426,500	1,340,000	1,042,500	0	0	0	0	0	21,647,054	56,973,823

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Water Replacement (Fund 610)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	610 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
General														
16-A004	Board Meeting Audio/Video Improvements	45%	11,250	33,750	65,250	0	0	0	0	0	0	0	0	110,250
16-A005	Corporation Yard and Administrative Facilities	55%	137,500	0	0	0	0	0	0	0	0	0	0	137,500
16-A006	District Office Improvements	37%	18,500	0	0	0	0	0	0	0	0	0	0	18,500
17-A006	District Pavement Rehabilitation	80%	256,000	200,000	160,000	32,000	160,000	0	160,000	0	0	0	0	968,000
17-A007	Wide Area Network Communications Phase 2	44%	110,000	0	0	0	0	0	0	0	0	0	0	110,000
18-A001	Field Operations Facility Security Systems Improvements	55%	27,500	0	0	0	0	0	0	0	0	0	0	27,500
00-A003	Street Overlay Modification PROGRAM	50%	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	400,000	1,200,000
T18-23	Fleet Replacement PROGRAM	50%	0	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	750,000	1,950,000
T18-24	Facilities Asset Replacement PROGRAM	32%	0	0	137,600	137,600	137,600	137,600	137,600	137,600	137,600	137,600	688,000	1,788,800
T18-01	Computing Infrastructure Replacement	38%	0	0	0	0	60,800	45,600	0	0	0	0	0	106,400
T18-02	Network Infrastructure and Security	38%	0	0	0	0	0	0	95,000	95,000	0	190,000	0	380,000
T18-17	Electric Vehicle Charging Station	38%	0	0	0	0	0	0	0	0	0	38,000	0	38,000
Resource Recovery Facilities														
18-P008	RWTF Industrial Control Network Security Essentials	37%	92,500	37,000	18,500	0	0	0	0	0	0	0	0	148,000
00-3120	Energy Management PROGRAM	25%	18,750	18,750	62,500	62,500	87,500	0	0	0	0	0	0	250,000
Wastewater Collection														
16-A002	Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin Court	10%	92,219	0	0	0	0	0	0	0	0	0	0	92,219
Water System														
09-6101	Water and Recycled Water SCADA Improvements	98%	1,470,000	0	0	0	0	0	0	0	0	0	0	1,470,000
15-W004	Dougherty Road Utilities	55%	61,385	0	0	0	0	0	0	0	0	0	0	61,385
15-W017	Water Distribution System Water Quality Improvements	100%	359,419	0	0	0	0	0	0	0	0	0	0	359,419
16-A016	District Facilities Security Project - Phase 2	90%	45,000	0	0	0	0	0	0	0	0	0	0	45,000

Portion of Estimated Cashflow Allocated to Water Replacement (Fund 610)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	610 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
16-W009	Potable Water Supply Reliability Planning	65%	214,903	0	0	0	0	0	0	0	0	0	0	214,903
16-W012	Potable Water Pump Station Standby Generators/Emergency Response	100%	375,000	2,665,000	0	0	0	0	0	0	0	0	0	3,040,000
17-W001	Automated Water Meter Data Transmission Repeaters	20%	9,600	16,800	4,800	4,800	4,800	16,800	4,800	4,800	4,800	0	0	72,000
18-W003	Reservoir 2 Recoating	100%	490,000	0	0	0	0	0	0	0	0	0	0	490,000
00-W0012	Capital Improvements to Increase Water Supply PROGRAM - Phase 2	75%	750,000	3,000,000	2,250,000	7,500,000	7,500,000	9,000,000	0	0	0	0	0	30,000,000
00-W011	Water System Replacement and Rehabilitation PROGRAM	100%	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	10,580,000	13,580,000
12-W016	Reservoir 1B Recoating	100%	0	1,025,000	0	0	0	0	0	0	0	0	0	1,025,000
16-W017	Water Lines Replacement - Wineberry Area	100%	0	2,207,200	0	0	0	0	0	0	0	0	0	2,207,200
18-W004	MCC Improvements - PS1A and PS3A	100%	0	79,350	188,700	0	0	0	0	0	0	0	0	268,050
17-W002	Electrical Service to Reservoirs 10A and 200B	100%	0	0	545,000	0	0	0	0	0	0	0	0	545,000
08-6103	Water Main - Sebille Ave to 12th St	100%	0	0	444,600	0	0	0	0	0	0	0	0	444,600
T16-28	Water Lines Replacement - Tamarack Drive - Village Pkwy to Firethorn Way	100%	0	0	1,101,780	0	0	0	0	0	0	0	0	1,101,780
T16-29	Water Lines Replacement - Canterbury Lane and Cardigan Street	100%	0	0	1,190,000	0	0	0	0	0	0	0	0	1,190,000
T16-30	Water Line Replacement Phase 2 - Canterbury Lane	100%	0	0	1,208,770	0	0	0	0	0	0	0	0	1,208,770
T18-03	SCADA Field Wireless	37%	0	0	19,610	0	0	0	0	0	0	0	0	19,610
00-W001	Capital Improvement to Increase Water Supply PROGRAM - Phase 1	33%	0	0	330,000	330,000	330,000	176,220	0	0	0	0	0	1,166,220
T10-85	Camp Parks Water Main - Mitchell Drive, Powell to 8th Streets	100%	0	0	0	170,900	0	0	0	0	0	0	0	170,900
T10-87	Camp Parks Cromwell Avenue and 12th Street Main Replacement	100%	0	0	0	513,610	0	0	0	0	0	0	0	513,610
T18-22	Reservoir 20A Recoating	100%	0	0	0	0	0	1,350,000	0	0	0	0	0	1,350,000
T16-31	Water Line Replacement - Ironwood Drive	100%	0	0	0	0	0	0	1,210,260	0	0	0	0	1,210,260
T16-37	Microfiltration Rack and Membrane Replacement	100%	0	0	0	0	0	0	0	0	997,500	0	0	997,500
T16-67	Reservoir Recoating PROGRAM	100%	0	0	0	0	0	0	0	0	500,000	500,000	1,656,000	2,656,000

Portion of Estimated Cashflow Allocated to Water Replacement (Fund 610)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	610 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
T10-86	Camp Parks Water Mains - Lorring Street and Monroe Avenue	100%	0	0	0	0	0	0	0	0	0	355,100	0	355,100
			4,919,526	9,662,850	8,257,110	9,281,410	8,810,700	11,256,220	2,137,660	767,400	2,169,900	1,750,700	14,074,000	73,087,476

CIP 10-Year Plan for Fiscal Years Ending 2018 through 2027

Portion of Estimated Cashflow Allocated to Water Expansion (Fund 620)

**Amounts shown are District costs net of grants and other fundings*

CIP No.	Project Name	620 Split	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Future	Total
General														
16-A005	Corporation Yard and Administrative Facilities	30%	75,000	0	0	0	0	0	0	0	0	0	0	75,000
18-A001	Field Operations Facility Security Systems Improvements	30%	15,000	0	0	0	0	0	0	0	0	0	0	15,000
Study/Master Plan														
T14-10	Water System Master Plan Update and Operations Plan Update	100%	0	0	0	500,000	0	0	0	0	0	0	0	500,000
Water System														
12-W013	Water Main - Fallon Rd, Tassajara Rd to Tassajara Creek	100%	315,500	0	0	0	0	0	0	0	0	0	0	315,500
15-W004	Dougherty Road Utilities	30%	33,483	0	0	0	0	0	0	0	0	0	0	33,483
16-R014	DERWA Recycled Water Plant - Phase 2	100%	3,673,100	150,952	0	0	0	0	0	0	0	0	0	3,824,052
16-R018	DERWA Supplemental Supply	100%	522,261	0	435,000	0	0	490,680	0	0	0	0	0	1,447,941
16-W009	Potable Water Supply Reliability Planning	35%	115,717	0	0	0	0	0	0	0	0	0	0	115,717
17-W001	Automated Water Meter Data Transmission Repeaters	80%	38,400	67,200	19,200	19,200	19,200	67,200	19,200	19,200	19,200	0	0	288,000
17-W003	Reservoir 10A	100%	3,300,000	3,366,000	0	0	0	0	0	0	0	0	0	6,666,000
00-W0012	Capital Improvements to Increase Water Supply PROGRAM - Phase 2	25%	250,000	1,000,000	750,000	2,500,000	2,500,000	3,000,000	0	0	0	0	0	10,000,000
05-6204	Water Main-Bollinger Canyon Rd. to Reservoir 200B	100%	0	824,000	0	0	0	0	0	0	0	0	0	824,000
16-R013	Water Reuse Demonstration Project	100%	0	100,000	200,000	0	0	0	0	0	0	0	0	300,000
14-W008	Reservoir 20B	100%	0	655,000	3,495,000	3,000,000	0	0	0	0	0	0	0	7,150,000
18-W005	Commercial Recycled Water Fill Station Enhancements	100%	0	60,000	0	0	0	0	0	0	0	0	0	60,000
00-W001	Capital Improvement to Increase Water Supply PROGRAM - Phase 1	67%	0	0	670,000	670,000	670,000	357,780	0	0	0	0	0	2,367,780
08-6202	Pump Station 20A Improvements	100%	0	0	0	0	0	0	0	0	0	0	469,040	469,040
T00-29	Turnout 6	100%	0	0	0	0	0	0	0	0	0	0	2,000,000	2,000,000
T18-26	DERWA Recycled Water Plant - Phase 3	100%	0	0	0	0	0	0	0	0	0	0	1,650,820	1,650,820
			8,338,461	6,223,152	5,569,200	6,689,200	3,189,200	3,915,660	19,200	19,200	19,200	0	4,119,860	38,102,333

End of Document

Dublin San Ramon Services District
Summary & Recommendation

Item 9.B.
Meeting Date: June 6, 2017

TITLE: Public Hearing: Adopt Operating Budget for FYE 2018 and FYE 2019

RECOMMENDATION:

Staff recommends the Board of Directors hold a Public Hearing related to the Operating Budget for FYE 2018 and FYE 2019 and adopt, by Resolution, the Operating Budget.

SUMMARY:

The Board received the Proposed Operating Budget for FYE 2018 and FYE 2019 on May 5 and an in-depth presentation on the Budget on May 16. The document incorporates the following proposals:

- Implementation of the new 2017-2022 Strategic Plan within the Department goals and objectives
- Proposed staffing of seven new full-time positions (two mechanics, one electrician, four maintenance positions) and a three-year limited-term inspector
- Proposed Local and Regional Wastewater rate increases
- Increased focus on training, technology, and asset management

The document is divided into four main sections – executive overview, financial overview, department operating budget, and the appendix. The financial overview section addresses the working capital of each fund group (Local Wastewater, Regional Wastewater, Water, and Internal Service), including details of revenues, expenditures, and budget trends.

Exhibit A to the attached resolution reflects the proposed budget document received by the Board on May 5, and discussed at the meeting of May 16, with modifications addressed in the 10-year CIP Plan and FYE 2018 and 2019 CIP Budget presentation involving the amendment of several fund splits between projects which has a small effect on ending fund balances. This updated document also includes the new performance measures for the Operations Department and a schedule of new positions as requested by the Board on May 5.

For convenience, the sections of the operating budget amended in response to Board comments and minor adjustments to proposed capital expenditures are shown in Attachment 1. Numbers that have been modified from the earlier draft budget are highlighted in yellow.

In summary, the enterprise funds for Regional Wastewater and Water are in a very strong financial position with working capital limits at or above Board policy. The Local Wastewater Enterprise fund, however, will require a substantial increase in rates to fund both operations and replacement projects. Even with the new rates incorporated, the combined working capital in this fund group (enterprise and rate stabilization) is estimated to be negative $95,000 at the end of FYE 2019. Staff is proposing to closely monitor this situation and may need to defer some transfers from the Enterprise to the Replacement fund to ensure that the Board's policy levels are achieved. This situation is projected to reverse itself and bring the fund into a healthy financial position during the next five years as discussed in the Local Wastewater Rate Study.

Originating Department: Administrative Services	**Contact:** C. Atwood	**Legal Review:** Not Required
Cost: $0	**Funding Source:** N/A	
Attachments: ☐ None ☐ Staff Report ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – Updated Changes to the Proposed Operating Budget**	

Executive Overview
Performance Measures

Operations Department	Objective	Goal	Actual
Regulatory Compliance	Sustain compliance of regulatory permit limits at all times	100%	100%
Treatment Plant Facilities	Sustain steady-state performance with no major breakdowns/upsets	100%	100%
Water Distribution	Deliver purchased Zone 7 water to customers in a safe and efficient manner and manage water storage time to minimize water quality problems	100%	99%

Financial Overview
Operating Expenses

The proposed new positions included on page 46 are estimated to cost the District $1,091,100 in additional salary and benefit costs in FYE 2018 and $1,125,200 in FYE 2019. To offset the cost of these new positions, $310,000 was removed from the Planning & Permitting budget for contract inspection services, and an additional $167,000 was removed from the various Operations budgets for temporary positions. Permanent positions will gain efficiencies as they will provide an on-going and experienced employee base and eliminate the inefficiencies of temporary positions that need training and mentoring, but are only available for a 6 month equivalent basis.

Proposed Positions	**Adopted FYE 17**	**Budget FYE 18**	**Budget FYE 19**
Personnel			
Engineering			
Planning and Permitting	10.00	10.00	10.00
Three Year Limited Term Construction Inspector	-	1.00	1.00
	10.00	**11.00**	**11.00**
Operations			
Field Operations	12.00	12.00	12.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
	12.00	**16.00**	**16.00**
Mechanical Maintenance	14.00	14.00	14.00
Administrative Technician - moved to Support	-	-1.00	-1.00
Mechanic I	-	1.00	1.00
Mechanic I	-	1.00	1.00
	14.00	**15.00**	**15.00**
Electrical & Automation	9.00	9.00	9.00
Electrician	-	1.00	1.00
	9.00	**10.00**	**10.00**

FYE 2018 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220
(Estimated) Ending Working Capital July 1, 2017	926,611	795,650	6,853,702	7,566,446
Revenues:				
Total Service Charges	2,575,811	-	-	-
Capacity Reserve Fees	-	-	898,893	874,072
Other Revenues	20,683	-	-	549,196
Interest	12,214	7,957	26,896	70,007
Total Revenues	2,608,708	7,957	925,789	1,493,275
Transfers In:				
Replacement Allocations	-	-	567,900 (1)	-
Interfund Loan	-	-	5,000,000 (2)	-
Total Transfers In	-	-	5,567,900	-
Total Revenue	2,608,708	7,957	6,493,689	1,493,275
Operating Expenses:				
Salaries & Benefits	1,997,994	-	-	400,764
Materials & Supplies	99,178	-	10,800	1,580
Contracts	181,629	-	800	59,220
Other	24,525	-	-	280
Debt Service	-	-	-	-
Capital Outlay	-	-	52,276	-
Allocated Costs	804,173	-	-	158,224
Total Operating Expenses	3,107,499	-	63,876	620,068
Capital Projects - Proposed Fund Limits	-	-	*6,384,082*	*534,330*
Transfers Out:				
Replacement Allocations	567,900 (1)	-	-	-
Interfund Loan	-	-	-	5,000,000 (2)
Total Transfers Out	567,900	-	-	5,000,000
Total Expenses	3,675,399	-	6,447,958	6,154,398
Net increase (decrease) pre RSF	(1,066,691)	7,957	45,731	(4,661,123)
Ending Working Capital pre RSF	(140,080)	803,607	6,899,433	2,905,322
RSF Transfer In (Out)	200,902	(200,902)	-	-
Net increase (decrease) post RSF	(865,789)	(192,945)	45,731	(4,661,123)
(Estimated) Ending Working Capital June 30, 2018	$ 60,822	$ 602,705	$ 6,899,433	$ 2,905,322

FYE 2019 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220
(Estimated) Ending Working Capital July 1, 2018	60,822	602,705	6,899,433	2,905,322
Revenues:				
Total Service Charges	3,121,140	-	-	-
Capacity Reserve Fees	-	-	1,091,155	1,061,024
Other Revenues	20,683	-	-	565,672
Interest	8,030	8,036	20,716	72,487
Total Revenues	3,149,853	8,036	1,111,871	1,699,183
Transfers In:				
Replacement Allocations	-	-	685,800 (1)	-
Interfund Loan Repaid	-	-	-	833,333 (2)
Total Transfers In	-	-	685,800	833,333
Total Revenue	3,149,853	8,036	1,797,671	2,532,516
Operating Expenses:				
Salaries & Benefits	2,079,603			420,135
Materials & Supplies	97,260	-	10,800	1,580
Contracts	183,361	-	800	37,220
Other	24,525	-	-	280
Contribution to JPA	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	16,800	-
Allocated Costs	845,514	-	-	168,629
Total Operating Expenses	3,230,263	-	28,400	627,845
Capital Projects - Proposed Fund Limits	-	-	1,726,764	-
Transfers Out:				
Replacement Allocations	685,800 (1)	-	-	-
Interfund Loan Repayment	-	-	833,333 (2)	-
Total Transfers Out	685,800	-	833,333	-
Total Expenses	3,916,063	-	2,588,497	627,845
Net increase (decrease) pre RSF	(766,210)	8,036	(790,827)	1,904,671
Ending Working Capital pre RSF	(705,387)	610,741	6,108,607	4,809,994
RSF Transfer In (Out)	152,685	(152,685)	-	-
Net increase (decrease) post RSF	(613,524)	(144,649)	(790,827)	1,904,671
(Estimated) Ending Working Capital June 30, 2019	$ (552,702)	$ 458,056	$ 6,108,607	$ 4,809,994

FYE 2018 PROPOSED OPERATING BUDGET	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320
(Estimated) Ending Working Capital July 1, 2017	5,805,726	7,903,986	22,644,610	51,918,320
Revenues:				
Total Service Charges	21,253,849	-	-	-
Capacity Reserve Fees	-	-	2,614,672	15,870,684
Other Revenues	629,822	-	-	43,063
Interest	122,215	79,101	202,342	487,991
Total Revenues	22,005,886	79,101	2,817,014	16,401,738
Transfers In:				
Replacement Allocations	-	-	2,710,000 (1)	-
Pleasanton Advance Sale Sewer Permits	-	-	-	88,919 (2)
Total Transfers In	-	-	2,710,000	88,919
Total Revenue	22,005,886	79,101	5,527,014	16,490,657
Operating Expenses:				
Salaries & Benefits	7,136,722			76,091
Materials & Supplies	2,378,763	-	51,300	440
Contracts	1,005,616	-	500	53,160
Other	2,446,149	-	-	337,238
Debt Service	1,464,483	-	-	4,313,856
Capital Outlay	-	-	650,234	-
Allocated Costs	2,890,761	-	-	30,576
Total Operating Expenses	17,322,494	-	702,034	4,811,361
Capital Projects - Proposed Fund Limits	-	-	3,914,117	10,328,019
Transfers Out:				
Replacement Allocations	2,710,000 (1)	-	-	-
Pleasanton Advance Sale Sewer Permits	88,919 (2)	-	-	-
Total Transfers Out	2,798,919	-	-	-
Total Expenses	20,121,413	-	4,616,151	15,139,380
Net increase (decrease) pre RSF	1,884,474	79,101	910,863	1,351,278
Ending Working Capital pre RSF	7,690,200	7,983,088	23,555,473	53,269,597
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	1,884,474	79,101	910,863	1,351,278
(Estimated) Ending Working Capital June 30, 2018	$ 7,690,200	$ 7,983,088	$ 23,555,473	$ 53,269,597

FYE 2019 PROPOSED OPERATING BUDGET	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320
(Estimated) Ending Working Capital July 1, 2018	7,690,200	7,983,088	23,555,473	53,269,597
Revenues:				
Total Service Charges	22,115,091	-	-	-
Capacity Reserve Fees	-	-	3,021,146	18,094,130
Other Revenues	642,419	-	-	43,063
Interest	133,288	79,892	246,147	537,775
Total Revenues	22,890,797	79,892	3,267,293	18,674,968
Transfers In:				
Replacement Allocations	-	-	2,920,000 (1)	-
Pleasanton Advance Sale Sewer Permits	-	-	-	88,919 (2)
Total Transfers In	-	-	2,920,000	88,919
Total Revenue	22,890,797	79,892	6,187,293	18,763,887
Operating Expenses:				
Salaries & Benefits	7,477,270			82,241
Materials & Supplies	2,429,894	-	51,300	440
Contracts	860,988	-	500	13,160
Other	2,446,149	-	-	337,238
Debt Service	1,464,003	-	-	4,313,022
Capital Outlay	-	-	229,800	-
Allocated Costs	3,077,845	-	-	32,701
Total Operating Expenses	17,756,149	-	281,600	4,778,801
Capital Projects - Proposed Fund Limits	-	-	5,126,225	9,189,750
Transfers Out:				
Replacement Allocations	2,920,000 (1)	-	-	-
Pleasanton Advance Sale Sewer Permits	88,919 (2)	-	-	-
Total Transfers Out	3,008,919	-	-	-
Total Expenses	20,765,068	-	5,407,825	13,968,551
Net increase (decrease) pre RSF	2,125,730	79,892	779,468	4,795,335
Ending Working Capital pre RSF	9,815,929	8,062,980	24,334,941	58,064,932
RSF Transfer In (Out)	(937,855)	937,855	-	-
Net increase (decrease) post RSF	1,187,875	1,017,747	779,468	4,795,335
(Estimated) Ending Working Capital June 30, 2019	$ 8,878,074	$ 9,000,835	$ 24,334,941	$ 58,064,932

FYE 2018 PROPOSED OPERATING BUDGET	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620
(Estimated) Ending Working Capital July 1, 2017	10,743,447	14,127,902	15,135,695	21,254,455
Revenues:				
Total Service Charges	34,429,859	-	-	-
Capacity Reserve Fees	-	-	3,599,600	8,348,644
Other Revenues	549,441	713,244	3,875	1,406,296
Interest	109,976	124,808	142,455	187,052
Total Revenues	35,089,276	838,052	3,745,931	9,941,992
Transfers In:				
Replacement Allocations	-	-	2,901,000 (1)	-
Allocation Recycled Water Program Fund	-	-	1,500,000 (2)	-
Debt Service	-	-	-	675,000 (3)
Total Transfers In	-	-	4,401,000	675,000
Total Revenue	35,089,276	838,052	8,146,931	10,616,992
Operating Expenses:				
Salaries & Benefits	5,333,838			560,415
Materials & Supplies	17,162,425		267,900	382,785
Contracts	1,698,492	-	2,600	25,960
Other	2,174,299	35,000	-	846,714
Debt Service	-	-	-	2,214,569
Capital Outlay	-	-	169,293	-
Allocated Costs	2,122,683	-	-	222,489
Total Operating Expenses	28,491,737	35,000	439,793	4,252,932
Capital Projects - Proposed Fund Limits	-	-	4,919,526	8,338,461
Transfers Out:				
Replacement Allocations	2,901,000 (1)	-	-	-
Allocation Recycled Water Program Fund	1,500,000 (2)	-	-	-
Debt Service	675,000 (3)	-	-	-
Total Transfers Out	5,076,000	-	-	-
Total Expenses	33,567,737	35,000	5,359,319	12,591,392
Net increase (decrease) pre RSF	1,521,539	803,052	2,787,612	(1,974,400)
Ending Working Capital pre RSF	12,264,986	14,930,954	17,923,307	19,280,056
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	1,521,539	803,052	2,787,612	(1,974,400)
(Estimated) Ending Working Capital June 30, 2018	$ 12,264,986	$ 14,930,954	$ 17,923,307	$ 19,280,056

FYE 2019 PROPOSED OPERATING BUDGET	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620
(Estimated) Ending Working Capital July 1, 2018	12,264,986	14,930,954	17,923,307	19,280,056
Revenues:				
Total Service Charges	36,642,232	-	-	-
Capacity Reserve Fees	-	-	4,748,138	10,868,832
Other Revenues	565,627	731,532	3,875	1,799,787
Interest	129,671	132,884	137,975	216,085
Total Revenues	37,337,530	864,416	4,889,988	12,884,704
Transfers In:				
Replacement Allocations	-	-	3,101,000 (1)	-
Allocation Recycled Water Program Fund	-	-	1,500,000 (2)	-
Debt Service	-	-	-	675,000 (3)
Total Transfers In	-	-	4,601,000	675,000
Total Revenue	37,337,530	864,416	9,490,988	13,559,704
Operating Expenses:				
Salaries & Benefits	5,595,537			585,044
Materials & Supplies	18,052,481	-	289,900	426,455
Contracts	1,714,369	-	2,600	15,960
Other	2,174,299	35,000	-	846,714
Debt Service	-	-	-	2,212,169
Capital Outlay	-	-	30,400	-
Allocated Costs	2,265,661	-	-	236,783
Total Operating Expenses	29,802,347	35,000	322,900	4,323,125
Capital Projects - Proposed Fund Limits	-	-	9,662,850	6,223,152
Transfers Out:				
Replacement Allocations	3,101,000 (1)	-	-	-
Allocation Recycled Water Program Fund	1,500,000 (2)	-	-	-
Debt Service	675,000 (3)	-	-	-
Total Transfers Out	5,276,000	-	-	-
Total Expenses	35,078,347	35,000	9,985,750	10,546,277
Net increase (decrease) pre RSF	2,259,183	829,416	(494,762)	3,013,427
Ending Working Capital pre RSF	14,524,169	15,760,369	17,428,545	22,293,483
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	2,259,183	829,416	(494,762)	3,013,427
(Estimated) Ending Working Capital June 30, 2019	$ 14,524,169	$ 15,760,369	$ 17,428,545	$ 22,293,483

Capital Improvement Program

Local Wastewater Expansion (Fund 220) – The funding source to expand or add local sewer facilities to accommodate increased wastewater flows from new development.

Regional Wastewater Replacement (Fund 310) – The funding source to replace and improve the regional wastewater treatment plant to process existing wastewater flows before further treatment for recycled water or transit through the LAVWMA pipeline to the San Francisco Bay for disposal.

Regional Wastewater Expansion (Fund 320) – The funding source to expand or add to the regional wastewater treatment plant and related appurtenances that process future wastewater flows.

Water Replacement (Fund 610) – The funding source to replace and improve facilities to treat recycled water, as well as the pipelines, pump stations, reservoirs, and related appurtenances to distribute potable water from the Zone 7 turnouts to the customers and recycled water from the DERWA turnouts to the recycled water customers.

Water Expansion (Fund 620) – The funding source to expand or add facilities to treat recycled water and to distribute potable and recycled water.

A CIP project can have more than one funding source depending on the project scope. The fund split for multi-funded projects are determined based on the District's Project Cost Allocation Policy.

Capital Improvement Program Expenditures

The CIP Ten-Year Plan for FYEs 2018 through 2027 includes 108 projects and programs totaling $175.8 million. The CIP Two-Year Budget includes 64 projects and programs totaling $66.3 million. The following table provides a summary of CIP expenditures over the two year CIP budget for each fund grouped by business enterprise. All expenditures are provided in current dollars.

Project Categories:	Local Wastewater Replacement (Fund 210)	Local Wastewater Expansion (Fund 220)	Regional Wastewater Replacement (Fund 310)	Regional Wastewater Expansion (Fund 320)	Water Replacement (Fund 610)	Water Expansion (Fund 620)	Totals per Category
Study/Master Plan	171,250	513,750	753,750	21,250	-	-	**1,460,000**
General	344,000	15,000	186,500	-	954,500	90,000	**1,590,000**
Water System	41,161	5,580	5,000	-	13,368,657	14,471,613	**27,892,011**
Wastewater Collection	7,515,935	-	-	-	92,219		**7,608,154**
Resource Recovery Facilities	38,500	-	8,095,092	19,496,519	167,000		**27,797,111**
Totals per Fund	**8,110,846**	**534,330**	**9,040,342**	**19,517,769**	**14,582,376**	**14,561,613**	**66,347,276**

The complete CIP Ten-Year Plan for FYEs 2018 through 2027 and Two-Year Budget for FYE 2018 and FYE 2019 are available on our website at www.dsrsd.com/about-us/library/financial-information.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND ADOPTING THE OPERATING BUDGET FOR FISCAL YEARS ENDING 2018 AND 2019

WHEREAS, the District is required to adopt an operating budget by September 1; and

WHEREAS, the budget as presented provide a financial plan that supports the Board's policy objectives for the next two fiscal years as expressed in the District Strategic Plan; and

WHEREAS, said budget incorporate expenditures for operating the District to provide reliable and sustainable water, wastewater, and recycled water to the communities it serves in a safe, efficient, and environmentally responsible manner; and

WHEREAS, the Board was provided assurance that the Proposed Budget meets Board priorities, realizes efficiencies and responsible cost savings, demonstrates fiscal accountability and value to customers, is balanced, and ensures future financial sustainability; and

WHEREAS, on May 16, 2017, the Board was provided a comprehensive overview of the development process and assumptions, a District-wide financial review and a presentation of fund financial allocations in the proposed budget for Fiscal Years Ending 2018 and 2019 to review and provided guidance on the adoption thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California that the revenues, expenditures, and transfers as noted in the Proposed Operating Budget for Fiscal Years Ending 2018 and 2019 attached as Exhibit A, are hereby approved. In addition, the Board directs the General Manager to make minor editorial changes as needed and to publish a final version incorporating the above.

ADOPTED by the Board of Directors of the Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June, 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District

Water, wastewater, recycled water

Proposed Operating Budget
Fiscal Years Ending
2018 and 2019

Provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

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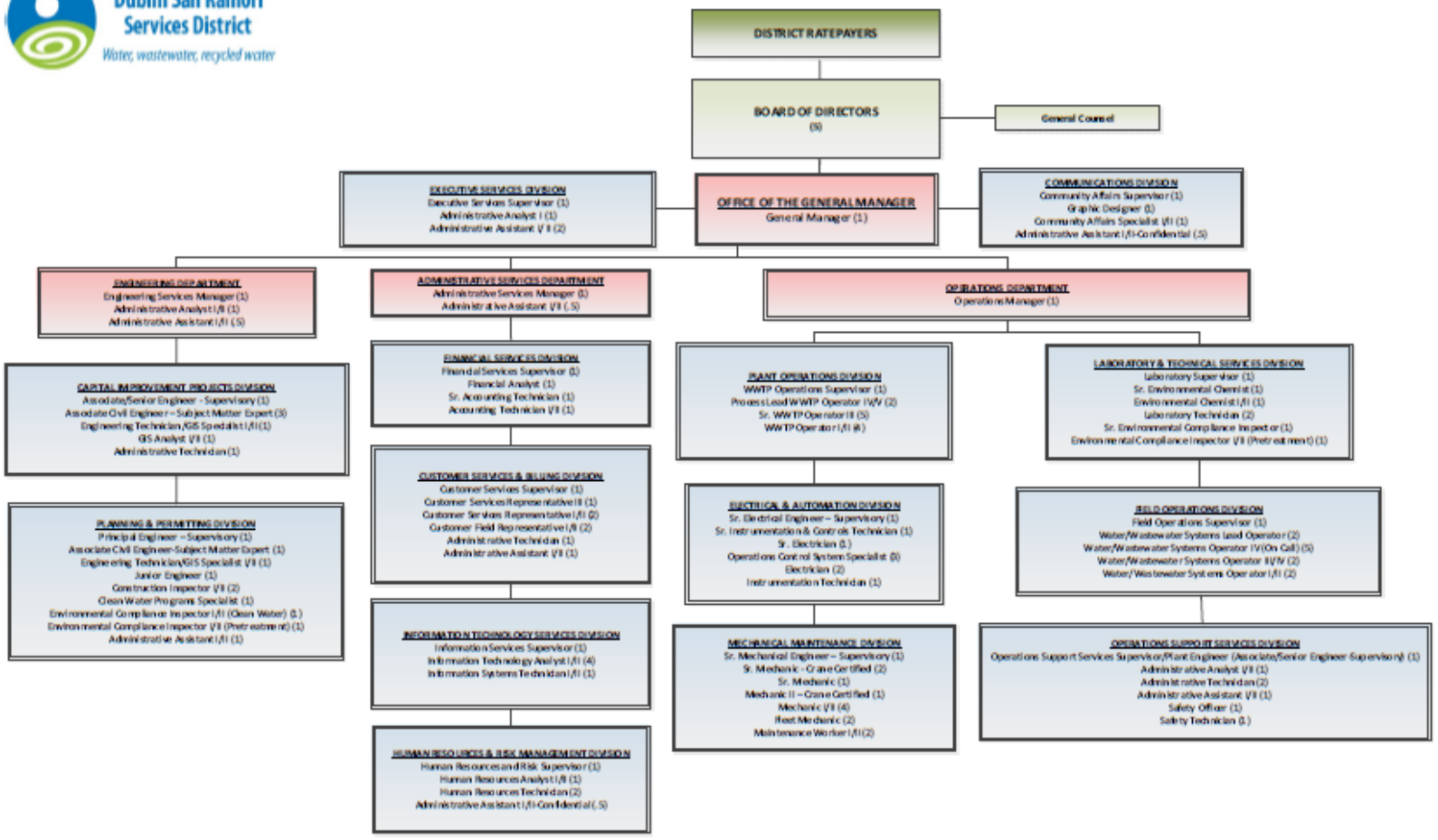
Dublin San Ramon Services District

Water, wastewater, recycled water



Dublin San Ramon Services District
Board of Directors
Fiscal Years Ending 2018 and 2019

Richard Halket
President

Georgean Vonheeder-Leopold
Vice President

Edward Duarte
Director

D.L. (Pat) Howard
Director

Madelyne (Maddi) Misheloff
Director

Senior Management Team

Daniel McIntyre – General Manager
Carol Atwood – Administrative Services Manager
Jeff Carson – Operations Manager
Judy Zavadil – Engineering Services Manager

California Society of
Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2015-2016

Presented to the

Dublin San Ramon Services District

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016

Jesse Takahashi
CSMFO President

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

The California Society of Municipal Finance Officers issues annual awards for outstanding achievement and contributions to the profession. Dublin San Ramon Services District received the award shown above for its Operating Budget for fiscal years ending (FYE) 2015 and 2016.. In bestowing this honor, the Society acknowledges the District for its outstanding presentation of financial and budgetary data.

Our FYE 2017 and2018 Operating Budget is intended to meet the society's high standards and will be submitted again this year to determine eligibility for another award.

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

main (925) 828-0515
fax (925) 829-1180
www.dsrsd.com

May 5, 2017

Honorable President and District Directors:

I am pleased to submit the FYE 2018 and FYE 2019 operating budget for the Board's review and consideration. The FYE 2018 and FYE 2019 operating budget provides an overview of the budget process, gives highlights of District challenges and accomplishments over the last two years, provides an overview of major policy issues facing the District, and described detailed financial plans over the next two years.

The Tri-Valley has strongly rebounded from the Great Recession, and the revenue base in all the District's three main business enterprises continues to grow significantly as a result of growth in the customer base from new development. The two major challenges ahead are continuing to build a proactive Asset Management Program, and addressing a continuing wave of staff retirements. To address both of these challenges, the budget anticipates the addition of seven Full Time Equivalent (FTE) positions, and the addition of one Limited Term position (three year term). These additions will bring the total full time positions up from 113 to 121, still below the District's peak of 134 FTE's prior to the Great Recession. The pace of development continues to strengthen the District's financial position, with the benefit that the addition of new resources will have only a modest impact on utility rates over the next five years. Most notably, there will be a two year period of no rate increases to the Regional Wastewater Program in FYE 2017 and FYE 2018, followed by four years of planned CPI increases.

Budget Development Process

The FYE 2018 and FYE 2019 budget process began with the Annual Leadership Team Retreat in January of 2017. The team of all new Senior Managers and our division managers met for two days to identify the strengths, weaknesses, challenges, and opportunities facing the District over the next five years. There was broad consensus on the issues facing the District, and as a result the Leadership Team was able to develop a concise, streamlined 2017 – 2022 Strategic Plan Update for the Board's consideration. With the Board's review of and comment on the draft Strategic Plan at a March workshop, the foundation was laid for a new budget proposal. The Leadership Team worked together to consider several options for the FYE 2018 and FYE 2019 proposal, carefully evaluating the tradeoffs from a number of approaches. As a result, funding for some programs and activities was reduced to allow for resources to be reallocated to new priorities, consistent with the new Strategic Plan.

Highlights and Review of FYE 2016 and FYE 2017

The last two fiscal years have been a period of unprecedented challenge and transition for the District. Most prominently, the Great Drought that began in 2012 continued until the early spring of 2016.

Governor Brown issued a State wide drought emergency declaration in early 2014 that wasn't lifted until April 7th of 2017. During this time, the District was operated under a number of emergency conservation regulations imposed by the State Water Resources Control Board. The District's customers heroically addressed the difficulties of the drought by conserving 24% of total water in 2014, 34% in 2015, and 28% in 2016 (total system-wide volume compared to the 2013 "baseline year"). To provide an option to manage mandatory water curtailments in the drought, the District opened a residential fill station for recycled water in 2014 at the Wastewater Treatment Plant, which remained open until potential construction traffic impacts from the Recycled Water Treatment Plant Expansion project forced its closure at the end of 2016. Additionally, the District opened a second residential fill station on Dublin Boulevard in 2015 and 2016.

In response to the Tri-Valley's water supply vulnerability revealed by the Great Drought, the Board of Directors adopted a visionary Water Supply, Storage, Conveyance, Quality, and Conservation Policy in the fall of 2015. This policy guides District planning by emphasizing greater diversification and resiliency in our future water supply, guiding both our advocacy and planning efforts. Moreover, the District was successful over the last three years in collaborating with seven other entities to initiate a Tri-Valley Joint Potable Reuse Feasibility Study, which may ultimately lead to a new potable water supply for the District and the Tri-Valley.

During 2016, the District updated it Water System Master Plan and concurrently updated the Water Capacity Reserve Fee Study. The Water Capacity Fee Study included provision for the addition of $10 million of new development money to serve as "seed funding" for a potable reuse project. Thus, not only has the District begun planning for alternative water supplies, it has also taken the first early steps to fund alternative water supplies.

A second major challenge was the large amount of staff turnover in the last two years through retirements. Of the District's 113 Full Time Equivalent (FTE) positions, 26 recruitments occurred from vacancies arising during this period. Most notably, an entirely new senior management team was assembled in 2016, and is working together effectively to revitalize water and wastewater operations, streamline policies and procedures, enhance communication both within the organization and externally with the public and partner agencies, and align financial and operational strategies with long-term goals. Additionally, the senior management team has helped the broader Leadership Team to create a streamlined Strategic Plan Update for the Board's consideration.

Originally, contract negotiations with all of the bargaining groups were scheduled during the transitional period for the new Senior Management team. To mitigate the impacts of the Senior Management Team transition in 2016, the Administrative Services Department was successful in negotiating one year contract extensions, allowing for negotiations on new contracts to begin only after the new team was in place. These negotiations are scheduled to start in July of 2017.

Another key transition for the District involved the relocation of the Field Operations Division from its "temporary facilities" at Camp Parks to a remodeled industrial building on Commerce Circle in Pleasanton. Within the last two years the District acquired the new property, arranged for environmental remediation, remodeled the vacant industrial building to meet our needs, and relocated the Field Operations Division's equipment, supplies, and staff to the new facility.

Significant work by the Information Technology Services Division was needed to ensure a smooth transfer. Moreover, the staff within the Field Operations Division, the Maintenance Division, and the Electrical Division had to perform magnificently under tight time constraints to switch over the SCADA equipment, and to ready the new facility for temporary occupancy in the midst of the remodeling work.

Including the Field Operations Facility acquisition and remodel, key capital projects completed in FYE 2016 and FYE 2017 include:

- Field Operations Facility - $7.5 million
- West Dublin Recycled Water Extension - $8.2 million
- Water System SCADA Upgrades - $6.9 million (nearly complete)
- DERWA Recycled Water Treatment Plant – Sixth Filter - $0.9 million
- Clarifier #3 Renovation - $1.3 million

Projects in progress or just started include:

- DERWA Recycled Water Treatment Plant Phase 2 Expansion - $18.8 million (in progress)
- Dublin Boulevard Lift Station relocation - $1.9 million (just started)
- Dublin Trunkline - $6.6 million (just started)

Projects where the District has begun design and anticipate constructing in FY 2018 and FY 2019 include:

- Primary clarifiers - $10 million
- Digester #4 - $13.3 million
- Reservoir 10A Reconstruction - $7.6 million
- Wastewater Treatment Plant SCADA - $2.9 million

The start of the DERWA Recycled Water Treatment Plant Phase Two Expansion offered an opportunity to foster a spirit of community and partnership with other agencies, with the groundbreaking ceremony in January of 2017 for this major project drawing elected officials and senior staff representatives from 12 agencies to celebrate the recycled water program expansion.

The District is nearing completion of a comprehensive Wastewater Treatment Plant and Biosolids Management Master Plan, which will guide development of both expansion, rehabilitation, and improvement at the Regional Wastewater Treatment Plant over the next 20 years. As an adjunct to this study, the District has completed a Preliminary Asset Replacement model for the Regional Wastewater Treatment Plant. Information from this Preliminary Asset replacement model played a significant role in the development of the 2017 Regional Wastewater Rate Study. The Preliminary Asset Replacement model and the Regional Wastewater Rate Study show that current annual replacement funding transfer from the Regional Wastewater Enterprise Fund to the Regional Replacement Fund of approximately $2.5 million per year needs to be escalated gradually to $4.5 million per year over the next ten years. The Wastewater Rate Study provides a blueprint for accomplishing this strategy in a smooth manner.

Other major highlights include:

- Fully implemented an automated "Agenda Manager" software, which makes electronic compilation and organization of Board Agenda packets very efficient.
- Recycled 100% of the influent flow for 12 days in 2016.
- Connected 25 sites to the recycled water system.
- Completed the 2015 Urban Water Management Plan.

Major Policy and Operational Issues in FYE 2018 and FYE 2019

Many of the major policy issues facing the District over the next two to five years are reflected in the 2017-2022 Strategic Plan Update. The eight main goals of the updated Strategic Plan including a summary of programs and resources to address the goals are as follows:

1. <u>Develop a fully integrated Asset Management Program as the backbone of a cohesive business management strategy</u>.

   To address planned capital rehabilitation and replacement, the budget proposes increasing annual capital replacement transfers from the Local Wastewater Enterprise from $287,000 to $685,500, and ramping up an additional $168,000 per year thereafter. For the Regional Wastewater Enterprise, existing annual capital replacement transfers to the Regional Wastewater Enterprise are adequate at $2.5 million, but will need to be ramped up $200,000 per year over a ten year period to address buy-in revenues from new development receding as DSRSD approaches buildout over the next 8-10 years. For the Water Enterprise, existing capital funding of $4,000,000 will be increased by $400,000 per year to address capital needs over the next 10-15 years.

A comprehensive Asset Management Program reflects not only capital replacement, but also a proactive preventative maintenance program. Currently, a majority of the District's time on operations and maintenance is dedicated to unscheduled emergency repair work, whereas a strong Asset Management Program would invest a majority of time on preventative scheduled maintenance. The budget proposes the addition of two Full Time Equivalent positions for the Water Enterprise, two Full Time Equivalent positions for the Local Wastewater Enterprise, and three Full Time Equivalent positions for the Regional Wastewater Enterprise. These positions will provide the resources to transition to a healthy preventative maintenance program over the next three to four years.

2. Develop and maintain a highly qualified workforce to ensure a continuously high performing organization with sufficient resilience and redundancy to thrive in the face of staffing transitions.

   The District faces continuing challenges arising from retirements over the next two to five years. Already 52% of the District's staff are eligible for early retirement. Within the two year window a total of 44 staff members (out of 108 currently filled positions) will reach normal retirement age in the CalPERS system. The Leadership Team will devote additional attention to this area, to bolster and diversify the skill level of staff throughout the organization to mitigate the impact of the coming wave of retirements. The budget anticipates increasing resources allocated for external training from $150,000/year to $200,000/year to augment planned internal training and knowledge transfer programs.

3. Work collaboratively with other agencies in the Tri-Valley to improve service quality and efficiency.

   No new resources are proposed to address this goal.

4. Revitalize and renew our business practices and procedures.

   There has been an acceleration in operational and administrative streamlining over the last two years with existing resources, and this effort will be sustained in FYE 2018 and FYE 2019. One area of extra effort will be the increasing use of technology to strengthen the organization's productivity and efficiency. A major area of emphasis will be an increase in Information Technology in an effort to increase mobility of staff, use of new and existing technology, and more efficient retrieval of information.

5. Enhance our ability to respond to emergencies and maintain business continuity

   A needs assessment will be completed using existing resources in FY 2018 and FY 2019, and full implementation of this five year strategic goal will be undertaken in the following two year budget cycle.

6. Develop and implement an integrated recycled and potable water program that meets the objectives of the District's water supply policy.

   To increase and accelerate our efforts in this area, additional consultant assistance in the amount of $150,000/year is needed over the next five years, and is reflected in this two year budget. Major work efforts for this Strategic Goal include completion of the Tri-Valley Joint Potable Reuse Feasibility Study, further collaborative studies by the Tri-Valley agencies, and research work on other alternative water supply options to develop a solid foundation for the 2020 Urban Water Management Plan.

7. Aggressively develop an electronic records management program

   Information Technology Service staffing will have to be dedicated over the next two years to sustain momentum on this effort. This will require consultant "backfill" to keep the Information Technology program running smoothly. The amount of these additional resources is $75,000 in FYE 2018 and $100,000 in FYE 2019, and will "sunset" after that time.

8. Diversify our bio-solids management practices to address economic opportunities and regulatory challenges.

   No additional resources are needed for this area.

Other Policy consideration

A new five year water rate study to be conducted in 2018 will require major policy decisions by the Board of Directors. We are transitioning from a period of heavy conservation to a period of normal water use, which requires careful rate design. The Capistrano Taxpayers Association Inc. v. City of San Juan Capistrano case may have implications for conservation pricing and tiered rate structures. Creative rate design will be necessary to retain economic incentives for conservation, while remaining compliant with State requirements on cost of service pricing mandated by Article XIII D of the State Constitution. Lastly, the Board will need to consider how it will fund expensive alternative water supply project(s) in the future. Forty thousand dollars is allocated in FYE 2019 for a comprehensive rate study.

District Financial Issues

The strong local economy, reflected in the rapid increase in new development in Dublin and Dougherty Valley, continues to serve as a beneficial "tailwind" to the District's finances. Given that much of the District's costs are "fixed", additions to District's customer base enhance the financial condition of the Local Wastewater Enterprise, the Regional Wastewater Enterprise, and the Water Enterprise. The addition of new customer connections also brings in significant "buy in" revenue as part of the various capacity reserve fees, which has the effect of strengthening our various replacement and improvement funds. Growth in the customer base of up to three percent over the last two years is anticipated to continue during the term of this budget.

District Financial Issues

Total District revenues are projected to grow at 22.49% and 11.06% in FYE 2018 and 2019, respectively. As shown below, this increase is primarily due to customer growth, CPI adjustments, post-drought expected water use increases, and the Zone 7 water rate pass-through increase.

The following chart summarizes the District operating revenues.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Revenue by Type					
Service Charges	$ 44,733,175	$ 45,372,033	$ 50,091,008	$ 58,259,520	$ 61,878,463
Capacity Reserve Fees	29,905,252	34,462,453	22,249,059	32,206,566	38,884,424
Other Revenues	8,643,456	9,106,623	7,027,557	6,580,783	7,038,106
Interest	958,041	1,639,423	1,142,908	1,574,179	1,724,163
Total	**$ 84,239,924**	**$ 90,580,532**	**$ 80,510,532**	**$ 98,621,048**	**$ 109,525,156**
% Change		**7.53%**	**-11.12%**	**22.49%**	**11.06%**

District operating expenditures are projected to grow at 15.52% and 2.22%, respectively. This is due primarily to the Zone 7 wholesale water costs of $5.6 million based on usage, growth, and rate increases, as well as the additional cost of eight new FTE positions.

	Actual FYE 15	Actual FYE 16	Adjusted FYE 17	Budget FYE 18	Budget FYE 19
Expenditure by Category					
Salary and Benefits	$ 16,979,108	$ 16,894,081	$ 20,709,158	$ 21,655,927	$ 22,681,063
Materials	11,016,462	12,404,304	14,444,728	20,573,676	21,552,434
Contracts	6,243,606	5,413,744	5,953,281	6,344,020	6,343,283
Other	29,172,668	11,226,165	13,180,881	13,925,507	13,921,793
Capital Outlay	1,110,255	375,338	568,900	871,803	277,000
Total	**$ 64,522,099**	**$ 46,313,632**	**$ 54,856,948**	**$ 63,370,933**	**$ 64,775,573**
% Change		**-28.22%**	**18.45%**	**15.52%**	**2.22%**

The difference between revenues and expenditures is used towards asset replacement projects, debt service, and pending capital projects to serve new development. Revenue and expenditure categories are discussed in detail in the financial overview section of the budget.

CalPERS Liability

In FYE 2017 the District will be making its third and final five million dollar installment of an early payment to CalPERS directed by the Board in 2015 to help manage long-term liability. Even with this significant commitment to controlling long-term costs, the District's CalPERS rates are anticipated to increase in future years. CalPERS employee contribution rates are 11.675% for FYE 2018 and 12.450% for FYE 2019. Based on an April 2017 analysis by Bartel & Associates, the District CalPERS rates will increase from two percent to six percent over the next several years. This is due to the fact that CalPERS has modified its return on investment assumptions (7.5% to 7.0%) and adjusted for longevity trends.

Other Post-Employment Benefits ("OPEB")

Compared to almost all other public agencies in California that have retiree medical benefits, the District's funding of its program is strong. The program is 96.58% funded as of June 30, 2015, the date of our most recent valuation, and future impacts on the District's finances, and costs to ratepayers, are expected to be moderate.

Fund Highlights

The District manages three main "businesses": Local Wastewater involving the sewer collection system serving Dublin and southern San Ramon, Regional Wastewater including wastewater treatment for Dublin, Southern San Ramon and Pleasanton (by contract), and Water/Recycled Water for Dublin and the Dougherty Valley portion of San Ramon. Each of these three businesses is accounted for separately by an independent "fund family". Each "fund family" includes the following four associated funds:

- Enterprise Fund – To account for operating expenses
- Rate Stabilization Fund - To account for fund reserves for emergency expenditures
- Replacement Fund - To pay for long-term capital replacement of assets
- Expansion Fund - To finance capital improvements needed to serve new development.

The budget contains a detailed review of starting working capital, revenues, expenses, debt service, and inter-fund transfers for each fund. Additionally, the District has three more funds to account for allocated administrative overhead, other post-employment benefits ("OPEB"), and the Dougherty Valley Standby District.

A detailed overview of each of the fifteen individual funds is found in the Financial Overview section of the budget. Moreover, a master Fund Working Capital Worksheet showing all funds on one worksheet can be found the appendix to this document.

A major indicator of fund health is the level of working capital (or reserves) for each fund. For each of the three main "fund families", the minimum working capital for the combined Enterprise and Rate Stabilization Fund is equal to four months of operating expenses plus debt service per the Board's Financial Reserves Policy. Highlights of the three main "fund families", focusing on major trends, can be found in the Financial Overview section of the budget.

Department Operating Budget Highlights

A detailed overview of accomplishments for each department can be found in the Department Operating Budget Section. Following is a brief summary of budget and operational highlights for the departments:

Operations Department

The Operations Department is the largest of four departments in the District. Existing FTE staffing is proposed to increase from 61 staff to 68 staff in FYE 2018. Three temporary positions in the Operations Department are proposed to be eliminated concurrently with the addition of seven FTE. The additional FTE will provide for increasing focus on preventative maintenance for the sewer collections program, the water distribution program, the mechanical maintenance program, and the electrical program.

Major areas of focus over the next two years will include formalizing a structured, organized preventative maintenance program, sustained effort in knowledge transfer in anticipation of retirements, and development and full implementation of an automated computer maintenance management system that fully supports and integrates with the District-wide Asset Management Program.

The Department has gone through a recent reorganization, with the Environmental Compliance unit being merged with the Laboratory Division, and a new title created called the Laboratory and Technical Services Division. Administrative Support, Safety, and Asset Management functions have been consolidated into a new Operations Support Services Division.

Engineering Services Department

The addition of one three year limited term engineering inspector position is reflected in the budget. Although this function could continue to be provided by contract services, the cost of providing the service in-house is only $150,000, whereas consultant services would cost $300,000.

Major efforts will focus on implementing a very aggressive Capital Improvement Program. In the short-term, there is greater funding for the capital budget than there are project managers to implement the program. The controlling factor in the short-term will be staffing rather than financial constraints. However, the work demands will be balanced out in the intermediate term. Other major efforts focus on water supply, including both completing the Tri-Valley Joint Potable Reuse Feasibility Study and conducting research on other alternative water supplies for inclusion in the 2020 Urban Water Management Plan.

It should be noted that Dublin is anticipated to reach build-out in eight to ten years, and therefore the level of effort devoted to planning, permitting, plan checking, and inspection will be sustained for the foreseeable future. Once the District approaches buildout, resources may be recommended for reallocation to the Asset Management Program, or phased out through a plan of strategic attrition.

Administrative Services Department

No additional staffing is proposed for the Administrative Services Department, although additional consulting services are proposed. Moreover, an increase in capital outlay is proposed for information technology to help the entire District become more efficient.

Major work programs for Administrative Services over the next two years includes:

- Contract negotiations in late 2017
- Wastewater Capacity Reserve Fee Update in late 2017
- Cost of Service Study for development processing in early 2018
- Water Rate Study in 2018

Executive and Legislative Services Department

This group encompasses the Legislative Division (Board's budget), the Office of the General Manager, the Executive Services Division (Office of District Secretary), and Communications (formerly "Public Information"). No additional staffing is proposed for the Executive and Legislative Services Department. Major programs for this department in FYE 2018 and FYE 2019 include:

- Development of a District Annual Report
- Implementation of an Electronic Content Management System

Concluding Comments:

I would like to express my appreciation for the talents and dedication of the three members of the Senior Management Team, Administrative Services Manager Carol Atwood, Engineering Services Manager Judy Zavadil, and Operations Manager Jeff Carson. I would also like to thank all the division managers that form the balance of the organization's Leadership Team for their great effort in imaginatively rethinking the District's Strategic Plan and Operating Budget for FYE 2018 and beyond.

I'd like to particularly acknowledge the work of the Finance Division staff for their perseverance and dedication in preparing this completely new budget document, especially Karen Vaden, Mayette Bailey, and Natalie Russo. Lastly, the support, engagement, and guidance of the Board of Directors is much appreciated.

Respectfully submitted,

Daniel McIntyre
General Manager

Executive Overview

2017 – 2022 Strategic Plan

Mission Statement

Provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

Vision Statements

1. Enhance resiliency in our capabilities in the face of staffing transitions.
2. Proactively maintain our financial stability and sustainability.
3. Use technology to improve operations and efficiency.
4. Lead innovation in the water, wastewater, and recycling industry in an economically prudent manner.
5. Demonstrate leadership in engendering productive collaborations and partnerships in the Tri-Valley.
6. Develop a more reliable water supply.
7. When our communities approach buildout, reduce development-related staffing appropriately and reallocate resources to address long-term Asset Management needs.

Strategic Goals and Action Items

1. Develop a fully integrated Asset Management Program as the backbone of a cohesive business management strategy.

    - Integrate CIP planning and operations/maintenance activities to optimize life-cycle costs (including a greater emphasis on preventative maintenance in our operations).
    - Develop long-term (10 year) financial models to guide future operating budgets and rate studies.
    - Continuously match District staffing to business needs, reallocating resources as necessary to address new challenges and opportunities.

2. Develop and maintain a highly qualified workforce to ensure a continuously high performing organization with sufficient resilience and redundancy to thrive in the face of staffing transitions.

3. Work collaboratively with other agencies in the Tri-Valley to improve service quality and efficiency.

    - Explore creative service delivery strategies, including expanded use of the Tri-Valley Reciprocal Services Agreement.

4. Revitalize and renew our business practices and procedures.

    - Fully utilize information technology tools available to us and make additional financial investment in information systems.
    - Update our financial, human resources, safety, and operational practices and procedures.

5. Enhance our ability to respond to emergencies and maintain business continuity.

6. Develop and implement an integrated recycled and potable water program that meets the objectives of the District's water supply policy.

    - Complete a feasibility study for a Tri-Valley advance purification project and implement a joint Tri-Valley strategy.
    - Obtain new recycled water sources to meet long-term demands.
    - Develop strategy for balancing limited water resources to appropriately balance tertiary treated recycled water and advanced purified water needs.
    - Complete a 2020 Urban Water Management Plan that creates a blueprint for improving long-term water supply reliability.
    - Cooperate with our partners in the Tri-Valley in development of further water recycling.
    - Support and encourage our Tri-Valley partners in the development of a more diversified and resilient potable water supply.

7. Aggressively develop an electronic records management program.

8. Diversify our bio-solids management practices to address economic opportunities and regulatory challenges.

Executive Overview
Performance Measures

The District is pleased to present performance measures in our budget document. Departments will be tracking more objectives in future documents.

Administrative Services	Objective	Goal	Actual
Human Resources & Risk Management	% of employees receiving performance evaluations	100%	100%
	% of recruitments completed with successful hire in 90 days or less	100%	New for 2017
	% of employees current on AB1825, workplace violence prevention and diversity compliance training	100%	New for 2017
Customer Services & Billing	Mail bills within five days of the first or 15th of each month	90%	100%
	Provide error free bills	90%	100%
	Customer survey responses as satisfied or very satisfied	90%	100%
Information Technology Services	Full network connectivity available	99%	99.91%
	SQL server for all database applications available	99%	99.96%
	Blocked SPAM email messages	99%	99%
Financial Services	Maintain good credit rating for debt service	AA	AA
	Process payments in a timely manner	Within 10 business days	Within 10 business days

Executive Overview

Performance Measures

Executive & Legislative Department	Objective	Goal	Actual
Executive Services	Brown Act compliance of public meeting notice requirements	100%	100%
	Respond to public records requests within initial 10 day requirement	100%	100%
Engineering Department			
Capital Improvement Program	Complete a minimum of projects that are outlined by staff and approved by the Board for each biennial budget cycle	70%	70%
Planning & Permitting	Review planning applications on or before due dates	90%	90%
	Return review comments of improvement plan submittals within 15 days for first submittal and 10 days for second submittal	95%	95%
Operations Department			
Regulatory Compliance	Sustain compliance of regulatory permit limits at all times	100%	100%
Treatment Plant Facilities	Sustain steady-state performance with no major breakdowns/upsets	100%	100%
Water Distribution	Deliver purchased Zone 7 water to customers in a safe and efficient manner and manage water storage time to minimize water quality problems	100%	99%

District Policies

Financial 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. 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.

Policies are not permanent documents but may be modified or rescinded in whole or in part at any time by the Board. District policies are reviewed on a regular basis and are adopted by resolution at a duly noticed meeting of the Board of Directors. The District has a number of financial policies, some of which are summarized below. The following policies can be found in their entirety on our website at www.dsrsd.com/about-us/district-policies.

Auditor Selection and Services

Establishes guidelines to obtain auditing services from a highly-qualified firm, and to ensure that there are no financial incentives that would jeopardize that firm from maintaining their independence. Policy states that the auditor may not perform other consulting services for the District and requires a full-scale competitive bidding process to be conducted at least every five years.

DSRSD prepares and submits its Comprehensive Annual Financial Report (CAFR) to the Governmental Finance Officers Association (GFOA) for inclusion in its awards program. The District has received the association's *Certificate of Achievement for Excellence in Financial Reporting* each time it has submitted a report. The District's current and past CAFRs available online at www.dsrsd.com/about-us/library/financial-information.

Budgeting Accountability

Provides Operations and Capital Improvement Program (CIP) budget controls. The General Manager is accountable to the Board of Directors for meeting the budgetary objectives set by the Board. The Board approves the Operating Budget at the total fund level, ensuring that it maintains control of rates and fees. In addition, the Board approves the maximum number of full time equivalent (FTE) staff positions as well as the number of those FTEs that are limited-term positions.

In adopting the CIP budget, the Board authorizes new projects and programs, and approves total project and program budgets. Expenses are controlled at the project total level and project managers are responsible for their assigned projects. The General Manager is responsible for ensuring that the individual project appropriations and total fund appropriations are not exceeded, except as otherwise permitted by other policies.

DSRSD prepares and submits its Operating Budget to the California Society of Municipal Finance Officers (CSMFO) for inclusion in its awards program. The District has received the association's Operating Budget Excellence Award each time it has submitted a report. The District's current and past Operating and CIP budgets are available online at www.dsrsd.com/about-us/library/financial-information.

District Policies

Capital Financing and Debt Management

Establishes parameters for issuing and managing debt. The District will only use debt financing to purchase or build capital assets that cannot be acquired from either current revenues or replacement reserves and to fund capital improvements and additions; it will not be used for operating and maintenance costs. Lease/Purchase agreements for the purchase of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the asset can be purchased on a pay-as-you-go basis.

Consolidated Water Enterprise Fund

Directs potable water and recycled water to be managed as consolidated funds for operations, replacement, and expansion. In support of its mission, the District is committed to planning, designing, constructing, operating and maintaining the District's water system so that it meets all legal and regulatory requirements and contractual obligations. In order to do so, it is imperative that sufficient revenue be collected and appropriate reserves be maintained for both the potable and recycled water systems (collectively the "Water System"). It is equally important that an appropriate financial structure and reporting system be maintained to account for the cost of providing potable and recycled water service (collectively, "Water Service") and the investments made by the District into the Water System.

Financial Reserves

Provides guidance for the prudent accumulation and management of designated reserves. Designated reserves are earmarked by the Board of Directors for purposes such as funding new capital facilities, construction, repair, replacement or refurbishment of existing facilities, rate stabilization, emergency and operating reserves. These funds can be utilized at the discretion of the District. The Board can change fund designations at any time.

Investment

Directs public funds to be invested in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the District's investment policy.

Project Cost Allocation

Establishes basis for determining how the cost of projects should be allocated between funds. Project costs are to be allocated in proportion to the benefits that accrue to existing and future customers of each enterprise of the District. In carrying out this policy and depending on the nature of the project, allocation of a project cost may be to more than one enterprise and/or to more than one fund within the enterprise.

District Policies

Rate Policies and Guidelines

Provides guidance and consistency in decision-making for developing and adopting rates to establish that rates are developed using a generally-accepted methodology, provide financial stability, achieve rate stability, ensure public well-being and safety, and with consideration of rate impacts.

Water Expansion Fund Management

Prioritizes the obligations of the Water Expansion fund. The Water Expansion fund is dedicated to paying for the expansion of water facilities to serve growth (and to pay a share of debt related to facilities that have already been built to serve growth). This fund remains one of the most critically funded of the various funds maintained by the District and faces a number of ongoing obligations that will have a material bearing on its fund balance.

All current District policies are available online at www.dsrsd.com/about-us/district-policies.

Executive Overview

District Overview & 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 government services, including water and wastewater services, recreation and parks, garbage collection, and fire protection before city governments existed. 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. This 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 173,000 residents in Dublin, southern San Ramon, Dougherty Valley, and Pleasanton.

The District is governed by a board of directors that sets policy, adopts budgets, and appoints a general manager to run operations. The Board exercises these powers under the authority of the Community Services District Law (California Government Code 61000 et. Seq). Five directors are elected at-large to overlapping four-year terms.

Economic Conditions

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, which is 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 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).

Executive Overview

District Overview & Economic Conditions

The diversified commercial base of the District's service area produces greater economic stability and less volatility than more specialized economies such as San Jose (technology) or San Francisco (tourism and technology). Several large business parks are located in the Tri-Valley, supporting a healthy mix of large and small businesses. As of March 2017, unemployment rates for the cities of Dublin and San Ramon are 2.4 percent and 2.8 percent respectively, significantly lower than the rate for the state (5.2 percent) or counties (3.9 percent for Alameda and 4.1 percent for Contra Costa). Unemployment rates also were higher for San Francisco (3.0 percent) and San Jose (3.9 percent).[1]

As reported by the East Bay Economic Alliance, the East Bay continues to post record high employment levels. Non-farm employment reached 1,117,200 in June 2016, a 2.3 percent increase from June 2015. The East Bay is continuing to outpace the other regional economies, highlighting its rising role as an engine of economic growth in the Bay Area.[2] The estimated median household income is $128,737 for Dublin and $151,494 for San Ramon.[3] The housing market in the East Bay remains strong, with increases in both assessed property values and median existing home prices in Alameda County (6.99 percent[4] and 9.9 percent[2] respectively) and Contra Costa County (6.01 percent[5] and 6.9 percent[2]).

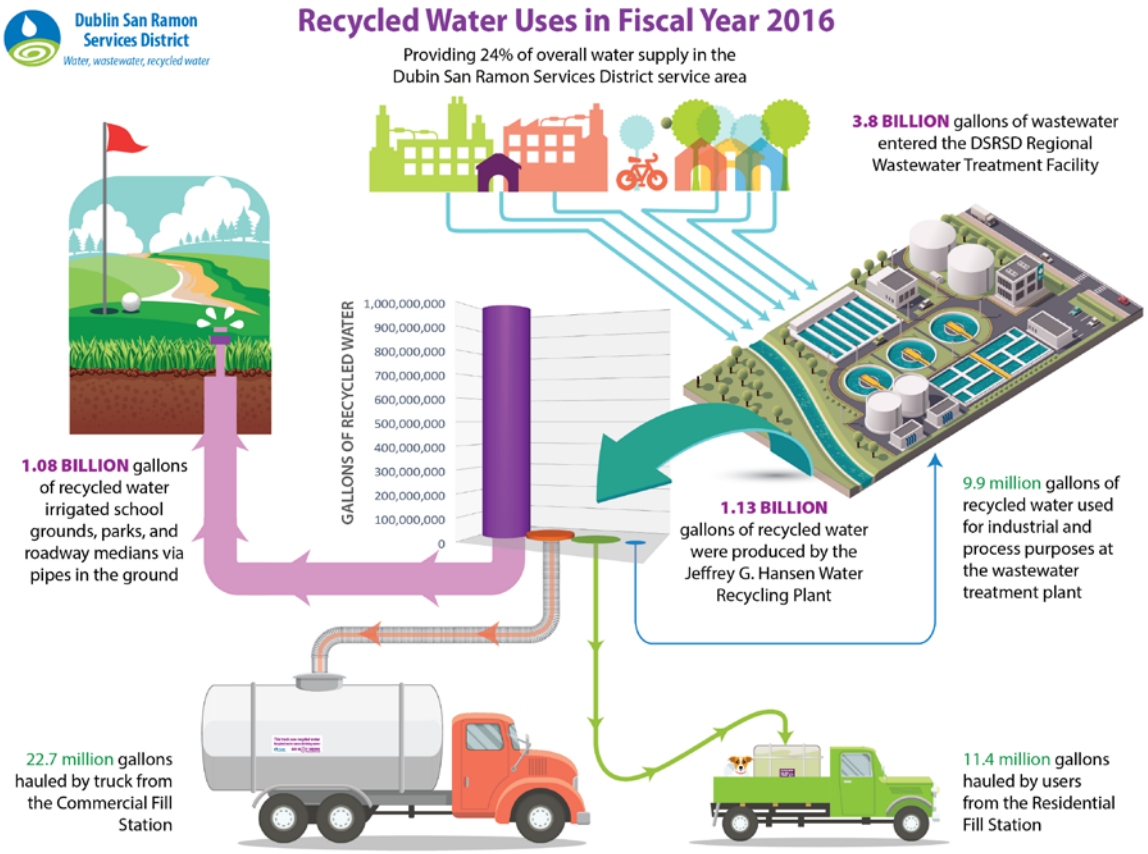
Both Dublin and San Ramon anticipate continued growth in the coming years. Dublin has an estimated population of 57,349, an increase of 2.69 percent over the previous year. San Ramon's population grew 1.2 percent to 78,363.[6] According to buildout projections, by 2035 Dublin and San Ramon overall population will grow to 106,610, an increase of 30 percent.[7] The outlook for new development in the DSRSD service area remains positive for the long term.

On May 9, 2016, Governor Edmund G. Brown issued an executive order to make water conservation "a California way of life." The order directs regulators to develop and implement permanent, long-term improvements in water use that improve efficiency, reduce waste, and make communities and agriculture more resilient to future droughts.[8] This was in response to five consecutive years of dry conditions persisting in many areas of the state which severely depleted groundwater basins. Through most of fiscal year 2016, state-imposed restrictions required the District to reduce potable water consumption by 12 percent compared to the same time period in 2013. In May 2016, as a result of regulatory changes and improvements in water supplies, the District suspended the local state of drought emergency and set a voluntary conservation goal of 10 percent.

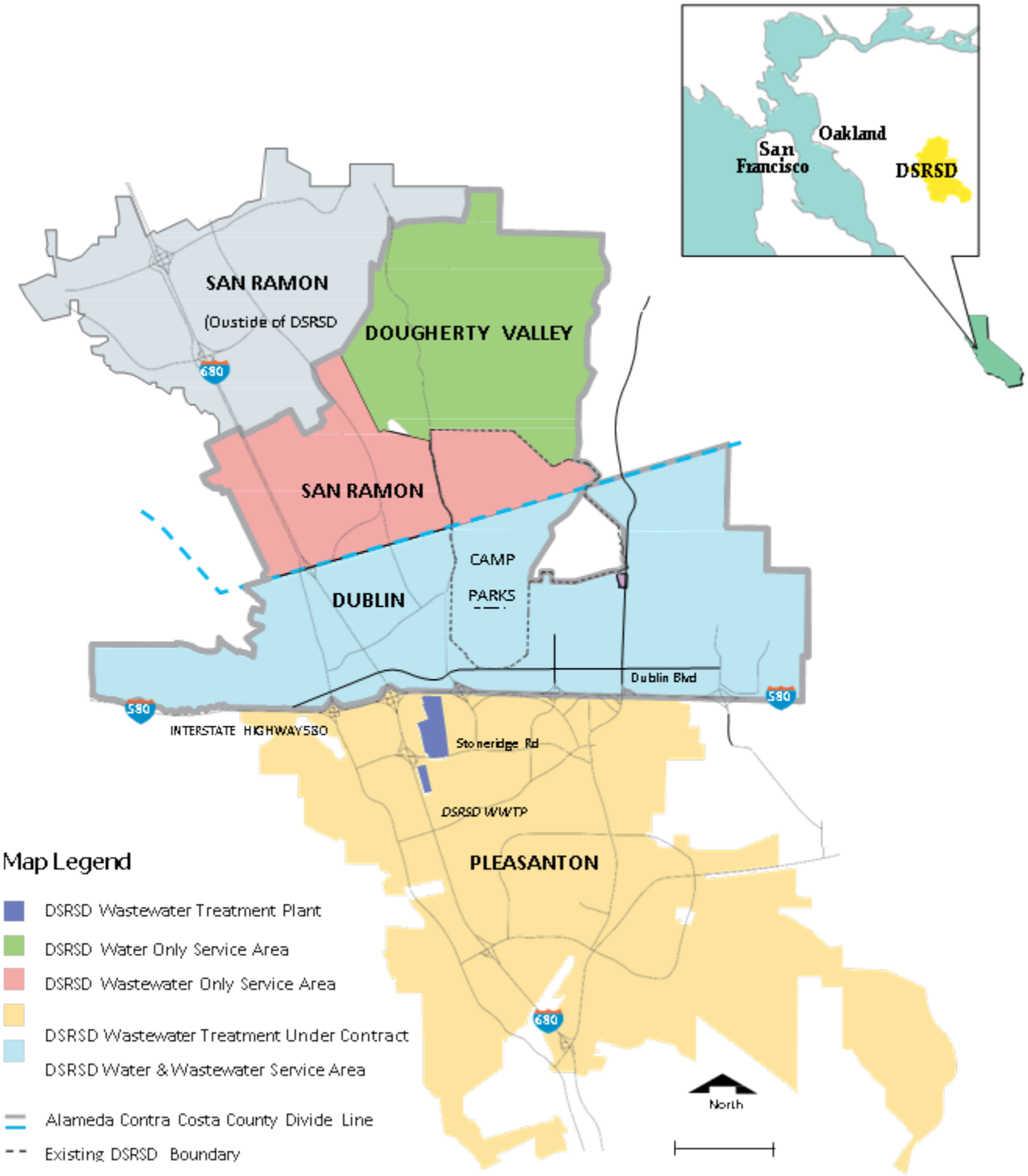
1. State of California Employment Development Department, Unemployment Rates (Labor Force)
2. East Bay Economic Development Alliance, East Bay Economic Outlook 2016-17
3. United States Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
4. Alameda County 2016-17 Fiscal Year Assessments
5. Contra Costa County 2016-2017 County Assessment Roll
6. State of California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011-2016, with 2010 Census Benchmark
7. Dublin San Ramon Services District 2015 Urban Water Management Plan, June 2016
8. Office of Governor Edmund G. Brown. Jr. Executive Order B-37-16

District Overview & Economic Conditions

The District's drought response plan includes targeted restrictions in water use, public outreach and education, and implementation of previously adopted water shortage rates. In addition, the District has worked with customers to convert landscape irrigation from potable water to recycled water where practical and cost-effective. The District also conducted a study of alternatives for improving long-term water reliability. This study led to the adoption of a revised policy on water supply and conservation and collaboration with other Tri-Valley water agencies in investigating the feasibility of indirect potable reuse in the region.



Service Area Map



Executive Overview
Annual Budget Process

Dublin San Ramon Services District operates on a fiscal year which runs July 1 through June 30. In this document, if a year is used, it means the end of the fiscal year; for example, 2017 refers to the fiscal year ending June 30, 2017. "Fiscal year ending" is abbreviated as "FYE".

The 2018-2019 budget was developed explicitly to provide enough detail to address key issues that the Board needs in order to make the fundamental policy decisions the budget adoption represents. In past years, budget details have been presented in "line item detail" at the Board's Budget Workshop, with a formal budget "book" produced months later. This FYE 2018 and 2019 budget represents a new approach providing the Board with the entire budget document at their workshop in the final approved format.

The District's budget process started at the January 2017 management retreat which identified strengths, weaknesses, opportunities, and threats facing DSRSD. From that exercise management developed revenue estimates and forecasted expenses for the ensuing two fiscal years. The District's General Manager provided guidance to division management regarding budget development. Senior Managers revised division budgets as appropriate prior to General Manager review before presentation to the Board.

All Board discussions are held in open session and all materials are made publicly available in accordance with the Brown Act. The Board will receive a detailed budget presentation at its May 16, 2017 meeting. A noticed public hearing will be held on June 6, 2017 providing the public the opportunity to formally make comments regarding the budget directly to the Board prior to adoption.

Description of Funds

Working Capital in Operations Funds

The District funds operations from its enterprise and rate stabilization funds. Operating reserves, referred to as "working capital," are defined as current assets minus current liabilities. Working capital is a measure of available resources to meet fluctuations in cash flows.

The Board of Directors establishes working capital targets to define the appropriate amount of operating reserves available in each fund to cover ongoing costs. These targets are defined in terms of "months of working capital," or the amount of cash needed to cover expenses for a set period.

For all three enterprise funds, the target is four months of working capital (or four months of that year's budgeted operating expenses). The working capital target is one of several measures the Board uses to determine when rate adjustments are needed.

The District's *Financial Reserves Policy* (P400-15-1) establishes reserve guidelines for enterprise, replacement, and expansion funds.

Enterprise Funds

Enterprise funds are self-supporting funds that cover the costs of operations and maintenance primarily through service charges. The District's core services are each accounted for in an enterprise fund.

- Local Wastewater Enterprise (Fund 200) – operations relating to wastewater collection. The service area consists of the southern part of San Ramon and the City of Dublin.
- Regional Wastewater Enterprise (Fund 300) – operations relating to wastewater treatment. The service area consists of southern part of San Ramon, the City of Dublin, and the City of Pleasanton (under contract).
- Water Enterprise (Fund 600) - operations relating to delivering potable and recycled water. The service area consists of the City of Dublin and the Dougherty Valley area of San Ramon.

Rate Stabilization Funds

Each enterprise fund is paired with a rate stabilization fund (RSF) to support the District's strategic goal of managing public funds to assure financial stability, including stability of revenues and related rates and charges. In some years, there may be a surplus above the working capital target in one or more of the District's enterprise funds; in other years, unexpected events may cause a fund balance to fall below the target. Rate stabilization funds allows the District to properly manage these different circumstances to achieve the desired stability.

The estimated transfer of funds between the enterprise and rate stabilization funds in accordance with the District's Financial Reserves Policy is reflected in the budget. Cell tower lease and property tax revenue are recorded in the water rate stabilization fund.

Description of Funds

Replacement Funds

Replacement funds receive revenue from developer capacity reserve fees ("buy-in" component) and replacement allocation transfers from enterprise funds. Replacement allocations are based upon funding requirements identified in the District's preliminary Asset Replacement Planning Model. This long-term planning model ensures that sufficient funds will be available when capital assets need refurbishment or replacement.

A "capital asset" is defined as any individual asset costing $10,000 or more with a useful life of more than two years.

Expansion Funds

Expansion funds receive revenue from developer capacity reserve fees. These fees are designed to cover the cost of building expanded facilities for new development, including debt service for assets built to serve new development. Capacity reserve fees, which are considered "non-operating" revenue, are recognized upon receipt but may not be used for many years until the need arises.

Costs for growth-related capital projects, including direct staff time and overhead, are charged to expansion funds.

Administrative Cost Center

The District uses the Administrative Cost Center to capture costs that are not specifically identifiable to any one of its enterprises. Costs for all of the District's administrative divisions are included in this fund. General administrative costs for services provided to two joint powers authorities (DERWA and LAVWMA) are also recorded to this fund.

Net fund costs are allocated based upon staff allocations across enterprise and expansion funds.

Other Post-Employment Benefits Fund

In August 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Under the GASB 45 standard, retiree health care and other non-pension benefits for retirees must be paid for as the benefit is earned. In response to this requirement, the District hired an actuary to provide information on the costs of these benefits.

In 2007, the Other Post-Employment Benefits (OPEB) Fund was established to set aside monies for post-retirement insurance costs. The District transferred funds in 2007 from other funds into the OPEB Fund. In 2008, the District passed a resolution to participate in the California Employers' Retiree Benefit Trust (CERBT), an irrevocable trust established to fund OPEB and administered by CalPERS. Funds held by CERBT are managed by an appointed board not under control of the District Board. The OPEB fund records transactions between the District and CERBT.

Dougherty Valley Standby Assessment District Fund

The Dougherty Valley Standby Assessment District (DVSAD) Fund was established to collect assessments and pay ongoing costs associated with the State Water Project specifically tied to the Dougherty Valley. An assessment is levied each year after the budget is finalized. All assessments received for the DVSAD, as well as related expenses, are accounted for in this fund.

Basis of Accounting

The District is in the business of providing potable and recycled water services and wastewater collection and treatment. The District accounts for these business activities in enterprise funds. Revenues are generated through service charges to customers. Expenses are charged to the appropriate fund to ensure that rates are established to recover those costs.

The District is a proprietary entity and 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 a private business enterprise, but with the intent of the governing body to recover costs and expenses for providing goods and services to the general public on a continuing basis through user charges.

For enterprise funds, where the proper matching of revenues and costs is important, the District utilizes the full accrual basis of accounting for financial reporting. However, the budget shows items as expenses that normally would be recorded directly to the balance sheet. This provides budgetary control throughout the year. Examples include:

- Principal payments of debt, which reduce the amount of debt owed on the balance sheet
- Purchases of capital outlay items (fixed assets), which are capitalized on the balance sheet

In addition, non-cash items such as depreciation and contributions of property are not budgeted.

Article XIIIB Appropriations Limit (Gann Limit)

The Community Services District Law (Government Code §61000, et seq.) provides that any district that has previously transferred services and all of the property tax revenue allocation associated with those services to another agency does not need to establish an appropriations limit. The District transferred its property tax allocations to the cities of San Ramon and Dublin in 1988, so no appropriation limit is required.

Working Capital

The following pages summarize the District's overall financial picture by individual fund, including revenue and expenses, as well as cash activity that is not accounted for as a revenue or expense (such as loans). The fund schedules are grouped by enterprise, followed by the Administrative Cost Center, the Other Post-Employment Benefits Fund, and the Dougherty Valley Standby Assessment District Fund. Financial reserve/working capital targets and status for each enterprise are included for each fiscal year.

Working Capital by Fund Families

Local Wastewater Fund Group (200 Series)

The Local Wastewater funds account for operations (200), replacement (210), and expansion (220) related to wastewater collection. The service area consists of the city of Dublin and the southern part of San Ramon.

Service charge rates for the Local Wastewater Enterprise Fund were reduced in 2008, with minimal rate increases through 2016. Employee count was reduced from 11 FTE to 8 FTE (including allocated staff) in conjunction with the economic recession. Since that time, miles of sanitary sewers have increased from 185.5 to 206.0 (11 percent), and the service area population expanded by over 37 percent. In recent years, maintenance has been reactive versus proactive and the projected net change in working capital for FYE 2017 was a negative $152,000.

Local Wastewater and Regional Water rate studies completed in April 2017 identified further issues in the Local Wastewater fund group pertaining to transfers from the enterprise fund (200) to the replacement fund (210). Transfers, historically at $287,000 per year, were insufficient to cover projected replacement costs over the upcoming 10-year cycle as identified in the new Asset Management Program. In addition, the replacement fund relied heavily on developer capacity reserve fees, a revenue source earmarked to sunset over the next 8 to10 years with the buildout of Dublin. To correct the negative cash flow, and to provide an influx of capital replacement funding, rates are proposed to increase substantially over the next five years. Continued growth in the customer base also will contribute to improving the financial condition of this enterprise.

In order to correct the maintenance issues existing in this enterprise, two new positions are proposed for this fund group in FYE 2018.

As can be seen in the FYE 2018 and 2019 working capital statements below, the service charge revenues to the enterprise fund will increase until the working capital trend reverses and becomes positive over the next five years. Salary and benefits will increase to reflect the two new FTE positions proposed in FYE 2018, and funding to the replacement fund will increase from the current $287,000 in FYE 2017 to $567,900 in FYE 2018 and $685,000 in FYE 2019 (1). Based on actual cash flow, it may be necessary to curtail these transfers for two to three years. Finally, contracts increased by approximately $100,000 from FYE 2017 to 2018 due to the cost of the new Field Office Facility and other expenses.

For FYE 2018, the Wastewater Expansion Fund (220) will loan the Wastewater Replacement Fund (210) $5 million for a period of six years to bridge the cash flow needed for the upcoming Dublin Boulevard Lift Station Relocation ($1.9 million) and the Dublin Trunk Sewer Rehabilitation ($6.6 million) starting in the summer of 2017 (2). This will ensure the replacement fund has sufficient reserves to meet the Board's reserve policy limits during construction of these major projects. Over the next five years, rate increases in the enterprise fund will replace this working capital.

The Wastewater Expansion fund (220) is funded primarily by developer capacity reserve fees. This capital improvement project fund has $513,750 earmarked for the upcoming two budget years for master planning. The reserve levels, even after the above loan, are above the minimum policy levels. At the end of FYE 2018, the combined working capital of the enterprise and RSF funds is estimated to be 2.56 months of operating expenses, in conformance with Board policy. At the end of FYE 2019, the combined working capital is estimated to be negative $95,000, well below the policy level, which will reverse itself as service change rates move upward.

FYE 2018 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220
(Estimated) Ending Working Capital July 1, 2017	926,611	795,650	6,853,702	7,566,446
Revenues:				
Total Service Charges	2,575,811	-	-	-
Capacity Reserve Fees	-	-	898,893	874,072
Other Revenues	20,683	-	-	549,196
Interest	12,214	7,957	26,896	70,007
Total Revenues	2,608,708	7,957	925,789	1,493,275
Transfers In:				
Replacement Allocations	-	-	567,900 (1)	-
Interfund Loan	-	-	5,000,000 (2)	-
Total Transfers In	-	-	5,567,900	-
Total Revenue	2,608,708	7,957	6,493,689	1,493,275
Operating Expenses:				
Salaries & Benefits	1,997,994	-	-	400,764
Materials & Supplies	99,178	-	10,800	1,580
Contracts	181,629	-	800	59,220
Other	24,525	-	-	280
Debt Service	-	-	-	-
Capital Outlay	-	-	52,276	-
Allocated Costs	804,173	-	-	158,224
Total Operating Expenses	3,107,499	-	63,876	620,068
Capital Projects - Proposed Fund Limits	-	-	*6,384,082*	*534,330*
Transfers Out:				
Replacement Allocations	567,900 (1)	-	-	-
Interfund Loan	-	-	-	5,000,000 (2)
Total Transfers Out	567,900	-	-	5,000,000
Total Expenses	3,675,399	-	6,447,958	6,154,398
Net increase (decrease) pre RSF	(1,066,691)	7,957	45,731	(4,661,123)
Ending Working Capital pre RSF	(140,080)	803,607	6,899,433	2,905,322
RSF Transfer In (Out)	200,902	(200,902)	-	-
Net increase (decrease) post RSF	(865,789)	(192,945)	45,731	(4,661,123)
(Estimated) Ending Working Capital June 30, 2018	$ 60,822	$ 602,705	$ 6,899,433	$ 2,905,322

FYE 2019 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220
(Estimated) Ending Working Capital July 1, 2018	60,822	602,705	6,899,433	2,905,322
Revenues:				
Total Service Charges	3,121,140	-	-	-
Capacity Reserve Fees	-	-	1,091,155	1,061,024
Other Revenues	20,683	-	-	565,672
Interest	8,030	8,036	20,716	72,487
Total Revenues	3,149,853	8,036	1,111,871	1,699,183
Transfers In:				
Replacement Allocations	-	-	685,800 (1)	-
Interfund Loan Repaid	-	-	-	833,333 (2)
Total Transfers In	-	-	685,800	833,333
Total Revenue	3,149,853	8,036	1,797,671	2,532,516
Operating Expenses:				
Salaries & Benefits	2,079,603			420,135
Materials & Supplies	97,260	-	10,800	1,580
Contracts	183,361	-	800	37,220
Other	24,525	-	-	280
Contribution to JPA	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	16,800	-
Allocated Costs	845,514	-	-	168,629
Total Operating Expenses	3,230,263	-	28,400	627,845
Capital Projects - Proposed Fund Limits	-	-	1,726,764	-
Transfers Out:				
Replacement Allocations	685,800 (1)	-	-	-
Interfund Loan Repayment	-	-	833,333 (2)	-
Total Transfers Out	685,800	-	833,333	-
Total Expenses	3,916,063	-	2,588,497	627,845
Net increase (decrease) pre RSF	(766,210)	8,036	(790,827)	1,904,671
Ending Working Capital pre RSF	(705,387)	610,741	6,108,607	4,809,994
RSF Transfer In (Out)	152,685	(152,685)	-	-
Net increase (decrease) post RSF	(613,524)	(144,649)	(790,827)	1,904,671
(Estimated) Ending Working Capital June 30, 2019	$ (552,702)	$ 458,056	$ 6,108,607	$ 4,809,994

Working Capital by Fund Families

Regional Wastewater Fund Groups (300 series)

The Regional Wastewater funds account for the operations (300), replacement (310), and expansion (320) related to wastewater treatment. The service area consists of the city of Dublin, the southern part of San Ramon and the city of Pleasanton (under contract).

Rates for the Regional Wastewater enterprise have increased with CPI from July 2012 to June 2016. The Regional Wastewater enterprise is in a very strong financial condition. As a result, there were no rate increases in FYE 2016 and 2017, and none is proposed in FYE 2018 for single-family residential customers. In addition, based on the April 2017 rate study, the majority of commercial customers will see reduced treatment rates. A CPI adjustment to Regional rates is proposed starting in FYE 2019 for all customer categories.

Service charge revenues in the enterprise fund (300) are estimated to increase in FYE 2018 by six percent due to growth in the service area and by four percent in FYE 2019 from growth and CPI adjustments. Other revenues and interest income in FYE 2018 and 2019 remain fairly consistent with FYE 2017. This enterprise is adding three new FTEs to address deferred maintenance and transition to an aggressive preventative maintenance program as a vital element is a comprehensive Asset Management Program. Contract expense is expected to increase by approximately $450,000 in FYE 2018 due to expanded janitorial service for the Field Office Facility and equipment replacement. Other expenditures are consistent with FYE 2017.

Transfers from the Enterprise fund to the replacement reserve fund (310) will increase from the FYE 2017 level of $2.5 million to $4.5 million per year over the next 10 years. This can be seen in the transfers-out section of the working capital table below (1). Starting in FYE 2018, approximately $90,000 per year will be transferred from the enterprise fund to the expansion fund (320) for the Pleasanton advance sale of sewer permits (2).

FYE 2017 is the third and last year of additional payments to CalPERS to help manage long-term pension liabilities. As a result, this payment of $2.8 million does not appear in the proposed budget for this fund group.

At the end of FYE 2018 the combined working capital of the enterprise and RSF funds is estimated to be 10.86 months of operating expenses plus debt service. At the end of FYE 2019, the combined working capital is estimated to be 12.08 months of operating expenses plus debt service, slightly above the Board's policy maximum.

Replacement (310) funds are used to replace and improve the Regional Wastewater Treatment Facility. Expansion (320) funds are used to expand the facility and related appurtenances to process future wastewater flows. The replacement and expansion funds for the Regional Wastewater enterprise are very well funded, with ending balances for FYE 2018 and FYE 2019 of $24.3 million and $58.1 million, respectively.

FYE 2018 PROPOSED OPERATING BUDGET	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320
(Estimated) Ending Working Capital July 1, 2017	5,805,726	7,903,986	22,644,610	51,918,320
Revenues:				
Total Service Charges	21,253,849	-	-	-
Capacity Reserve Fees	-	-	2,614,672	15,870,684
Other Revenues	629,822	-	-	43,063
Interest	122,215	79,101	202,342	487,991
Total Revenues	22,005,886	79,101	2,817,014	16,401,738
Transfers In:				
Replacement Allocations	-	-	2,710,000 (1)	-
Pleasanton Advance Sale Sewer Permits	-	-	-	88,919 (2)
Total Transfers In	-	-	2,710,000	88,919
Total Revenue	22,005,886	79,101	5,527,014	16,490,657
Operating Expenses:				
Salaries & Benefits	7,136,722			76,091
Materials & Supplies	2,378,763	-	51,300	440
Contracts	1,005,616	-	500	53,160
Other	2,446,149	-	-	337,238
Debt Service	1,464,483	-	-	4,313,856
Capital Outlay	-	-	650,234	-
Allocated Costs	2,890,761	-	-	30,576
Total Operating Expenses	17,322,494	-	702,034	4,811,361
Capital Projects - Proposed Fund Limits	-	-	3,914,117	10,328,019
Transfers Out:				
Replacement Allocations	2,710,000 (1)	-	-	-
Pleasanton Advance Sale Sewer Permits	88,919 (2)	-	-	-
Total Transfers Out	2,798,919	-	-	-
Total Expenses	20,121,413	-	4,616,151	15,139,380
Net increase (decrease) pre RSF	1,884,474	79,101	910,863	1,351,278
Ending Working Capital pre RSF	7,690,200	7,983,088	23,555,473	53,269,597
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	1,884,474	79,101	910,863	1,351,278
(Estimated) Ending Working Capital June 30, 2018	$ 7,690,200	$ 7,983,088	$ 23,555,473	$ 53,269,597

FYE 2019 PROPOSED OPERATING BUDGET	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320
(Estimated) Ending Working Capital July 1, 2018	7,690,200	7,983,088	23,555,473	53,269,597
Revenues:				
Total Service Charges	22,115,091	-	-	-
Capacity Reserve Fees	-	-	3,021,146	18,094,130
Other Revenues	642,419	-	-	43,063
Interest	133,288	79,892	246,147	537,775
Total Revenues	22,890,797	79,892	3,267,293	18,674,968
Transfers In:				
Replacement Allocations	-	-	2,920,000 (1)	-
Pleasanton Advance Sale Sewer Permits	-	-	-	88,919 (2)
Total Transfers In	-	-	2,920,000	88,919
Total Revenue	22,890,797	79,892	6,187,293	18,763,887
Operating Expenses:				
Salaries & Benefits	7,477,270			82,241
Materials & Supplies	2,429,894	-	51,300	440
Contracts	860,988	-	500	13,160
Other	2,446,149	-	-	337,238
Debt Service	1,464,003	-	-	4,313,022
Capital Outlay	-	-	229,800	-
Allocated Costs	3,077,845	-	-	32,701
Total Operating Expenses	17,756,149	-	281,600	4,778,801
Capital Projects - Proposed Fund Limits	-	-	5,126,225	9,189,750
Transfers Out:				
Replacement Allocations	2,920,000 (1)	-	-	-
Pleasanton Advance Sale Sewer Permits	88,919 (2)	-	-	-
Total Transfers Out	3,008,919	-	-	-
Total Expenses	20,765,068	-	5,407,825	13,968,551
Net increase (decrease) pre RSF	2,125,730	79,892	779,468	4,795,335
Ending Working Capital pre RSF	9,815,929	8,062,980	24,334,941	58,064,932
RSF Transfer In (Out)	(937,855)	937,855	-	-
Net increase (decrease) post RSF	1,187,875	1,017,747	779,468	4,795,335
(Estimated) Ending Working Capital June 30, 2019	$ 8,878,074	$ 9,000,835	$ 24,334,941	$ 58,064,932

Working Capital by Fund Families

Water Enterprise Fund Groups (600 series)

The Water funds account for the operations (600), replacement (610), and expansion (620) of the potable and recycled water systems. The District has provided recycled water service since 1999. The water service area consists of the city of Dublin, and Dougherty Valley in the west portion of the city of San Ramon.

Rates for the Water enterprise were reviewed in 2013 with the next study scheduled in 2018. This rate study will require major policy decisions by the Board and careful rate design as the District is transitioning from a period of heavy conservation to a period of normal water use. In addition, a recent court case may have implications for conservation pricing and tiered rate structures.

Potable water service charge revenue is projected to increase by 24.84 percent and 6.35 percent over the next two fiscal years, driven primarily by rate increases from the Tri-Valley's water wholesaler, Zone 7 Water Agency. Increases also reflect customer growth, the District's CPI adjustments, and projected increases in customer water use now that the drought is officially over. Other revenues and interest have remained relatively flat.

Salary and benefits will increase in the Water enterprise with the addition of two new FTE positions. As seen in the other fund families, adding staff will enable the District to provide a higher level of proactive maintenance. Between 2009 and 2016, miles of potable water mains increased by almost 10 percent and miles of recycled water mains increased by 25 percent. Proactive maintenance will be even more crucial as the recycling facility capacity expands by 70 percent in 2018 in conjunction with the DERWA project. Water purchase costs also increased substantially due to the Zone 7 charges and the anticipated demand for water. The additional CalPERS contributions of $2 million ends in FYE 2017.

In the Water Replacement Fund (610), developer capacity reserve fees are projected to increase significantly over the next two years based on development information received from the planning departments in the cities of Dublin and San Ramon. Replacement allocation transfers from the enterprise fund are also increasing by $400,000 in FYE 2018 and $200,000 in FYE 2019 to address capital needs over the next 10 to 15 years. Both the replacement (610) and the expansion (620) funds are very well funded. If current trends continue, these funds may accumulate sufficient resources over the next 5 to 10 years to make a major investment in an alternative water supply project without the need for major rate increases. Additional details are contained in the *2018 – 2027 Capital Improvement Program Plan*.

At the end of FYE 2018, the combined working capital for enterprise and RSF is estimated to be 11.46 months of operating expenses plus debt service. At the end of FYE 2019 the combined working capital is estimated to be 12.2 months of operating expenses plus debt service, slightly in excess of the reserve maximum specified by Board policy.

The replacement fund for the Water enterprise is very well funded, with an ending FYE 2019 balance of $17.4 million, representing a net gain of $2.3 million over the two years.

FYE 2018 PROPOSED OPERATING BUDGET	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620
(Estimated) Ending Working Capital July 1, 2017	10,743,447	14,127,902	15,135,695	21,254,455
Revenues:				
Total Service Charges	34,429,859	-	-	-
Capacity Reserve Fees	-	-	3,599,600	8,348,644
Other Revenues	549,441	713,244	3,875	1,406,296
Interest	109,976	124,808	142,455	187,052
Total Revenues	35,089,276	838,052	3,745,931	9,941,992
Transfers In:				
Replacement Allocations	-	-	2,901,000 (1)	-
Allocation Recycled Water Program Fund	-	-	1,500,000 (2)	-
Debt Service	-	-	-	675,000 (3)
Total Transfers In	-	-	4,401,000	675,000
Total Revenue	35,089,276	838,052	8,146,931	10,616,992
Operating Expenses:				
Salaries & Benefits	5,333,838			560,415
Materials & Supplies	17,162,425		267,900	382,785
Contracts	1,698,492	-	2,600	25,960
Other	2,174,299	35,000	-	846,714
Debt Service	-	-	-	2,214,569
Capital Outlay	-	-	169,293	-
Allocated Costs	2,122,683	-	-	222,489
Total Operating Expenses	28,491,737	35,000	439,793	4,252,932
Capital Projects - Proposed Fund Limits	-	-	4,919,526	8,338,461
Transfers Out:				
Replacement Allocations	2,901,000 (1)	-	-	-
Allocation Recycled Water Program Fund	1,500,000 (2)	-	-	-
Debt Service	675,000 (3)	-	-	-
Total Transfers Out	5,076,000	-	-	-
Total Expenses	33,567,737	35,000	5,359,319	12,591,392
Net increase (decrease) pre RSF	1,521,539	803,052	2,787,612	(1,974,400)
Ending Working Capital pre RSF	12,264,986	14,930,954	17,923,307	19,280,056
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	1,521,539	803,052	2,787,612	(1,974,400)
(Estimated) Ending Working Capital June 30, 2018	$ 12,264,986	$ 14,930,954	$ 17,923,307	$ 19,280,056

FYE 2019 PROPOSED OPERATING BUDGET	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620
(Estimated) Ending Working Capital July 1, 2018	12,264,986	14,930,954	17,923,307	19,280,056
Revenues:				
Total Service Charges	36,642,232	-	-	-
Capacity Reserve Fees	-	-	4,748,138	10,868,832
Other Revenues	565,627	731,532	3,875	1,799,787
Interest	129,671	132,884	137,975	216,085
Total Revenues	37,337,530	864,416	4,889,988	12,884,704
Transfers In:				
Replacement Allocations	-	-	3,101,000 (1)	-
Allocation Recycled Water Program Fund	-	-	1,500,000 (2)	-
Debt Service	-	-	-	675,000 (3)
Total Transfers In	-	-	4,601,000	675,000
Total Revenue	37,337,530	864,416	9,490,988	13,559,704
Operating Expenses:				
Salaries & Benefits	5,595,537			585,044
Materials & Supplies	18,052,481	-	289,900	426,455
Contracts	1,714,369	-	2,600	15,960
Other	2,174,299	35,000	-	846,714
Debt Service	-	-	-	2,212,169
Capital Outlay	-	-	30,400	-
Allocated Costs	2,265,661	-	-	236,783
Total Operating Expenses	29,802,347	35,000	322,900	4,323,125
Capital Projects - Proposed Fund Limits	-	-	9,662,850	6,223,152
Transfers Out:				
Replacement Allocations	3,101,000 (1)	-	-	-
Allocation Recycled Water Program Fund	1,500,000 (2)	-	-	-
Debt Service	675,000 (3)	-	-	-
Total Transfers Out	5,276,000	-	-	-
Total Expenses	35,078,347	35,000	9,985,750	10,546,277
Net increase (decrease) pre RSF	2,259,183	829,416	(494,762)	3,013,427
Ending Working Capital pre RSF	14,524,169	15,760,369	17,428,545	22,293,483
RSF Transfer In (Out)	-	-	-	-
Net increase (decrease) post RSF	2,259,183	829,416	(494,762)	3,013,427
(Estimated) Ending Working Capital June 30, 2019	$ 14,524,169	$ 15,760,369	$ 17,428,545	$ 22,293,483

Financial Overview
Working Capital by Fund Families

Internal Service Funds Group (900 Series)

The District has three internal service funds, Administrative Costs Center (900), Other Post-Employment Benefits (965), and Dougherty Valley Standby Assessment District (995).

Administrative Cost Center

The Administrative Cost Center (900) captures costs that are not specifically identifiable to any one of the District's operational activities. A majority of the cost for the Administrative Services Department is included in this fund. Revenue is generated in the fund for general administrative services provided to the two joint powers authorities (DERWA and LAVWMA), the Dougherty Valley Standby Assessment District and miscellaneous services to customers and other agencies. The net fund costs are allocated across funds of the District's three main enterprises based upon staff cost allocations.

The Administrative Cost Center budgets are $6.2million and $6.6 million for FYE 2018 and FYE 2019 respectively. The FYE2018 budget reflects a $580,000 increase over FYE 2017; $200,000 of the increase is for projected cost increases in salary and benefits and the balance is an increase in contracts for professional services to assist with records management and information technology services and maintenance.

Other Post-Employment Benefits Fund

The Other Post-Employment Benefits (OPEB) Fund records transactions between the District and California Employers' Retiree Benefit Trust (CERBT), an irrevocable trust established to fund future OPEB costs. The fund reflects the costs of current retiree benefits and the amount that may be drawn from CERBT to cover these costs. As of the last OPEB actuarial valuation in 2015 the funding in CERBT has reached the point where the District may elect to draw funds from the trust to cover current retiree benefits. The FYE 2018 and FYE 2019 budgets reflect the Districts ability to draw from CERBT to cover current retiree benefit costs.

Dougherty Valley Standby Assessment District Fund

The Dougherty Valley Standby Assessment District (DVSAD) Fund was established to collect assessments and pay ongoing costs associated with the State Water Project specifically tied to the Dougherty Valley. An assessment of approximately $1.5 million is levied each year. All assessments received for the DVSAD, as well as related expenses, are accounted for in this fund. The revenue collected from the assessment are submitted to Zone 7 to cover State Department of Water Resources projects. The fund has no projected increases in revenue or expenses in the next two year cycle as the maximum amount that may be assessed per parcel has been reached.

FYE 2018 PROPOSED OPERATING BUDGET	Administrative Cost Center 900	OPEB 965	DV Standby District 995
(Estimated) Ending Working Capital July 1, 2017	-	-	1,080,870
Revenues:			
Total Service Charges	-	-	-
Other Revenues	1,135,007	-	1,530,156
Interest	-	1,165	-
Total Revenues	1,135,007	1,165	1,530,156
Transfers In:			
Replacement Allocations	-	-	-
Interfund Loan	-	-	-
Debt Service	-	-	-
Total Transfers In	-	-	-
Total Revenue	1,135,007	1,165	1,530,156
Operating Expenses:			
Salaries & Benefits	5,295,772	854,331	-
Materials & Supplies	218,505	-	-
Contracts	1,781,241	-	1,534,802
Other	68,394	-	-
Debt Service	-	-	-
Capital Outlay	-	-	-
Allocated Costs	(6,228,905)	-	-
Total Operating Expenses	1,135,007	854,331	1,534,802
Capital Projects - Proposed Fund Limits	-	-	-
Transfers Out:			
Replacement Allocations	-	-	-
Interfund Loan	-	-	-
Debt Service	-	-	-
Total Transfers Out	-	-	-
Total Expenses	1,135,007	854,331	1,534,802
Net increase (decrease) pre RSF	-	-	-
Ending Working Capital pre RSF	-	-	-
RSF Transfer In (Out)	-	-	-
Net increase (decrease) post RSF	-	(853,166)	(4,646)
(Estimated) Ending Working Capital June 30, 2018	$ -	$ -	$ 1,076,224

FYE 2019 PROPOSED OPERATING BUDGET	Administrative Cost Center 900	OPEB 965	DV Standby District 995
(Estimated) Ending Working Capital July 1, 2018	-	-	1,076,224
Revenues:			
Total Service Charges	-	-	-
Other Revenues	1,135,292	-	1,530,156
Interest	-	1,177	-
Total Revenues	1,135,292	1,177	1,530,156
Transfers In:			
Replacement Allocations	-	-	-
Interfund Loan Repaid	-	-	-
Debt Service	-	-	-
Total Transfers In	-	-	-
Total Revenue	1,135,292	1,177	1,530,156
Operating Expenses:			
Salaries & Benefits	5,527,230	914,003	-
Materials & Supplies	197,324	-	-
Contracts	1,969,476	-	1,534,849
Other	68,394	-	-
Debt Service	-	-	-
Capital Outlay	-	-	-
Allocated Costs	(6,627,132)	-	-
Total Operating Expenses	1,135,292	914,003	1,534,849
Capital Projects - Proposed Fund Limits	-	-	-
Transfers Out:			
Replacement Allocations	-	-	-
Interfund Loan Repayment	-	-	-
Debt Service	-	-	-
Total Transfers Out	-	-	-
Total Expenses	1,135,292	914,003	1,534,849
Net increase (decrease) pre RSF	-	-	-
Ending Working Capital pre RSF	-	-	-
RSF Transfer In (Out)	-	-	-
Net increase (decrease) post RSF	-	(912,826)	(4,693)
(Estimated) Ending Working Capital June 30, 2019	$ -	$ -	$ 1,071,532

Financial Overview

Operating Revenues

Service charges are the District's main source of revenue. The District conducts periodic rate studies to determine if rates are covering the cost of service. The current budget reflects adopted and proposed rates and fees, as well as anticipated annual increases to the Consumer Price Index (CPI) or Construction Cost Index (CCI). A consumption level based on recent post-drought trends, customer growth projection, and development forecast have been used to develop operating revenue budgets. DSRSD's current rates, fees, and charges are available on the District's website at www.dsrsd.com/your-account/rates-fees.

The following chart summarizes the District operating revenues.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Revenue by Type					
Service Charges	$ 44,733,175	$ 45,372,033	$ 50,091,008	$ 58,259,520	$ 61,878,463
Capacity Reserve Fees	29,905,252	34,462,453	22,249,059	32,206,566	38,884,424
Other Revenues	8,643,456	9,106,623	7,027,557	6,580,783	7,038,106
Interest	958,041	1,639,423	1,142,908	1,574,179	1,724,163
Total	**$ 84,239,924**	**$ 90,580,532**	**$ 80,510,532**	**$ 98,621,048**	**$ 109,525,156**
% Change		**7.53%**	**-11.12%**	**22.49%**	**11.06%**

Service Charges

Total Service Charge revenue is anticipated to grow by 16.31 percent in FYE 2018 and 6.21 percent in FYE 2019. The increases in FYE 2018 is primarily due to an increase in water costs passed through from Zone 7. Additional discussion of service charges for each enterprise fund follows.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Service Charges by Fund					
Local Wastwater Enterprise	$ 2,149,476	$ 2,225,849	$ 2,408,528	$ 2,575,811	$ 3,121,140
Regional Wastewater Enterprise	19,398,132	19,866,369	20,102,912	21,253,850	22,115,091
Water Enterprise					
Potable Water	18,911,366	19,070,945	22,951,788	28,570,600	30,384,306
Recycled Water	3,670,495	3,629,904	3,851,996	5,235,019	5,602,586
Power Charge	603,706	578,966	775,784	624,240	655,340
Total	**$ 44,733,175**	**$ 45,372,033**	**$ 50,091,008**	**$ 58,259,520**	**$ 61,878,463**
% Change		**1.43%**	**10.40%**	**16.31%**	**6.21%**

Financial Overview
Operating Revenue

Local Wastewater Service Charge

Local Wastewater service charges (for collection) are billed to customers in Dublin and the southern part of San Ramon. Residential customers are primarily billed through county (Alameda and Contra Costa) property tax rolls. Multi-family and non-residential customers in Dublin are billed directly by the District. For south San Ramon, customers excluded from the Contra Costa property tax roll, such as apartments and commercial accounts, are billed by the East Bay Municipal Utility District (EBMUD) and those collections are remitted to DSRSD on a monthly basis.

Local Wastewater service charge rates are projected to increase by 21.48 percent and 17.68 percent over the next two fiscal years for a single-family residence to cover the cost of service identified by the rate study completed in April 2017. Fees have decreased or remained relatively flat since 2007; rate increases are needed now to fund maintenance and replacement costs on the existing infrastructure.

Historical Rate Summary

Below is recap of the historical and proposed bi-monthly rate for a single-family residence.

Effective Date	Bimonthly Rate (Single-Family)	% Change
June 1, 2007	$12.20	-
March 19, 2008	$9.80	-19.67%
July 1, 2008	$10.08	2.86%
July 1, 2009	$10.16	0.79%
July 1, 2010	$10.33	1.67%
January 1, 2011	$10.33	0.00%
July 1, 2011	$10.51	1.74%
July 1, 2012	$10.83	3.04%
July 1, 2014	$11.36	4.89%
July 1, 2015	$11.64	2.46%
July 1, 2017 proposed	$14.14	21.48%
July 1, 2018 proposed	$16.64	17.68%

Financial Overview
Operating Revenue

Regional Wastewater Service Charge

Regional Wastewater service charges (for treatment) are primarily billed via county (Alameda and Contra Costa) property tax rolls for residential customers in the City of Dublin and the southern part of the City of San Ramon. Multi-family and non-residential customers in Dublin are billed directly by the District based on actual water consumption. For south San Ramon customers excluded from the Contra Costa property tax roll, EBMUD bills on behalf of DSRSD. By contract, DSRSD also provides wastewater treatment to the City of Pleasanton, which bills its customers and remits payment to the District on a monthly basis.

Based on the rate study completed in April 2017, Regional Wastewater rates will not increase for a single family residence in FYE 2018 and are projected to decrease for the majority of our commercial customers in FYE 2018. The budget has assumed 2% CPI increase for all customer categories in FYE 2019 and beyond.

Historical Rate Summary

Regional wastewater rate study was completed in April, 2017. Below is recap of the historical and proposed bi-monthly rate for a single family residence.

Effective Date	Bimonthly Rate (Single-Family)	% Change
March 19, 2008	$41.30	-
July 1, 2008	$38.60	-6.54%
July 1, 2009	$38.91	0.80%
July 1, 2010	$39.58	1.72%
January 1, 2011	$44.47	12.35%
July 1, 2011	$47.00	5.69%
July 1, 2012	$48.41	3.00%
July 1, 2013	$49.59	2.44%
July 1, 2014	$50.80	2.44%
July 1, 2015	$52.09	2.54%
July 1, 2017 proposed	$52.09	0.00%
July 1, 2018 proposed	$53.13	2.00%

Potable Water Service Charge

Potable water service is provided to Dublin and Dougherty Valley (San Ramon and unincorporated Contra Costa County) customers. The District delivers water that is purchased, which represents the largest cost to the Water Enterprise Fund, through the Tri-Valley's wholesaler, Zone 7 Water Agency (Zone 7). On December 3, 2002, the District adopted a revised rate schedule that established a "Zone 7 component." This component is adjusted based on the rate established by Zone 7, typically effective on January 1 each year, and is designed to separate the cost of purchasing water from the cost of delivering water to DSRSD customers.

Financial Overview

Operating Revenue

While wastewater revenues are largely predictable, water revenues are influenced by consumption, which is impacted by seasonal weather variations, water conservation measures, new housing, and a number of other factors.

The District does not directly control the wholesale cost of water. Zone 7 pricing increased 37% January 1, 2016 and 13% January 1, 2017. Since revenue from the Zone 7 rate is a pass-through and is generally offset with equivalent expenses, there are no net impacts to the budget.

Potable water service charge revenue is projected to increase by 24.84% and 6.35% over the next two fiscal years; primarily driven by rate increases from Zone 7 and partially from customer growth and CPI adjustments to the District's cost of delivering water.

Historical Rate Summary

The District has a residential tier rate structure, the tier blocks are as follows:

- Tier 1: 0-10 ccf
- Tier 2: 11-34 ccf
- Tier 3: greater than 34 ccf

The most recent water rate study was completed in January, 2013. Since the July 1, 2013 the residential bimonthly fixed charge and tier rates have adjusted by CPI; per Government Code §53756(a), CPI adjustments are allowable through FYE 2018. Zone 7 rate is a pass-through and is adjusted as the agency adopts rate changes.

Effective Date	Bimonthly Fixed Charge (5/8")	Zone 7 Cost of Water (CCF)	Tier 1 (CCF)	Tier 2 (CCF)	Tier 3 (CCF)
January 1, 2008	$16.00	$1.58	$0.55	$0.70	N/A
January 1, 2009	$16.00	$1.85	$0.60	$0.75	N/A
July 1, 2009	$16.00	$1.94	$0.77	$0.94	$1.07
January 1, 2010	$16.03	$2.11	$0.77	$0.94	$1.07
January 1, 2011	$16.18	$2.16	$0.78	$0.95	$1.08
January 1, 2012	$16.66	$2.27	$0.80	$0.98	$1.11
January 1, 2013	$17.12	$2.27	$0.83	$1.01	$1.14
July 1, 2013	$31.75	$2.27	$0.50	$1.05	$1.40
January 1, 2014	$32.56	$2.33	$0.51	$1.08	$1.44
January 1, 2015	$33.54	$2.40	$0.53	$1.11	$1.48
January 1, 2016	$34.31	$3.29	$0.54	$1.13	$1.51
February 1, 2017	$35.23	$3.72	$0.55	$1.16	$1.55

A water rate study will be completed in 2018 to recommend rates effective January 1, 2019.

Operating Revenue

Recycled Water Service Charge

Water recycling continues to be a prime focus for the District. With California's water supply situation, recycled water is becoming increasingly critical to water resource conservation. DSRSD has worked many years in partnership with East Bay Municipal Utility District (EBMUD) to develop a comprehensive recycled water program for Dublin and San Ramon Valley customers. This effort is represented by the DSRSD-EBMUD Recycled Water Authority (DERWA). DERWA is currently delivering recycled water to irrigation customers in both Dublin and the Dougherty Valley portion of San Ramon. This program has been so successful that DERWA is currently expanding the water recycling plant. The expansion is anticipated to be completed by May, 2018 and will boost local water recycling capacity by 70 percent.

Because recycled rates are established at a discount to the potable wholesale rate by the Board's "consolidated water enterprise" policy, changes to recycled water rates fluctuate with both changes in the Zone 7 wholesale rate as well as the DSRSD retail rate. Recycled Water rate increases the past two years have been primarily driven by increases in the rate from Zone 7.

Historical Rate Summary

The District utilizes a formula driven approach to establish its recycled water rate, which is defined as follows: 90% of the combined rate of the District's Zone 7 rate and the normal potable irrigation rate per hundred cubic feet (ccf). However, it should be noted that any temporary surcharge by Zone 7, such as a "drought surcharge" has always been excluded from the calculation of the recycled water rate.

Effective Date	Per CCF	% Change
January 1, 2008	$2.34	0.00%
January 1, 2009	$2.34	0.00%
July 1, 2009	$2.75	17.52%
January 1, 2010	$2.96	7.64%
January 1, 2011	$2.96	0.00%
January 1, 2012	$3.09	4.39%
January 1, 2013	$3.12	0.97%
July 1, 2013	$3.30	5.77%
January 1, 2014	$3.39	2.73%
January 1, 2015	$3.43	1.18%
January 1, 2016	$3.79	10.50%
February 1, 2017	$4.23	11.61%

Operating Revenue

Power Charge

A power charge applies to service locations in Pressure Zones 2-4 (where water must be pumped above 389 feet in elevation). This charge is reviewed each year to determine if revenue is sufficient to cover pumping costs. Staff review determined that the current power charge was adequate to fund the District's pumping costs, therefore the budget assumes no rate increase to the power charge for either fiscal year. Power charge revenue is projected to increase for anticipated customer growth.

Historical Rate Summary

No rate increases are included in the budget.

Effective Date	Per CCF	% Change
January 1, 2008	$0.19	0.00%
January 1, 2009	$0.19	0.00%
July 1, 2009	$0.23	21.05%
January 1, 2010	$0.24	4.35%
January 1, 2011	$0.25	4.17%
January 1, 2012	$0.27	8.00%
January 1, 2013	$0.28	3.70%
July 1, 2013	$0.28	0.00%
January 1, 2014	$0.28	0.00%
January 1, 2015	$0.28	0.00%

Capacity Reserve Fees

Capacity reserve fees are collected to finance the cost of building expanded District facilities to support new customers. These fees consists of a combination of the following components:

Expansion - Component for future facilities that will be needed to support planned development.

Buy-in – "Buy-in" component to existing facilities (net of the principal on any related debt) that are available to serve development.

Debt - Component for the principal and interest costs associated with the "expansion" portion of facilities built to support growth (when projects are allocated between current and future customers when they are built; only the "future" portion of those facilities that have been funded by debt are included).

Capacity reserve fee revenues are cyclical and are tied to new building activity. Below is a summary of actual and budgeted capacity reserve fees. In collaboration with the planning departments from the Cities of Dublin and San Ramon, DSRSD has included in the FYE 2018 and FYE 2019 the anticipated development and the associated revenue.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Capacity Reserve Fees by Fund					
Local Wastewater Replacement	$ 580,221	$ 642,674	$ 540,469	$ 898,893	$ 1,091,155
Local Wastewater Expansion	564,200	625,027	525,544	874,072	1,061,024
Regional Wastewater Replacement	2,832,947	2,613,075	1,789,601	2,614,672	3,021,146
Regional Wastewater Expansion	18,504,827	16,993,575	11,286,317	15,870,684	18,094,130
Water Replacement	1,952,264	3,573,671	2,224,584	3,599,600	4,748,137
Water Expansion	5,470,793	10,014,431	5,882,544	8,348,645	10,868,832
Total	**$ 29,905,252**	**$ 34,462,453**	**$ 22,249,059**	**$ 32,206,566**	**$ 38,884,424**
% Change		**15.24%**	**-35.44%**	**44.75%**	**20.73%**

Local Wastewater capacity reserve fees are comprised of an expansion component and a "buy-in" component; there is no debt component. Regional Wastewater capacity reserve fees include a debt component for LAVWMA issued 2011 Sewer Revenue Refunding Bonds. Water capacity reserve fees include a debt component for 2011 Water Revenue Refunding Bonds.

Capacity reserve fees are projected to increase significantly in FYE 2018 and FYE 2019 based on development information received from the planning departments within the Cities of Dublin and San Ramon.

Financial Overview

Operating Revenue

In conjunction with an update to the Water Master Plan, a Water Capacity Reserve Fee Study was completed in May, 2016 which resulted in a 2.86% increase to the fee (less than the Engineering News Record (ENR) inflation rate for that year). July 1 of each year the components of the water capacity reserve fees, except for the debt component, will be adjusted by the ENR Construction Cost Index for the San Francisco Bay Area. The fee study is available on our website at www.dsrsd.com/about-us/library/financial-information.

The last Sewer Connection Fee Study was completed in 2010. In conjunction with an update to the Collection System Master Plan, an updated wastewater capacity reserve fee study will be completed within the two year budget cycle.

Operating Revenue

Other Revenue

Other revenues include plan check fees, construction inspections, administrative fees charged by the District, Dougherty Valley Standby Assessments, cell tower leases, rental of office space, and other miscellaneous items. Revenue from plan check fees and inspections are recorded in the local wastewater fund and the water expansion fund and are difficult to anticipate the timing of when a developer will submit plans or complete construction. Therefore, for budget purposes we are conservative in budgeting the revenue based on historical average.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Other Revenue by Fund					
Local Wastewater Enterprise	$ 85,698	$ 72,060	$ -	$ 20,683	$ 20,683
Local Wastewater Expansion	1,019,018	1,072,490	533,200	549,196	565,672
Regional Wastewater Enterprise	556,885	583,704	497,000	629,822	642,419
Regional Wastewater Expansion	43,095	29,960	-	43,063	43,063
Water Enterprise	682,467	656,855	536,562	549,441	565,626
Water Rate Stabilization	634,590	713,227	564,308	713,244	731,532
Water Replacement	35,805	3,875	3,875	3,875	3,875
Water Expansion	2,328,898	2,822,943	2,227,726	1,406,296	1,799,787
Administrative Cost Center	1,653,142	1,598,789	1,134,730	1,135,007	1,135,293
Other Post-Employment Benefits	61,425	5,646		-	-
DV Standby Assessment District	1,542,433	1,547,074	1,530,156	1,530,156	1,530,156
Total	**$ 8,643,456**	**$ 9,106,623**	**$ 7,027,557**	**$ 6,580,783**	**$ 7,038,106**
% Change		**5.36%**	**-22.83%**	**-6.36%**	**6.95%**

Below is a summary of Other Revenue by Type:

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Other Revenue by Type					
Administrative Fees	$ 1,387,807	$ 1,320,462	$ 995,000	$ 995,000	$ 995,000
Backflow Prevention	215,595	234,715	175,000	179,200	183,501
Fireline Service	167,781	181,462	177,242	181,495	185,851
Inspections	1,926,924	2,367,146	1,083,320	1,119,824	1,148,363
Meter Assemblies	458,181	782,792	328,536	336,421	344,495
Miscellaneous Revenue	1,236,270	1,184,623	1,613,303	990,835	1,370,980
Penalties	132,049	111,900	130,000	130,000	130,000
Plan Check Fees	1,022,535	766,857	495,000	508,260	521,880
Property Tax	553,882	609,592	500,000	609,592	627,880
DV Standby Assessment District	1,542,432	1,547,074	1,530,156	1,530,156	1,530,156
Total	**$ 8,643,456**	**$ 9,106,623**	**$ 7,027,557**	**$ 6,580,783**	**$ 7,038,106**
% Change		**5.36%**	**-22.83%**	**-6.36%**	**6.95%**

Interest

The District uses a pooled interest allocation method for all funds, which means that any unrestricted interest that is earned is allocated each month based upon the cash balances in each fund. For the next two fiscal years, a 1.00% interest rate is assumed. This reflects the current low but improving interest rate environment, and cash available for investment in any given year.

Investment rates are at historical lows due to the current Federal Reserve monetary policy and it is not anticipated that these rates will increase materially during the budget cycle.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Interest by Fund					
Local Wastewater Enterprise	$ 6,529	$ 9,587	$ 8,831	$ 12,214	$ 8,030
Local Wastewater Rate Stabilization	4,820	8,334	6,044	7,957	8,036
Local Wastewater Replacement	68,050	103,191	68,443	26,896	20,716
Local Wastewater Expansion	44,232	75,898	53,066	70,007	72,487
Regional Wastewater Enterprise	44,417	62,193	64,874	122,215	133,288
Regional Wastewater Rate Stabilization	54,042	83,938	58,977	79,101	79,892
Regional Wastewater Replacement	106,775	206,747	182,072	202,342	246,147
Regional Wastewater Expansion	262,929	492,216	273,170	487,991	537,775
Water Enterprise	89,949	110,864	102,464	109,976	129,671
Water Rate Stabilization	71,264	115,826	107,916	124,808	132,884
Water Replacement	75,347	145,998	105,782	142,455	137,975
Water Expansion	120,789	204,921	108,959	187,052	216,085
Administrative Cost Center	125	-	-	-	-
Other Post-Employment Benefits	2,019	2,455	2,310	1,165	1,177
DV Standby Assessment District	6,754	17,255	-	-	-
Total	**$ 958,041**	**$ 1,639,423**	**$ 1,142,908**	**$ 1,574,179**	**$ 1,724,163**
% Change		**71.12%**	**-30.29%**	**37.73%**	**9.53%**

Financial Overview

Operating Expenses

The Board approves the Operating Budget at the fund level, providing resources for the General Manager to run the District while ensuring that it maintains overall control of rates and fees. The General Manager is authorized to make "no net change" budget adjustments within a fund. The following charts summarize District operating expenses by fund and by expense type.

	Actual FYE 15	Actual FYE 16	Adjusted FYE 17	Budget FYE 18	Budget FYE 19
Total Expenses by Fund					
Local Wastewater Enterprise	$ 3,473,266	$ 1,884,328	$ 2,144,404	$ 3,107,498	$ 3,230,262
Local Wastewater Replacement	855,465	247,313	265,750	63,876	28,400
Local Wastewater Expansion	829,797	592,862	741,633	620,068	627,844
Regional Wastewater Enterprise	23,442,542	15,121,871	16,851,773	17,322,492	17,761,148
Regional Wastewater Replacement	157,249	213,797	222,150	702,034	281,600
Regional Wastewater Expansion	4,098,841	3,559,432	4,769,674	4,811,361	4,778,802
Water Enterprise	22,355,153	18,218,127	21,248,126	28,491,735	29,802,346
Water Rate Stablilization (RSF)	18,536	(323,885)	20,000	35,000	35,000
Water Replacement	372,648	268,393	781,769	439,793	322,900
Water Expansion	5,529,011	4,317,339	4,379,128	4,252,932	4,323,125
Administrative Cost Center	1,653,267	1,598,789	1,134,730	1,135,011	1,135,294
Other Post-Employment Benefits	-	-	767,655	854,331	914,003
DV Standby Assessment District	1,736,324	615,266	1,530,156	1,534,802	1,534,849
Total	**$ 64,522,099**	**$ 46,313,632**	**$ 54,856,948**	**$ 63,370,933**	**$ 64,775,573**
% Change		**-28.22%**	**18.45%**	**15.52%**	**2.22%**

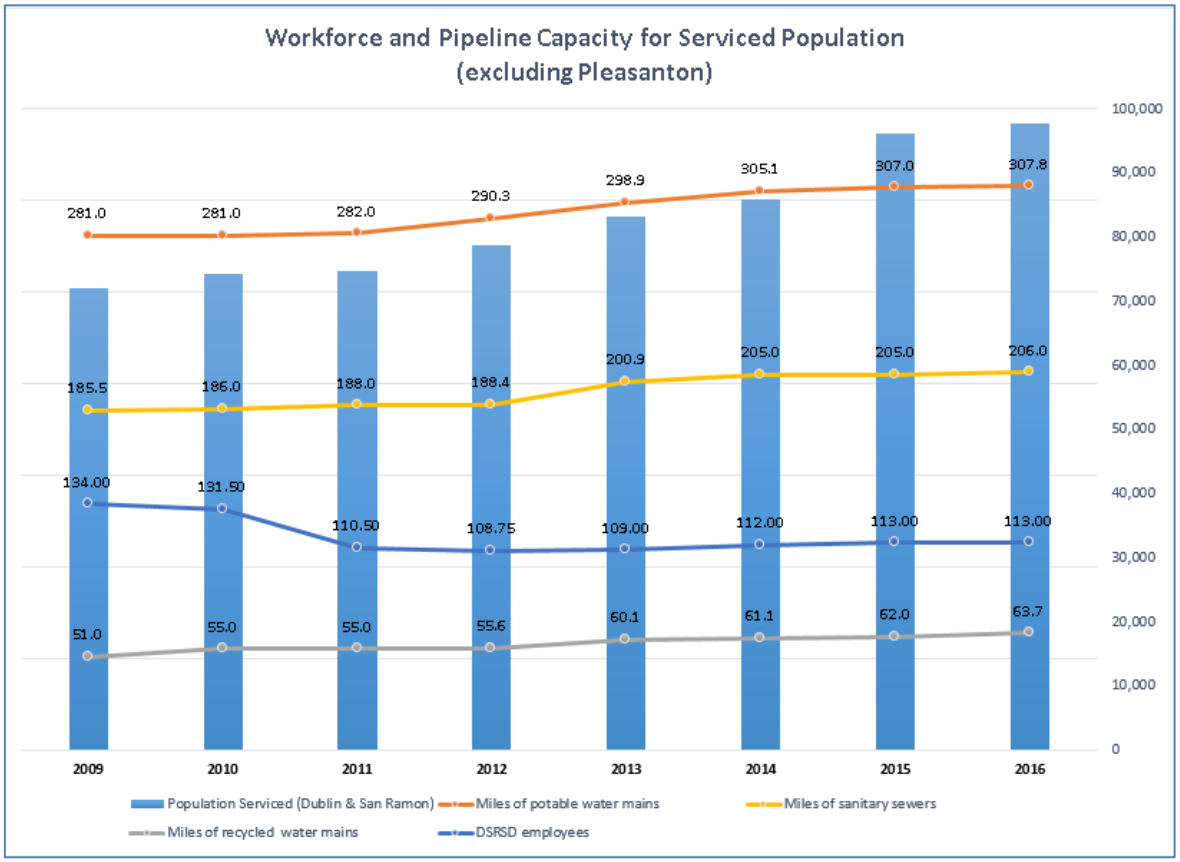
	Actual FYE 15	Actual FYE 16	Adjusted FYE 17	Budget FYE 18	Budget FYE 19
Expenditure by Category					
Salary and Benefits	$ 16,979,108	$ 16,894,081	$ 20,709,158	$ 21,655,927	$ 22,681,063
Materials	11,016,462	12,404,304	14,444,728	20,573,676	21,552,434
Contracts	6,243,606	5,413,744	5,953,281	6,344,020	6,343,283
Other	29,172,668	11,226,165	13,180,881	13,925,507	13,921,793
Capital Outlay	1,110,255	375,338	568,900	871,803	277,000
Total	**$ 64,522,099**	**$ 46,313,632**	**$ 54,856,948**	**$ 63,370,933**	**$ 64,775,573**
% Change		**-28.22%**	**18.45%**	**15.52%**	**2.22%**

The changes driving expense increases by expenditure category are discussed in more detail on the following pages. Additional departmental detail is included in the Department Operating Budget section.

Financial Overview
Operating Expenses

Salary and Benefits

Staffing levels have remained at approximately 113.0 Full Time Equivalent (FTE) positions since the recession of 2009. The FYE 2018 and 2019 proposed budget includes seven new positions and one limited-term position. Over the past 10 years, DSRSD employee count has decreased 20% while our population served has increased 12% and our utility systems have increase over 10%. In order to offer a high level of service to our customers, maintain our systems on a proactive basis and to fully implement an aggressive asset management program, these positions have been proposed and incorporated into this budget. Position detail by division can be found in each division operating budget.



As in most service businesses, personnel costs are the District's largest expense. Personnel expense is primarily comprised of salaries and benefits. While negotiated salary adjustments represent a portion of the increase in personnel expenses, benefit costs have also had a significant impact on the budget in prior years and they will continue to do so into the future. Health care costs are projected to increase 8.0% each fiscal year and CalPERS employer contribution rates are 11.675% for FYE 2018 and 12.450% for FYE 2019.

Personnel

The Board reviews all new position requests, authorizes total "full time equivalent" positions, and approves salary ranges for positions. Below is a summary of current and projected staffing levels. The proposed budget reflects the addition of 7.0 new FTE positions and one limited term FTE. Of our 121.00 proposed employee count, 2.50 FTEs are dedicated to LAVWMA, 2.00 FTEs are dedicated to DERWA and 116.50 FTEs are exclusive to DSRSD.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19	
Personnel						
Executive & Legislative						
Office of General Manager	1.00	1.00	1.00	1.00	1.00	
Executive Services	4.00	4.00	4.00	4.00	4.00	
Communications	3.50	3.50	3.50	3.50	3.50	
	8.50	**8.50**	**8.50**	**8.50**	**8.50**	
Administrative Services						
Administrative Services Admin	2.00	1.50	1.50	1.50	1.50	
Human Resources & Risk Mgmt	6.50	4.50	4.50	4.50	4.50	
Financial Services	5.00	4.00	4.00	4.00	4.00	
Customer Service & Billing	8.00	8.00	8.00	8.00	8.00	
Information Technology Services	6.00	6.00	6.00	6.00	6.00	
	27.50	**24.00**	**24.00**	**24.00**	**24.00**	
Engineering						
Engineering Services Admin	2.00	2.50	2.50	2.50	2.50	
Capital Improvement Projects	8.00	5.00	5.00	7.00	7.00	(1)
Planning & Permitting	9.00	9.00	10.00	11.00	11.00	(2)
Asset Management	3.00	2.00	2.00	-	-	(1)
	22.00	**18.50**	**19.50**	**20.50**	**20.50**	
Operations						
Operations Administration	5.00	5.00	5.00	1.00	1.00	(1)
Field Operations	11.00	12.00	12.00	16.00	16.00	(3)
Plant Operations	12.00	12.00	12.00	12.00	12.00	
Mechanical Maintenance	13.00	14.00	14.00	15.00	15.00	(3)
Electrical & Automation	9.00	9.00	9.00	10.00	10.00	(3)
Laboratory & Technical Services	5.00	5.00	5.00	7.00	7.00	(1)
Operations Support Services	-	5.00	4.00	7.00	7.00	(1)
	55.00	**62.00**	**61.00**	**68.00**	**68.00**	
Total	**113.00**	**113.00**	**113.00**	**121.00**	**121.00**	
Change		**-**	**-**	**8.00**	**-**	

(1) Reflects the re-organization of the department to improve efficiencies.
(2) Proposes one limited term inspector for a three year period to address the increase of development project workload.
(3) Proposes seven operation positions to support the Strategic Plan emphasizing preventative maintenance; which includes four Water/Wastewater Systems Operators, two Mechanics and one Electrician.

Financial Overview

Operating Expenses

The proposed new positions included on page 46 are estimated to cost the District $1,091,100 in additional salary and benefit costs in FYE 2018 and $1,125,200 in FYE 2019. To offset the cost of these new positions, $310,000 was removed from the Planning & Permitting budget for contract inspection services, and an additional $167,000 was removed from the various Operations budgets for temporary positions. Permanent positions will gain efficiencies as they will provide an on-going and experienced employee base and eliminate the inefficiencies of temporary positions that need training and mentoring, but are only available for a 6 month equivalent basis.

Proposed Positions	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Personnel			
Engineering			
Planning and Permitting	10.00	10.00	10.00
Three Year Limited Term Construction Inspector	-	1.00	1.00
	10.00	**11.00**	**11.00**
Operations			
Field Operations	12.00	12.00	12.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
Water/WW System Operator I	-	1.00	1.00
	12.00	**16.00**	**16.00**
Mechanical Maintenance	14.00	14.00	14.00
Administrative Technician - moved to Support	-	-1.00	-1.00
Mechanic I	-	1.00	1.00
Mechanic I	-	1.00	1.00
	14.00	**15.00**	**15.00**
Electrical & Automation	9.00	9.00	9.00
Electrician	-	1.00	1.00
	9.00	**10.00**	**10.00**

Financial Overview
Operating Expenses

Employee Benefits

All regular and limited term employees who work more than 1,000 hours per fiscal year are enrolled as "classic members" in the CalPERS (California Public Employees Retirement System) 2.7% @ age 55 retirement program (if employment with the District began prior to January 1, 2013, or, if hired after January 1, 2013, was a member of a public retirement system no more than 6 months prior to enrollment in CalPERS). New employees, who are also "new members," are enrolled in the CalPERS 2.0% @ age 62 plan in accordance with state law. Classic employees contribute 10% of salary toward their retirement (8% is the "employee's portion" and 2% is paid by the employees on behalf of the employer as negotiated in exchange for the current retirement plan). New members contribute 50% of the total normal cost of benefits (currently 6.25%) of their salary toward retirement. The District contribution varies from year-to-year. For FYE 2017, the District's contribution was 11.634% of salary. The contribution will be 11.675% in FYE 2018 and is projected to be 12.450% in FYE 2019.

All full-time employees and Board members are eligible to receive medical, dental, and vision benefits. Part-time employees receive prorated benefits. The Board annually reviews and sets the maximum premium that will be paid by the District (according to a cost sharing agreement in each of the contracts). Currently, the maximum monthly District contribution for medical is set at $1,640 per month. The District provides retiree medical coverage subject to a vesting schedule established by the healthcare provider. Retiree dental coverage is provided to employees hired prior to July 1, 2014 (in accordance with contracts). Funding of these benefits is from the Other Post- Employment Benefits (OPEB) fund.

The District budgets each year's expense for future post-employment benefits as a percentage of wages. For FYE 2018 and FYE 2019, the District budgeted 7% of salaries for future post-employment benefits. Contributions are based upon an actuarial study that is completed every two years.

	Actual FYE 15	Actual FYE 16	Adjusted FYE 17	Budget FYE 18	Budget FYE 19
Salary and Benefits by Fund					
Local Wastewater Enterprise	$ 1,205,025	$ 1,346,037	$ 1,385,052	$ 1,997,994	$ 2,079,603
Local Wastewater Replacement	22	-	-	-	-
Local Wastewater Expansion	327,712	355,897	328,086	400,764	420,135
Regional Wastewater Enterprise	6,306,962	6,280,572	7,389,939	7,136,722	7,477,270
Regional Wastewater Replacement	-	-	-	-	-
Regional Wastewater Expansion	42,153	49,968	79,736	76,091	82,241
Water Enterprise	4,154,639	4,209,047	5,059,754	5,333,838	5,595,537
Water Replacement	109	80	-	-	-
Water Expansion	465,064	515,935	560,696	560,415	585,044
Administrative Cost Center	4,477,422	4,136,545	5,138,240	5,295,772	5,527,230
Other Post-Employment Benefits	-	-	767,655	854,331	914,003
Total	**$ 16,979,108**	**$ 16,894,081**	**$ 20,709,158**	**$ 21,655,927**	**$ 22,681,063**
% Change		**-0.50%**	**22.58%**	**4.57%**	**4.73%**

Materials

All of the District's potable water is purchased from Zone 7 Water Agency, which represents the largest District materials expense. Materials expense also includes chemicals, gas and electric, and general supplies. Materials are budgeted to grow 42.43% in FYE 2018 and 4.76% in FYE 2019 primarily due to increase in water purchases from Zone 7.

Wholesale water rates (Zone 7 component) is designed to cover the full cost of water and is adjusted based upon the rate established by Zone 7, generally effective January 1st of each year. Zone 7 pricing increased by 13% on January 1, 2017 and is expected to increase the following year as well. Water purchase costs are mainly driven by this increase, customer growth, and CPI rate adjustments. The District continues to focus on identifying and minimizing water that is used but not billed for. Some reasons for unbilled water include inaccurate data (under-reading) from water meters, flushing fire hydrants, and testing new water lines. The budget currently factors a 4.6% rate of unbilled water, compared to the industry standard of roughly 6.0%.

Chemicals and Gas and Electric costs continue to increase. To curtail the rise in chemical costs the District formed and facilitates the Bay Area Chemical Consortium (BACC). BACC is an informal cooperative of 68 water and wastewater agencies in the Bay Area working together to purchase chemicals in higher volume at lower cost.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Materials by Account					
Chemicals	$ 320,845	$ 295,565	$ 456,076	$ 403,746	$ 410,746
Equipment Under $10,000	113,835	197,979	133,439	262,659	226,088
Fluids	59,046	40,975	45,500	48,910	48,910
Fuel	116,885	80,646	140,080	109,500	111,100
Gas & Electric	1,670,180	1,687,480	1,615,219	1,949,668	2,041,245
General Supplies	1,027,373	920,594	873,633	886,269	897,887
Tools	36,215	76,220	26,978	42,931	40,831
Office Supplies/Services	59,686	52,064	59,482	62,318	62,618
Meter Equipment	530,387	329,744	462,720	618,100	683,770
Water Purchase	7,082,010	8,723,037	10,631,601	16,189,575	17,029,239
Total	**$ 11,016,462**	**$ 12,404,304**	**$ 14,444,728**	**$ 20,573,676**	**$ 21,552,434**
% Change		**12.60%**	**16.45%**	**42.43%**	**4.76%**

Operating Expenses

Contracts

Professional Services and Other Services are the largest expenses under the Contracts category.

Professional Services has increased since FYE 2015 as the District hires professionals to assist with long range forecast and master plans for Wastewater, Water and Recycled Water. In conjunction with the master plans consultants are used to help with setting rates and fees.

DSRSD's largest contractual services expense under Other Services, is the remittance of assessments of $1.5 million collected in the Dougherty Valley Standby Assessment District (DVSAD) fund to Zone 7. In order for DSRSD to provide water services to Dougherty Valley; DSRSD must collect the fee for State Department of Water Resources projects and costs from the Dougherty Valley customer via the DVSAD and submit payment to Zone 7. The next largest contract service is the contract for subsurface and emergency repairs, which increased in frequency due to the drought and then heavy rains.

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Contract Services by Account					
Insurance	$ 24,869	$ 459,032	$ 305,926	$ 332,032	$ 348,499
Legal Services	$ 345,581	$ 261,034	$ 233,600	292,800	292,800
Professional Services	$ 739,128	$ 1,019,704	$ 1,734,011	1,325,350	1,122,753
Advertising	$ 37,888	$ 27,361	$ 25,880	68,180	38,180
Equipment Lease/Rental	$ 185,738	$ 163,866	$ 208,395	188,008	188,008
Maintenance Contracts	$ 442,764	$ 386,778	$ 517,879	767,217	715,026
Monitoring & Testing Services	$ 27,461	$ 35,070	$ 93,360	82,500	98,500
Other Services	$ 4,315,877	$ 2,945,575	$ 2,663,234	3,054,704	3,253,788
Printing Services	$ 8,826	$ 4,875	$ 57,250	140,056	180,056
Telecommunication Services	115,474	110,449	113,746	93,173	105,673
Total	**$ 6,243,606**	**$ 5,413,744**	**$ 5,953,281**	**$ 6,344,020**	**$ 6,343,283**
% Change		**-13.29%**	**9.97%**	**6.56%**	**-0.01%**

Other Expenses

Costs that cannot be classified in other categories are budgeted to other expenses. The three most significant costs in this expense category are contributions to JPAs, debt service, and overhead charges, which are further detailed below.

Joint Powers Authorities
The District participates in two joint powers authorities: the Livermore Amador Valley Water Management Agency (LAVWMA) and the DSRSD-EBMUD Recycled Water Authority (DERWA).

LAVWMA
Participants in LAVWMA include the District and the cities of Livermore and Pleasanton. The authority operates an export pumping facility through which all wastewater in the area is discharged. Contributions to LAVWMA from the Regional Wastewater Enterprise fund are used for LAVWMA operations and maintenance (O&M), repair and replacement of LAVWMA facilities, and to pay DSRSD's portion of the LAVWMA debt that was used to repair the existing facilities and pipeline. LAVWMA has its own operating and capital budgets and issues its own debt.

DERWA
DSRSD and East Bay Municipal Utility District (EBMUD) participate in DERWA to provide recycled water service. The recycled water treatment plant began operations in 2006. The District contributes approximately $846,000 per year to DERWA from the Water funds, representing our contribution to the Joint Powers Authority.

Debt Service
In general, the District may only use debt financing to purchase or build capital assets that cannot be acquired from either current revenues or replacement reserves and to fund capital improvements and additions. Debt is not used for operating and maintenance costs. The District paid off its 2009 Refunding Note in FYE 2015 and currently has debt obligation to the 2011 Water Revenue Refunding Bonds and pledge obligation to a portion of the 2011 LAVWMA Bonds. See Appendix for fund Debt Service schedule.

2011 Water Revenue Refunding Bonds
The District issued $35,620,000 of 2011 Water Revenue Refunding Bonds on January 6, 2011. Proceeds of the issuance were used to fund a contribution to DERWA, which it used to retire its commercial paper obligations, to refund and retire the Water Reuse Finance Authority Obligation, and to pay costs of issuance. Interest rates range from 4.00% to 6.00%. The annual payment is approximately $2 million and the debt will be retired in 2041. See Appendix for fund Debt Service schedule.

Operating Expenses

2011 LAVWMA Pledge Obligation

On September 28, 2011, LAVWMA issued $105,345,000 of 2011 Sewer Revenue Refunding Bonds (2011 LAVWMA Bonds) to refund and retire its Series A Sewer Revenue Bonds and to pay costs of issuance. As a member of LAVWMA, the District has pledged its regional service charges to a portion of the 2011 LAVWMA Bonds. DSRSD's portion of the original debt issue was $40,975,094, the annual payment is approximately $3 million and the debt will be retired in 2031. The payments for LAVWMA debt is part of Contribution to JPA. See Appendix for fund Debt Service schedule.

Other Expenses Summary

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Other Expenses by Account					
Meetings	$ 15,152	$ 15,202	$ 25,340	$ 29,600	$ 29,600
Permits, Licenses & District Mbrshps	$ 286,569	$ 310,150	$ 326,085	362,073	362,073
Subscriptions & Publications	$ 7,829	$ 6,918	$ 12,760	13,570	13,570
UB Balance Write-Offs	$ (418)	$ 130	$ -		
Low Income Credit (UB)	$ 18,536	$ 26,115	$ 20,000	35,000	35,000
Drought Expense	$ 268,188	$ 133,819	$ -		
Drought Related Rebates	$ 48,144	$ 30,663	$ -		
Debt Payments	$ 2,361,265	$ 1,927,369	$ 2,211,469	2,214,569	2,212,169
Bond Issuance Costs	$ 1,250	$ 1,350	$ -		
Contribution To JPA's	$ 8,972,310	$ 8,809,969	$ 10,585,227	11,270,695	11,269,381
Prior Year Adjustments	$ 17,193,843	$ (35,520)	$ -		
Total	**$ 29,172,668**	**$ 11,226,165**	**$ 13,180,881**	**$ 13,925,507**	**$ 13,921,793**
% Change		**-61.52%**	**17.41%**	**5.65%**	**-0.03%**

Capital Outlay

Capital outlay assets, generally vehicles and equipment, are assets costing $10,000 or more per item with an estimated useful life of over two years. In 2015, the District completed a facilities master plan on the wastewater treatment plan. The plan identified assets requiring immediate replacement due to risk of failure. The following is the list of new assets and replacements assets to be purchased in FYE 2018 and FYE 2019.

ASSET DESCRPTION	Division	Budget FYE 2018	Budget FYE 2019
Truck - Ford F-150 (replace #91)	33	$ 30,000	
Truck - Ford F-150 (replace #92)	33	30,000	
Sharp Aqos Interactive 80" Board Display	34	11,604	
Truck - Ford F-350 (replace #27)	51	75,000	
CCTV Equipment for truck #82	51	75,000	
Ammonia Phosphorus Online Analyzers (1 per yr)	52	40,000	
Thickened Sludge Pump 1	53	19,200	
Building H Roof (Grit Building)	53	25,000	
FSL Surface Mixer	53	57,000	
Primary Sludge Pumps (4 X $20,000/each)	53	80,000	
Water Pumps (3)	53	115,000	
Aeration Control Valve Actuator Assemblies (10)	53	150,000	
Replacement Heat Exchangers Cogen	53	120,000	
Purge & Trap Concentrator	55	24,000	
Fall protection Davit Arm Base	56	20,000	
Truck - Ford F-150 (replace #61)	42		26,000
Truck - Ford F-150 Supercab (replace #33)	42		29,000
Replace Secondary Tank Drainage Pump	52		70,000
Ammonia Phosphorus Online Analyzers (1 per yr)	52		40,000
Cap Water Pump	53		22,000
Primary Scum Pumps (3 x $20,000/each)	53		60,000
Spare CoGen Circuit Breaker	54		30,000
GRAND TOTAL OF REQUESTS		$ 871,804	$ 277,000

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
Capital Outlay					
Local Wastewater Replacement	$ 850,015	$ 27,007	$ 34,550	$ 52,276	$ 16,800
Regional Wastewater Replacement	131,470	170,506	190,800	650,234	229,800
Water Replacement	128,770	115,826	343,550	169,293	30,400
Total	**$ 1,110,255**	**$313,339**	**$568,900**	**$871,804**	**$277,000**

Administrative Cost Center/Overhead Charges

The District's administrative costs, which are costs not directly attributable to any particular fund are captured in its Administrative Cost Center. While most administrative divisions use this fund to record their costs, any costs that can be specifically linked to a specific fund are budgeted and charged accordingly. For example, training an employee about backflow requirements (the device that prevents water from flowing backwards from a residence or irrigation system into the District's potable water system) would be charged to the Water Operations fund. The Administrative Cost Center is allocated each month to the other funds based on total proportional staffing costs.

	Actual FYE 15	Actual FYE 16	Adjusted FYE 17	Budget FYE 18	Budget FYE 19
Overhead Charges					
Local Wastewater Enterprise	$ 380,520	$ 378,333	$ 528,968	$ 804,172	$ 845,513
Local Wastewater Expansion	72,174	90,256	126,457	158,224	168,629
Regional Wastewater Enterprise	2,051,380	2,082,070	2,916,136	2,890,759	3,077,844
Regional Wastewater Expansion	21,249	21,019	29,387	30,576	32,701
Water Enterprise	1,344,864	1,395,878	1,956,277	2,122,681	2,265,660
Water Expansion	139,543	153,724	215,004	222,489	236,783
Administrative Cost Center	(4,009,730)	(4,121,280)	(5,772,229)	(6,228,901)	(6,627,130)
Total	$ -	$ -	$ -	$ -	$ -

Transfers

Transfers are internal transactions that are used to move money from one fund to another for specified purposes. Transfers are included in both the revenue and expense sections of the District budget. Each enterprise fund contributes money to its respective replacement fund for the future repair and replacement of its facilities and infrastructure. Amounts are determined each budget cycle based on the fund balance and future projected expenses and are budgeted on the Estimated Working Capital Schedules under transfers typically "Replacement Allocations."

Replacement Allocations

Funds Transferred	FYE 2018	FYE 2019
Local Wastewater Enterprise (Fund 200) transfer to Local Wastewater Replacement (Fund 210)	$ 567,900	$ 685,800
Regional Wastewater Enterprise (Fund 300) transfer to Regional Wastewater Replacement (Fund 310)	2,710,000	2,920,000
Regional Wastewater Enterprise (Fund 300) transfer to Regional Wastewater Replacement (Fund 310) *Pleasanton Advance Sale Sewer Permits*	88,919	88,919
Water Enterprise (Fund 600) transfer to Water Replacement (Fund 610)	4,401,000	4,601,000
Total	**$ 7,767,819**	**$ 8,295,719**

Water Enterprise transfers funds to Water Expansion to provide funding for the ratepayer share of the 2011 Water Bonds debt service in accordance with policy direction from the adoption of Resolution No. 24-11.

Debt Service

Funds Transferred	FYE 2018	FYE 2019
Water Enterprise (Fund 600) transfer to Water Expansion (Fund 620)	$ 675,000	$ 675,000
Total	**$ 675,000**	**$ 675,000**

On May 2, 2017, the Board approved an interfund loan from Local Wastewater Expansion to Local Wastewater Replacement of $5 million dollars for a six year term with interest rates reflective of the District's investment portfolio. This loan will pay for the Dublin Trunkline Project and the Dublin Widening/Sewer Lift Station Project until transfers from the Local Wastewater Enterprise fund are sufficient to cover the costs.

Interfund Loan

Funds Transferred	FYE 2018	FYE 2019
Local Wastewater Expansion (Fund 220) transfer to Local Wastewater Replacement (Fund 210)	$ 5,000,000	$ -
Local Wastewater Replacement (Fund 210) transfer to Local Wastewater Expansion (Fund 220)	-	833,333
Total	**$ 5,000,000**	**$ 833,333**

Financial Overview
Capital Improvement Program

The Capital Improvement Program (CIP) is integral to the achievement of the District's mission and implementation of the strategic plan. Many of the strategic plan goals required to carry the mission are accomplished through the CIP.

The District's CIP defines the projects to:

- Protect human health and the environment.
- Maintain and rehabilitate existing assets.
- Respond to regulatory requirements.
- Accommodate planned future growth.

The CIP consists of the Ten-Year Capital Improvement Plan (CIP Ten-Year Plan) and the Two-Year Capital Improvement Budget (CIP Two-Year Budget). The CIP Ten-Year Plan guides long-range policy and is also used to:

- Identify, prioritize, and schedule capital projects for the ten-year period.
- Project the revenue and expenditures and resultant working capital in the District's capital expansion and replacement funds.

The first two years of expenditures in the CIP Ten-Year Plan comprise the District's CIP Two-Year Budget. By adopting the CIP Two-Year Budget, the Board:

- Authorizes the initiation of project expenditures in either fiscal year 2018 or 2019.
- Authorizes total budgets for the individual capital projects.
- Establishes the maximum expenditures from each fund for fiscal years 2018 and 2019.

Capital Replacement and Expansion Funds

The District has three business enterprises: local wastewater collection, regional wastewater treatment (resource recovery) and water. Each business has four funds: enterprise, rate stabilization, replacement and expansion. The Capital Improvement Program outlines the capital expenditures planned in the replacement and expansion funds.

Local Wastewater Replacement (Fund 210) – The funding source to replace and improve local sewer facilities to handle existing wastewater flows. Facilities include trunk sewer lines, lift stations, and related appurtenances that transfer wastewater from the point of origin to the regional wastewater treatment plant.

Capital Improvement Program

Local Wastewater Expansion (Fund 220) – The funding source to expand or add local sewer facilities to accommodate increased wastewater flows from new development.

Regional Wastewater Replacement (Fund 310) – The funding source to replace and improve the regional wastewater treatment plant to process existing wastewater flows before further treatment for recycled water or transit through the LAVWMA pipeline to the San Francisco Bay for disposal.

Regional Wastewater Expansion (Fund 320) – The funding source to expand or add to the regional wastewater treatment plant and related appurtenances that process future wastewater flows.

Water Replacement (Fund 610) – The funding source to replace and improve facilities to treat recycled water, as well as the pipelines, pump stations, reservoirs, and related appurtenances to distribute potable water from the Zone 7 turnouts to the customers and recycled water from the DERWA turnouts to the recycled water customers.

Water Expansion (Fund 620) – The funding source to expand or add facilities to treat recycled water and to distribute potable and recycled water.

A CIP project can have more than one funding source depending on the project scope. The fund split for multi-funded projects are determined based on the District's Project Cost Allocation Policy.

Capital Improvement Program Expenditures

The CIP Ten-Year Plan for FYEs 2018 through 2027 includes 108 projects and programs totaling $175.8 million. The CIP Two-Year Budget includes 64 projects and programs totaling $66.3 million. The following table provides a summary of CIP expenditures over the two year CIP budget for each fund grouped by business enterprise. All expenditures are provided in current dollars.

Project Categories:	Local Wastewater Replacement (Fund 210)	Local Wastewater Expansion (Fund 220)	Regional Wastewater Replacement (Fund 310)	Regional Wastewater Expansion (Fund 320)	Water Replacement (Fund 610)	Water Expansion (Fund 620)	Totals per Category
Study/Master Plan	171,250	513,750	753,750	21,250	-	-	**1,460,000**
General	344,000	15,000	186,500	-	954,500	90,000	**1,590,000**
Water System	41,161	5,580	5,000	-	13,368,657	14,471,613	**27,892,011**
Wastewater Collection	7,515,935	-	-	-	92,219		**7,608,154**
Resource Recovery Facilities	38,500	-	8,095,092	19,496,519	167,000		**27,797,111**
Totals per Fund	**8,110,846**	**534,330**	**9,040,342**	**19,517,769**	**14,582,376**	**14,561,613**	**66,347,276**

The complete CIP Ten-Year Plan for FYEs 2018 through 2027 and Two-Year Budget for FYE 2018 and FYE 2019 are available on our website at www.dsrsd.com/about-us/library/financial-information.

Operations Department

The Operations Department consists of seven divisions which provide our customers with planned, uninterrupted and responsive water, recycled water, and wastewater collection services. Staffing of this department totals 68 employees, or 56 percent of our workforce. In addition, to operating DSRSD operations, the divisions support our O & M oversight of DERWA's recycled water facility and LAVWMA's pump station and export transport pipeline to EBDA.

Department Overview
Operations

2016 and 2017 Accomplishments

Field Operations

- Assisted Engineering in designing and implementing potable water and recycled water SCADA improvements (ongoing).
- Received regulatory approval to reduce 3,000 drinking water monitoring samples annually.
- Successfully cleaned and returned to service all potable and recycled water reservoirs without an incident or disruption of service.
- Implemented data collection software (infraMAP) to allow operators to view work locations and enter task data in the field.

Plant Operations

- Received the Water Management 2017 Leadership Award from Green California.
- Recycled 100% of Dublin, San Ramon and Pleasanton's influent flow for 12 days in 2016.
- Produced 1200.17 million gallons (3683.4 ACFT) of recycled water.
- Harvested 1,249 U.S. `dry tons of bio solids from FSL #4 and applied to the dedicated land disposal area. Work was completed three and a half weeks ahead of schedule.
- Supported various employee development and operator training classes as executive committee member of BAYWORK and BACCWE.
- Awarded 2015 Employee of the Year to our DSRSD Wastewater Treatment Plant Process Lead.
- Awarded California Water Environmental Association (San Francisco Bay Section) Supervisor of the Year for 2015 to our Wastewater Treatment Plant Operations Supervisor, and 2016 DSRSD Supervisor of the Year.
- Operated Regional Wastewater Treatment Plan without any permit violations.

Mechanical Maintenance

- Worked with the Asset Management team on equipment and facilities records for rehabilitation and replacement of District wide vehicles, equipment, and facilities.
- Input all District vehicles, equipment, pumps and trailers into Lucity for PM, CM, scheduling, and repairs.
- Achieved zero mechanical failures during summer high demand of recycle water.
- Removed, rebuilt, and returned EPS 2 pump #2 & #3 to service.
- Removed, rebuilt, modified, and replaced TIPS pump #1 #2 #3 for DERWA expansion to 16 MGD.

Electrical & Automation

- Planned and installed the WWTP Co-Gen #3 Fuel switching system, Co-Gen #1 Detonation system, and Co-Gen #1 Gas mixing controller.
- Coordinated and supported the LAVWMA San Leandro Sample Station PLC and Ethernet communications upgrade.
- Planned, installed, and configured the WWTP SCADA server hardware and software upgrades and provided design/construction support for SCADA system for FOD (i.e. 16 out of 43 sites upgraded).
- Provided construction support to the DERWA 6th Filter and LAVWMA power cable replacement CIP's.
- Provided construction support for the Commerce Circle move including the environmental control system upgrade, security systems installation, and demolition of Camp Parks infrastructure.

Department Overview
Operations

Laboratory & Technical Services

- Provided annual water Quality report (CCR) to Public Information Division.
- Performed successful lead and copper testing (required by EPA every 3 years).
- Provided support for going on-line Division of Drinking Water report.
- Provided last eight years of plant data for the new NPDES permit.
- Passed proficiency testing 100% required to keep the lab certified.
- Completed pre-lab audit as required by The Nelac Institute accreditation standards.
- Supported Operations by harvesting Class A biosolids.

Operations Support

- Completed Pre-treatment Annual Report for 2016 including collection of 682 customer discharge samples, conducting 23 annual and 182 grease trap inspections, and issuing 28 violation notices to users and provided follow-up and re-inspection to ensure compliance.
- Conducted safety inspections at all sites and resolved deficiencies.
- Resolved Certified Unified Program Agencies (CUPA) inspection deficiencies at the WWTP.

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$8,470,927	$9,701,450	$10,468,064	$11,429,986	$11,955,998
Materials	3,161,141	3,090,033	3,134,637	3,481,304	3,569,580
Contracts	1,408,963	1,671,833	1,345,948	2,098,541	2,058,900
Other	173,602	185,715	196,084	215,594	215,594
Capital Outlay	1,084,210	313,339	533,900	800,200	222,000
TOTAL EXPENDITURES	14,298,843	14,962,370	15,678,633	18,025,625	18,022,072
FUNDING					
Local Wastewater Enterprise	$797,396	$1,107,433	$1,010,076	$1,760,705	$1,838,111
Local Wastewater Replacement	850,015	27,007	30,700	45,000	0
Local Wastewater Expansion	5,383	0	0		0
Regional Wastewater Enterprise	7,996,900	8,382,573	8,710,611	9,221,470	9,516,092
Regional Wastewater Replacement	131,470	170,506	172,600	638,200	222,000
Regional Wastewater Expansion	0	0	0		0
Water Enterprise	4,091,568	4,555,705	4,655,801	5,264,650	5,429,745
Water Replacement	102,910	116,252	331,300	118,600	1,600
Water Expansion	49,644	41,413	70,547	14,690	15,391
Administrative Cost Center	273,557	561,481	696,998	962,310	999,133
TOTAL FUNDING	14,298,843	14,962,370	15,678,633	18,025,625	18,022,072
PERSONNEL SUMMARY	55.00	62.00	61.00	68.00	68.00

Department Overview
Administration – Division 50

Mission

The Division practices administrative leadership to provide exceptional customer service measures to ensure the success of developing staff and successor planning, safety, regulatory compliance, and functional asset management for the Operations Department and its Divisions. The Division also coordinates inter-departmental functions and activities, and O&M oversight of DERWA's RWF-distribution system and LAVWMA's pump station and export transport pipeline to EBDA.

The Operations Administration Division provides innovative assistance in collaboration with other departments utilizing professional resources when necessary to the other Divisions to fully optimize our asset management programs, maintain and enhance customer service levels both internal and external, and sustain the coordinated and organized functioning of the Operations Department. The Division staff develops, monitors, and reports on key performance metrics to ensure operation at the best practice and lowest cost, provides continual coaching aimed at successor planning and staff optimization, provides engineering solutions, processes regulatory documents and submittals, generates meaningful reports to sustain steady-state performance, compiles data, manages files, embraces customers, promotes on-the-job training, coordinates electronic operations and maintenance manuals using existing software and programs, directs asset management upkeep, supports capital projects and replacements, administers contracts, approves purchase orders and invoices, and coordinates special events.

Top Division Goals

- Finalize the Field Operation Division move into Commerce Circle Offices building and corporation yard.
- Obtain significant progress toward upgrades of the field services SCADA system.
- Submit application and comments for a new five year NPDES permit for the WWTP.
- Receive clean annual inspection from the Regional Water Quality Control Board for the WWTP.

Budget Trends

In February, 2017, the department was reorganized to enhance efficiency. Four staff support positions have been moved to the new Operations Support Division (Division 56) to strengthen, align, and coordinate the vital functions of the department. This Division currently includes the Operations Manager only, which is consistent with the other District budgets.

All other line items are status quo.

Department Overview
Administration – Division 50

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$810,382	$852,655	$902,510	$288,180	$306,796
Materials	14,006	15,846	18,548	18,548	18,548
Contracts	52,737	53,715	56,977	57,677	57,677
Other	149,133	146,315	158,192	157,392	157,392
TOTAL EXPENDITURES	1,026,258	1,068,531	1,136,227	521,797	540,413
FUNDING					
Local Wastewater Enterprise	$48,218	$50,188	$54,377	$42,325	$44,407
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	687,949	549,095	563,992	330,197	340,604
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	228,233	305,516	292,300	133,751	142,078
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	61,858	163,732	225,558	15,524	13,324
TOTAL FUNDING	1,026,258	1,068,531	1,136,227	521,797	540,413
PERSONNEL SUMMARY	5.00	5.00	5.00	1.00	1.00

Department Overview
Field Operations – Division 51

Mission

Provide our customers with planned, uninterrupted, and responsive water, recycled water, and wastewater collection services.

The Field Operations Division (FOD) operates the District's potable water distribution, recycled water distribution, and wastewater collection systems. The division's personnel also conduct scheduled, unscheduled, and emergency maintenance and repairs of those facilities. The Field Operations Division operation and maintenance activities meet or exceed the regulatory requirements and best practices recommendations of the State Water Resources Control Board (SWRCB).

Top Division Goals

- Perform annual hydro cleaning of 600,000 feet of the wastewater collection system using frequencies and priorities established by the asset management program.
- Flush all dead end mains in the water distribution system on an annual basis.
- Update the Water System Operations and Maintenance Plan every five years.
- Exercise 1,100 system valves in the water distribution system annually.
- Use 300,000 feet of closed circuit television (CCTV) to view the wastewater collection system using frequencies and priorities established by the asset management program.
- Complete all USA locates accurately and within 48 hours.

Budget Trends

The division budget has increased to support the recommended staffing levels. The District has experienced rapid growth in size and needs additional staff to maintain the infrastructure. Two staff are proposed for the water maintenance function, and two staff are proposed for the collections function allowing us to implement a preventative maintenance program. The increase in contract services is for subsurface repairs due to the District's aging infrastructure.

Department Overview
Field Operations – Division 51

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,840,922	$2,010,411	$2,281,111	$2,763,595	$2,892,736
Materials	745,165	737,277	943,953	922,114	962,368
Contracts	818,566	1,087,265	620,423	938,336	911,836
Other	15,042	12,066	16,850	27,600	27,600
Capital Outlay	919,348	118,859	147,000	150,000	0
TOTAL EXPENDITURES	4,339,043	3,965,878	4,009,337	4,801,645	4,794,540
FUNDING					
Local Wastewater Enterprise	$664,596	$822,931	$743,459	$1,314,612	$1,372,254
Local Wastewater Replacement	847,027	27,007	28,500	45,000	0
Local Wastewater Expansion	5,383	0	0	0	0
Regional Wastewater Enterprise	771	1,841	850	850	850
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	2,697,540	2,978,532	3,046,181	3,319,293	3,403,845
Water Replacement	72,506	92,278	119,200	106,600	1,600
Water Expansion	49,644	41,413	70,547	14,690	15,391
Administrative Cost Center	1,576	1,876	600	600	600
TOTAL FUNDING	4,339,043	3,965,878	4,009,337	4,801,645	4,794,540
PERSONNEL SUMMARY	11.00	12.00	12.00	16.00	16.00

Department Overview
Plant Operations – Division 52

Mission

Operate DSRSD, LAVWMA, and DERWA facilities in a safe, environmentally responsible, efficient, and ethical manner while also providing high quality service to our neighbors and customers.

The Plant Operations Division is an 11 person team of State certified wastewater treatment plant operators tasked with operating the District's wastewater and recycled water treatment plants, as well as, the District's Bio Solids treatment and disposal facilities. Currently, the DSRSD wastewater plant has a designed treatment capacity of 17 million gallons per day (mg). The recycled water treatment facilities consists of a 7.9 mg continuous backwash sand filtration (CBSF) plant which is currently being expanded to treat up to 16.2 mg. In addition, the recycled plant has a 2.5 mg micro filtration (MF) plant. Both the Continuous Backwash Sand Filtration (CBSF) and Microfiltration (MF) plants are followed by ultraviolet disinfection.

Top Division Goals

- Assist Engineering and the construction contractor in expanding the DERWA Recycled Water Treatment plant while meeting the recycled water production demands for DERWA and Pleasanton's recycled water customers. Operate new DERWA Facilities without additional staffing.
- Increase the volume of Bio Solids harvested from the District's facultative sludge lagoons and explore and identify a method(s) to increase the volume of Bio solids harvested in the future.
- Assist with the design and construction of a 4th Anaerobic Digester while meeting existing Bio Solids treatment requirements.
- Plan for future wastewater effluent nutrient control by actively participating in the Bay Area Clean Water Agencies Nutrient Management Study and by installing instrumentation that can gather more detailed nutrient data which can be used to properly size and design future nutrient treatment facilities and improve wastewater treatment process control.
- Implement the Asset Management program by developing a shoulder season schedule when major process units can be taken down for maintenance, inspection, and refurbishment while maintaining treatment reliability.

Budget Trends

The major adjustments in the budget reflect changes in the Materials category which includes chemical costs of approximately $300,000 per year and gas and electric costs of $1,198,000 and $1,253,000 for FYE 2018 and 2019, respectively. The cost of chemicals has remained stable over the past few years but gas and electric costs have increased 33% over FYE 2017 budget. The increase in power usage is expected as our customer demand for recycled water increases. Capital outlay of $150,000 over the next two years represents two ammonia phosphorus analyzers ($80,000) and a secondary tank drainage pump ($70,000).

Department Overview
Plant Operations – Division 52

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,865,078	$1,883,667	$1,991,037	$2,009,255	$2,103,062
Materials	1,340,718	1,300,507	1,246,390	1,528,539	1,591,869
Contracts	167,825	146,461	174,877	227,877	224,877
Other	280	12,994	1,400	1,400	1,400
Capital Outlay	23,132	99,186	0	40,000	110,000
TOTAL EXPENDITURES	3,397,033	3,442,815	3,413,704	3,807,071	4,031,208
FUNDING					
Local Wastewater Enterprise	$0	$0	$0	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	3,373,901	3,343,609	3,413,704	3,767,071	3,921,208
Regional Wastewater Replacement	23,132	99,186	0	40,000	110,000
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	0	20	0	0	0
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	0	0	0	0	0
TOTAL FUNDING	3,397,033	3,442,815	3,413,704	3,807,071	4,031,208
PERSONNEL SUMMARY	12.00	12.00	12.00	12.00	12.00

Department Overview
Mechanical Maintenance – Division 53

Mission

Provide efficient and timely repairs and preventive maintenance on District facilities to ensure a safe and reliable work environment while demonstrating professional customer service and a commitment to excellence.

The Mechanical Maintenance Division repairs and maintains mechanical systems for the wastewater treatment plant, potable water distribution system, recycled water treatment and distribution system, and LAVWMA and DERWA facilities. The division also maintains the District's fleet of vehicles and mobile support equipment, as well as buildings and facilities at the District Office and Field Operations. The division performs routine preventative, corrective, and emergency maintenance around the clock; coordinates shutdowns required during construction projects, and responds to equipment failures. The division captures work completed and maintenance history in logs, reports, and computerized maintenance management software, and maintains fleet vehicles to ensure that employees operate safe and reliable vehicles and equipment.

Top Division Goals

- Install all equipment specified in Capital Outlay request for operation in the year budgeted, except for digester gas flare which is contract installed, and cogen heat exchangers which require 14 to 18 weeks of lead time.
- Develop a structured fleet replacement policy/guideline by FYE 2018 and begin right-sizing the fleet.
- Achieve preventative maintenance orders and labor hours to be at least 60% of total by FYE 2019.
- Begin process of fully automating preventative maintenance, repair, and asset management data immediately into Lucity (eliminating manual and duplicative electronic data entry).

Budget Trends

Temporary labor costs will be decreased from $52,000 to $26,000 with the addition of two FTE and decreases are estimated in the fuel and chemical costs (materials) by approximately $40,000. Two Mechanics are proposed to be added so that we can shift from a reactive to a preventative maintenance program. This is offset by an Administrative Technician position transferred to Division 56.

Maintenance contracts increased from $40,000 to $69,900 for HVAC, pest control, roof, aerator blower, and absorbson chiller services. Contracts for monitoring and testing of various equipment have also increased this budget. In addition, the District has expanded janitorial services from three to five days per week at the District Office and WWTP and has added the new Field Office Facility to this contract.

Capital Outlay requests of $648,200 over the next two years represents a thickened sludge pump ($19,200), Building H roof ($25,000), FSL surface mixer ($57,000), four primary sludge pumps ($80,000),three water pumps ($115,000), 10 aeration control valve actuator assemblies ($150,000), replacement heat exchangers ($120,000), cap water pump ($22,000), and three primary scum pumps ($60,000).

Department Overview
Mechanical Maintenance – Division 53

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,758,437	$1,863,063	$2,044,977	$2,385,353	$2,495,960
Materials	765,479	751,797	639,000	614,110	614,110
Contracts	217,807	167,744	205,600	379,700	359,700
Other	2,876	1,629	2,200	2,400	2,400
Capital Outlay	103,318	71,320	317,900	566,200	82,000
TOTAL EXPENDITURES	2,847,917	2,855,553	3,209,677	3,947,763	3,554,170
FUNDING					
Local Wastewater Enterprise	$83,176	$138,069	$143,892	$170,552	$178,048
Local Wastewater Replacement	2,988	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	2,088,252	2,078,391	2,205,820	2,465,949	2,519,329
Regional Wastewater Replacement	91,179	71,320	127,900	566,200	82,000
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	429,853	463,292	421,715	544,364	569,243
Water Replacement	9,151	0	190,000	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	143,318	104,481	120,350	200,698	205,550
TOTAL FUNDING	2,847,917	2,855,553	3,209,677	3,947,763	3,554,170
PERSONNEL SUMMARY	13.00	14.00	14.00	15.00	15.00

Department Overview
Electrical and Automation – Division 54

Mission

Provide excellent customer service while maintaining electrical, instrumentation, and computer control systems.

The Electrical and Automation Division provides corrective, preventative, and predictive maintenance repairs, and enhances process controls for electrical, instrumentation, and Supervisory Control and Data Acquisition (SCADA) systems. The Division supports District, LAVWMA, and DERWA facilities. Division staff helps design new facilities, modify existing facilities, and enhance the performance and reliability of process equipment. SCADA provides vital information necessary for business functions, environmental controls, and the security for District personnel and property. Division personnel make certain instrumentation is accurately calibrated to meter chemical and process flows, water levels, and pumping controls. Division staff maintain electrical systems (24 to 21,000 volts) so that they are ready and reliable for safe operations.

Top Division Goals

- Complete the Wastewater Treatment and Recycled Water Treatment SCADA system upgrade.
- Address Asset Management by identifying critical equipment, procuring spares in order to be prepared for emergencies, and upgrading obsolete equipment.
- Perform safety gap analysis and address high-risk items such as completing arc flash studies at all District facilities.
- Begin process of fully automating preventative maintenance asset management assessment data immediately into Lucity (eliminating manual and duplicative electronic data entry).

Budget Trends

This budget proposes the addition of one electrician in FYE 2018 so that we can place greater emphasis on a preventative maintenance program as a foundation to one asset management program. In addition, materials increased in the area of equipment to accommodate replacement of the weather station and IQ, dissolved oxygen, Fluoride, PH and CL2 analyzers. Contracts have increased for outside consultant services to assist with Electrical and I&C design and to perform power systems studies. Lastly, the Maintenance Contract budget increased to cover contracts for the newly completed Field Operations SCADA Upgrade which included new SCADA software, PLC hardware and software, and new radio and network equipment.

Capital Outlay requests of $30,000 in FYE 2019 represent a spare cogen circuit breaker.

Department Overview
Electrical and Automation – Division 54

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,374,025	$1,466,832	$1,578,534	$1,752,407	$1,829,548
Materials	219,723	186,032	164,106	240,900	236,365
Contracts	103,906	84,117	116,501	284,479	269,038
Other	852	1,620	5,140	2,000	2,000
Capital Outlay	38,412	23,974	69,000	0	30,000
TOTAL EXPENDITURES	1,736,918	1,762,575	1,933,281	2,279,786	2,366,951
FUNDING					
Local Wastewater Enterprise	$1,406	$584	$420	$13,829	$14,521
Local Wastewater Replacement	0	0	2,200	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	1,056,797	1,106,947	1,189,897	1,315,315	1,339,684
Regional Wastewater Replacement	17,159	0	44,700	0	30,000
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	574,063	564,129	592,835	864,608	887,498
Water Replacement	21,253	23,974	22,100	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	66,240	66,941	81,129	86,034	95,248
TOTAL FUNDING	1,736,918	1,762,575	1,933,281	2,279,786	2,366,951
PERSONNEL SUMMARY	9.00	9.00	9.00	10.00	10.00

Department Overview
Laboratory & Technical Services – Division 55

Mission

Generate accurate and reliable analytical data in a competent, timely, and cost-effective manner to ensure compliance with federal and state regulations and provide quality services to internal and external customers.

The Laboratory & Technical Services Division monitors potable water to ensure compliance with all drinking water standards; analyzes and confirms compliance of wastewater effluent, recycled water, monitoring well ground-water, and biosolids to meet required state and federal standards; and provides routine and research data to operators and engineers to optimize process control and to environmental inspectors to monitor compliance of permitted industrial users. The Laboratory is the primary point of contact for District customers to answer questions on water quality. The Laboratory is certified (certificate number 1272) by the State Water Board Environmental Laboratory Accreditation Program (ELAP) and operates seven days a week. In addition, the Environmental Compliance Section implements the District's Pre-treatment Program, a requirement of the Wastewater Treatment Plant NPDES permit.

Top Division Goals

- Plan for future wastewater effluent nutrient control by actively participating in the Bay Area Clean Water Agencies (BACWA) Nutrient Management Study.
- Plan for future lab audit under the new "TNI" (The NELAC Institute) accreditation standards and keep all the documents-SOPs, QA manual and traceability records per new method update rule (MUR).
- Actively participate and analyze new samples as a result of Wastewater Master Plan, such as FOG (Fat, Oil and Grease) digester and other new engineering projects.

Budget Trends

As part of the department reorganization, the Environmental Compliance Division was transferred under the Laboratory Supervisor. This has resulted in the FYE 17 budget increases which absorbed two positions and the operating expenses related to that cost center.

Slight increases occurred in the Environmental Compliance budget due to the purchase of sampler equipment and pre-treatment workshops. More significant increases occurred in the Laboratory budget due to extra monitoring and compliance requirements related to lead sampling of drinking water in schools per AB 885 ($24,600), nutrient removal in plant process, and higher lab audit fees and new accreditation standards.

Department Overview
Laboratory & Technical Services – Division 55

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$822,083	$913,061	$907,388	$1,230,631	$1,281,962
Materials	76,050	59,132	85,040	101,393	103,620
Contracts	48,122	46,810	107,250	125,997	131,297
Other	5,419	7,913	7,500	12,200	12,200
Capital Outlay	0	0	0	24,000	0
TOTAL EXPENDITURES	951,674	1,026,916	1,107,178	1,494,221	1,529,079
FUNDING					
Local Wastewater Enterprise	$0	$27,047	$18,437	$160,992	$166,887
Local Wastewater Replacement	$0	$0	$0	$0	$0
Local Wastewater Expansion	$0	$0	$0	$0	$0
Regional Wastewater Enterprise	789,230	804,169	865,687	1,061,077	1,098,877
Regional Wastewater Replacement	0	0	0	12,000	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	161,879	195,085	223,054	248,152	263,315
Water Replacement	0	0	0	12,000	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	565	615	0	0	0
TOTAL FUNDING	951,674	1,026,916	1,107,178	1,494,221	1,529,079
PERSONNEL SUMMARY	5.00	5.00	5.00	7.00	7.00

Department Overview
Operations Support Services – Division 56

Mission

Provide Department coordination and alignment to ensure the success of the divisions' safety, asset management, and administrative programs of the Operations Department and District.

The Operations Support Services Division has been reorganized to strengthen, align, and coordinate the vital functions of the department. The Division supervisor is responsible for the coordination, planning, and implementation of the safety, asset management, and administrative programs in the department. In addition, the supervisor coordinates the goals of the division, aligns the goals with the District's needs, and serves as the Plant Engineer.

Top Division Goals

- Provide functional administrative support to the Operations Department in all divisions.
- Align the Operations Divisions to fully implement a unified asset management program.
- Lead the District in a new campaign that will realign and strengthen our core safety program.
- Network operations programs with the rest of the District.
- Continue to lead and support the Bay Area Chemical Consortium (BACC) effort.
- Update several safety programs that are currently overdue for revision.
- Fully support asset management with a consistent, reliable, timely, and accessible maintenance management (Lucity) database.

Budget Trends

This Division was established in February 2017 as part of the Department reorganization for administrative support, the safety program and Plant Engineer responsibilities. Increases in the prior baseline budgets include an additional $30,000 for an emergency preparedness consultant, additional safety training, and ergonomic equipment.

Department Overview
Operations Support Services – Division 56

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$0	$711,759	$762,507	$1,000,565	$1,045,934
Materials	0	39,442	37,600	55,700	42,700
Contracts	0	85,721	64,320	84,475	104,475
Other	0	3,178	4,802	12,602	12,602
Capital Outlay	0	0	0	20,000	
TOTAL EXPENDITURES	0	840,100	869,229	1,173,342	1,205,711
FUNDING					
Local Wastewater Enterprise	$0	$68,612	$49,491	$58,395	$61,994
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	0	498,521	470,661	281,011	295,540
Regional Wastewater Replacement	0	0	0	20,000	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	0	49,131	79,716	154,482	163,766
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	0	223,836	269,361	659,454	684,411
TOTAL FUNDING	0	840,100	869,229	1,173,342	1,205,711
PERSONNEL SUMMARY	0.00	5.00	4.00	7.00	7.00

Notes

Engineering Services Department

The Engineering Department consists of three divisions that ensure District infrastructure is planned, designed, and constructed in accordance with the District's ordinances, specifications, policies, and all California laws.

The department leads the efforts in support of the Asset Management Program and oversees the Capital Improvement and two year CIP budget. In addition, the department ensures that developer dedicated facilities are in conformance with District Code.

Department Overview
Engineering Services

2016 and 2017 Accomplishments

Administration

- Completed the Regional Wastewater Treatment Plant and Biosolids Master Plan.
- Developed a Rehabilitation and Replacement model for the District's Regional Wastewater Treatment Plant Assets.
- Completed a Facilities Plan for the DERWA Recycled Water Treatment Facility and developed a cost share arrangement among the agencies for the expansion of the facility.
- Investigated in coordination with DERWA several recycled water supplemental supply options.

Capital Improvement Projects

- Completed an accelerated design of the Recycled Water Treatment Plant expansion.
- Negotiated a pre-purchase of specialized equipment that is a part of the Recycled Water Treatment Plant expansion.
- Completed the installation of the Recycled Water Treatment Plant Sixth Filter.
- Completed the purchase of a permanent facility and remodel for Field Operations.
- Worked with Operations and consultants to determine the condition of Wastewater Treatment Plan (WWTP) infrastructure.

Planning & Permitting

- Completed the 2016 Water Master Plan and associated Water Capacity Reserve Fee Studies.
- Completed the 2015 Urban Water Management Plan.
- Completed a Long Term Alternative Water Supply Study.
- Commenced a Potable Reuse Feasibility Study in collaboration with Tri-Valley Water Agencies.
- Successfully connected 25 sites to the recycled water system in response to the drought, representing over 124 acre feet of permanent potable water demand reduction.
- Implemented and maintained best management practices for water conservation to meet and exceed the District's 2020 target of 169 gallons per capita per day (gpcd); as of December 2016, water consumption by customers was 68 gpcd.
- Accepted approximately 2.17 miles of potable water pipelines, 0.1 miles of recycled water pipelines, and 1.66 miles of sanitary sewer pipelines.
- Maintained a high level of service to developers, providing 100% on-time turnaround of more than 280 plan reviews and more than 1,000 over-the-counter services, allowing community approved development to proceed in a timely manner.
- Monitored and maintained regulatory compliance for 299 recycled water users (100% compliance), 3,186 backflow preventers (100% compliance), and 96 dental facilities (100% compliance).

Department Overview
Engineering Services

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$3,282,371	$2,769,608	$3,460,169	$3,488,116	$3,691,658
Materials	34,871	19,758	27,050	27,765	26,765
Contracts	356,373	610,154	1,214,910	552,610	397,610
Other	3,704	5,228	5,300	5,300	5,300
Capital Outlay	26,045	62,000	35,000	0	55,000
TOTAL EXPENDITURES	3,703,364	3,466,748	4,742,429	4,073,791	4,176,333
FUNDING					
Local Wastewater Enterprise	$547,225	$315,986	$414,224	$356,448	$370,752
Local Wastewater Replacement	22	214,340	228,850	0	16,800
Local Wastewater Expansion	356,190	511,931	613,176	447,844	457,215
Regional Wastewater Enterprise	1,155,175	670,948	1,144,784	1,027,411	964,590
Regional Wastewater Replacement	0	0	23,200	0	7,800
Regional Wastewater Expansion	44,194	53,401	85,580	86,831	92,981
Water Enterprise	1,048,634	920,339	1,159,766	1,460,721	1,514,609
Water Replacement	26,153	41,735	117,950	0	30,400
Water Expansion	452,796	675,690	871,163	562,290	576,218
Administrative Cost Center	72,975	62,378	83,736	132,246	144,968
TOTAL FUNDING	3,703,364	3,466,748	4,742,429	4,073,791	4,176,333
PERSONNEL SUMMARY	22.00	18.50	19.50	20.50	20.50

Department Overview
Administration – Division 40

Mission

Provide resources and support to the Engineering Department team so they can effectively and efficiently work together and with other departments to achieve the District's Strategic goals.

This division sets the priorities and provides overall management for the Engineering Department which includes the Capital Improvement Program Division and the Planning and Permitting Division. The division ensures district infrastructure is planned, designed, and constructed in accordance with district's ordinances, specifications and policies and all California laws. The division provides technical support to the Administrative Services and Operations Departments and leads the Department's efforts in support of the Asset Management Program. The division also interfaces with other Tri-Valley agencies regarding water supply and utility issues.

Top Division Goals

- Secure in coordination with DERWA a supplemental source of recycled water.
- Integrate recycled water and potable water supply planning and revise the District's Water Recycling Policy to reflect the tradeoffs between the use of wastewater for recycled water irrigation versus potable reuse.
- Evaluate water supply options that would meet the objectives of the District's Water Supply, Storage, Conveyance, Quality and Conservation Policy
- Implement the recommendations in the Wastewater Treatment Plant and Biosolids Master Plan to achieve long-term sustainable biosolids management.
- Finalize amendment to Agreement for Sale of Recycled Water by DERWA to DSRSD and EBMUD

Budget Trends

Overall, the Administration Division's budget is status quo, except for the professional services budget that will increase by $150,000 for consultant assistance in evaluating water supply options to meet the District's Water Supply, Storage, Conveyance, Quality and Conservation Policy.

Department Overview
Administration – Division 40

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$399,460	$409,519	$511,661	$556,731	$634,003
Materials	1,238	188	200	200	200
Contracts	25,464	7,461	15,000	15,800	15,800
Other	2,586	1,432	2,400	2,400	2,400
Capital Outlay	0	0	35,000	0	0
TOTAL EXPENDITURES	428,748	418,600	564,261	575,131	652,403
FUNDING					
Local Wastewater Enterprise	$38,383	$39,583	$51,445	$49,726	$57,244
Local Wastewater Replacement	0	0	3,850	0	0
Local Wastewater Expansion	840	0	0	0	0
Regional Wastewater Enterprise	154,265	156,917	207,535	205,159	235,233
Regional Wastewater Replacement	0	0	18,200	0	0
Regional Wastewater Expansion	2,796	2,195	0	0	0
Water Enterprise	158,053	157,276	196,545	193,000	219,958
Water Replacement	0	195	12,950	0	0
Water Expansion	3,706	2,195	0	0	0
Administrative Cost Center	70,705	60,239	73,736	127,246	139,968
TOTAL FUNDING	428,748	418,600	564,261	575,131	652,403
PERSONNEL SUMMARY	2.00	2.50	2.50	2.50	2.50

Department Overview
Capital Improvement Projects – Division 41

Mission

Supporting District operations and the community by building new, rehabilitating existing, and evaluating the condition of District infrastructure.

The Capital Improvement Program Division prepares and administers two elements of the Capital Improvement Projects (CIP): 1) the CIP ten-year plan, which records the intended uses of capacity reserve fees and replacement and rehabilitation funds; and 2) the CIP two-year budget, which provides staff the authority to proceed with budgeted CIP projects. The division also develops and maintains asset rehabilitation and replacement models that are integral to the development of capital improvement and capital outlay budgets. The division plans, designs, and manages the construction of all of the District's CIP projects. The division supports the Wastewater Treatment Plan (WWTP) and Field Operations by evaluating processes and operations to improve efficiency and resolve issues, designing equipment and facility improvements, and procuring specialty equipment and services. The division also maintains the District's water, recycled water, and wastewater collection system mapping and hydraulic models.

Top Division Goals

- Prepare a CIP 10-Year Plan in FYE 2019.
- Incorporate all wastewater treatment plant process piping and all district facilities (buildings) into an Asset Management rehabilitation and replacement model.
- Complete the DERWA Recycled Water Treatment Facility Expansion.
- Complete the construction of a fourth digester at the Regional Wastewater Treatment Facility.
- Complete the planning and design for potable water reservoir 10A.
- Coordinate with Operations and Maintenance to incorporate wastewater treatment plant and potable water pump station equipment condition information into the District's Computerized Maintenance and Management System and Asset Replacement Models.
- Update the District's procedures and policy to conform to the California Environmental Quality Act.
- Assist Finance in the preparation of a Regional Wastewater Capacity Reserve Fee update.

Budget Trends

The division is currently fully staffed and additional staff have not been proposed at this time. However, in order to keep up with projects, outside project management may be required. This additional cost will not be part of the division budget, but will be added to the CIP project cost.

In FYE 2018, the Asset Management Division with two FTE positions was consolidated into this cost center, thus explaining the increase in salary and benefits. Contracts have increased as a result of that consolidation and primarily represents work on the Facilities Asset Management Data ($50,000) and enhancement of the WWTP Asset Management Replacement Model ($70,000) in FYE 2018 only.

Department Overview

Capital Improvement Projects – Division 41

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18*	FYE 19*
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,038,982	$714,661	$807,216	$1,107,773	$1,152,004
Materials	12,615	5,591	5,400	5,700	4,700
Contracts	75,717	22,222	34,850	196,950	46,950
Other	32	379	500	600	600
TOTAL EXPENDITURES	1,127,346	742,853	847,966	1,311,023	1,204,254
FUNDING					
Local Wastewater Enterprise	$194,937	$148,466	$151,747	$212,503	$215,101
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	13,515	1,251	0	0	0
Regional Wastewater Enterprise	678,233	354,935	429,805	576,059	470,942
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	222,904	235,288	256,414	517,461	513,211
Water Replacement	0	0	0	0	0
Water Expansion	17,060	1,160	0	0	0
Administrative Cost Center	697	1,753	10,000	5,000	5,000
TOTAL FUNDING	1,127,346	742,853	847,966	1,311,023	1,204,254
PERSONNEL SUMMARY	8.00	5.00	5.00	7.00	7.00

Department Overview
Planning & Permitting – Division 42

Mission

Review development plans and determine fees in a timely and accurate manner, maintain accurate and accessible facilities records and projections of future service needs, and ensure that new projects and existing customers comply with regulatory and environmental requirements.

The Planning & Permitting Division manages the District's long-term utility planning activities, oversees the expansion of the District's water and sewer systems by development projects, and monitors water and wastewater users in accordance with best management practices (BMPs) for water conservation in accordance with the Urban Water Management Plan, BMPs for pollution prevention, and State Water Resources Control Board Division of Drinking Water Regulatory requirements for backflow prevention. This division updates master plans for potable water, recycled water, and wastewater; maintains records of water and wastewater use and projections, coordinates annexation of properties into the District service area, reviews all environmental documents for projects being constructed by other entities, reviews designs and issues construction permits for connections to District facilities and developer-dedicated facilities, maintains capacity allocation records, and negotiates and administers reimbursement agreements associated with installation of Capital Improvement Program projects by developers.

The division's core function is to ensure that developer-dedicated facilities are in conformance with the District's Code and Standard Procedures and Specifications. Through its Clean Water Section, the division must also ensure that customers meet regulatory requirements for recycled water use, backflow prevention, water conservation, and pollution prevention. Conformance to regulatory requirements is required in order for the District to maintain its certification and permits to distribute potable water, produce and distribute recycled water, and to discharge wastewater effluent.

Top Division Goals

- Develop a potable reuse project concept in partnership and collaboration with Tri-Valley water agencies.
- Sustain compliance with State of California long-term water use efficiency regulations.
- Complete the Wastewater Collection System Master Plan and support Finance in the preparation of the Local Capacity Reserve Fee Update.
- Maintain excellent customer service to permit applicants while ensuring minimal impact to the environment and current customers and conformance to regulatory requirements.
- Assist Finance in the completion of a cost of service study for plan check and inspection services.

Budget Trends

The communities that the District serves continue to expand due to development. The division must meet the service demand necessitated by the pace of development projects and increasing customer base that must be monitored. This division's budget reflects the response to those service demands. An environmental compliance inspector was transferred from the Operations Department to this division in FY 2017 and will continue in the division to assist in Clean Water Section inspections. A three year limited-term construction inspector is proposed and included in the FYE 2018 expenditures. The cost is offset by a $310,000 reduction in contract inspection services. Other than this addition, the budget is status quo.

Department Overview
Planning & Permitting – Division 42

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,353,849	$1,433,087	$1,663,327	$1,823,612	$1,905,651
Materials	20,429	13,979	21,450	21,865	21,865
Contracts	142,817	381,701	790,060	339,860	334,860
Other	930	3,152	1,800	2,300	2,300
Capital Outlay	26,045	0	0	0	55,000
TOTAL EXPENDITURES	1,544,070	1,831,919	2,476,637	2,187,637	2,319,676
FUNDING					
Local Wastewater Enterprise	$52,986	$35,904	$96,436	$94,219	$98,407
Local Wastewater Replacement	22	0	0	0	16,800
Local Wastewater Expansion	341,835	510,680	613,176	447,844	457,215
Regional Wastewater Enterprise	166,946	90,944	267,206	246,193	258,415
Regional Wastewater Replacement	0	0	0	0	7,800
Regional Wastewater Expansion	41,398	51,206	85,580	86,831	92,981
Water Enterprise	481,128	470,464	543,076	750,260	781,440
Water Replacement	26,153	0	0	0	30,400
Water Expansion	432,030	672,335	871,163	562,290	576,218
Administrative Cost Center	1,573	386	0	0	0
TOTAL FUNDING	1,544,070	1,831,919	2,476,637	2,187,637	2,319,676
PERSONNEL SUMMARY	9.00	9.00	10.00	11.00	11.00

Department Overview

GIS and Asset Management – Division 43

This Division has been consolidated into the Capital Improvement Projects Division 41. Please see this section for their mission, description, goals and budget trends.

Department Overview

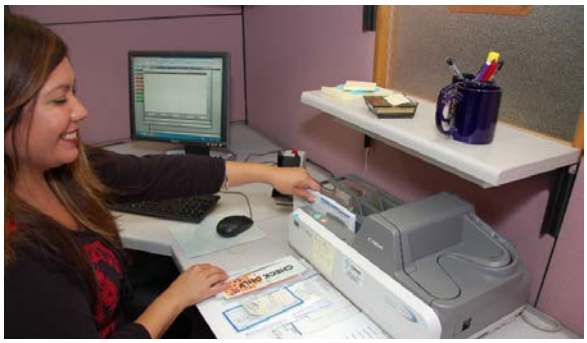
GIS & Asset Management – Division 43

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18*	FYE 19*
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$490,079	$212,341	$477,965	$0	$0
Materials	589	0	0	$0	$0
Contracts	112,375	198,770	375,000	$0	$0
Other	156	265	600	$0	$0
Capital Outlay	0	62,000	0	$0	$0
TOTAL EXPENDITURES	603,199	473,376	853,565	0	0
FUNDING					
Local Wastewater Enterprise	$260,919	$92,033	$114,596	$0	$0
Local Wastewater Replacement	0	214,340	225,000	$0	$0
Local Wastewater Expansion	0	0	0	$0	$0
Regional Wastewater Enterprise	155,731	68,152	240,238	$0	$0
Regional Wastewater Replacement	0	0	5,000	$0	$0
Regional Wastewater Expansion	0	0	0	$0	$0
Water Enterprise	186,549	57,311	163,731	$0	$0
Water Replacement	0	41,540	105,000	$0	$0
Water Expansion	0	0	0	$0	$0
Administrative Cost Center	0	0	0	$0	$0
TOTAL FUNDING	603,199	473,376	853,565	0	0
PERSONNEL SUMMARY	3.00	2.00	2.00	0.00	0.00

Notes

Administrative Services Department

The Administrative Services Department consists of five divisions including Human Resource and Risk Management, Financial Services, Customer Services & Billing, and Information Technology Services. Staffing for this department totals 24 employees or 19 percent of our workforce. They provide all accounting functions, including payroll and manage all hiring, employee benefit administration and risk management. Our Customer Services Division bills both water and sewer bills to approximately 20,000 customer locations. The Information Technology Division supports three facilities and over 45 different software applications.



Department Overview
Administrative Services

2016 and 2017 Accomplishments

Administration

- Successfully facilitated the first full management retreat in many years.
- Streamlined several Board policies and District rules for efficiency.

Human Resources & Risk Management

- Facilitated recruitment and appointment of the new General Manager and three senior managers.
- Completed 25 recruitments, and on-boarded 13 new employees.
- Completed side-letters with labor groups to extend contracts for one year.
- Streamlined several Personnel rules including hiring practices, travel and training reimbursements.

Financial Services Division

- Received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 15th year in a row for FYE 2015 CAFR.
- Received a 'AA' rating from Fitch Rating Services, stating the district is financially sound and its rating outlook is stable through 2021.
- Completed Water Capacity Reserve Fee study, which is completed every five years; and updated the water capacity reserve fee for new connections.
- Completed the Local & Regional Wastewater Rate Study, which is completed every five years and updated rates as directed by the Board.

Customer Services & Billing

- Expanded AMI infrastructure to cover neighborhoods in the westernmost area of the district, formerly separated by a ridgeline that stopped communication between water meters and the base station.
- Worked in partnership with Engineering to move the costs of expanding the AMI network to the development community.
- Accepted responsibility from FOD to streamline the installation process for all new residential meter sets, installing and programming an average of 100 meters per month.
- Increased the sign up rates for both the ACH and paperless billing (Ebill) programs with an achievement of 43% of our customers on ACH and 25% on Ebill.
- Accomplished all of our performance goals including 100 percent timely bill production and accuracy.
- Worked directly with customers to identify, notify, and fix leaks, and to change other consumption behaviors before the district would have to take more punitive action.

Department Overview
Administrative Services

Information Technology Services

- Implemented new software including: Fat, Oil and Grease Inspection for Environmental Compliance, Tokay for Clean Water Division, and InfoMaster for Field Operations Division.
- Assisted Asset Management Division with the Lucity asset realignment for the Waste Water Treatment Plant and designed new or improved Lucity web dashboards for field staff.
- Deployed mobile devices (Microsoft Surface Tablets) for Field Operations Division and Engineering Department.
- Implementation OnBase Enterprise Content Management System with initial use by Accounting Division and Engineering Department.
- Upgraded DSRSD SharePoint Intranet from version 2007 to 2013.
- Brought the new Field Operating Facility online before any infrastructure was in place so that other systems of HVAC and security could be installed.
- Created an online listing of data systems to meet the requirements of California, Senate Bill SB272 to increase transparency and public accountability.
- Worked with HR to update Personnel Rule, "Electronic Communications Resources" (ECR).

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$3,823,987	$3,496,466	$4,124,422	$4,075,227	$4,253,275
Materials	72,145	86,480	40,332	45,857	39,386
Contracts	751,879	713,769	750,623	969,508	996,152
Other	7,977	2,876	8,400	9,550	9,550
	0	0	0	71,603	0
TOTAL EXPENDITURES	4,655,988	4,299,591	4,923,777	5,171,745	5,298,363
FUNDING					
Local Wastewater Enterprise	$125,599	$124,341	$158,632	$139,161	$128,738
Local Wastewater Replacement	0	0	0	7,276	0
Local Wastewater Expansion	0	0	0	12,000	0
Regional Wastewater Enterprise	134,877	124,373	187,634	139,158	146,168
Regional Wastewater Replacement	0	0	0	12,034	0
Regional Wastewater Expansion	0	0	0	40,000	0
Water Enterprise	861,153	875,141	1,019,547	987,864	1,089,780
Water Replacement	0	0	0	52,293	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	3,534,359	3,175,736	3,557,964	3,781,959	3,933,677
TOTAL FUNDING	4,655,988	4,299,591	4,923,777	5,171,745	5,298,363
PERSONNEL SUMMARY	27.50	24.00	24.00	24.00	24.00

Department Overview
Administration – Division 30

Mission

Provide resources and support to the Administrative Services Department team so they can effectively and efficiently work together and with other departments to achieve the District's goals and objectives.

The Administration Division provides oversight of and direction to the Administrative Services Department, which includes Financial Services, Customer Services & Billing, Human Resources & Risk Management, and Information Technology Services. This division also performs special projects at the request of the General Manager. Finally, the division provides administrative support to our department.

Top Division Goals

- Prepare a two year operating budget and create a streamlined budget document for enhanced use.
- Develop long-term financial planning models for operations, asset management and capital projects.
- Review the adequacy of the District's reserve policies.
- Clarify/streamline other policies as needed to enhance readability and compliance.
- Act as chief negotiator for the 2017 labor agreements.
- Assist the Finance Division with the Local and Regional Capacity Reserve Fee Studies and the Water Rate Fee Study.
- Monitor the bond market to capitalize on debt refinancing options.
- Assist Mechanical Maintenance Division with the development of a structured fleet replacement policy.

Budget Trends

In FYE 2015, the department reorganized and downsized from two Senior Managers to one. In addition, the Senior Manager was Acting General Manager for several months in FYE 2016, thus resulting in a wide fluctuation in salaries and benefits.

The proposed FYE 2018 and 2019 budget will start a consistent trend for the Division.

Department Overview

Administration – Division 30

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$454,614	$159,273	$336,399	$289,868	$309,949
Materials	238	12	400	1,000	1,100
Contracts	11,013	0	6,558	7,500	7,500
Other	778	119	1,900	2,100	2,100
TOTAL EXPENDITURES	466,643	159,404	345,257	300,468	320,649
FUNDING					
Local Wastewater Enterprise	$0	$0	$0	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	0	0	0	0	0
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	0	0	0	0	0
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	466,643	159,404	345,257	300,468	320,649
TOTAL FUNDING	466,643	159,404	345,257	300,468	320,649
PERSONNEL SUMMARY	2.00	1.50	1.50	1.50	1.50

Department Overview

Human Resources & Risk Management – Division 22

Mission

Serve the organization by assisting employees and the community in a manner that enriches relationships within the District and protects business resources.

The Human Resources and Risk Management Division includes both human resources and risk management functions. Human Resources conducts recruitment and selection processes, maintains classification and compensation structure, and coordinates employee benefits, employee relations, organizational personnel planning, and policy development. Human Resources also supports labor relations and administers employee engagement programs, including employee feedback, coaching, and recognition, as well as District-wide training and development. Human Resources administers the District's pooled insurance programs, including liability, property and workers compensation.

Top Division Goals

- Support the District in the process of negotiating successor Memorandum of Understanding's (MOUs) for its four employee-organized units in FY 2018 (Stationary Engineers – Local 39 (L39), Mid-Management Employees Bargaining Unit (MEBU), Professional Employees Bargaining Unit (PEBU), and Confidential Employees Bargaining Unit (CEBU)).
- Streamline Board Policies and Personnel Rules as needed per the Strategic Plan.
- Coordinate efforts to complete the marketing of the Dublin San Ramon 457b Plan and Trust deferred compensation plan and finalize the implementation of a Plan Administrative Committee.
- Update and implement employee engagement programs relevant for today's workforce, including performance feedback and coaching, employee recognition and training and development to maintain a highly qualified workforce per the Strategic Plan.
- Facilitate review and update of the District's job classification system, serving to build resilience and continuity to thrive in the face of staffing transitions.

Budget Trends

The Human Resources and Risk Management Division budget has increased slightly in the contracts category to provide for additional professional and legal services, related to the labor negotiations process, classification reviews, the 457 program, and training and development program expansion.

Department Overview

Human Resources & Risk Management – Division 22

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$790,076	$733,283	$887,253	$858,477	$902,448
Materials	29,298	2,507	2,500	12,400	2,500
Contracts	311,415	252,607	161,302	242,083	226,001
Other	5,453	1,434	2,250	4,250	4,250
TOTAL EXPENDITURES	1,136,241	989,831	1,053,305	1,117,210	1,135,199
FUNDING					
Local Wastewater Enterprise	$4,367	$0	$0	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	12,591	0	0	0	0
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	7,178	0	0	0	0
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	1,112,106	989,831	1,053,305	1,117,210	1,135,199
TOTAL FUNDING	1,136,241	989,831	1,053,305	1,117,210	1,135,199
PERSONNEL SUMMARY	6.50	4.50	4.50	4.50	4.50

Department Overview

Financial Services – Division 31

Mission

Provide timely, accurate, and responsive financial data and services to our internal and external customers.

The Financial Services Division accurately maintains the District's financial records, pays vendors, issues invoices, processes payroll, invests District funds, and prepares reports, financial statements, and statutory filings. This division establishes internal controls to ensure District assets are protected and accounting transactions are recorded accurately and in accordance with generally accepted accounting principles. This division coordinates the District's annual audit, produces the Comprehensive Annual Financial Report (CAFR) and the biennial budget, performs various rate studies, and prepares long- term financial projections.

Top Division Goals

- Prepare a five year update to the District water rate study and recommend rate adjustments.
- Work in conjunction with the Engineering Department to prepare an update to Local and Regional capacity reserve fees.
- Assist Human Resources and Risk Management Division in efforts to market the Dublin San Ramon 457b Plan and Trust deferred compensation plan and implement a Plan Administrative Committee.
- In FY 2018, assist Human Resources and Risk Management Division in negotiating successor Memorandum of Understanding's (MOUs) for the District's four employee-organized units (Stationary Engineers – Local 39 (L39), Mid-Management Employees Bargaining Unit (MEBU), Professional Employees Bargaining Unit (PEBU), and Confidential Employees Bargaining Unit (CEBU)).
- Update District purchasing procedures to be more streamline and efficient.
- Prepare an update to the District Miscellaneous Fee Schedule. Work with the Engineering Department to analyze cost of service in the areas of permitting and inspection fees.

Budget Trends

Starting in FYE 2017, the Division was involved in several rate studies, including water and wastewater fees. This will continue in FYE 2018 and 2019 which accounts for the increase in contract costs.

Department Overview

Financial Services – Division 31

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$574,648	$573,592	$655,618	$667,717	$703,074
Materials	818	2,588	2,603	3,000	3,200
Contracts	60,506	92,787	155,728	149,790	146,130
Other	44	337	800	1,000	1,000
TOTAL EXPENDITURES	636,016	669,304	814,749	821,507	853,404
FUNDING					
Local Wastewater Enterprise	$0	$0	$17,000	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	12,000	0
Regional Wastewater Enterprise	1,052	0	46,000	0	0
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	40,000	0
Water Enterprise	0	0	30,000	0	52,000
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	634,964	669,304	721,749	769,507	801,404
TOTAL FUNDING	636,016	669,304	814,749	821,507	853,404
PERSONNEL SUMMARY	5.00	4.00	4.00	4.00	4.00

Department Overview

Customer Services & Billing – Division 33

Mission

Provide superior service to district customers, leverage technology and efficiencies to accommodate continued growth, and produce consistently accurate and timely billing.

The Customer Services & Billing Division manages all aspects of customer utility billing, communications, remittance processing, debt collections, equipment installation and maintenance, and the installation and management needed to support and expand the district's advanced metering infrastructure (AMI). They have been instrumental in educating our customers on the use of the new AMI software so that the customer has 24/7 feedback on their water usage.

Top Division Goals

- Work with our regional partners to resolve issues related to meter type and size and their associated Zone 7 connection fees to insure that developers are "right sizing" their meter requests so that the District can install the most appropriate meter for the planned use.
- Work with our engineering partners to move all AMI infrastructure expansion costs to the development community.
- Continue to educate our customers on the use of the AMI system.

Budget Trends

The proposed 2018-19 budget is status quo. Compared to the previous two-year budget, it increased by a percentage equal to 3.4% and 3.7% respectively. The majority of this increase is due to increases allowed by contract. The processes these contracts afford allow the Customer Services and Billing Division to continue to accommodate growth without requiring increases to headcount.

The FYE 2016 and 2017 budget included a one-time strategic plan to assess technology upgrades and customer awareness/satisfaction, thus the contract expenditure increase. The FYE 2018 and 2019 budget is status quo with the exception of the replacement of two vehicles for $60,000 in the "other" category.

Department Overview

Customer Services & Billing – Division 33

	Actual FYE 15	Actual FYE 16	Adopted FYE 17	Budget FYE 18	Budget FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$938,275	$944,227	$1,076,922	$1,050,659	$1,088,542
Materials	10,037	21,179	18,579	13,457	16,586
Contracts	169,631	181,044	201,330	213,745	219,831
Other	98	17	800	800	800
Capital Outlay	0	0	0	60,000	0
TOTAL EXPENDITURES	1,118,041	1,146,467	1,297,631	1,338,661	1,325,759
FUNDING					
Local Wastewater Enterprise	$121,232	$124,341	$141,632	$139,161	$128,738
Local Wastewater Replacement	0	0	0	6,000	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	121,234	124,373	141,634	139,158	146,168
Regional Wastewater Replacement	0	0	0	6,000	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	853,975	875,141	989,547	987,864	1,037,780
Water Replacement	0	0	0	48,000	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	21,600	22,612	24,818	12,478	13,073
TOTAL FUNDING	1,118,041	1,146,467	1,297,631	1,338,661	1,325,759
PERSONNEL SUMMARY	8.00	8.00	8.00	8.00	8.00

Department Overview

Information Technology Services – Division 34

Mission

Add value by providing anywhere/anytime secure access to fully integrated voice and data technology to deliver actionable information to power business and operational decisions.

Assists the District's Divisions to achieve DSRSD's strategic plan, goals, and objectives by adding value to key business processes through partnering in the application of information technology solutions and by delivering the best quality products, services and data in a timely, reliable, cost-effective manner.

Top Division Goals

- Develop a Master Plan for the business network.
- Create a curriculum of short courses/talks to develop and increase the use of technology among staff. Work with Divisions to extend the use of existing software in their processes per the strategic plan.
- Support Asset Management through automating additional business processes so that field workers have the information at their fingertips for work orders and supporting documents.
- Optimize storage of electric documents via OnBase trusted Enterprise Content Management System, SharePoint Intranet and secure cloud-based storage. Review Enterprise Resource Planning life cycle planning.
- Create a redundant telephony and Internet infrastructure at Commerce Circle facility that links to the District Office and Water Treatment Plant via fiber and high speed wireless.
- Take ownership of the SCADA field network to insure secure, stable and resilient connectivity at completion of CIP 09-6101 Water and Recycled Water System Control and Data Acquisition (SCADA) Improvements. Enhance SCADA network security, field access and reporting.

Budget Trends

The budget has increased in FYE 2018 and 2019 as software warranty maintenance of network equipment expired from CIP funding and was absorbed into one operating budget. Professional Services also expanded to backfill system administration while current staff assists with OnBase implementation. Due to our improved networks, some savings were generated from consolidation of telephony charges and Internet Service Provision through CalNET3 state contracts.

Department Overview
Information Technology Services – Division 34

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,066,374	$1,086,091	$1,168,230	$1,208,506	$1,249,262
Materials	31,754	60,194	16,250	16,000	16,000
Contracts	199,314	187,331	225,705	356,390	396,690
Other	1,604	969	2,650	1,400	1,400
Capital Outlay	0	0	0	11,603	0
TOTAL EXPENDITURES	1,299,046	1,334,585	1,412,835	1,593,899	1,663,352
FUNDING					
Local Wastewater Enterprise	$0	$0	$0	$0	$0
Local Wastewater Replacement	0	0	0	1,276	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	0	0	0	0	0
Regional Wastewater Replacement	0	0	0	6,034	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	0	0	0	0	0
Water Replacement	0	0	0	4,293	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	1,299,046	1,334,585	1,412,835	1,582,296	1,663,352
TOTAL FUNDING	1,299,046	1,334,585	1,412,835	1,593,899	1,663,352
PERSONNEL SUMMARY	6.00	6.00	6.00	6.00	6.00

Notes

Executive & Legislative Department

The Executive and Legislative Department consists of four divisions including Legislative, the Office of the General Manager, Executive Services, and Communications. Staffing for this department totals 10 employees or eight percent of our workforce. The department is responsible for directing policy, providing executive leadership to the District, providing administrative support to the Board and General Manager, and managing public affairs and community outreach.

Department Overview
Executive & Legislative Services

2016 and 2017 Accomplishments

General Manager

- Impressively managed through the drought and set the standard, surpassing conservation and industry expectations.
- Recruited and assembled an entirely new senior management team.
- Streamlined the Strategic Plan into a succinct, readable document.

Executive Services

- Implemented an electronic Agenda Management system to produce Board and committee agendas.
- Successfully facilitated the 2016 Board of Director election and Board transition.

Communications

- Led the effort to upgrade the District Office lobby with assistance from Engineering, Electrical, ITS, and Maintenance Divisions.
- Facilitated a community groundbreaking ceremony for the DERWA Phase 2 expansion.
- Kicked off a potable reuse study with partner agencies in the Tri-Valley.
- Assisted the Financial Division with the publication of the FYE 2015 CAFR which received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 15th consecutive year.
- Assisted with the Prop 218 noticing for water and local/regional sewer rates.
- Provided tours for 1,134 visitors since October 2012, averaging 284 visitors annually, a 54% increase in attendees since Public Information and WWTP Plant Operations began promoting the tours four years ago.

Department Overview
Executive & Legislative Services

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$1,663,512	$1,519,646	$1,881,045	$1,800,467	$1,858,029
Materials	16,023	17,761	22,350	28,370	23,370
Contracts	143,610	115,321	553,910	510,064	650,053
Other	124,060	127,639	154,401	174,799	174,799
TOTAL EXPENDITURES	1,947,205	1,780,367	2,611,706	2,513,700	2,706,251
FUNDING					
Local Wastewater Enterprise	$15,899	$15,199	$28,500	$28,900	$28,900
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	232,733	235,110	251,500	266,224	274,418
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	268,667	269,047	282,477	302,329	309,023
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	1,429,906	1,261,011	2,049,229	1,916,247	2,093,910
TOTAL FUNDING	1,947,205	1,780,367	2,611,706	2,513,700	2,706,251
PERSONNEL SUMMARY	8.50	8.50	8.50	8.50	8.50

Department Overview
Legislative – Division 10

Mission

Set policy and provide resources to enable the District to meet its mission of providing reliable water, recycled water, and wastewater services to the communities we serve in a safe, efficient, and environmentally responsible manner.

The Dublin San Ramon Services District Board of Directors is an independently elected legislative body consisting of five Directors. The Directors govern the District by setting policies, and hiring and overseeing the District's General Manager. The Board exercises these powers under the authority of the Community Services District Law (California Government Code section 61000 et seq.) and is ultimately responsible and accountable to the people of the District. The Board of Directors' budget includes Board member travel and training costs at industry conferences, meetings, and community events as well as the consolidated election held every two years with the statewide general election.

Top Division Goals

- Represent the District at industry conferences, meetings, and community events.
- Adopt fair and equitable rates for DSRSD customers.
- Set policy direction for the District to function in an effective manner.

Budget Trends

This is a status quo budget with the exception of elections, which occur every other year. Fiscal Year 2018 has no election related costs, however, in fiscal year 2017 and 2019, the budget for these costs are $135,500 and $198,000, respectively.

Department Overview
Legislative – Division 10

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$63,863	$72,589	$116,948	$116,948	$116,948
Materials	4,778	2,961	2,800	11,300	6,300
Contracts	44,968	34,258	193,500	50,500	248,753
Other	755	609	700	700	700
TOTAL EXPENDITURES	114,364	110,417	313,948	179,448	372,701
FUNDING					
Local Wastewater Enterprise	$2,668	$4,866	$6,250	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	2,668	4,866	6,250	12,500	12,500
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	268	5,495	6,000	6,000	6,000
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	108,760	95,190	295,448	160,948	354,201
TOTAL FUNDING	114,364	110,417	313,948	179,448	372,701
PERSONNEL SUMMARY	0.00	0.00	0.00	0.00	0.00

Department Overview
Office of the General Manager – Division 12

Mission

Ensure the District provides reliable water, recycled water, and wastewater services to the communities we serve in a safe, efficient, and environmentally responsible manner in accordance with policy direction received from the Board of Directors and the District's adopted Strategic Plan.

The General Manager provides executive leadership and management of the District's business. The General Manager provides oversight to the three main operating departments (Operations, Administrative Services, and Engineering), and two administrative divisions: Communications and Executive Services. The General Manager is the primary liaison between the Board of Directors and the staff of the District, and is responsible for interagency coordination and collaborations.

Top Division Goals

- Facilitate the completion of a Tri-Valley Joint Feasibility Study on Potable Reuse in partnership with other Tri-Valley water agencies, and initiate community outreach and engagement on bolstering a resilient water supply.
- Lead all the District's staff and resources to develop a fully integrated Asset Management Program as the backbone of a cohesive business management strategy.
- Foster a continuously high performing organization with sufficient resilience and continuity to thrive in the face of staffing transitions.
- Implement the new Strategic Plan adopted in May 2017.

Budget Trends

Salary and benefits increased in FYE 2017 with the addition of a limited term Assistant General Manager to help facilitate the transition to a new senior management team. This position ended in December, 2016. The budget includes increases in the "other" category, representing increases in membership costs for interagency collaborations.

Department Overview
Office of the General Manager – Division 12

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$388,610	$357,783	$422,096	$381,286	$390,450
Materials	0	373	200	200	200
Contracts	2,507	1,034	5,600	6,300	6,300
Other	119,764	124,316	147,691	167,079	167,079
TOTAL EXPENDITURES	510,881	483,506	575,587	554,865	564,029
FUNDING					
Local Wastewater Enterprise	$11,892	$8,986	$10,450	$8,400	$8,400
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	48,072	41,992	45,325	53,697	53,697
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	73,413	63,979	65,000	74,600	73,100
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	377,504	368,549	454,812	418,168	428,832
TOTAL FUNDING	510,881	483,506	575,587	554,865	564,029
PERSONNEL SUMMARY	1.00	1.00	1.00	1.00	1.00

Department Overview
Executive Services – Division 15

Mission

Provide efficient and conscientious customer service and support to the Board of Directors, General Manager, senior managers, local agencies, and the public.

The Executive Services Division provides critical Administrative services to the Board of Directors, General Manager, Senior Managers, staff, other agencies and the public. The Division provides District secretary and supervisory services handling production of over 40 Board and Committee agendas and minutes, 25 timely Public Records Act requests, the annual employee recognition event and special event planning, Board of Directors election and oaths of office to Board members, newly hired staff, FPPC filings, records management, 40 legal ads/public notices published annually, CIP project bid openings and contract facilitation, recordation, facilities management, Board policy management, District Code maintenance, and special projects. In addition, staff serve as the DERWA JPA Authority Secretary and provide JPA administrative support.

Top Division Goals

- Continue to develop and implement the Electronic Content Management System.
- Increase technical and industry knowledge through training opportunities.
- Automate FPPC reporting system.
- Continue to streamline and increase efficiencies in work strategies.
- Update the Strategic Plan in 2019.
- Conduct consolidated District elections.
- Evaluate the cost of expanding/improving the broadcast of live Board meetings.
- Implement needed changes to records management, retention, and retrieval policies.

Budget Trends

Emphasis has been put on implementation of a physical and electronic records management system with specific milestones achieved per our Strategic Plan. FYE 2017 had appropriated funds towards this endeavor. In FYE 2018 and 2019, $285,000 and $223,000, respectively, have been proposed for inventory control, consulting services, and maintenance and support of the OnBase application including records management.

Department Overview
Executive Services – Division 15

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$613,808	$476,670	$710,204	$660,744	$682,541
Materials	3,789	2,159	5,600	3,920	3,920
Contracts	50,031	53,744	260,980	309,134	243,870
Other	657	687	1,370	1,370	1,370
TOTAL EXPENDITURES	668,285	533,260	978,154	975,168	931,701
FUNDING					
Local Wastewater Enterprise	$0	$0	$0	$0	$0
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	0	0	0	0	0
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	0	0	0	0	0
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	668,285	533,260	978,154	975,168	931,701
TOTAL FUNDING	668,285	533,260	978,154	975,168	931,701
PERSONNEL SUMMARY	4.00	4.00	4.00	4.00	4.00

Department Overview
Communications – Division 24

Mission

The primary purpose of the Communications Division is to provide well crafted, public outreach materials to influence people's thoughts, attitudes, beliefs, and behaviors.

This Division was previously known as Public Information. The Communications Division clearly, concisely, and consistently communicate that the District provides reliable and sustainable water, wastewater and recycled water services 24/7 while protecting public health and the environment, investing appropriately for sound financial management, and maintaining a highly effective workforce.

Top Division Goals

- Produce the District's first annual report
- Work with Tri-Valley partners to develop a public outreach program on water supply alternatives, including potable reuse
- Rebrand the Regional Wastewater Treatment Facility as the Regional Resource Recovery Facility

Budget Trends

The increase in the Communications Division budget for FY 2018 is due to producing an annual report and mailing it to all our customers, conducting a customer survey to identify ways to communicate more effectively, including in emergencies, covering actual costs for staff to attend ACWA board and committee meetings and CASA committee meetings, purchasing equipment to produce more videos, and reviving the Sewer Science high school classroom program.

In addition, in FYE 2019, the Division will facilitate creating educational signs to enhance public tours at the treatment plant and painting a mural on the maintenance building facing Highway 680 to help brand the District as protecting public health and the environment 24/7. These projects are reflected in the Capital Improvement Projects.

Department Overview
Communications – Division 24

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	$597,231	$612,604	$631,797	$641,489	$668,090
Materials	7,456	12,268	13,750	12,950	12,950
Contracts	46,104	26,285	93,830	144,130	151,130
Other	2,884	2,027	4,640	5,650	5,650
TOTAL EXPENDITURES	653,675	653,184	744,017	804,219	837,820
FUNDING					
Local Wastewater Enterprise	$1,339	$1,347	$11,800	$20,500	$20,500
Local Wastewater Replacement	0	0	0	0	0
Local Wastewater Expansion	0	0	0	0	0
Regional Wastewater Enterprise	181,993	188,252	199,925	200,027	208,221
Regional Wastewater Replacement	0	0	0	0	0
Regional Wastewater Expansion	0	0	0	0	0
Water Enterprise	194,986	199,573	211,477	221,729	229,923
Water Replacement	0	0	0	0	0
Water Expansion	0	0	0	0	0
Administrative Cost Center	275,357	264,012	320,815	361,963	379,176
TOTAL FUNDING	653,675	653,184	744,017	804,219	837,820
PERSONNEL SUMMARY	3.50	3.50	3.50	3.50	3.50

Notes

Non-Departmental

The non-departmental account group is used for costs that are not specifically related to any one department. Expenses in this group are overseen by the Administrative Services. Expenses Include:

Personnel – Retiree medical and dental, unemployment payments, medical insurance administration fees;

Materials – Utility costs for the administration building (water, power, garbage), general office supplies, meters for new accounts, wholesale water purchases from Zone 7, replacement of computer equipment under the capitalization limit and gasoline for pooled vehicles;

Contract Services – Liability insurance, legal services, general maintenance contracts (computer hardware/software and office machines) and bond administration;

Other – Payments to joint powers authorities, debt payments and bond issuance costs.

Department Overview
Non-Departmental

2016 and 2017 Accomplishments

- Monitored liability costs and implemented proactive training to reduce injuries, resulting in a premium refund of $44,194, which represents approximately 16% of our annual cost of coverage.
- Negotiate with Dental and Vision providers to keep the annual rates as low as possible.
- Contracted legal services to control costs and have accessibility to specialists on an "as needed" basis, thus reducing costs to the District.
- Paid all debt on time and maintained a "AA" bond rating.

Mission

To monitor and properly account for non-departments costs and allocated between funds in a reasonable and responsible manner.

Top Division Goals

- Continue to monitor the bond market to take advantage of refunding opportunities, if available.
- Negotiate upcoming labor contracts to ensure the District maintains a solid and sustainable financial position in the area of retiree medical and dental benefits.
- Proactively monitor our technology replacement program to trade up equipment before maintenance issues occur.

Budget Trends

The primary increase in this divisions' materials budget represents an additional $5.6 million dollars in estimated water purchases from Zone 7 due to economic growth and changes in rate payer demand now that the drought is "officially over". Contracts have increased slightly due to property taxes associated with the new Field Operations Facility.

Department Overview
Non-Departmental – Division 70

	Actual	Actual	Adopted	Budget	Budget
	FYE 15	FYE 16	FYE 17	FYE 18	FYE 19
EXPENDITURES BY CATEGORY					
Salaries and Benefits	-$261,689	-$483,066	$775,455	$862,131	$922,103
Materials	7,732,279	9,190,269	11,220,358	16,990,380	17,898,333
Contracts	3,582,781	2,302,672	2,087,888	2,213,297	2,230,568
Other	40,143,759	22,862,171	12,816,696	13,520,264	13,516,550
Capital Outlay	-1,110,255	0	0	0	0
TOTAL EXPENDITURES	50,086,874	33,872,046	26,900,397	33,586,072	34,567,554
FUNDING					
Local Wastewater Operations	2,684,197	1,114,599	4,000	18,112	18,248
Local Wastewater Replacement	-844,588	5,966	6,200	11,600	11,600
Local Wastewater Expansion	396,050	-3,775	2,000	2,000	2,000
Regional Wastewater Operations	16,006,872	7,951,654	3,641,109	3,777,470	3,777,036
Regional Wastewater Replacement	-105,689	43,292	26,350	51,800	51,800
Regional Wastewater Expansion	5,707,641	5,159,886	4,654,707	4,653,954	4,653,120
Water Operations	18,544,355	14,148,649	12,174,256	18,353,490	19,193,529
Water Rate Stabilization (RSF)	18,536	26,115	20,000	35,000	35,000
Water Replacement	114,812	110,407	332,519	268,900	290,900
Water Expansion	5,472,411	4,040,515	3,222,413	3,453,463	3,494,733
Administrative Cost Center	355,953	659,471	519,032	571,150	590,736
Other Post-Employment Benefits	0	0	767,655	854,331	914,003
DV Standby Assessment District	1,736,324	615,267	1,530,156	1,534,802	1,534,849
TOTAL FUNDING	50,086,874	33,872,046	26,900,397	33,586,072	34,567,554

Notes

Appendix
District Profile

What products and services does DSRSD provide and to whom?

- Founded in 1953, DSRSD serves more than 173,000 people.
- DSRSD distributes drinking water for approximately 80,000 people, in Dublin since March 1961 and in Dougherty Valley since May 2000.
- DSRSD provides wastewater collection and treatment for approximately 150,000 in Dublin and southern San Ramon since March 1961, and wastewater treatment for Pleasanton (by contract) since September 1965.
- DSRSD has produced recycled water for landscape irrigation and construction since 1999. In 2006 DSRSD and East Bay Municipal Utility District (EBMUD) formed the San Ramon Valley Recycled Water Program (SRVRWP). The program serves DSRSD, EBMUD, and Pleasanton irrigation customers at 472 locations.

Who governs DSRSD?

- Five Directors, elected at large, serve four year terms, and are compensated in accordance with Chapter 2 of Division 10 or the California Water Code (§20200 et seq.).
- DSRSD is an independent special district governed under California's Community Services District Law.

How many accounts does DSRSD serve?

- 21,837 potable water accounts (residential, commercial, industrial and institutional).
- 421 recycled water irrigation accounts.
- 20,934 single-family residential wastewater tax roll assessments (excludes commercial, industrial and institutional).

How many hydrants and how many miles of underground pipelines does DSRSD manage?

- Hydrants: 3,256 potable water hydrants, 20 recycled water hydrants.
- Pipelines: 07.8 miles of potable water pipes, 63.7 miles of recycled water pipes, 206 miles of sewer pipes.

How many reservoirs (tanks) does DSRSD operate and how much water do they store?

- 14 reservoirs store 27.05 million gallons (mg) of potable water.
- 2 reservoirs store 1.95 mg of recycled water.

How much potable water is used by District customers?

- 1.906 billion gallons annual (July 1, 2015 – June 30, 2016).
- 5.22 million gallons per day, average daily consumption (July 1, 2015 – June 30,2016).
- 37.40 gallons per person per day, residential use only (12 month rolling average as of June 30, 2016.
- 65.28 gallons per person per day, all customers (12 month rolling average as of June 30, 2016).

How much recycled water is used by District customers annually (July 1, 2015 – June 30, 2016)?

- 979 million gallons, equal to 30% of total water sales.
- 89% was delivered via purple pipes, primarily for irrigation; 7% via the Commercial Fill Station, primarily for construction; and 4% via the Residential Fill Station, for residential irrigation during the drought emergency.

Appendix
District Profile

What is the average wastewater flow from a single-family residence?

- 328 gallons per day.

How many gallons of wastewater are treated each day at the District's Regional Wastewater Treatment Plant?

- 9.96 million gallons per day (mgd) annual daily average.
- 11.7 mgd wet weather daily average.
- 17.0 mgd ADWF (average dry weather flow) is the treatment plant's capacity.

What types of wastewater treatment does the District provide?

- DSRSD's Regional Wastewater Treatment Facility provides secondary treatment by activated sludge process.
- The Jeffrey G. Hansen Water Recycling Plant, operated by DSRSD on behalf of the SRVRWP, provides advanced purification (tertiary) using microfiltration or sand filtration and ultraviolet disinfection.

How many full-time equivalent positions are approved by the Board at DSRSD for fiscal year 2017?

- 113

What is the District's budget for fiscal year 2017?

- Operations: $53.86 million.
- Capital Improvement Program: $22.1 million.

Where does our water come from?

- State Water Project (Lake Oroville is the primary reservoir)
- Local groundwater.
- Local runoff impounded at Lake Del Valle.

Where does our treated water go?

- Discharged Into the San Francisco Bay.
- Recycled for non-potable uses, primarily irrigation.

Appendix
Glossary of Budget Terms

Accrual Basis of Accounting:	Accounting basis under which transactions are recognized based on the period they benefit, regardless of the timing of cash receipts and disbursements.
Acre Foot (AF):	A unit of measurement equivalent to 325,900 gallons of water, the volume of water that would cover one acre to a depth of one foot.
ACWA:	Association of California Water Agencies.
Allocated Administrative Costs:	Costs that cannot be directly tied to a particular enterprise, but benefit the District as a whole, are allocated according to a cost allocation model that apportions costs based upon the functions of each Division.
Amador Valley:	Valley in eastern Alameda County, California location of the cities of Dublin and Pleasanton. The valley is bounded by foothills of the Diablo Range on the north and south, Pleasanton Ridge to the west, and Livermore Valley to the east.
AMP:	Asset Management Program.
Appropriation:	Authorization granted by the Board of Directors to expend money for the purpose outlined in the budget.
AWWA:	American Waterworks Association.
Budget:	A financial plan for a specific period of time.
CAFR:	Comprehensive Annual Financial Report. The District's "annual report" that includes the audited financial statements as well as other statistical and general information. This report is submitted to the Government Finance Officers Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting award.
CalPERS:	California Public Employees' Retirement System. The entity that provides retirement and medical benefits to District employees.
CIP:	Capital Improvement Projects. A long range construction plan for District facilities.
Capital Outlay:	Items that meet the fixed asset capitalization criteria.

Appendix
Glossary of Budget Terms

CASA:	California Association of Sanitation Agencies.
CCCSD:	Central Contra Costa Sanitary District.
CCF:	One hundred cubic feet. A unit of measurement equivalent to 748 gallons of water.
CERBT:	California Employers' Retiree Benefit Trust.
Certificate of Participation:	A form of variable rate debt used by the District.
CMMS:	Computerized Maintenance Management System.
Cogeneration (Cogen):	Refers to energy produced as a result of utilizing the by-products of the solids treatment process.
Contribution to JPA:	Funding provided to support a joint powers authority.
COLA:	Cost of Living Adjustment. An increase in salary or benefits to offset the effect of inflation.
CPI:	Consumer Price Index. Cost adjustment factor based on cost increases.
CSDA:	California Special Districts Association.
CWEA:	California Water Environment Association.
Debt Service:	The combination of interest expense and principal payments due to long-term debt.
Delivery Versus Payment:	The basis on which all security transactions are entered into by the District.
DERWA:	DSRSD-EBMUD Recycled Water Authority. A joint powers agency between the District and East Bay Municipal Utility District for the development of recycled water facilities, infrastructure, and services.
District:	Dublin San Ramon Services District.
DLD:	Dedicated Land Disposal. Application of wastewater sludges to land for disposal purposes.

Appendix
Glossary of Budget Terms

Dougherty Valley:	Approximately 6,000 acres of incorporated and unincorporated land in southwest Contra Costa County contiguous to the San Ramon Valley, just north of the Contra Costa and Alameda County lines. Incorporated into the City of San Ramon.
DSRSD:	Dublin San Ramon Services District.
DUE:	Dwelling Unit Equivalent. A unit of measure used to allocate sewer capacity. One DUE is equal to 220 gallons.
DVSAD:	Dougherty Valley Standby Assessment District.
EBMUD:	East Bay Municipal Utility District.
Enterprise Fund:	A fund used to record the ongoing operations and maintenance costs (the cost of providing a service).
Expansion Fund:	A fund used to record transactions related to the expansion of District facilities.
FDIC:	Federal Deposit Insurance Corporation.
FAA:	Financing Administrative Agreement. Agreement between the Dublin San Ramon Services District and the City of Pleasanton defining the amount of reserves necessary in the Regional Expansion fund, establishing criteria for Regional connection fee increases, and outlining uses for excess reserves.
Fixed Assets:	Assets that have a useful life that exceeds two years with a value of $10,000 or more including land, buildings, and equipment.
Fixed Charges:	Revenues received by DSRSD on a bimonthly basis for the installation and activity of permanent water meters (whether or not water is used). These charges vary based on the size of the meter.
FNMA:	Federal National Mortgage Association.
FSL:	Facultative Sludge Lagoon.
FTE:	Full-Time Equivalent. Conversion of part-time positions to a decimal equivalent of a full-time position is based on an annual amount of 2,080 hours worked.

Appendix
Glossary of Budget Terms

FYE:	Fiscal Year Ending. A 12 month period. The District has a fiscal year of July 1 to June 30.
GAAP:	Generally Accepted Accounting Principles. Uniform guidelines used in the preparation of external financial statements. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).
GIS:	Geographic Information System. The computerized system used to track and map certain District system assets such as pipe, manholes, valves, hydrants, etc.
Infrastructure:	Physical assets owned by DSRSD that are generally not moveable, such as pipelines and facilities.
JPA:	Joint Powers Authority. An agreement between two or more public agencies to "jointly exercise any power common to the contracting parties." Usually accounted for as a separate entity. The District is a member of two JPAs, LAVWA and DERWA.
Key Success Measures:	Tracking measurements for set goals and initiatives.
LAF:	Local Agency Funds.
LAIF:	Local Agency Investment Fund, a voluntary investment alternative for California's local governments and special districts authorized by California Government Code.
LAVWMA:	Livermore-Amador Valley Water Management Agency. A JPA charged with the disposal of waste water. The cities of Pleasanton and Livermore, as well as the District, are member agencies.
Legislative Advocacy Program:	How the District aligns itself with the positions of industry associations to proactively address legislation and actions that have a direct bearing on how the District operates.
Livermore Valley:	Formerly Valle De San Jose. Valley in eastern Alameda County, California location of the city of Livermore. The valley is bounded by the Diablo Range on the north, east and south and is linked to the west with the Amador Valley.

Appendix
Glossary of Budget Terms

Local Wastewater Operations:	Local Wastewater Enterprise Fund and Local Wastewater Rate Stabilization Fund.
MGD:	Million Gallons per Day. Used when referring to wastewater treatment capacity.
MOU:	Memorandum of Understanding.
OPEB:	Other Post-Retirement Employment Benefits.
PMIA:	Pooled Money Investment Account.
Recycled Water:	Wastewater that has been processed and treated for irrigation and other non-potable purposes.
Regional Wastewater Operations:	Regional Wastewater Enterprise Fund and Regional Wastewater Rate Stabilization Fund.
Replacement Fund:	A fund used to account for the replacement and improvement of District property and equipment.
Restricted Funds:	Funds restricted for a specific purpose.
Risk Management:	Actions taken to protect the District, its employees, and its customers from possible loss or injury.
RPM:	Replacement Planning Model.
S&P:	Standard & Poor's. A nationally recognized rating source.
San Ramon Valley:	Region in Contra Costa and Alameda County, California, east of Oakland, with a population near 130,000 people. The cities of San Ramon, Danville, and Alamo as well as the southern edge of Walnut Creek are located in the valley.
SCADA:	Supervisory Control and data Acquisition. The computerized system that monitors District facility acquisition functions.
SME:	Subject Matter Expert.
Strategic Initiatives:	Goals in the Strategic Plan that support the priorities set by the Board of Directors.

Appendix
Glossary of Budget Terms

SWP:	State Water Project.
TIC:	Temporary Infrastructure Charge. A temporary charge implemented to water customers in 2010 to help pay debt related to recycled (both DERWA and DSRSD) and potable water facilities.
TQI:	Total Quality Improvement. A District-wide practice of principles that support a participatory operational culture striving towards continuous improvement.
Tri-Valley:	Triangle-shaped region in the eastern San Francisco Bay Area. The area is 18 miles southeast of Oakland and 33 miles from San Francisco. It encompasses the cities of Pleasanton, Livermore, Dublin, San Ramon, and Danville which includes Alamo, Blackhawk, Camino Tassajara, Diablo, Norris Canyon, and Sunol in the three valleys from which it takes its name: Amador Valley, Livermore Valley and San Ramon Valley.
UWMP	Urban Water Master Plan
Water Operations	Water Enterprise Fund and Water Rate Stabilization Fund.
Working Capital	Current assets minus current liabilities; a measure of available resources that the District has to spend.
WWTP	Wastewater Treatment Plant
Zone 7 Water Agency	The Alameda County agency that is the wholesale potable water provider in the Tri-Valley area.

Appendix
Debt Service Schedules

Fiscal Year	2011 Water Revenue Refunding Bonds			LAVWMA 2011 Sewer Revenue Refunding Bonds (DSRSD Portion)			DERWA State Loan (DSRSD Portion)		
	Principal Due:	Interest Due:	Total Debt Service:	Principal Due:	Interest Due:	Total Debt Service:	Principal Due:	Interest Due:	Total Debt Service:
2014-15	$ 270,000	$ 1,943,869	$ 2,213,869	$ 1,355,529	$ 1,758,240	$ 3,113,769	$ 638,420	$ 207,374	$ 845,794
2015-16	$ 280,000	$ 1,932,869	$ 2,212,869	$ 1,423,597	$ 1,688,762	$ 3,112,359	$ 654,381	$ 191,413	$ 845,794
2016-17	$ 290,000	$ 1,921,469	$ 2,211,469	$ 1,497,500	$ 1,615,734	$ 3,113,234	$ 670,740	$ 175,054	$ 845,794
2017-18	$ 305,000	$ 1,909,569	$ 2,214,569	$ 1,575,292	$ 1,538,914	$ 3,114,206	$ 687,508	$ 158,285	$ 845,793
2018-19	$ 315,000	$ 1,897,169	$ 2,212,169	$ 1,655,029	$ 1,458,156	$ 3,113,185	$ 704,697	$ 141,098	$ 845,794
2019-20	$ 330,000	$ 1,884,269	$ 2,214,269	$ 1,740,600	$ 1,373,266	$ 3,113,866	$ 722,314	$ 123,480	$ 845,794
2020-21	$ 340,000	$ 1,869,169	$ 2,209,169	$ 1,830,061	$ 1,283,999	$ 3,114,061	$ 740,372	$ 105,422	$ 845,794
2021-22	$ 360,000	$ 1,851,669	$ 2,211,669	$ 1,921,467	$ 1,190,211	$ 3,111,678	$ 758,881	$ 86,913	$ 845,794
2022-23	$ 375,000	$ 1,833,294	$ 2,208,294	$ 2,020,652	$ 1,091,658	$ 3,112,310	$ 777,853	$ 67,941	$ 845,794
2023-24	$ 395,000	$ 1,814,044	$ 2,209,044	$ 2,123,727	$ 1,003,976	$ 3,127,703	$ 797,300	$ 48,495	$ 845,794
2024-25	$ 415,000	$ 1,794,313	$ 2,209,313	$ 2,201,519	$ 911,773	$ 3,113,292	$ 817,232	$ 28,562	$ 845,794
2025-26	$ 435,000	$ 1,773,581	$ 2,208,581	$ 2,314,318	$ 798,877	$ 3,113,195	$ 325,253	$ 8,131	$ 333,384
2026-27	$ 975,000	$ 1,738,331	$ 2,713,331	$ 2,431,006	$ 692,399	$ 3,123,405			
2027-28	$ 1,360,000	$ 1,679,956	$ 3,039,956	$ 2,532,136	$ 580,476	$ 3,112,612			
2028-29	$ 1,425,000	$ 1,609,441	$ 3,034,441	$ 2,662,438	$ 450,611	$ 3,113,049			
2029-30	$ 1,500,000	$ 1,533,550	$ 3,033,550	$ 2,798,574	$ 324,581	$ 3,123,155			
2030-31	$ 1,580,000	$ 1,450,725	$ 3,030,725	$ 2,921,097	$ 201,212	$ 3,122,309			
2031-32	$ 1,665,000	$ 1,361,488	$ 3,026,488	$ 3,051,399	$ 68,656	$ 3,120,055			
2032-33	$ 1,755,000	$ 1,267,438	$ 3,022,438						
2033-34	$ 1,855,000	$ 1,168,163	$ 3,023,163						
2034-35	$ 1,955,000	$ 1,063,388	$ 3,018,388						
2035-36	$ 2,060,000	$ 952,975	$ 3,012,975						
2036-37	$ 2,175,000	$ 836,513	$ 3,011,513						
2037-38	$ 2,295,000	$ 707,850	$ 3,002,850						
2038-39	$ 2,435,000	$ 565,950	$ 3,000,950						
2039-40	$ 2,580,000	$ 415,500	$ 2,995,500						
2040-41	$ 2,735,000	$ 256,050	$ 2,991,050						
2041-42	$ 2,900,000	$ 87,000	$ 2,987,000						
Total	**$ 35,360,000**	**$ 39,119,597**	**$ 74,479,597**	**$ 38,055,942**	**$ 18,031,502**	**$ 56,087,444**	**$ 8,294,951**	**$ 1,342,168**	**$ 9,637,119**

Notes

FYE 2018 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620	Administrative Cost Center 900	OPEB 965	DV Standby District 995	Total
(Estimated) Ending Working Capital July 1, 2017	926,611	795,650	6,853,702	7,566,446	5,805,726	7,903,986	22,644,610	51,918,320	10,743,447	14,127,902	15,135,695	21,254,455	-	-	1,080,870	166,757,420
Payment of Internal Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw from CERBT	-	-	-	-	-	-	-	-	-	-	-	-	-	853,166	-	853,166
Adjusted Working Capital	926,611	795,650	6,853,702	7,566,446	5,805,726	7,903,986	22,644,610	51,918,320	10,743,447	14,127,902	15,135,695	21,254,455	-	853,166	1,080,870	167,610,586
Revenues:																
Total Service Charges	2,575,811	-	-	-	21,253,849	-	-	-	34,429,859	-	-	-	-	-	-	58,259,519.62
Capacity Reserve Fees	-	-	898,893	874,072	-	-	2,614,672	15,870,684	-	-	3,599,600	8,348,644	-	-	-	32,206,566
Other Revenues	20,683	-	-	549,196	629,822	-	-	43,063	549,441	713,244	3,875	1,406,296	1,135,007	-	1,530,156	6,580,783
Interest (*as adjusted/proposed*)	12,214	7,957	26,896	70,007	122,215	79,101	202,342	487,991	109,976	124,808	142,455	187,052	-	1,165	-	1,574,179
Total Revenues	2,608,708	7,957	925,789	1,493,275	22,005,886	79,101	2,817,014	16,401,738	35,089,276	838,052	3,745,931	9,941,992	1,135,007	1,165	1,530,156	98,621,048
Transfers In:																
Replacement Allocations	-	-	567,900	-	-	-	2,710,000	-	-	-	2,901,000	-	-	-	-	6,178,900
Pleasanton Advance Sale Sewer Permits	-	-	-	-	-	-	-	88,919	-	-	-	-	-	-	-	88,919
Interfund Loan	-	-	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000
Allocation Recycled Water Program Fund	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-	-	-	1,500,000
Debt Service	-	-	-	-	-	-	-	-	-	-	-	675,000	-	-	-	675,000
Total Transfers In	-	-	5,567,900	-	-	-	2,710,000	88,919	-	-	4,401,000	675,000	-	-	-	13,442,819
Total Revenue	2,608,708	7,957	6,493,689	1,493,275	22,005,886	79,101	5,527,014	16,490,657	35,089,276	838,052	8,146,931	10,616,992	1,135,007	1,165	1,530,156	112,063,867
Operating Expenses:																
Operating																
Wages and Benefits	2,040,344	-	-	401,445	7,334,426	-	-	77,577	5,385,661	-	-	564,498	5,038,850	-	-	20,842,800
Staff Time Charged to Projects/JPAs	(71,915)	-	-	(6,118)	(653,898)	-	-	(4,127)	(376,211)	-	-	(20,777)	(14,437)	-	-	(1,147,482)
Other Personnel Costs	29,565	-	-	5,437	456,194	-	-	2,640	324,388	-	-	16,694	271,359	854,331	-	1,960,608
Chemicals, Gas & Electric	3,764	-	10,800	-	1,558,180	-	-	-	718,800	-	-	-	72,670	-	-	2,364,214
Other Materials	95,414	-	-	1,580	820,583	-	51,300	440	254,050	-	267,900	382,785	145,835	-	-	2,019,887
Water Purchase	-	-	-	-	-	-	-	-	16,189,575	-	-	-	-	-	-	16,189,575
Contracts	181,629	-	800	59,220	1,005,616	-	500	53,160	1,698,492	-	2,600	25,960	1,781,241	-	1,534,802	6,344,021
Other	24,525	-	-	280	188,487	-	-	140	122,497	35,000	-	920	68,394	-	-	440,243
Contribution to JPA	-	-	-	-	2,257,662	-	-	337,098	2,051,802	-	-	-	-	-	-	4,646,562
Debt Service	-	-	-	-	1,464,483	-	-	4,313,856	-	-	-	3,060,363	-	-	-	8,838,702
Capital Outlay	-	-	52,276	-	-	-	650,234	-	-	-	169,293	-	-	-	-	871,803
Allocated Costs (*as adjusted/proposed*)	804,173	-	-	158,224	2,890,761	-	-	30,576	2,122,683	-	-	222,489	(6,228,905)	-	-	-
Total Operating Expenses	3,107,499	-	63,876	620,068	17,322,494	-	702,034	4,811,361	28,491,737	35,000	439,793	4,252,932	1,135,007	854,331	1,534,802	63,370,933
Capital Projects - Proposed Fund Limits	-	-	6,396,482	534,330	-	-	3,934,217	10,307,919	-	-	4,909,926	8,726,250	-	-	-	34,809,124
Transfers Out:																
Replacement Allocations	567,900	-	-	-	2,710,000	-	-	-	2,901,000	-	-	-	-	-	-	6,178,900
Pleasanton Advance Sale Sewer Permits	-	-	-	-	88,919	-	-	-	-	-	-	-	-	-	-	88,919
Interfund Loan	-	-	-	5,000,000	-	-	-	-	-	-	-	-	-	-	-	5,000,000
Allocation Recycled Water Program Fund	-	-	-	-	-	-	-	-	1,500,000	-	-	-	-	-	-	1,500,000
Debt Service	-	-	-	-	-	-	-	-	675,000	-	-	-	-	-	-	675,000
Total Transfers Out	567,900	-	-	5,000,000	2,798,919	-	-	-	5,076,000	-	-	-	-	-	-	13,442,819
Total Expenses	3,675,399	-	6,460,358	6,154,398	20,121,413	-	4,636,251	15,119,280	33,567,737	35,000	5,349,719	12,979,181	1,135,007	854,331	1,534,802	111,622,876
CalPERS Liability																-
Net increase (decrease) pre RSF	(1,066,691)	7,957	33,331	(4,661,123)	1,884,474	79,101	890,763	1,371,378	1,521,539	803,052	2,797,212	(2,362,189)	-	(853,166)	(4,646)	440,991
Ending Working Capital pre RSF	(140,080)	803,607	6,887,033	2,905,322	7,690,200	7,983,088	23,535,373	53,289,697	12,264,986	14,930,954	17,932,907	18,892,267	-	-	1,076,224	
RSF Transfer In (Out)	200,902	(200,902)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) post RSF	(865,789)	(192,945)	33,331	(4,661,123)	1,884,474	79,101	890,763	1,371,378	1,521,539	803,052	2,797,212	(2,362,189)	-	(853,166)	(4,646)	440,991
(Estimated) Ending Working Capital June 30, 2018	$ 60,822	$ 602,705	$ 6,887,033	$ 2,905,322	$ 7,690,200	$ 7,983,088	$ 23,535,373	$ 53,289,697	$ 12,264,986	$ 14,930,954	$ 17,932,907	$ 18,892,267	$ -	$ -	$ 1,076,224	$ 168,051,578

FYE 2018 PROPOSED OPERATING BUDGET Financial Reserve Status	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Operations 200 + 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Operations 300 + 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320	Water Enterprise 600	Water RSF 605	Water Operations 600 + 605	Water Replacement 610	Water Expansion 620
(Estimated) Financial Reserve June 30, 2018	$ 60,822	$ 602,705	$ 663,527	$ 6,887,033	$ 2,905,322	$ 7,690,200	$ 7,983,088	$ 15,673,287	$ 23,535,373	$ 53,289,697	$ 12,264,986	$ 14,930,954	$ 27,195,940	$ 17,932,907	$ 18,892,267
Reserve Minimum (per Financial Reserves Policy)	*517,916.47*	*517,916*		*2,416,303*	*534,330*	*2,887,082*	*2,887,082*		*9,239,334*	*19,587,669*	*4,748,623*	*4,748,623*		*9,656,130*	*14,966,202*
Reserve Target (per Financial Reserves Policy)	**1,035,832.94**	**1,035,833**				***5,774,165***	**5,774,165**				***9,497,246***	***9,497,246***			
Reserve Maximum (per Financial Reserves Policy)	*1,553,749.41*		*3,107,499*			*8,661,247*		*17,322,494*			*14,245,869*		*28,526,737*		
Status	Below Minimum	Within Band	Below Maximum	Above Minimum	Above Minimum	Within Band	Within Band	Below Maximum	Above Minimum	Above Minimum	Within Band	Within Band	Below Maximum	Above Minimum	Above Minimum
		Below Target				Above Target	Above Target				Above Target	Above Target			
	0.23 Months WC	2.33 Months WC	2.56 Months WC			5.33 Months WC	5.53 Months WC	10.86 Months WC			5.17 Months WC	6.29 Months WC	11.45 Months WC		

FYE 2019 PROPOSED OPERATING BUDGET	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320	Water Enterprise 600	Water RSF 605	Water Replacement 610	Water Expansion 620	Administrative Cost Center 900	OPEB 965	DV Standby District 995	Total
(Estimated) Ending Working Capital July 1, 2018	60,822	602,705	6,887,033	2,905,322	7,690,200	7,983,088	23,535,373	53,289,697	12,264,986	14,930,954	17,932,907	18,892,267	-	-	1,076,224	168,051,578
Payment of Internal Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw from CERBT	-	-	-	-	-	-	-	-	-	-	-	-	-	912,826	-	912,826
Adjusted Working Capital	60,822	602,705	6,887,033	2,905,322	7,690,200	7,983,088	23,535,373	53,289,697	12,264,986	14,930,954	17,932,907	18,892,267	-	912,826	1,076,224	168,964,404
Revenues:																
Total Service Charges	3,121,140	-	-	-	22,115,091	-	-	-	36,642,232	-	-	-	-	-	-	61,878,463
Capacity Reserve Fees	-	-	1,091,155	1,061,024	-	-	3,021,146	18,094,130	-	-	4,748,138	10,868,832	-	-	-	38,884,424
Other Revenues	20,683	-	-	565,672	642,419	-	-	43,063	565,627	731,532	3,875	1,799,787	1,135,292	-	1,530,156	7,038,106
Interest (*as adjusted/proposed*)	8,030	8,036	20,716	72,487	133,288	79,892	246,147	537,775	129,671	132,884	137,975	216,085	-	1,177	-	1,724,163
Total Revenues	3,149,853	8,036	1,111,871	1,699,183	22,890,797	79,892	3,267,293	18,674,968	37,337,530	864,416	4,889,988	12,884,704	1,135,292	1,177	1,530,156	109,525,156
Transfers In:																
Replacement Allocations	-	-	685,800	-	-	-	2,920,000	-	-	-	3,101,000	-	-	-	-	6,706,800
Pleasanton Advance Sale Sewer Permits	-	-	-	-	-	-	-	88,919	-	-	-	-	-	-	-	88,919
Interfund Loan Repaid	-	-	-	833,333	-	-	-	-	-	-	-	-	-	-	-	833,333
Allocation Recycled Water Program Fund	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-	-	-	1,500,000
Debt Service	-	-	-	-	-	-	-	-	-	-	-	675,000	-	-	-	675,000
Total Transfers In	-	-	685,800	833,333	-	-	2,920,000	88,919	-	-	4,601,000	675,000	-	-	-	9,804,052
Total Revenue	3,149,853	8,036	1,797,671	2,532,516	22,890,797	79,892	6,187,293	18,763,887	37,337,530	864,416	9,490,988	13,559,704	1,135,292	1,177	1,530,156	119,329,208
Operating Expenses:																
Operating																
Wages and Benefits	2,107,225	-	-	420,266	7,670,736	-	-	81,498	5,646,576	-	-	590,120	5,313,979	-	-	21,830,399
Staff Time Charged to Projects/JPAs	(70,520)	-	-	(6,366)	(664,964)	-	-	(4,297)	(377,693)	-	-	(21,642)	(8,085)	-	-	(1,153,567)
Other Personnel Costs	42,898	-	-	6,236	471,499	-	-	5,040	326,653	-	-	16,566	221,337	914,003	-	2,004,232
Chemicals, Gas & Electric	3,968	-	10,800	-	1,614,760	-	-	-	753,050	-	-	-	75,213	-	-	2,457,792
Other Materials	93,292	-	-	1,580	815,134	-	51,300	440	270,193	-	289,900	426,455	122,110	-	-	2,070,403
Water Purchase	-	-	-	-	-	-	-	-	17,029,239	-	-	-	-	-	-	17,029,239
Contracts	183,361	-	800	37,220	860,988	-	500	13,160	1,714,369	-	2,600	15,960	1,969,476	-	1,534,849	6,333,284
Other	24,525	-	-	280	188,487	-	-	140	122,497	35,000	-	920	68,394	-	-	440,243
Contribution to JPA	-	-	-	-	2,257,662	-	-	337,098	2,051,802	-	-	-	-	-	-	4,646,562
Debt Service	-	-	-	-	1,464,003	-	-	4,313,022	-	-	-	3,057,963	-	-	-	8,834,987
Capital Outlay	-	-	16,800	-	-	-	229,800	-	-	-	30,400	-	-	-	-	277,000
Allocated Costs (*as adjusted/proposed*)	845,514	-	-	168,629	3,077,845	-	-	32,701	2,265,661	-	-	236,783	(6,627,132)	-	-	-
Total Operating Expenses	3,230,263	-	28,400	627,845	17,756,149	-	281,600	4,778,801	29,802,347	35,000	322,900	4,323,125	1,135,292	914,003	1,534,849	64,770,573
Capital Projects - Proposed Fund Limits	-	-	1,726,764	-	-	-	5,036,225	9,279,750	-	-	9,051,550	6,239,952	-	-	-	31,334,241
Transfers Out:																
Replacement Allocations	685,800	-	-	-	2,920,000	-	-	-	3,101,000	-	-	-	-	-	-	6,706,800
Pleasanton Advance Sale Sewer Permits	-	-	-	-	88,919	-	-	-	-	-	-	-	-	-	-	88,919
Interfund Loan Repayment	-	-	833,333	-	-	-	-	-	-	-	-	-	-	-	-	833,333
Allocation Recycled Water Program Fund	-	-	-	-	-	-	-	-	1,500,000	-	-	-	-	-	-	1,500,000
Debt Service	-	-	-	-	-	-	-	-	675,000	-	-	-	-	-	-	675,000
Total Transfers Out	685,800	-	833,333	-	3,008,919	-	-	-	5,276,000	-	-	-	-	-	-	9,804,052
Total Expenses	3,916,063	-	2,588,497	627,845	20,765,068	-	5,317,825	14,058,551	35,078,347	35,000	9,374,450	10,563,077	1,135,292	914,003	1,534,849	105,908,867
CalPERS Liability																-
Net increase (decrease) pre RSF	(766,210)	8,036	(790,827)	1,904,671	2,125,730	79,892	869,468	4,705,335	2,259,183	829,416	116,538	2,996,627	-	(912,826)	(4,693)	13,420,341
Ending Working Capital pre RSF	(705,387)	610,741	6,096,207	4,809,994	9,815,929	8,062,980	24,404,841	57,995,032	14,524,169	15,760,369	18,049,445	21,888,894	-	-	1,071,532	
RSF Transfer In (Out)	152,685	(152,685)	-	-	(937,855)	937,855	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) post RSF	(613,524)	(144,649)	(790,827)	1,904,671	1,187,875	1,017,747	869,468	4,705,335	2,259,183	829,416	116,538	2,996,627	-	(912,826)	(4,693)	13,420,341
(Estimated) Ending Working Capital June 30, 2019	$ (552,702)	$ 458,056	$ 6,096,207	$ 4,809,994	$ 8,878,074	$ 9,000,835	$ 24,404,841	$ 57,995,032	$ 14,524,169	$ 15,760,369	$ 18,049,445	$ 21,888,894	$ -	$ -	$ 1,071,532	$ 182,384,746

FYE 2019 PROPOSED OPERATING BUDGET Financial Reserve Status	Local Watewater Enterprise 200	Local Wastewater RSF 205	Local Wastewater Operations 200 + 205	Local Wastewater Replacement 210	Local Wastewater Expansion 220	Regional Wastewater Enterprise 300	Regional Wastewater RSF 305	Regional Wastewater Operations 300 + 305	Regional Wastewater Replacement 310	Regional Wastewater Expansion 320	Water Enterprise 600	Water RSF 605	Water Operations 600 + 605	Water Replacement 610	Water Expansion 620
(Estimated) Financial Reserve June 30, 2019	$ (552,702)	$ 458,056	$ (94,646)	$ 6,096,207	$ 4,809,994	$ 8,878,074	$ 9,000,835	$ 17,878,909	$ 24,404,841	$ 57,995,032	$ 14,524,169	$ 15,760,369	$ 30,284,538	$ 18,049,445	$ 21,888,894
Reserve Minimum (per Financial Reserves Policy)	*538,377.10*	*538,377*		*2,416,303*	-	*2,959,358*	*2,959,358*		*9,239,334*	*22,036,250*	*4,967,058*	*4,967,058*		*9,656,130*	*12,128,952*
Reserve Target (per Financial Reserves Policy)	**1,076,754.20**	**1,076,754**				***5,918,716***	**5,918,716**				***9,934,116***	***9,934,116***			
Reserve Maximum (per Financial Reserves Policy)	*1,615,131.31*		*3,230,263*			*8,878,074*		*17,756,149*			*14,901,173*		*29,837,347*		
Status	Below Minimum	Below Minimum	Below Maximum	Above Minimum	Above Minimum	Within Band Above Target	Within Band Above Target	Above Maximum	Above Minimum	Above Minimum	Within Band Above Target	Within Band Above Target	Above Maximum	Above Minimum	Above Minimum
	(2.05) Months WC	1.70 Months WC	(0.35) Months WC			6 Months WC	6.08 Months WC	12.08 Months WC			5.85 Months WC	6.35 Months WC	12.19 Months WC		

TITLE: First Reading: Introduction of Ordinance Revising District Code Sections 5.30.010, 5.30.020, and 5.30.080 Governing Wastewater User Classifications for Nonresidential Users

RECOMMENDATION:

Staff recommends the Board of Directors waive, by Motion, the first reading of an Ordinance revising provisions of the District Code, sections 5.30.010, 5.30.020 and 5.30.080, governing wastewater user classification, and schedule the Ordinance for second reading and adoption at the June 20, 2017 regular Board meeting.

SUMMARY:

This is the first of two readings of the proposed revisions to sections 5.30.010, 5.30.020 and 5.30.080 of the District Code. The District recently completed Local and Regional Wastewater Rate studies which sought to simplify the billing process and to better reflect the customers' respective impacts on the regional and local wastewater systems. The revisions will categorize wastewater user classifications for nonresidential users as low, medium, or high to coincide with the rate studies.

Originating Department: Administrative Services	**Contact: K. Vaden**	**Legal Review: Yes**
Cost: $0	**Funding Source: N/A**	
Attachments: ☐ None ☒ Staff Report ☐ Resolution ☒ Ordinance ☐ Task Order ☐ Proclamation ☐ Other (see list on right)		

STAFF REPORT

District Board of Directors
June 6, 2017

FIRST READING: INTRODUCTION OF ORDINANCE REVISING DISTRICT CODE SECTIONS 5.30.010, 5.30.020, and 5.30.080 GOVERNING WASTEWATER USER CLASSIFICATIONS FOR NONRESIDENTIAL USERS

BACKGROUND

The District recently completed Local and Regional Wastewater Rate studies which sought to simplify the billing process and to better reflect the customers' respective impacts on the regional and local wastewater systems, respectively. One way that the studies recommended that these objectives be implemented was to transition industrial and commercial customers from being characterized for rate purposes based on the type of business to being characterized based on strength factor, as determined by the District Engineer, of the average Bio-Chemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) discharged by the business.

DISCUSSION

The current District code identifies certain commercial users as high strength dischargers/users but does not explicitly mention medium users. Low strength users are currently referenced as "regular strength" users. The recent rate studies suggest that many of the commercial users listed in the current District code as high strength discharges/users might better be categorized as low or medium strength discharges/users, consistent with the proposed new rate structure. The rate studies also developed a low, medium, and high strength discharge category for industrial users.

Staff proposes to revise relevant sections of the District Code to classify non-residential users as low, medium or high strength to conform to the classifications suggested in the wastewater rate studies.

In particular, Staff proposes revisions to section 5.30.010, User Classifications; section 5.30.020, Establishment of service and calculation of service charges; and section 5.30.080, Shared potable meter or nonmetered service. The revisions will redefine user classifications for nonresidential users. The current language of sections 5.30.010, 5.30.020 and 5.30.080 are shown, with markups of the proposed revisions, in Attachment 1.

RECOMMENDATION

Staff recommends the Board of Directors waive, by Motion, the first reading of an Ordinance revising provisions of the District Code, sections 5.30.010, 5.30.020, and 5.30.080, to revise user classifications for nonresidential users, and schedule the Ordinance for second reading and adoption at the June 20, 2017 Board meeting.

ATTACHMENTS:

Attachment 1: Proposed Revision to DSRSD Code Sections 5.30.010, 5.30.020, and 5.30.080

5.30.010 User classification.

Users of the treatment works shall be categorized as follows for billing purposes:

A. Residential Users. "**Residential user**" means a resident of a single- or multiple-family dwelling receiving District services at his or her place of residence. The classes of residences are generally defined in subsections (A)(1) through (A)(4) of this section, and the District Engineer shall have discretion to determine which class is applicable to a particular residential user where that user shares some characteristics of more than one class. In the absence of a determination to the contrary, each residential user shall be deemed to be residing in a single-family dwelling unit (or residence).

1. "**Multifamily residence**" (or "**multiple-family residence**") means a residential unit (other than a second dwelling unit) attached to one or more other residential units, with one or more adjacent common areas irrigated through a separate irrigation water meter. This includes apartments, condominiums, and townhomes as further described in subsections (A)(1)(a) through (A)(1)(c) of this section. Neither a single-family dwelling nor a second dwelling unit is a multifamily residence.

    a. "**Apartment**" means a multifamily residence that is owned in common with one or more other apartments, and with the underlying land and one or more adjacent common areas. Apartments are intended to be rented to a tenant or other occupant.

    b. "**Condominium**" means a multifamily residence that is individually owned, where the underlying land and one or more adjacent common areas are under common ownership.

    c. "**Townhome**" means a multifamily residence that is individually owned along with the underlying land, but adjacent to common areas under separate or common ownership.

2. "**Second dwelling unit**" means a residential unit, no larger than the maximum size authorized for such use by the local agency with land use authority, with a separate entrance, kitchen, sleeping, and bathroom facilities, which receives water service through the same water meter as, and which is located on the same individual parcel of land with the same numerical street address as, the single-family dwelling unit, but which is smaller than (or otherwise subservient to) the single-family dwelling unit that serves as the principal residence on the parcel of land.

3. "**Single-family dwelling unit**" (or "**residence**") means a residential unit located on its own individual parcel of land (with or without a second dwelling unit) and designed to house one family and which is not attached to another dwelling (other than a second dwelling unit).

    a. "**Single-family dwelling unit**" (or "**residence**") includes each mobile home located on its own individual parcel of land and not in a mobile home park.

    b. "**Single-family dwelling unit**" (or "**residence**") also includes each residential dwelling unit attached to one or more other residential units where each unit is located on its own individual parcel of land, but without an adjacent common area irrigated through a separate irrigation water meter.

4. Notwithstanding the foregoing, each mobile home located in a mobile home park is also defined as a multifamily residence, subject to the District Engineer's discretion to determine that another class is more appropriate.

B. ~~High Strength~~Nonresidential and Non-Industrial ~~Dischargers/~~Users. Nonresidential and non-industrial users are characterized by the District Engineer as low, medium, and high strength uses based on estimate of the respective BOD and SS being discharged.

1. The following categories ~~encompass high strength~~are examples of low strength institutional, ~~intermediate industrial~~ and commercial uses:

~~1~~a. ~~Bakery. Primarily engaged in baking of products which may include breads, cakes, pastries, cookies, doughnuts, bagels, biscuits, rolls or other related confections.~~

~~2~~b. ~~Car Wash with Steam Cleaning. Primarily engaged in mechanical and hydraulic washing, rinsing, cleaning and drying of mobile equipment including steam cleaning. May be performed by on-site personnel or coin-operated public devices.~~

~~c. Mortuary. Primarily engaged in handling and storing of the dead until burial.~~

~~d.~~ Gas stations, banks, hotels, private office complexes, schools (excluding cafeterias), retail and wholesale stores, bars

Low strength uses includes all users not assigned by the District Engineer to a higher strength classification.

2.The following categories are examples of medium strength institutional and commercial uses:

~~3~~a.. Fast Food Restaurant. Primarily engaged in cooking and serving of food utilizing disposable serving products (i.e., styrofoam, plastic or paper). May perform limited baking activities relative to foods which are served with the meal and are generally not sold separately.

4b. Full Service Restaurant, Cafeteria and Banquet Facilities. Primarily engaged in cooking and serving of meals utilizing flatware, silverware, glasses, dishwashing and limited baking activities for on-site use.

~~5. Market. Primarily engaged in selling of goods and food products that are not dry goods, where food products are prepared on site.~~

~~6. Mortuary. Primarily engaged in handling and storing of the dead until burial.~~

~~7. Other uses as determined by the District Engineer.~~

3. The following categories are examples of high strength industrial and commercial uses:

a.Grocery Market with garbage disposal primarily engaged in selling of goods and food products that are not dry goods, where food products are prepared on site

b. Bakery

~~C. Regular Strength, Nonresidential User. Primarily engaged in activities including, but not limited to, gas stations, hotels, private office complexes, schools, retail and wholesale stores, bars, etc. (all excluding dining facilities), and who introduces wastewater that is determined by the District Engineer to consist primarily of sewage into the District's wastewater facilities. Classification includes all users not defined in another classification~~.

~~D~~C. Significant Industrial User. As defined in the definition for "Significant industrial user" in DSRSDC 5.20.030, Definitions. Other industrial users are characterized as low, medium, and high strength dischargers as determined by the District Engineer.

E. Subscribing Agency. A public agency that contributes wastewater from its wastewater collection system to a wastewater system operated by the District. [Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 273, 1997; Ord. 327, 2010; Ord. ___,2017]

5.30.020 Establishment of service and calculation of service charges.

A. Establishment. Periodic service charges, including a local service charge and a regional service charge, are established for all users connected to the wastewater system according to the schedule set forth by separate ordinance or resolution duly adopted from time to time by the Board. As is set forth in DSRSDC 5.10.050(E), Liability of Owner and Tenant, owners, their tenants, and other users of the property shall be jointly and severally liable for payment of charges, including the service, demand, and loading charges described in this section.

B. Calculation. Service charges shall be calculated by user class in the following manner: the service charge shall be calculated based on the flow measured by the flow meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the type of use

1. Residential Users. Service charges for residential users shall be based on discharges of wastewater flow based on water deliveries, and the BOD and SS as estimated by the District Engineer. The service charge will apply to each residential dwelling unit, as such units are described in DSRSDC 5.30.010(A), Residential. The Board may adopt a flat rate for all residential customers residing in a certain residence class or dwelling unit type.

2. ~~High Strength~~Nonresidential Dischargers/Users ~~and Regular Strength, Nonresidential Users. Except~~ as specified in DSRSDC 5.30.080, Shared potable meter or nonmetered service, or in DSRSDC 5.30.020.B.3, Significant Industrial Users, service charges for institutional, intermediate industrial and commercial users shall be based on flow as measured by deliveries of potable water through the potable water meter serving that user, and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the type of use. The District Engineer has the discretion to recommend that a flat rate or a minimal charge be developed for and levied upon all institutional, intermediate industrial and commercial users of a common type or classification.

3. Significant Industrial Users. Service charges for such industrial users shall be based on measured discharges of wastewater flow, BOD and SS. The measurements shall be obtained from monitoring facilities installed on public property at the points of discharge to the sewer system, unless another location is approved by the District Engineer. Both installation and operating costs of the monitoring facilities shall be at the sole expense of the user. Frequency of monitoring shall be determined by the District Engineer.

Service charges for such industrial users shall be comprised of demand charges and loading charges. Demand charges shall be based on capacity rights for each peak month billable parameter and shall be collected in periodic installments. Upon determining that an unusually high measurement is not representative of a user's long-term use of the wastewater system and/or can be explained by a onetime event, the District Engineer shall have discretion to decline to use such measurement as the peak month billable parameter for the calculation of demand charges. Daily use shall be based on the number of normal working days in the peak month. Normal working days shall be defined as the normal five-day work week of Monday through Friday, less holidays. For a user's normal work days to exceed five days a week, the flow from the sixth and/or seventh day must approximate the average daily flow of the five-day work week.

The District Engineer has the discretion to use a user's peak month use for each billable parameter to calculate demand charges, if: (a) each billable parameter used is greater than the capacity rights; (b) the user does not want to purchase more capacity rights; and (c) it appears that the user will eventually lower use to within the user's capacity rights.

When a user discharges less than the peak month use figures used to calculate the demand charge, regardless of whether they are based on capacity rights or actual wastewater discharges, the user shall be billed for the full amount for which capacity was reserved. Should the peak month use figures be exceeded, the user shall be billed the demand unit costs multiplied by the new peak month discharge. This amount shall be assessed retroactively to the beginning of the fiscal year and for each month through the remainder of the fiscal year. The new peak month discharge shall also be used to calculate demand charges for the following four years or until either a higher peak month discharge occurs or the user maintains discharges within the user's capacity rights for a period of one year.

Loading charges shall be computed and derived according to the recorded discharge for the billing period.

If the user's wastewater flow and strengths are relatively constant, the District Engineer may establish a unit rate per hundred cubic feet (ccf) of metered water use or wastewater discharged until the time that it has been determined that there has been a significant change, as determined at the discretion of the District Engineer, in the user's operation which would materially affect sewage flows and strengths.

4. Subscribing Agencies. Service charges to subscribing agencies shall be based on measured discharges of wastewater flow, BOD and SS and shall be established by contract, or, if the contract so provides, as determined by the District Engineer from time to time. [Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord. 187, 1984; Ord. 192, 1984; Ord. 197, 1985; Ord. 199, 1985; Ord. 214, 1987; Ord. 221, 1988; Ord. 228, 1989; Ord. 231, 1990; Ord. 237, 1991; Ord. 245, 1991; Ord. 253, 1993; Ord. 257, 1994; Ord. 262, 1995; Ord. 267, 1995; Ord. 270, 1996; Ord. 273, 1997; Ord. 319, 2007; Ord. 327, 2010; Ord. ___,2017.]

5.30.080 Shared potable meter or nonmetered service.

A. Shared Potable Meter. The service charges for multiple nonresidential users who receive water service through a single water meter shall be calculated using the estimated BOD and SS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer.

If the customer properly installs and maintains an approved submeter in full compliance with DSRSDC 5.30.050(C), Submetering Requested by Customer, and with the agreement between the customer and the District pursuant thereto:

1. The estimated BOD and SS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the full quantity of water delivered through the submeter.

2. The estimated BOD and SS for the classification (selected from the classifications applicable to the remaining use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the remainder of the quantity of water delivered through the shared meter.

B. Nonresidential Users Not Receiving Metered Water Service. Service charges for nonresidential users not receiving metered water service shall be based on discharges of wastewater flow, BOD, and SS as estimated by the District Engineer.

C. Flow Meters. Notwithstanding DSRSDC 5.30.020(B)(2), Low, Medium and High Strength Dischargers/Users~~High Strength Dischargers/Users and Regular Strength, Nonresidential Users~~, or the preceding provisions of this section, where a flow meter has been installed and is maintained pursuant to DSRSDC 5.30.050(A), Flow Meter, or Other Monitoring Device(s) Required by District, the service charge shall be calculated based on the flow measured by the flow meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use.

D. Deduct Meters. Notwithstanding DSRSDC 5.30.020(B)(2), ~~High Strength~~Low, Medium, and High Strength Dischargers/Users~~ and Regular Strength, Nonresidential Users~~, or the provisions of subsection (C) of this section, Flow Meters, where a deduct meter has been installed and is maintained pursuant to DSRSDC 5.30.050(B), Deduct Meter, or Other Measuring Device(s) Requested by Customer, the service charge shall be calculated based on the flow through the water meter less the flow measured by the deduct meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the type of use, to the extent pursuant to, and in accordance with the terms and conditions specified in, a written agreement between the District and the customer. [Ord. 327, 2010; Ord. ___,2017.]

ORDINANCE NO. ____

AN ORDINANCE OF DUBLIN SAN RAMON SERVICES DISTRICT MODIFYING SECTIONS 5.30.010, 5.30.020 AND 5.30.080 OF ITS DISTRICT ORDINANCE CODE TO REVISE THE WASTEWATER USER CLASSIFICATIONS FOR NONRESIDENTIAL USERS

WHEREAS, the District Ordinance Code was recodified on November 2, 2010 in its entirety; and

WHEREAS, Sections 5.30.010, 5.30.020, and 5.30.080 of the current District Ordinance Code include wastewater user classifications for nonresidential users; and

WHEREAS, the District retained HDR Engineering, Inc. (HDR) to analyze the cost of providing regional wastewater service to various classifications of District customers and to perform a rate design analysis to ensure that the District's regional wastewater rates continue to properly allocate the costs of service such that the rates do not exceed the reasonable cost of providing the service, and do not exceed the proportional cost of providing service to the customers, which analyses were set forth in the 2017 Regional Wastewater Rate Study of May 2017; and

WHEREAS, the District performed a similar analysis of the cost of providing local wastewater service to various classifications of District customers and to perform a rate design analysis to ensure that the District's local wastewater rates continue to properly allocate the costs of service such that the rates do not exceed the reasonable cost of providing the service, and do not exceed the proportional cost of providing service to the customers, which analyses were set forth in the 2017 Local Wastewater Rate Study of May 2017; and

WHEREAS, these studies recommended certain changes to the classifications of nonresidential wastewater uses to simplify the billing process and to better reflect the customers' respective impacts on the regional and local wastewater systems, including the establishment of low, medium, and high categories in connection with rate adjustments currently contemplated; and

WHEREAS, pursuant to sections 25128 and 61060 of the Government Code, a copy of the proposed revised sections of the District Ordinance Code have been on file in the office of the District Secretary since June 1, 2017 and available for use and examination by the public during regular business hours.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

1. Section 5.30.010 of the District Ordinance Code, entitled "User classification," section 5.30.020 of the District Ordinance Code, entitled "Establishment of service and calculation of service

charges," and Section 5.30.080 of the District Ordinance Code, entitled "Shared potable meter or nonmetered service," are hereby repealed and replaced by the new section 5.30.010, entitled "User classification," Section 5.30.020, entitled "Establishment of service and calculation of service charges," and Section 5.30.080, entitled "Shared potable meter or nonmetered service," in the respective form in which each appears in Exhibit 1. Notwithstanding the preceding sentence, wherever a provision of the new sections 5.30.010, 5.30.020, and 5.30.080 are substantially the same as the previous version thereof, the provision shall be deemed to be a continuation of the previous version of the provision and not a new enactment.

2. This Ordinance will be effective thirty (30) days after its adoption.

ADOPTED by the Board of Directors of Dublin San Ramon Services District at its regular meeting held on the 20th day of June 2017, by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

Proposed revision to DSRSD code sections 5.30.010, 5.30.020 and 5.30.080

5.30.010 User classification.
Users of the treatment works shall be categorized as follows for billing purposes:

A. Residential Users. "**Residential user**" means a resident of a single- or multiple-family dwelling receiving District services at his or her place of residence. The classes of residences are generally defined in subsections (A)(1) through (A)(4) of this section, and the District Engineer shall have discretion to determine which class is applicable to a particular residential user where that user shares some characteristics of more than one class. In the absence of a determination to the contrary, each residential user shall be deemed to be residing in a single-family dwelling unit (or residence).

1. "**Multifamily residence**" (or "**multiple-family residence**") means a residential unit (other than a second dwelling unit) attached to one or more other residential units, with one or more adjacent common areas irrigated through a separate irrigation water meter. This includes apartments, condominiums, and townhomes as further described in subsections (A)(1)(a) through (A)(1)(c) of this section. Neither a single-family dwelling nor a second dwelling unit is a multifamily residence.

    a. "**Apartment**" means a multifamily residence that is owned in common with one or more other apartments, and with the underlying land and one or more adjacent common areas. Apartments are intended to be rented to a tenant or other occupant.

    b. "**Condominium**" means a multifamily residence that is individually owned, where the underlying land and one or more adjacent common areas are under common ownership.

    c. "**Townhome**" means a multifamily residence that is individually owned along with the underlying land, but adjacent to common areas under separate or common ownership.

2. "**Second dwelling unit**" means a residential unit, no larger than the maximum size authorized for such use by the local agency with land use authority, with a separate entrance, kitchen, sleeping, and bathroom facilities, which receives water service through the same water meter as, and which is located on the same individual parcel of land with the same numerical street address as, the single-family dwelling unit, but which is smaller than (or otherwise subservient to) the single-family dwelling unit that serves as the principal residence on the parcel of land.

3. "**Single-family dwelling unit**" (or "**residence**") means a residential unit located on its own individual parcel of land (with or without a second dwelling unit) and designed to house one family and which is not attached to another dwelling (other than a second dwelling unit).

    a. "**Single-family dwelling unit**" (or "**residence**") includes each mobile home located on its own individual parcel of land and not in a mobile home park.

    b. "**Single-family dwelling unit**" (or "**residence**") also includes each residential dwelling unit attached to one or more other residential units where each unit is located on its own individual parcel of land, but without an adjacent common area irrigated through a separate irrigation water meter.

4. Notwithstanding the foregoing, each mobile home located in a mobile home park is also defined as a multifamily residence, subject to the District Engineer's discretion to determine that another class is more appropriate.

B. Nonresidential Non-Industrial Dischargers/Users. Nonresidential Non-Industrial Dischargers/Users are characterized by the District Engineer as low, medium, and high strength uses based on estimates of the respective BOD and SS being discharged.

1. The following categories are examples of low strength institutional, commercial uses:

   a. Gas stations, banks, hotels, private office complexes, schools (excluding cafeterias), retail and wholesale stores, bars.

   Low strength uses includes all users not assigned by the District Engineer to a higher strength classification.

2. The following categories are examples of medium strength institutional and commercial uses:

   a. Fast Food Restaurant. Primarily engaged in cooking and serving of food utilizing disposable serving products (i.e., styrofoam, plastic or paper). May perform limited baking activities relative to foods which are served with the meal and are generally not sold separately.

   b. Full Service Restaurant, Cafeteria and Banquet Facilities. Primarily engaged in cooking and serving of meals utilizing flatware, silverware, glasses, dishwashing and limited baking activities for on-site use.

3. The following categories are examples of high strength industrial and commercial uses:

   a. Grocery Market with garbage disposal. Primarily engaged in selling of goods and food products that are not dry goods, where food products are prepared on site.

   b. Bakeries

C. Significant Industrial User. As defined in the definition for “Significant industrial user” in DSRSDC 5.20.030, Definitions. Other industrial users are characterized as low, medium, and high strength dischargers as determined by the District Engineer.

D. Subscribing Agency. A public agency that contributes wastewater from its wastewater collection system to a wastewater system operated by the District. [Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 273, 1997; Ord. 327, 2010; Ord.___,2017.]

5.30.020 Establishment of service and calculation of service charges.

A. Establishment. Periodic service charges, including a local service charge and a regional service charge, are established for all users connected to the wastewater system according to the schedule set forth by separate ordinance or resolution duly adopted from time to time by the Board. As is set forth in DSRSDC 5.10.050(E), Liability of Owner and Tenant, owners, their tenants, and other users of the property shall be jointly and severally liable for payment of charges, including the service, demand, and loading charges described in this section.

B. Calculation. Service charges shall be calculated by user class in the following manner: the service charge shall be calculated based on the flow measured by the flow meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the type of use

1. Residential Users. Service charges for residential users shall be based on discharges of wastewater flow based on water deliveries, and the BOD and SS as estimated by the District Engineer. The service charge will apply to each residential dwelling unit, as such units are described in DSRSDC 5.30.010(A), Residential. The Board may adopt a flat rate for all residential customers residing in a certain residence class or dwelling unit type.

2. Nonresidential Dischargers/Users. Except as specified in DSRSDC 5.30.080, Shared potable meter or nonmetered service, or in DSRSDC 5.30.020.B.3, Significant Industrial Users, service charges for institutional, industrial and commercial users shall be based on flow as measured by deliveries of potable water through the potable water meter serving that user, and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use. The District Engineer has the discretion to recommend that a flat rate or a minimal charge be developed for and levied upon all institutional, industrial and commercial users of a common type or classification.

3. Significant Industrial Users. Service charges for such industrial users shall be based on measured discharges of wastewater flow, BOD and SS. The measurements shall be obtained from monitoring facilities installed on public property at the points of discharge to the sewer system, unless another location is approved by the District Engineer. Both installation and operating costs of the monitoring facilities shall be at the sole expense of the user. Frequency of monitoring shall be determined by the District Engineer.

Service charges for such industrial users shall be comprised of demand charges and loading charges. Demand charges shall be based on capacity rights for each peak month billable parameter and shall be collected in periodic installments. Upon determining that an unusually high measurement is not representative of a user's long-term use of the wastewater system and/or can be explained by a onetime event, the District Engineer shall have discretion to decline to use such measurement as the peak month billable parameter for the calculation of demand charges. Daily use shall be based on the number of normal working days in the peak month. Normal working days shall be defined as the normal five-day work week of Monday through Friday, less holidays. For a user's normal work days to exceed five days a week, the flow from the sixth and/or seventh day must approximate the average daily flow of the five-day work week.

The District Engineer has the discretion to use a user's peak month use for each billable parameter to calculate demand charges, if: (a) each billable parameter used is greater than the capacity rights; (b) the user does not want to purchase more capacity rights; and (c) it appears that the user will eventually lower use to within the user's capacity rights.

When a user discharges less than the peak month use figures used to calculate the demand charge, regardless of whether they are based on capacity rights or actual wastewater discharges, the user shall be billed for the full amount for which capacity was reserved. Should the peak month use figures be exceeded, the user shall be billed the demand unit costs multiplied by the new peak month discharge. This amount shall be assessed retroactively to the beginning of the fiscal year and for each month through the remainder of the fiscal year. The new peak month discharge shall also be used to calculate demand charges for the following four years or until either a higher peak month discharge occurs or the user maintains discharges within the user's capacity rights for a period of one year.

Loading charges shall be computed and derived according to the recorded discharge for the billing period.

If the user's wastewater flow and strengths are relatively constant, the District Engineer may establish a unit rate per hundred cubic feet (ccf) of metered water use or wastewater discharged until the time that it has been determined that there has been a significant change, as determined at the discretion of the District Engineer, in the user's operation which would materially affect sewage flows and strengths.

4. Subscribing Agencies. Service charges to subscribing agencies shall be based on measured discharges of wastewater flow, BOD and SS and shall be established by contract, or, if the contract so provides, as determined by the District Engineer from time to time. [Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord. 187, 1984; Ord. 192, 1984; Ord. 197, 1985; Ord. 199, 1985; Ord. 214, 1987; Ord. 221, 1988; Ord. 228, 1989; Ord. 231, 1990; Ord. 237, 1991; Ord. 245, 1991; Ord. 253, 1993; Ord. 257, 1994; Ord. 262, 1995; Ord. 267, 1995; Ord. 270, 1996; Ord. 273, 1997; Ord. 319, 2007; Ord. 327, 2010; Ord.___,2017.]

5.30.080 Shared potable meter or nonmetered service.

A. Shared Potable Meter. The service charges for multiple nonresidential users who receive water service through a single water meter shall be calculated using the estimated BOD and SS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer.

If the customer properly installs and maintains an approved submeter in full compliance with DSRSDC 5.30.050(C), Submetering Requested by Customer, and with the agreement between the customer and the District pursuant thereto:

1. The estimated BOD and SS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the full quantity of water delivered through the submeter.

2. The estimated BOD and SS for the classification (selected from the classifications applicable to the remaining use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the remainder of the quantity of water delivered through the shared meter.

B. Nonresidential Users Not Receiving Metered Water Service. Service charges for nonresidential users not receiving metered water service shall be based on discharges of wastewater flow, BOD, and SS as estimated by the District Engineer.

C. Flow Meters. Notwithstanding DSRSDC 5.30.020(B)(2), Low, Medium and High Strength Dischargers/Users or the preceding provisions of this section, where a flow meter has been installed and is maintained pursuant to DSRSDC 5.30.050(A), Flow Meter, or Other Monitoring Device(s) Required by District, the service charge shall be calculated based on the flow measured by the flow meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use.

D. Deduct Meters. Notwithstanding DSRSDC 5.30.020(B)(2), Low, Medium and High Strength Dischargers/Users, or the provisions of subsection (C) of this section, Flow Meters, where a deduct meter has been installed and is maintained pursuant to DSRSDC 5.30.050(B), Deduct Meter, or Other Measuring Device(s) Requested by Customer, the service charge shall be calculated based on the flow through the water meter less the flow measured by the deduct meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use, to the extent pursuant to, and in accordance with the terms and conditions specified in, a written agreement between the District and the customer. [Ord. 327, 2010; Ord.___,2017.]

Dublin San Ramon Services District
Summary & Recommendation

Item 9.D.
Meeting Date: June 6, 2017

TITLE: Support Association of California Water Agencies' (ACWA) Policy on Bay-Delta Functional Flow Requirements

RECOMMENDATION:

Staff recommends the Board of Directors adopt a Resolution supporting the Association of California Water Agencies' policy statement on "Bay Delta Flow Requirements."

SUMMARY:

The Association of California Water Agencies (ACWA) is seeking support from its members to pursue a comprehensive, collaborative approach to setting new water quality objectives in the Bay-Delta watershed. The 37 member Board of Directors unanimously endorsed the *ACWA Policy Statement on Bay-Delta Flow Requirements*.

The standards that motivate the District to support ACWA's policy, instead of the State Water Resources Control Board (SWRCB) unimpaired flow requirements policy, include the following:

- Protect public health and the environment which includes implementing the coequal goals as stated in Governor Edmund G. "Jerry" Brown's California Water Action Plan
- Provide reliable, high-quality water service
- Plan well. DSRSD plans well and expects the state to do so also. The proposal from the State Water Resources Control Board (SWRCB) of 30 to 50 percent unimpaired flow in the Stanislaus, Tuolumne and Merced rivers from February through June is not a good plan, does not achieve its objectives, and could harm the ecosystem, the state's water reliability, and the California economy.

The attached staff report describes the advantages of the *ACWA Policy Statement on Bay-Delta Flow Requirements* in more detail.

Originating Department: Executive Services	**Contact: S. Stephenson**	**Legal Review: Not Required**
Cost: $0	**Funding Source: N/A**	
Attachments: ☐ None ☒ Staff Report ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☐ Other (see list on right)		

STAFF REPORT

District Board of Directors
June 6, 2017

Support ACWA's Policy on Bay-Delta Functional Flow Requirements

BACKGROUND

The Association of California Water Agencies (ACWA) Board of Directors unanimously adopted ACWA's Policy Statement on Bay-Delta Flow Requirements which promotes functional flows and differs from the State Water Resources Control Board's policy of unimpaired flows.

In an effort to demonstrate broad support for a comprehensive, collaborative approach to setting new water quality objectives in the Bay-Delta watershed, ACWA is asking its member agencies to adopt Resolutions in support of their policy on functional flow requirements. Moreover, at the recent ACWA conference in Monterey, ACWA President Kathleen Tiegs, Vice President Brent Hastey, and Executive Director Tim Quinn appealed to all ACWA members to pass resolutions in support of ACWA's Bay-Delta flows policy.

The motivations behind this recommendation, the standards that drive the District's activities and decision making, include the following:

- Protect public health and the environment which includes implementing the coequal goals as stated in Governor Edmund G. "Jerry" Brown's California Water Action Plan
- Provide reliable, high-quality water service
- Plan well. DSRSD plans well and expects the state to do so also. The proposal from the State Water Resources Control Board (SWRCB) of 30 to 50 percent unimpaired flow in the Stanislaus, Tuolumne and Merced rivers from February through June is not a good plan, does not achieve its objectives, and could harm the ecosystem, the state's water reliability, and the California economy.

Timeline

January 30, 2014, DSRSD hosted California Natural Resources Secretary John Laird to address the Tri-Valley's water providers and city officials on the California Water Action Plan. Laird addressed the state's most pressing water issues, including challenges and opportunities that affect our local water supply and achieving the coequal goals of providing a more reliable water supply for California (the Delta provides water for two-thirds of our state's population and irrigation water for millions of acres of farmland) and to protect, restore and enhance the Delta ecosystem.

February 18, 2014, DSRSD Board unanimously passed a resolution endorsing the Association of California Water Agencies' (ACWA) Statewide Water Action Plan. Staff reminded the Board that discussions on the plan started at an ACWA meeting held at the East Bay Municipal Utility District in the Fall of 2013, which President Georgean Vonheeder-Leopold attended, and that adoption of the Statewide Water Action Plan is a natural progression from that meeting and the recent community meeting at which secretary Laird spoke. While ACWA's plan is more focused than the state's plan, the two are very similar.

September 2014, Governor Brown signed the Sustainable Groundwater Management Act allowing local agencies to customize groundwater sustainability plans to their regional economic and environmental needs, creating a framework for sustainable, local groundwater management for the first time in California history, with a limited role for state intervention, only if necessary to protect the resource.

March 3, 2016, ACWA Board determined its priority goals for the 2016-17 Strategic and Business Plan which included the goal to "Improve involvement by ACWA's agricultural members." Thus the Ag Initiative Advisory Group was created and chaired by Bill Diedrich, a Director at San Luis Water District and Vice Chair of ACWA's Region 6 (Merced, Madera, Fresno, and Kings Counties).

January 24, 2017, ACWA's Ag Initiative Advisory Group's Draft Action Plan has the goal to achieve policy decisions and implement actions that protect the long-term sustainability of California agriculture, groundwater basins, and healthy economies. They plan to advocate for a collaborative approach to implement the California Water Action Plan, to engage on the Bay-Delta flows issue, Sustainable Groundwater Management Act implementation, and other high priorities identified by ACWA. The Ag Initiative Advisory Group also plans to advocate policies that are comprehensive and holistic and to engage on any actions that unreasonably threaten agricultural and urban water supplies.

February 3, 2017, ACWA Board developed their *2017 Priority Goals* which include, "ACWA will provide leadership and a strong, unified voice to advocate for Bay-Delta policies that are consistent with comprehensive solutions and the coequal goals of improving water supply reliability and ecosystem health. ACWA will highlight the fact that Delta conveyance solutions advanced through California WaterFix must be part of a comprehensive plan that benefits all parts of California. It also will seek to assure that flow decisions by the State Water Resources Control Board are consistent with the California Water Action Plan and compatible with a future that includes a vibrant agricultural and urban economy."

March 10, 2017, ACWA Board unanimously adopted their policy statement on "Bay-Delta Flow Requirements" which provides a common sense approach to determine flow requirements in the Bay-Delta watershed to improve both water supply reliability and the environment without sacrificing one for the other as with the unimpaired flow proposal of the State Water Board staff.

DISCUSSION

State Water Resources Control Board Proposal

The State Water Resources Control Board (SWRCB) proposes to base new water quality objectives on a percentage of unimpaired flow (30 to 50 percent) in the Stanislaus, Tuolumne, and Merced rivers from February through June each year, and this would negatively impact humans more than it would positively impact fish.

According to the SWRCB, unimpaired flow is the total volume of water that would flow past a particular point of interest if no diversions (impairments) were taking place in the watershed above that point (taken from annual and seasonal unimpaired flow definitions). For more than 30 years, unimpaired flow has been the State Board's doctrine, but some flow restrictions do very little to help the fish while wasting a lot of water. In an attempt to develop new water quality objectives, the State Water Resources Control Board's proposed unimpaired flow in Stanislaus, Tuolumne and Merced rivers from February through June. It is ill-conceived proposed regulation for the following reasons:

- It is not connected with specific habitat outcomes and will not achieve desired outcomes (no proven benefit to the fish)
- Irreconcilable with the state policy of coequal goals of improving both water supply reliability and ecosystem health
- Negatively impacts 15 state-identified Disadvantaged Communities' access to surface water
- Ignores economic impacts (e.g., large amounts of land will go out of production with a great cost to the agricultural economy)
- Increases groundwater overdraft by up to 182,000 AF/year, undermining the goals of the Sustainable Groundwater Management Act
- Diminishes local, operational control
- Ignores non-flow solutions that contribute real benefits (e.g., suppressing predators, improving rivers and habitats, and modifying timing of existing operations)
- Removes nearly 300,000 AF annually from Modesto Irrigation District (MID) which would result in a $1.6 billion in economic output loss ($167 million in farm-gate revenue loss, $330 million in labor income loss, and the loss of 6,576 jobs) MID believes they can achieve the same goals as the SWRCB but with less water
- It is inconsistent with Governor Brown Administration's broader water policy objectives and the Governor's call for negotiated settlements. In a letter from Governor Jerry Brown to SWRCB Chair Felicia Marcus, he says, "Voluntary agreements in which water right holders improve stream flows and restore habitat could offer a faster, less contentious, and more durable outcome," and he calls for a "comprehensive agreement on environmental flows"

The State Board needs to shift away from a flow-only regulatory regime to an approach that combines functional flows with comprehensive, integrated investments to address the significant stressors in the life cycle of the fish they are trying to protect.

There is a better way to approach water quality objectives for the San Francisco Bay/Sacramento-San Joaquin Delta that is comprehensive, collaborative, and consistent with state policy:

- Functional flows that have a purpose and achieve the objectives (e.g., $3.3M Wallace Weir Fish Rescue Facility uses functional flows to recover salmon, as do more than a dozen other fish recovery projects)
- Good Science (e.g., divert flood water onto rice fields for three weeks and once the water is nutrient rich, release it back into the river/Delta system, providing lots of food for salmon)
- Negotiation, not regulation

Solution

ACWA would like time to work with the SWRCB to develop a better plan that is collaborative, uses good science and functional flows, is consistent with the state's coequal goals to improve both water supply reliability and ecosystem health, and achieves the state's water quality objectives. ACWA would like the SWRCB to follow ACWA's policy instead of SWRCD's proposed rigid unimpaired flow approach.

Timing Concerns

Throughout May, ACWA is gathering resolutions and letters of support for its policy statement on "Bay-Delta Flow Requirements" from its members. In June, ACWA will take these supporting documents to the Governor and ask for time to negotiate a better approach than unimpaired flows.

Financial Impacts

Supporting ACWA's "Bay-Delta Flow Requirements" policy would not impact District rates, but it would enable ACWA to work with the SWRCB to achieve a better solution.

Risk Assessment & Mitigation

Some may be concerned that by supporting ACWA's "Bay-Delta Flow Requirements" policy they are supporting the California WaterFix for the Delta. This is not the case. This is ACWA's attempt to demonstrate broad support for a comprehensive, collaborative, and consistent approach to setting new water quality objectives in the Bay-Delta watershed.

Ramifications of Doing Nothing

The SWRCB's unimpaired flows approach will have impacts that ripple far beyond water for fish, harming the state's economy and ultimately impacting the District.

RECOMMENDATION

Support the Association of California Water Agencies' policy statement on "Bay Delta Flow Requirements" by adopting a Resolution of support.

ATT 1 – *California Water Action Plan, 2016 Update*
ATT 2 – ACWA *2017 Priority Goals*
ATT3 – ACWA *Bay-Delta Flow Requirements* policy

California Water Action Plan
2016 Update

Among all our uncertainties, weather is one of the most basic. We can't control it. We can only live with it, and now we have to live with a very serious drought of uncertain duration.

Right now, it is imperative that we do everything possible to mitigate the effects of the drought. I have convened an Interagency Drought Task Force and declared a State of Emergency. We need everyone in every part of the state to conserve water. We need regulators to rebalance water rules and enable voluntary transfers of water and we must prepare for forest fires. As the State Water Action Plan lays out, water recycling, expanded storage and serious groundwater management must all be part of the mix. So too must be investments in safe drinking water, particularly in disadvantaged communities. We also need wetlands and watershed restoration and further progress on the Bay Delta Conservation Plan.

It is a tall order.

But it is what we must do to get through this drought and prepare for the next.

Edmund G. Brown Jr.
State of the State Speech, January 22, 2014

We are finally grappling with the long-term sustainability of our water supply through the recently passed Proposition 1 and our California Water Action Plan.

Edmund G. Brown Jr.
Inaugural Address, January 5, 2015

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California Water Action Plan: Actions for Reliability, Restoration and Resilience

Introduction

California is currently experiencing one of the worst droughts in memory. The 2016 water year is off to a good start, but with four consecutive dry years and the record low snowpack of 2015, drought conditions may continue for a fifth straight year.

Flooding in the midst of drought is likely, given strong El Niño conditions in the Pacific Ocean. Nothing focuses Californians' attention on our water resources like the extremes of flood and drought.

There is broad agreement that the state's water management system is currently unable to satisfactorily meet both ecological and human needs, too exposed to wet and dry climate cycles and natural disasters, and inadequate to handle the additional pressures of future population growth and climate change. Solutions are complex and expensive, and they require the cooperation and sustained commitment of all Californians working together. To be sustainable, solutions must strike a balance between the need to provide for public health and safety (*e.g.*, safe drinking water, clean rivers and beaches, flood protection), protect the environment, and support a stable California economy. This action plan lays out our challenges, our goals and decisive actions needed now to put California's water resources on a safer, more sustainable path. While this plan commits the state to moving forward, it also serves to recognize that state government cannot do this alone. Collaboration between federal, state, local and tribal governments, in coordination with our partners in a wide range of industry, government and nongovernmental organizations is not only important—it is essential. The input and contributions received from all of these partners throughout the drafting of this action plan have resulted in a comprehensive and inclusive plan.

This is the 2016 update to the Water Action Plan. The Brown Administration has used this Water Action Plan as the roadmap to put California on a path to sustainable water management. It provided the foundation for Proposition 1, the 2014 water bond, and the administration's legislative agenda. Voters overwhelmingly approved Proposition 1 in November 2014, and the $7.545 billion is being applied to many of the goals articulated in this action plan. Already, the Legislature has passed several important bills—including historic and hard-fought groundwater legislation—contemplated in the Water Action Plan. This update contains revisions to keep the plan current.

Challenges for Managing California's Water Resources

Water has always been a scarce resource in California. Most of the precipitation falls on the west-facing slopes of Northern California mountain ranges, yet most of the population and irrigated farmland is located in the drier southern half of the state. Precipitation is highly variable year-to-year, but the long warm summers are always dry. In the mid-20th century, state, federal and local agencies vastly expanded the state's system of reservoirs, canals, pumps and pipelines to store water and deliver it to agricultural and urban users in dry areas. Also, in the late 20th century, significant investments were made in the state's flood protection system, including levees and bypasses. These changes to the physical infrastructure have resulted in unintended consequences to the natural world. In general, there is broad consensus about our challenges.

Uncertain water supplies – Reductions in water from major watersheds like the Colorado River watershed and the Sacramento-San Joaquin Delta (Delta) watershed—due to hydrologic and declining environmental conditions—have made these water supplies less reliable. Moreover, climate change impacts to these sources and the Cascade and Sierra headwaters will further strain supply reliability throughout the state. These sources are foundational supplies around which communities develop and manage local resources through strategies such as water use efficiency, recycled water, and groundwater recharge. The unreliable nature of these supplies threatens local, regional and statewide economies. **Collectively, the actions in this plan will contribute to more reliable water supplies**.

Water scarcity/drought – California's hydrology has always included extended dry periods. Much of California's water system was originally designed to withstand a seven-year dry period without severe damage to the economy and environment. Today some regions and many communities struggle to maintain adequate water supplies after only a year or two of dry conditions. Climate change makes this situation even more challenging. Less outflow of water coming from the Cascades and Sierras during periods of drought increases seawater intrusion into the Delta. Improving our ability to manage scarce water supplies and over-stressed groundwater basins and better coordination of major reservoir operations is essential to economic and environmental sustainability. Taking action to address drought is especially urgent for agriculture where crops wither without water, and the world's growing population and food demand create food security concerns. In addition, as the current drought has demonstrated, the state sometimes lacks sufficient data and authority to enforce the water right priority system with the accuracy and efficiency that a drought crisis requires. **This action plan includes both immediate steps as well as actions that will better prepare California for future droughts.**

Declining groundwater supplies – Groundwater accounts for more than one-third of the water used by cities and farms – much more in dry years like those recently experienced, when other sources are reduced. Some of California's groundwater basins are sustainably managed, but unfortunately, many are not. Historically, inconsistent and inadequate tools, resources and authorities have made managing groundwater difficult in California and have impeded our ability to address problems such as overdraft, seawater intrusion, land subsidence, and water quality degradation. Pumping more than is recharged lowers groundwater levels – which makes extracting water more expensive and energy intensive. Under certain conditions, excessive groundwater pumping could mobilize toxins that impair water quality and cause irreversible land subsidence which damages infrastructure and diminishes the capacity of aquifers to store water for the future. In September 2014, Governor Brown signed historic legislation to strengthen local management and monitoring of groundwater basins most critical to the state's water needs. The Sustainable Groundwater Management Act (SGMA) empowers local agencies to adopt groundwater management plans that are tailored to the resources and needs of their communities. **The strategies identified in this action plan will move California toward successful implementation of SGMA and more sustainable management of our groundwater resources.**

Poor water quality – It is a fact that millions of Californians rely, at least in part, on contaminated groundwater for their drinking water. While most water purveyors blend or treat water to meet public health standards, many disadvantaged communities cannot afford to do so. In addition, domestic wells are drying up in many areas. All Californians have a right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes. Safe

water is necessary for public health and community prosperity. **The methods set forth in this action plan will improve the organization of our water quality programs and create new tools to help ensure that every Californian has access to safe water.**

Declining native fish species and loss of wildlife habitat – California's once robust native fish populations are at or near historic lows. Federal and state fish agencies now list many species of salmon and other fish as endangered and threatened. These last four years of drought have only made matters worse for the state's most at-risk fish and wildlife. Wildlife habitat is also being lost at a rapid pace. Climate change further threatens the state's natural biodiversity. Many do not understand that our fish and wildlife are part of the complex system that provides and protects California's water resources. Tourism and fishing which provide economic benefits to local communities and to the state are also reliant on healthy ecosystems. Declining species and lost habitat disrupt the cultural, spiritual and ecological practices of California's Native American tribes. Simply put, California's diverse and unique ecosystems are irreplaceable and their loss threatens the sustainability of all of California's communities. **The objectives in this action plan include aggressive ecosystem restoration and other steps that will restore fish populations and benefit wildlife.**

Floods – Over 7 million Californians live in a floodplain. Historically, flooding has occurred in all regions of the state. Our state's capital, Sacramento, has one of the lowest levels of flood protection of any major city in the nation. Climate change will only exacerbate this problem. Climatologists predict that more precipitation will fall as rain rather than snow, snowmelt will occur earlier, and there will be more extreme weather events. **This action plan will serve to coordinate and streamline flood control efforts and result in multi-benefit flood and stormwater projects, helping to mitigate the significant investments needed to improve flood protection for existing communities and infrastructure.**

Supply disruptions – Many parts of California's water system are vulnerable to earthquakes and flooding, particularly the Delta, which serves as the conveyance hub for a substantial percentage of all water supplies in the Bay Area, the San Joaquin Valley, and Southern California. A large earthquake along any of five major faults or a major storm-induced levee failure could render this water supply unreachable or unusable for urban and agricultural needs for months. **The combined benefits of many of the actions in this plan will better prepare us to manage through potential disruptions in the system.**

Population growth and climate change further increase the severity of these risks – The state's population is projected to grow from 38 million to 50 million by 2049.[1] The effects of climate change are already being felt and will worsen. The Sierra snowpack is decreasing, reducing natural water storage and altering winter and spring runoff patterns. This is most likely the result of higher temperatures and may also be related to air pollution that deposits fine particulate on the surface of snow, changing its reflectivity and causing it to absorb more heat and melt faster. Higher river and ocean water temperatures will make it harder to maintain adequate habitat for

[1] http://www.dof.ca.gov/research/demographic/reports/projections/view.php California's population will cross the 50 million mark in 2049 and grow to nearly 52.7 million by 2060.

native fish species. Higher ocean temperatures will alter the already changing weather patterns. Sea level rise threatens coastal communities and islands in the Delta. Sea level rise also amplifies the risk that the pumps that supply cities and farms with Delta water will be inundated with seawater in a large earthquake or storms that breach levees. **The strategies identified in this action plan will help manage these risks and sustain the health of our natural systems and our ability to meet our diverse water supply and water quality needs**.

Goals: Reliability, Restoration and Resilience

The California Water Action Plan has been developed to meet three broad objectives: more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades. Over the next five years (*i.e.*, 2014-2019), the actions discussed below will move California toward more sustainable water management by providing a more reliable water supply for our farms and communities, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient.

Working Together and Continued Collaboration is Essential

Despite the many challenges for water management in California, there is good progress to report. There are thousands of important projects that are being planned or implemented by all levels of government as well as by non-governmental organizations, tribes, farmers, water agencies and others. State, regional and local agencies have increasingly been pursuing a strategy of making regions more self-reliant by reducing water demand and by developing new or underused water resources locally. In the future, most new water will come from a combination of improved conservation and water use efficiency, conjunctive water management (i.e., coordinated management of surface and groundwater), recycled water, drinking water treatment, groundwater remediation, and brackish and seawater desalination. There is increased focus on projects with multiple benefits, such as stormwater capture and floodplain reconnection, that can help simultaneously improve the environment, flood management and water supplies. These diversified regional water portfolios will relieve pressure on foundational supplies and make communities more resilient against drought, flood, population growth and climate change.

This Water Action Plan does not replace these local efforts. It complements and leverages them. Collaboration is essential. Successful implementation of this plan will require increased collaboration between state, federal and local governments, regional agencies, tribal governments, and the public and the private sectors. The Legislature is also a key partner.

Water has shaped California's past, its present, and will help define its future. Water has always been among the state's most contentious issues. California is at its best when people come together in the face of adversity to solve difficult problems. Only by working together can we improve and sustain the state's water future for generations to come.

Actions

1. Make conservation a California way of life;
2. Increase regional self-reliance and integrated water management across all levels of government;
3. Achieve the co-equal goals for the Delta;
4. Protect and restore important ecosystems;
5. Manage and prepare for dry periods;
6. Expand water storage capacity and improve groundwater management;
7. Provide safe water for all communities;
8. Increase flood protection;
9. Increase operational and regulatory efficiency;
10. Identify sustainable and integrated financing opportunities.

Together, these actions address the most pressing water issues that California faces while laying the groundwork for a sustainable and resilient future and are critical to moving the state forward now. They reflect an integration of new ideas with the ongoing important work that the state and federal government, local agencies, and others are already engaged in and require coordination and collaboration across levels of government. They will not address all of our challenges. Some of these actions are new proposals. Some are currently being planned and should be completed more rapidly, implemented in a better way, or on a larger scale. Success will require the cooperation of many partners; the state's role is to lead, help others, and remove barriers to action.

1. MAKE CONSERVATION A CALIFORNIA WAY OF LIFE

Conservation must become a way of life for everyone in California. Much has changed in the past half century, and our technology, values and awareness of how we use water have helped to integrate conservation into our daily lives. There is more that can be done and all Californians must embrace this effort. In 2009, the state adopted the Water Conservation Act through the passage of Senate Bill X7 7 requiring that we achieve a 20 percent reduction in urban per capita water use by December 31, 2020, promoting expanded development of sustainable water supplies at the regional level, and requiring agricultural water management plans and efficient water management practices for agricultural water suppliers. Conservation and efficiency are also keys to reducing the energy needed to pump, transport, treat and deliver water – an important action included in the state's Climate Change Scoping Plan for reducing greenhouse gas emissions. On April 1, 2015 for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage statewide by 25 percent. Even after the current drought emergency recedes, we must continue to build on our efforts to conserve water and promote innovative strategies for increased water conservation.

- **Expand Agricultural and Urban Water Conservation and Efficiency to Exceed SBX7 7 Targets**
  The administration will expand existing programs to provide technical assistance, shared data and information, and incentives to urban and agricultural local and regional water agencies, as well as local governmental agencies, to promote agricultural and urban water conservation in excess of the amounts envisioned by SBX7 7. We will work collaboratively with stakeholders to identify and remove impediments to achieving statewide conservation targets, recycling and stormwater goals; to evaluate and update targets for additional water use efficiency, such as SBX7-7 (20x2020), and to consider new strategies based on lessons learned from the current drought. California's hydrology is cyclical; we must continue to build upon water conservation efforts to ready the state for future droughts. The

administration will also work with local and regional entities to develop performance measures to evaluate agricultural water management. Through executive order, the Governor directed agricultural water districts that supply water to more than 25,000 acres to include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. Additionally, all agricultural water districts that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department of Water Resources by July 1, 2016.

- **Provide Funding for Conservation and Efficiency**
  The administration will work with the Legislature to expand funding for urban and agricultural water use efficiency research, and the development and implementation of efficiency standards through existing and new programs that save water and the energy associated with water use. Conservation programs must include numeric targets and be designed to achieve the state-developed targets and performance measures.

- **Increase Water Sector Energy Efficiency and Greenhouse Gas Reduction Capacity**
  The administration will continue supporting the collection of regional data and development of efficiency standards that save water and energy associated with water use and will provide guidance on conservation rates and sustainable financing that achieve water and energy savings. The administration will also continue to collaborate with water and wastewater agencies and energy utilities to educate consumers on the water-energy nexus. The administration will work with the Legislature to eliminate barriers to co-funding projects with water and energy benefits and expand and prioritize funding and technical support for water and wastewater agencies that achieve energy efficiency co-benefits and greenhouse gas reductions.

- **Promote Local Urban Conservation Ordinances and Programs**
  Local agencies are increasingly conserving water by prohibiting certain types of wasteful water use. Examples include: prohibiting watering hard surfaces such as sidewalks, walkways, driveways or parking areas; prohibiting outdoor watering during and after periods of rain; and not serving water to customers in restaurants unless specifically requested. Local agencies are also pioneering incentive programs, for example, converting lawns to drought tolerant landscapes—and programs to capture rainwater. In July 2015, the California Water Commission adopted a new statewide model water efficient landscape ordinance that will limit lawn in new residential and commercial developments and require efficient irrigation systems. Under the model ordinance, which local governments must meet or exceed, new development will use roughly a third less water on landscaping.

2. INCREASE REGIONAL SELF-RELIANCE AND INTEGRATED WATER MANAGEMENT ACROSS ALL LEVELS OF GOVERNMENT

While California has vast infrastructure to store and deliver water miles from its origin, the majority of infrastructure management and investment resides at the local and regional levels. Sometimes that management is done by agencies responsible for multiple functions such as flood management, water supply and water quality. Other times, individual agencies handle those functions separately. Over the past decade, the state has provided technical and financial assistance to regions to incentivize inter-agency/stakeholder cooperation in planning and implementing multi-objective actions that provide both regional and statewide benefits to water resources management and protection. Called “integrated water management,” this approach balances the objectives of improving public safety, fostering environmental stewardship, and supporting economic stability. Developing local

supplies can also save energy by reducing the distance that water must be transported. State grants are provided to both incentivize regional integration and leverage local financial investment.

Ensuring water security at the local level includes efforts to conserve and use water more efficiently, to protect or create habitat for local species, to ensure food security, to recycle water for reuse, to capture and treat stormwater for groundwater recharge and reuse, and to remove salts and contaminants from brackish or contaminated water or from seawater. But, mostly it requires integrating disparate or individual government efforts into one combined regional commitment where the sum becomes greater than any single piece.

- **Support and Expand Funding for Integrated Water Management Planning and Projects**
  The administration will work with the Legislature to enhance the Integrated Water Management Planning program. Providing funding for regionally-driven, multi-benefit projects that prioritize protection of public health is critical. The administration will target funding to local regional projects that increase regional self-reliance and result in integrated, multi-benefit solutions for ensuring sustainable water resources.

- **Improve Land Use and Water Alignment**
  The Governor's Office of Planning and Research (OPR) continues to engage local land use authorities, California Native American tribes, water agencies and other stakeholders to develop recommendations to better align land use and water management. OPR will issue and incorporate recommendations as applicable into the general plan guidelines. OPR will give special consideration to improving consistency between local land use plans and decisions and local water management plans, including integrated regional water management plans.

- **Legislation for Local and Regional Self Reliance**
  The administration will work with the Legislature to encourage local governments to adopt or amend local ordinances that enhance local and regional water supply reliability and conservation, such as ordinances that establish minimum requirements for infiltration or injection of water into the groundwater table, detection and prevention of utility system leaks, landscaping measures, and indoor/outdoor water use efficiency standards.

- **Provide Assistance to Disadvantaged Communities**
  The administration will provide technical assistance, tools, and allocate dedicated funds for grant administration, project development, and stakeholder collaboration to under-represented and economically-disadvantaged communities to promote greater participation and success in regional grant programs.

- **Demonstrate State Leadership**
  All state agencies should take a leadership role in designing new and retrofitted state owned and leased facilities to increase water efficiency, use recycled water, and incorporate stormwater runoff capture and low-impact development strategies. Through executive order, the Governor directed state agencies to implement water use reduction plans for all state facilities. These plans include immediate water conservation actions and a moratorium on new, non-essential landscaping projects at state facilities and on state highways and roads. The Department of General Services will continue to lead the overall implementation and ensure state agencies are accountable for water savings.

- **Encourage State Focus on Projects with Multiple Benefits**
  The administration will direct agencies and departments to evaluate existing programs and propose modifications to incentivize and co-fund multi-benefit projects that promote integrated water

management, such as stormwater permits that emphasize stormwater capture and infiltration, which provide both flood protection and groundwater recharge benefits, and agricultural groundwater recharge projects that emphasize water quality and conjunctive use. The commitment to emphasize multiple benefit projects will be applied to most of the actions in this plan.

- **Increase the Use of Recycled Water**
  California needs more high quality water, and recycling is one way of getting there. The state recently adopted uniform water recycling regulations for indirect potable reuse of recycled water for groundwater recharge. The state plans to adopt regulations for surface water augmentation and assess the feasibility of direct potable reuse by the end of 2016. Technical and financial assistance will be provided to recycled water projects that meet these requirements. The state extended hundreds of millions of dollars of low-cost financing for recycled water projects early in 2014 and will continue to provide financial assistance to make projects affordable for local agencies using low-interest loans and Proposition 1 funds in 2016.

- **Streamline Permitting for Local Water Reuse or Enhancement Projects**
  The administration will review and propose measures to streamline permitting for local projects that make better use of local water supplies such as recycling, stormwater capture, and desalination of brackish and ocean water as well as projects that provide multiple benefits, such as enhancing local water supplies while improving wildlife habitat. Through executive order, the Governor in November 2015 directed the State Water Board to streamline the process for temporary permits to capture high flows from storm events to recharge declining aquifers. Statewide standards were adopted for desalination in 2015 along with incentives for enhanced urban watershed projects, and streamlining of recycled water permitting is ongoing.

3. ACHIEVE THE CO-EQUAL GOALS FOR THE DELTA

The Delta is California's major collection point for water, serving two-thirds of our state's population and providing irrigation water for millions of acres of farmland. The region supports farming, wetland and riparian habitats, as well as numerous fish and wildlife species. In recent years, important fish populations have declined dramatically, leading to historic restrictions on water supply deliveries. Moreover, the current system relies on water flowing through a network of fragile levees from the northern part of the Delta to the pumps in the south, where two out of three fish trapped near the pumps die. These levees were not designed to resist a significant seismic event, the probability of which is greater than 60 percent over the next 50 years. They are also vulnerable to major floods and rising sea levels, all of which puts unacceptable risk on the people who live in the Delta as well as the water supply for 25 million people and 3 million acres of farmland. Plans are underway to address these problems. The issues are contentious and have been for decades. But, the status quo in the Delta is unacceptable and it would be irresponsible to wait for further degradation or a natural disaster before taking action.

The Delta Stewardship Council was created in legislation to achieve the state-mandated co-equal goals of providing a more reliable water supply for California and to protect, restore and enhance the Delta ecosystem. Those two goals are to be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource and agricultural values of the Delta as an evolving place. The council recently adopted its Delta Plan and established a high-level interagency coordinating body to implement a suite of actions designed to achieve the co-equal goals. The Implementation Committee plays a strong role in moving forward on the actions included in this plan, which build on many of the priorities described in the council's Delta Plan.

- **Begin Implementation of the Delta Plan**
  The administration directs all of its relevant agencies to fully participate in the Implementation Committee established by the Delta Stewardship Council and to work with the Delta Science Program, the Interagency Ecological Program, and others to implement the Delta Science Plan to enhance water and natural resource policy and management decisions. The Delta Stewardship Council and the Delta Science Program will serve central roles in coordinating and supporting Delta science, with a primary focus on improving water management and ecosystem restoration efforts and informing adaptive management actions. The Delta Science Program will provide grants and direct assistance to support ongoing and emerging science actions.

- **Develop and Implement Comprehensive Plans to Help Recover Populations of Threatened and Endangered Species in the Delta and Improve Water Supply Reliability for Users of Delta Water**
  State and federal agencies will complete planning and implement California WaterFix and California EcoRestore to protect fish and wildlife in the Delta and improve the reliable operation of California's two largest water delivery projects.

- **Secure California's Water Supply with New Water Delivery Infrastructure**
  State and federal agencies will complete environmental review documents, secure permits for construction and operation from state and federal biological agencies, secure all necessary permits from other state and federal agencies, finalize a financing plan, and complete the design of California WaterFix facilities.

- **Accelerate and Implement Habitat Restoration**
  Through California EcoRestore, state agencies and multiple partners will undertake restoration of more than 30,000 acres of critical Delta habitat pursuant to pre-existing regulatory requirements and separate programs to enhance native species conditions in the Delta. The federal and state water contractors who benefit from the State Water Project and Central Valley Project will pay for most of this restoration. Utilizing landowner partnership agreements, state agencies have identified 15 restoration projects totaling 3,500 acres of managed wetlands; 9,000 acres of new tidal and sub-tidal habitat; 1,000 acres of aquatic, riparian and upland habitat; and 17,500 acres of enhanced floodplain habitat. Already California EcoRestore has fixed one of the longest running fish stranding problems at Knights Landing, where imperiled winter-run chinook historically strayed from their upstream migration on the Sacramento River into irrigation canals in the Colusa Basin.

- **Implement Near-Term Delta Ecosystem Improvement Projects**
  Near-term Yolo Bypass fish passage projects include reconstruction of the Wallace Weir, modifications to the existing Fremont Weir Fish Ladder, and modifications to several damaged road crossings. Together with several other efforts, these projects will effectively eliminate adult salmonid stranding in the Colusa Basin and will significantly improve fish passage within the Bypass and across the Fremont Weir. These, as well as longer-term Biological Opinion and flood-risk management projects in the Bypass, will be developed with input from a broad array of public agencies and landowners to ensure maximum public benefit outcomes, avoidance of conflicts, and efficient use of limited public dollars. The Yolo Bypass Partnership – a multi-objective collaborative effort between local, state, and federal agencies – will aid the accelerated development and implementation of these and other critical projects within the Yolo Bypass, including significant multi-benefit flood risk reduction projects.

- **Maintain Important Infrastructure**
  The Department of Water Resources will continue implementation of the Delta Levees Subventions, Delta Special Projects, and Floodway Corridor Programs to provide financial assistance to local agencies for repair and improvement of levees and other multipurpose projects in the Delta.

- **Bay Delta Water Quality Control Plan**
  The State Water Resources Control Board will complete its update of the Water Quality Control Plan for the Delta and its upstream watersheds. The plan establishes both regulatory requirements and recommended actions. New resources were allocated to this effort in the FY 2015-16 budget. The Board will complete planning activities in the San Joaquin Basin and the southern Delta in 2016. Delta outflow and other flow-related Delta standards will be updated by spring 2018. The Board and the Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. The Water Board's action will balance competing uses of water including municipal and agricultural supply, hydropower, fishery protection, recreation, and other uses.

4. PROTECT AND RESTORE IMPORTANT ECOSYSTEMS

Streams and rivers once ran freely from high in the mountains to downstream reaches, meandering naturally through lowland and floodplain habitats, connecting with coastal estuaries and the Pacific Ocean. The variability of natural water flows in this complex system created vibrant and resilient habitat for many species and functioned to store water, recharge groundwater, naturally purify water, and moderate flooding. Over 80 percent of the Central Valley's historical floodplain, riparian and seasonal wetland habitats have been lost in the last 150 years. This loss affects the physical and ecological processes of the Central Valley and beyond, contributes to the decline of salmon and steelhead, restricts habitat for waterfowl and other species, and impacts water supply, flood protection, and sediment control. In watersheds around the state, fish and wildlife no longer have access to habitat or enough cold, clean water at key times of the year. In response to these losses and ecological challenges, as well as in anticipation of the effects of climate change on the timing, volume and temperature of water flows, activities to protect and restore the resiliency of our ecosystems will help support fish and wildlife populations, improve water quality, and restore natural system functions. This effort will increase collaboration and transparency and ensure that management decisions are supported by the best available science.

The Department of Fish and Wildlife's drought response includes more than 300 fish rescues in approximately 25 of the most important watersheds in the state for imperiled fish, accounting for over 5,000 hours dedicated to saving the state's biodiversity during drought. Since January 2014, the Department has conducted stream monitoring, restoration projects and many other actions to protect native freshwater and anadromous fishes threatened and impacted by the statewide drought. The Department will continue these efforts, including working to keep as much water as possible in rivers for fish and wildlife.

- **Restore Key Mountain Meadow Habitat**
  The Department of Fish and Wildlife, in coordination with other state resource agencies, will restore 10,000 acres of mountain meadow habitat in strategic locations in the Sierra Nevada and Cascade mountain ranges, which can increase groundwater storage and provide habitat for more than 100 native species, many of which are at risk as threatened or endangered. The department will also coordinate with federal agencies, local governments, conservation organizations, tribes, and others as necessary on this action to maximize efforts and avoid duplication.

- **Manage Headwaters for Multiple Benefits**
  Watersheds in the Cascades, Sierra Nevada and other forested areas of the state are the places of origin for more than two-thirds of the state's developed water supply. Water originating in the Cascades and Sierra Nevada supplies all or part of the need for 23 million Californians and millions of acres of agricultural land. Up to one-half of the fresh water flowing into the Delta begins as snow and rain in these watersheds.

Many of these crucial watersheds are in poor health due to a number of factors. A changing climate of warmer temperatures will exacerbate the diseases and pests that create additional fire risk and, with more precipitation falling as rain instead of snow, create significant operational challenges for our reservoirs. Large, intense fires such as the recent Rim Fire will produce tons of sediment, much of which will end up in reservoirs, significantly reducing storage capacity and impacting water quality.

In order to reduce the significant risks posed to the water resources flowing from the Cascade, Sierra and other watersheds in the state, there is a critical need to address the following:

- Restore forest health through ecologically sound forest management. Overgrown forests not only pose a risk of catastrophic fire, but can significantly reduce water yield.

- Protect and restore degraded stream and meadow ecosystems to assist in natural water management and improved habitat. Meadows provide a natural storage opportunity, critically important with a changing climate, while properly functioning stream systems reduce downstream sedimentation and enhance critical aquatic habitat.

- Support and expand funding for protecting strategically important lands within watersheds to ensure that conversion of these lands does not have a negative impact on our water resources. By working with willing landowners, protection of key lands from conversion will result in a healthier watershed by reducing polluted runoff and maintaining a properly functioning ecosystem.

- **Bring Back Salmon to the San Joaquin River**
  The Department of Fish and Wildlife and the Department of Water Resources will lead the state's effort to achieve the goals of restoring flows to the San Joaquin River from Friant Dam to the confluence of the Merced River, and bring back a naturally-reproducing, self-sustaining Chinook salmon fishery while reducing or avoiding adverse water supply impacts. Chinook will be reintroduced pursuant to the San Joaquin River Restoration Program, and the Department of Fish and Wildlife will complete construction of the conservation hatchery and research facility. The Department of Water Resources will perform activities that support the implementation of channel and structural improvements that result in restoring fish and flows. The administration will work with the Legislature and others to secure further funding as necessary to achieve these activities and the restoration goal.

- **Protect Key Habitat of the Salton Sea Through Local Partnership**
  Sustainable habitat and air quality management at the Salton Sea is critical for the protection of regional air quality, ecological health, and the management of a stable Colorado River supply for California. Convened by the Governor in May 2015, the Salton Sea Task Force directed state agencies to meet short and medium-term management milestones through a series of restoration and regulatory measures. The Natural Resources Agency, working in partnership with federal, state, and local stakeholders, leads the development of a comprehensive management plan for the Sea. This process will identify immediate investment needs, follow an accelerated timeline, and prioritize strategies that leverage resources while

maximizing public health and ecosystem benefits. The State Water Resources Control Board, working in coordination with the Air Resources Board, will oversee the state's response to air quality and ecological needs at the sea. The Colorado River Regional Water Quality Control Board is taking action to improve water quality in major tributaries to the Salton Sea. The California Energy Commission will work with the Public Utilities Commission and the Independent System Operator to consider renewable energy opportunities at and around the Salton Sea.

Concurrent with this effort, state, federal and local agencies are implementing first-phase projects to cover over 1,000 acres of playa currently exposed by the receding shoreline. Federal and local officials broke ground in late 2015 on the Red Hill Bay project that will provide 420 acres of shallow water habitat and dust suppression. The Department of Fish and Wildlife and the Department of Water Resources will construct 600 acres of near shore aquatic habitat to provide feeding, nesting and breeding habitat for birds. This project is permitted to increase to 3,600 acres and could be scaled even greater with additional resources.

- **Restore Coastal Watersheds**
  The Department of Fish and Wildlife in coordination with other state resource agencies and other stakeholders, as appropriate, will develop at least 10 off-channel storage projects, modernize at least 50 stream crossings, and also implement at least 10 large-scale habitat projects along the California coast in strategic coastal estuaries to restore ecological health and natural system connectivity, which will benefit local water systems and help defend against sea level rise.

- **Continue Restoration Efforts in the Lake Tahoe Basin**
  California, in partnership with the state of Nevada and the federal government, will continue its efforts to protect the beautiful and unique waters of Lake Tahoe. The Natural Resources Agency will maintain its role in leading the coordination of the state departments, the boards, and the conservancy involved in the bi-state efforts underway to restore, preserve and enhance the Lake Tahoe region. California's restoration efforts at Lake Tahoe include, among other things, support of the Tahoe Regional Planning Agency's implementation of its Regional Plan Update, putting into place the science provisions contained in the recently enacted SB 630, and support for projects contained in the region's Environmental Improvement Program.

- **Continue Restoration Efforts in the Klamath Basin**
  The Department of Fish and Wildlife and the Natural Resources Agency will continue to work with diverse stakeholders to achieve the goals of the Klamath Basin restoration and settlement agreements. Those agreements include measures to improve water quality in the Klamath River, restore anadromous fish runs, including Chinook and Coho salmon, and improve water reliability for agricultural and other uses by providing a drought planning mechanism for low-water years. The administration will continue to work with tribes, irrigators, ranchers, farmers, the power company, commercial fishing communities, environmental groups, the state of Oregon, and federal agencies to restore the Klamath River, bring water stability to rural communities, resolve long-running disputes, and remove four hydroelectric dams on the Klamath River.

- **Water for Wetlands and Waterfowl**
  The Department of Fish and Wildlife in coordination with other state resource agencies will develop and implement a water acquisition, management, and water use efficiency strategy in coordination with the U.S. Fish and Wildlife Service, U.S. Bureau of Reclamation, Central Valley Project Improvement Act refuge water program, and Central Valley Joint Venture to secure reliable and affordable water for managed

wetlands statewide. The administration will work with the Legislature, and others, to secure funding to acquire water and to replace or repair the most in need conveyances for delivering water for wetlands.

- **Eliminate Barriers to Fish Migration**
  This action has three parts. First, in coordination with the Central Valley Project Improvement Act Anadromous Fish Screen Program, the Department of Fish and Wildlife will create and publish a Priority Unscreened Diversion List in the Central Valley area. Second, the administration will work with the Legislature and others to secure funding to install or repair the top 10 unscreened diversions on the priority list described above. Third, in smaller watersheds around the state, the Department of Fish and Wildlife will complete a comprehensive analysis, working with other state and federal agencies, to optimize barrier removal projects and river and stream priorities, and then complete culvert and bridge improvement and small dam removal projects to provide anadromous fish species access to historic spawning and rearing habitat. The Department of Fish and Wildlife created the priority list of unscreened diversions called for in this action, and used this list as part of its Proposition 1 grant solicitation package for 2015.

- **Assess Fish Passage at Large Dams**
  The Department of Fish and Wildlife, in coordination with state and federal resource agencies, will develop an evaluation and feasibility process for addressing fish passage at California's rim dams and develop rim dam solution plans for the most feasible locations. Rim dams are the large dams at the base of most major river systems in California. They are too integral to California's water infrastructure to consider removing, but, where feasible, passage around the rim dams may be necessary to recover salmon and steelhead, because 95 percent of the historical habitat for these fish is above the dams. This action will require coordination with local water agencies and dam owners and operators, as well as other stakeholders.

- **Enhance Water Flows in Streams Statewide**
  The State Water Board and the Department of Fish and Wildlife are implementing a suite of actions to enhance flows statewide in at least five stream systems that support critical habitat for anadromous fish. These actions include developing defensible, cost-effective, and time-sensitive approaches to establish instream flows using sound science and a transparent public process. When developing and implementing this action, the State Water Board and the Department of Fish and Wildlife will consider their public trust responsibility and existing statutory authorities such as maintaining fish populations in good condition. The Department of Fish and Wildlife and the State Water Board embarked on successful collaboration with rural landowners in the Russian River watershed and elsewhere during the last four years of drought to voluntarily enhance streamflows. In rural coastal watersheds, the Department of Fish and Wildlife and the Board launched a combined effort to expedite approvals for off-stream storage ponds to capture winter rains for rural residential water supply, thereby reducing the need to divert from small streams during dry summer months.

- **Achieve Ecological Goals through Integrated Regulatory and Voluntary Efforts**
  The San Francisco Bay and Sacramento-San Joaquin River Delta are some of the most studied ecosystems in the nation. Similarly, there are many scientific and management plans about the decline of salmon and steelhead in California. A fundamental ecological principle is that aquatic species and estuarine ecosystems need enough cold, clean water at the right times of year to ensure species abundance and health and ecological function. Integration across and between all voluntary and regulatory efforts may be necessary to truly achieve basic ecological outcomes.

As a goal, the state must continue to consider how to provide water flows necessary to meet current state policy, such as significantly increasing salmon, steelhead and trout populations while also supporting viable, self-sustaining populations of a broad range of other native aquatic species, and ensure sustainable river and estuary habitat conditions for a healthy, functional Bay Delta ecosystem. The administration, with the involvement of stakeholders, will build on the work in tributaries to the Sacramento and San Joaquin rivers, analyze the many voluntary and regulatory proceedings underway related to flow criteria, and make recommendations on how to achieve the salmon and steelhead and ecological flow needs for the state's natural resources through an integrated, multi-pronged approach. The Natural Resources Agency will work with the Departments of Fish and Wildlife and Water Resources to lead voluntary, stakeholder-based negotiations on the Sacramento River and San Joaquin River tributary systems. Agreements will be designed to achieve place-based benefits for water users and fish and wildlife in specific tributaries, including monitoring efforts to ensure that best available science guides the on-the-ground implementation of measures that enhance native fisheries. Agreements would capitalize on local expertise in water management that can generate operational efficiencies and water infrastructure improvements that boost water supply reliability and sustainability.

5. MANAGE AND PREPARE FOR DRY PERIODS

Water supply reliability is critical to maintaining California's economy. Temporary shortages caused today by extended, severe dry periods will become more frequent with climate change. Effective management of water resources through all hydrologic conditions will reduce impacts of shortages and lessen costs of state response actions. Many actions will help to secure more reliable water supplies and consequently improve drought preparedness. The actions identified below are specifically designed to address drought conditions and make California's water system more resilient.

- **Revise Operations to Respond to Extreme Conditions**
  State natural resources and water quality agencies, in collaboration with their federal counterparts, implemented a series of administrative actions through a transparent process to make water delivery decisions and propose options to address water quality and supply objectives in extreme conditions. These actions relied on administrative discretion and flexibility to address the current dry conditions. Especially in drought conditions, adaptive management can have substantial fishery, water quality, and water supply benefits. The identification of such opportunities requires continued improved water forecasting and prompt inter- and intra-agency coordination and communication. It also requires an effective coordination mechanism involving the Department of Water Resources, the U.S. Bureau of Reclamation, the State Water Project and the Central Valley Project contractors, the state and federal fishery agencies, and the State Water Resources Control Board, at a minimum.

- **Promote Safe and Effective Water Transfers**
  The administration, in collaboration with its federal partners, will continue to streamline water transfer processes. Reforms may include improved data sharing; refining the schedule for the water transfer process, while considering cumulative, ground and surface water and third party impacts; ensuring transfers are based on measured water use; and legislation to remove barriers to water markets. The administration also will improve outreach in support of local water transfer programs.

- **Improve Enforcement of the Water Right Priority System**
  The drought has required the state to enforce the water right priority system to a degree that it has not done in a generation, which has illuminated both strengths and weaknesses. Billions of dollars in investments rely on the water right priority system and its effective enforcement in times of water

scarcity. The state needs the authority and data to implement the priority system efficiently and fairly. Recently, the state has made important progress, including emergency drought authority and legislation to improve measuring and reporting of surface water diversions. The administration will consider further improvements and encourage transparency and more efficient implementation of the system. This information will in turn assist in the promotion of safe and effective water transfers, which are essential to this effort.

- **Encourage Healthy Soils**
  Soil managed for higher organic matter has the potential to hold up to 20 times its weight in water. This is critical in times of extended dry periods. Soil management practices, such as reduced disturbance, managed grazing and conservation cover, not only increase drought resiliency, they can also sequester carbon and reduce greenhouse gas emissions, improve plant health and yields, reduce sediment erosion and dust, and improve biological diversity and habitat.

6. EXPAND WATER STORAGE CAPACITY AND IMPROVE GROUNDWATER MANAGEMENT

On average, the state receives about 200 million acre-feet of water per year in the form of rain and snow. In reality, the average rarely occurs, as California has the most variable weather conditions in the nation and climate change may increase the variability. Storage, whether surface storage or groundwater storage, can hold water when it flows heavily for use at times when it does not and create greater flexibility in the system. Above ground (surface storage) can be in the form of large on-stream dams and reservoirs, or smaller on stream and off stream reservoirs. Groundwater storage consists of replenishing groundwater basins either directly through injection, or by allowing water to percolate into the ground naturally or from constructed spreading basins and some forms of stormwater capture. Surface storage can be operated in conjunction with groundwater storage to increase opportunities for groundwater recharge during high flow periods and thereby increase comprehensive water management benefits. Constructing surface storage can be challenging for environmental or financial reasons. Developing groundwater storage can be challenging because many basins are contaminated and this method of storage also requires an ability to measure and withdraw water. Proposition 1 provides $2.7 billion for the public benefits of surface and groundwater storage projects. The California Water Commission is working with stakeholders to draft regulations and guidelines to ensure that these funds are allocated in an open, transparent, and cost-efficient manner – and in a way that maximizes the investment of public dollars.

The bottom line is that we need to expand our state's storage capacity, whether surface or groundwater, whether big or small. Today, we need more storage to deal with the effects of drought and climate change on water supplies for both human and ecosystem needs. Climate change will bring more frequent drought conditions and could reduce by half our largest natural storage system—the Sierra snowpack—as more precipitation falls as rain rather than snow, and as snow melts earlier and more rapidly. Moreover, we must better manage our groundwater basins to reverse alarming declines in groundwater levels. Continued declines in groundwater levels could lead to irreversible land subsidence, poor water quality, reduced surface flows, ecosystem impacts, and the permanent loss of capacity to store water as groundwater.

Demand for water goes well beyond water supply and flood management, the traditional purposes for which California's major reservoirs were built. Today, water storage is also needed to help provide widespread public and environmental benefits, such as seasonal fish flows, improved water quality, water cool enough to sustain salmon, and increased flexibility to meet multiple demands, especially in increasingly dry years. The financing of additional water storage in California must reflect not just specific local benefits, but also these broader public benefits.

- **Provide Essential Data to Enable Sustainable Groundwater Management**
  The administration will expand and fund the California Statewide Groundwater Elevation Monitoring Program, which provides essential data to characterize the state's groundwater basins, including identifying basins in decline. In coordination with federal, tribal, local and regional agencies, state agencies will conduct groundwater basin assessments and develop assessment reports.

- **Support Funding Partnerships for Storage Projects**
  The administration will work with the Legislature to make funding available to share in the cost of storage projects if funding partners step forward. The state will facilitate among willing local partners and stakeholders the development of financeable, multi-benefit storage projects, including working with local partners to complete feasibility studies. For example, the Sites Project Joint Powers Agreement, formed by a group of local government entities in the Sacramento Valley, is a potential emerging partnership that can help federal and state government determine the viability of a proposed off stream storage project – Sites Reservoir.

- **Update Bulletin 118, California's Groundwater Plan**
  The Department of Water Resources, in consultation with the U.S. Bureau of Reclamation, U.S. Geological Survey, the State Water Resources Control Board, and other agencies and stakeholders will update Bulletin 118 using field data, California Statewide Groundwater Elevation Monitoring, groundwater agency reports, satellite imagery, and other best available science, so that this information can be included in the next California Water Plan Update and be available for inclusion in future water management and land use plans. The Bulletin 118 update should include a systematic evaluation of major groundwater basins to determine sustainable yield and overdraft status; a projection of California's groundwater resources in 20 years if current groundwater management trends remain unchanged; anticipated impacts of climate change on surface water and groundwater resources; and recommendations for state, federal and local actions to improve groundwater management. In addition, the Bulletin 118 update should identify groundwater basins that are in a critical condition of overdraft.

- **Improve Sustainable Groundwater Management**
  Groundwater is a critical buffer to the impacts of prolonged dry periods and climate change on our water systems. In September 2014, Governor Brown signed historic legislation to strengthen local management and monitoring of groundwater basins most critical to the state's water needs. For the first time in California history, the Sustainable Groundwater Management Act (SGMA) empowers local agencies to adopt groundwater management plans that are tailored to the resources and needs of their communities. SGMA defines the local and regional responsibilities and gives local and regional agencies the authority to manage groundwater sustainably and ensures no groundwater basin is in danger of being permanently damaged by overdrafting. When a basin is at risk of permanent damage, and local and regional entities have not made sufficient progress to correct the problem, the state will protect the basin and its users until an adequate local program is in place. In 2015, the Department of Water Resources drafted regulations that advanced the formation of Sustainable Groundwater Management Agencies. More work remains to facilitate the successful development and implementation of Sustainable Groundwater Management Plans. The administration will continue to work to ensure that SGMA is implemented effectively. By December 31, 2016, the Department will complete a report on the amount of water available for groundwater replenishment. This report will estimate water available to help bring groundwater basins into balance by 2040, as newly required by SGMA. It will evaluate the availability of

different sources of water such as surface water (including stormwater), water conservation, recycled water, desalination, and water transfers, including the challenges and uncertainties in their development. This report will demonstrate the interdependence of California's different water supply sources in achieving overall water security and sustainability for the state.

- **Support Distributed Groundwater Storage**
  The administration will support a comprehensive approach to local and regional groundwater management by funding distributed groundwater storage projects that are identified in groundwater management plans and removing barriers to implementation.

- **Increase Statewide Groundwater Recharge**
  The administration will work with the Legislature to discourage actions that cause groundwater basin overdraft and provide incentives that increase recharge. State agencies will work with tribes and federal, regional and local agencies on other actions related to promoting groundwater recharge and increasing storage, including improving interagency coordination, aligning land use planning with groundwater recharge, streamlining permitting for on-farm recharge, and identifying additional data and studies needed to evaluate opportunities, such as capturing and recharging stormwater flows.

- **Accelerate Clean-up of Contaminated Groundwater and Prevent Future Contamination**
  Throughout the state, groundwater basins are contaminated by historic manufacturing, farming practices and other current uses. The State Water Resources Control Board and the Department of Toxic Substances Control will take action to prevent the spread of contamination, accelerate cleanup, and protect drinking water in urban areas. The State Water Resources Control Board will adopt guidelines to fund groundwater cleanup projects authorized by voter approved Proposition 1 and will continue to implement appropriate control measures to address these sources through its water quality permitting authority.

7. PROVIDE SAFE WATER FOR ALL COMMUNITIES

All Californians have a right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes. Disadvantaged communities, in particular, often struggle to provide an adequate supply of safe, affordable drinking water. The reasons for this are numerous: changes in drinking water quality standards, pollution, aging infrastructure, lack of funding for basic infrastructure, lack of funding for ongoing operation and maintenance, and unreliable supplies resulting in service interruptions are among the most common. Programs designed to protect the quality of our waters for drinking and other uses are housed in multiple agencies, reducing their effectiveness and ability to meet communities' needs.

- **Consolidate Water Quality Programs**
  The administration consolidated the state's drinking water and surface and groundwater quality programs into a single agency to achieve efficiencies and synergies. This consolidation has resulted in immediate benefits as the drought emergency has unfolded, especially for disadvantaged communities. For example, the consolidation has enabled the State Water Board to draw upon a broader range of funding sources for new wells, interties, and emergency drinking water supplies for dozens of communities with failing water systems during the drought. Other benefits include improvements to the State Revolving Fund, closer cooperation with Regional Water Boards to control groundwater contaminant plumes that threaten drinking water, and consolidation of the state's water recycling programs into a single office.

- **Provide Funding Assistance for Vulnerable Communities**
  The administration will work with the Legislature to establish a stable, long-term funding source for provision of safe drinking water and secure wastewater systems for disadvantaged communities. The funding will be made available through a framework of statutory authorities for the state, tribes, regional organizations, and county agencies that will assess alternatives for providing safe drinking water and wastewater, including regional consolidation, and to develop, design, implement, operate and manage these systems for small disadvantaged communities impacted by contaminated drinking water and lack of sanitary wastewater infrastructure. In 2015, the state adopted legislation that can complement or provide an alternative to funding assistance. The legislation allows the Water Board to require a public water system, under certain conditions, to consolidate a failing water system when it is the best solution for small, struggling water systems.

- **Manage the Supply Status of Community Water Systems**
  The state will identify drought-vulnerable public water systems and monitor the status of these systems to help prevent or mitigate any anticipated shortfalls in supply and to secure alternative sources of water for the communities when needed. The state will also work with local governments and agencies to identify drought-vulnerable areas served by domestic wells and collaborate to prevent or mitigate any anticipated shortfalls.

8. INCREASE FLOOD PROTECTION

California's exposure to flood risk presents an unacceptable threat to public safety, infrastructure, and our economy. More than 7 million people and $580 billion in assets are exposed to flood hazards in the state and the lack of sufficient and stable funding for flood management exacerbates the state's risk.

When California floods, public safety and health is endangered, critical infrastructure is damaged, vital services become isolated or interrupted, vast agricultural areas are rendered unproductive, and water supplies are threatened or impacted. The effects of climate change on the state's water runoff patterns will magnify these challenges. Actions by state, local, tribal and regional governments, however, can reduce flood risks and improve the state's preparedness and resiliency when flooding inevitably occurs. Flood projects done in an integrated, regionally-driven way can also achieve multiple benefits. It is possible through collaborative planning efforts to integrate our flood and water management systems, and implement flood projects that protect public safety, increase water supply reliability, conserve farmlands, and restore ecosystems.

- **Streamline and Consolidate Permitting**
  The administration will convene a task force of federal, state and local permitting and flood management agencies, to develop a programmatic regulatory permitting process to replace current site-by-site mitigation requirements and expedite permitting of critical maintenance activities and flood system improvement projects. The effort to streamline and consolidate will also incorporate regional advanced mitigation as a means to expedite planning.

- **Create a Delta Levee Assessment District**
  The administration, in consultation with the Delta Protection Commission and the Department of Water Resources, will sponsor legislation establishing a Sacramento-San Joaquin River Delta levee assessment district with authority to collect fees needed to repair and maintain more than 1,000 miles of Delta levees, many of them privately constructed before modern engineering standards were in place.

- **Improve Access to Emergency Funds**
  The administration will sponsor legislation revising the California Disaster Assistance Act to enhance the Governor's Office of Emergency Services' ability to advance funds for flood response efforts in close coordination with the Department of Water Resources.

- **Better Coordinate Flood Response Operations**
  The Governor's Office of Emergency Services, working in coordination with the Department of Water Resources, the U.S. Army Corp of Engineers, and others, will develop and implement a common interagency protocol that all jurisdictions and agencies at all levels of government operating in the Delta in an emergency will use to establish joint field incident commands for flood operations and other emergency response functions.

- **Prioritize Funding to Reduce Flood Risk and Improve Flood Response**
  An estimated $50 billion is needed to reduce flood risk statewide. The administration will focus on the highest risk areas and develop proposals to fund projects through a combination of financing options.

- **Identify State Funding Priorities for Delta Levees**
  The Delta Stewardship Council, in consultation with the Department of Water Resources, the Central Valley Flood Protection Board, the Delta Protection Commission, local agencies, and the California Water Commission, should develop funding priorities for state investments in Delta levees. These priorities will be consistent with the provisions of the Delta Reform Act in promoting effective, prioritized strategic state investments in levee operations, maintenance, and improvements in the Delta for both levees that are a part of the State Plan of Flood Control and non-project levees.

- **Encourage Flood Projects That Plan for Climate Change and Achieve Multiple Benefits**
  State agencies engaged in planning and implementing flood projects, such as those outlined in the Central Valley Flood Protection Plan, will factor in the effects of climate change as well as pursue projects that provide the greatest number of benefits in addition to flood and public safety. Projects should be developed in a manner that anticipates the extremes that are predicted to worsen due to climate change, and pursue multiple benefits as a climate adaptation strategy like increasing water supply reliability, giving rivers more room to move through widening floodways, conserving farmlands, and restoring ecosystems.

9. INCREASE OPERATIONAL AND REGULATORY EFFICIENCY

Efficiently operating the State Water Project and Central Valley Project, while complying with the requirements of state and federal endangered species acts and operating consistent with the conditions of water rights, contracts and other entitlements, is a delicate balancing act. Current coordination efforts, while longstanding and intended to cover a broad range of conditions, do not reflect the entire Delta watershed, nor do they effectively integrate all of the activities that other agencies and organizations are undertaking to improve the ecosystem.

- **Prepare for the Future Through Better Technology and Improved Procedures**
  The administration will work with federal and regional counterparts to improve coordination of operations of all major water supply (storage facilities and direct diversions), flood control, hatchery facilities, and habitat restoration projects to improve water supply and fishery conditions. The goals are to improve water project near-term operational flexibility for the next water year and build upon those actions in subsequent years. Better technology can result in improved coordination and more accurate

data for decision making. Examples of better technology and improved coordination include but are not limited to the following:

- Improve data availability, communication procedures, and analytical methods used to monitor and communicate risks to listed fish species and to water supplies when making regulatory decisions associated with implementation of incidental take provisions in the existing biological opinions.

- Develop a pilot project to test if a new index for Old River and Middle River reverse flows enables compliance with biological opinion requirements.

- Develop and employ new turbidity models to improve real-time turbidity management in the south Delta.

- Analyze through the South Delta Science Collaborative associated operational approaches for minimizing loss of salmon in the area of the Old River barrier and effects of the operations on water supply.

- Develop a Delta smelt life cycle model to help manage operations to avoid entrainment of smelt at the water project's intakes.

- Implement a 3.5-year study to enhance and modernize Delta smelt monitoring (fish abundance and geographic distribution in the Delta), to improve the ability to protect fish populations while minimizing the impacts of fish protective measures on water project operations.

- Work with federal agencies to improve coordination of hatchery fish releases with hydrologic conditions and water project operations to improve fish survival.

- Improve state and federal interagency coordination and water contractor coordination on real-time forecasting and management associated with meeting water quality control objectives, to optimize project operations and avoid redirected fishery impacts.

- Fund and revive the National Hydrological Dataset for California to improve high-quality framework geospatial data and the precision and accuracy of mapping and scientific studies.

- **Improve and Clarify Coordination of State Bay Delta Actions**
  The problems affecting the Delta need to be addressed on multiple fronts, including habitat loss, export conveyance, water projects operations, pollution control, and flows. The principal state entities charged with addressing these issues are the Delta Stewardship Council, Department of Water Resources, Department of Fish and Wildlife, and the State Water Resources Control Board. Several federal agencies exercise regulatory authority related to these issues. There are also multiple water districts, private parties, nongovernmental organizations and tribal communities with a profound stake in these issues.

  A coordinated approach to managing the Delta is essential to serve the needs of California's residents. State agencies will commit to using collaborative processes to achieve water supply, water quality and ecosystem goals. This approach embraces enhanced sharing of data, consistent use of peer-reviewed science, coordinated review under the California Environmental Quality Act, improved integration of related processes, and encouragement of negotiated resolutions.

- The Delta Stewardship Council, Department of Water Resources, Department of Fish and Wildlife, and the State Water Resources Control Board will ensure all relevant information is shared and will assist each other, as appropriate, to complete respective efforts to improve Delta conditions.

- State entities will encourage negotiated agreements among interested parties to implement flow and non-flow actions to meet regulatory standards and support all beneficial uses of water. State staff will participate in these processes to the maximum extent possible when requested.

- The Delta Stewardship Council's Implementation Committee, which includes leaders from all the affected state entities, will meet regularly to review progress in coordination.

- The administration will direct relevant agencies and departments to work with the Delta Science Program, the Interagency Ecological Program, and others conducting science in the Delta to implement the Delta Science Plan, committing resources and funding for shared science to achieve integrated, collaborative and transparent science to enhance water and natural resource policy and management decisions.

10. IDENTIFY SUSTAINABLE AND INTEGRATED FINANCING OPPORTUNITIES

California has a long history of making sound financial investments in water resources. However, our current investments are not keeping pace with the need. Our infrastructure is aging, levees are in need of repair, communities are without safe water, and our environment, farms and economy are suffering from unreliable and degraded water supplies. The effects of climate change will only accelerate the challenges facing our water resources and infrastructure. This plan includes actions that will require multiple funding sources. We have access to a variety of funding sources including federal grants and loans, general obligation bonds, revenue bonds, rate payer dollars, local initiatives, user fees, beneficiary fees, local and statewide taxes, private investment, public-private partnerships, and more. A better understanding of the variety and types of funds and financing available for water investment will help us to make the best, most efficient and sustainable uses of the funding available.

- **Remove Barriers to Local and Regional Funding for Water Projects**
  The administration will work to clarify the 1996 Right to Vote on Taxes Act's (Proposition 218) applicability to water related fees and taxes, including sponsoring legislation if necessary.

- **Develop Water Financing Strategy**
  The administration will develop a water financing strategy that leverages various sources of water-related project funding and proposes options for eliminating funding barriers, including barriers to co-funding multi-benefit projects. The strategy will identify all potential funding sources for water-related projects including cap and trade auction revenue under AB 32, energy efficiency funds, user and beneficiary fees, polluter fees, local measures, and other sources and will establish principles to guide the use of these funding sources. The strategy will consider measures for energy efficiency and renewable energy to achieve greenhouse gas reductions that would be a co-benefit of water infrastructure investments.

- **Analyze User and Polluter Fees**
  The administration will direct agencies to identify areas where user and/or polluter fees may be appropriate. The agencies will assess the following: areas where users may not be fully funding the costs or impacts associated with their use, instances where polluters are not able to diminish their pollution

and have not adequately accounted for the impacts of that pollution, and opportunities to use fees to incentivize positive behavior. The agencies will provide recommendations on fees, who would pay them, how they would be collected, and how they would be used.

Conclusion

All Californians have a stake in our water future. These actions set us on a path toward reliability, restoration, and resilience in California water. We must adapt to this "new normal" and recapture California's resource management leadership and our economic and environmental resilience and reliability. There are no silver bullets or single projects that will "fix the problem." We must have a portfolio of actions to comprehensively address the challenges this state faces. Some actions must be taken immediately to address current risks such as the looming drought and inadequate safe drinking water. Additionally, over the next five years, we must address fundamental changes in our approach to water resource management and be prepared for the changes the future holds.

Implementation

The Secretary for Natural Resources submitted to the Legislature in 2015 a report on the implementation of this plan.[2] Such a report will be issued annually to track the progress made on Water Action Plan goals. It will include a schedule of activities that the administration proposes for each of the next four budget years, the estimated costs of those activities, and the expected funding source.

[2] Water Action Plan Implementation Report: http://resources.ca.gov/california_water_action_plan/implementation_report/

Association of California Water Agencies
Since 1910
Leadership • Advocacy
Information • Service

ACWA STRATEGIC AND BUSINESS PLAN: 2016 PRIORITY GOALS

Board of Directors' Framework Vision Sets Guideposts for Year

Even as the drought tightened its grip on California, ACWA has continued to work for comprehensive solutions with leadership on issues such as 21st century water storage, the Sustainable Groundwater Management Act of 2014 (SGMA), and management of the state's headwaters areas.

Those efforts have set the stage for continued policy leadership and engagement by ACWA in 2016. With the active involvement of members and coalition partners, ACWA will take advantage of every opportunity to advance policy solutions, protect local agency decision making and promote an integrated, comprehensive approach to water management – all while providing top-notch service to its members.

The ACWA Board of Directors has identified six policy-related goals and five organizational-related goals as priorities for 2016. *(See back page for details.)*

Policy-Related Goals

ACWA will continue to serve as the driving force in advancing comprehensive solutions that improve water supply reliability for all parts of the state.

- **Develop long-term conservation and drought policy:** ACWA will advocate for policy that protects local decision making, recognizes the role of local water supply investments, and promotes sound policy on water use efficiency and long-term climate adaptation.
- **Advance water storage investments:** ACWA will continue to define and highlight the benefits of storage project integration and provide technical analysis to inform decision making by the California Water Commission as it allocates funds from Proposition 1.
- **Promote policy advances on headwaters:** ACWA will work with coalitions to educate audiences and promote policies to increase the pace and scale of headwaters and forestry management.
- **Advance sound policy on water markets/ water transfers:** ACWA will engage in legislative and administrative discussions to improve water transfers and access to the voluntary water market.
- **Provide leadership on drinking water solutions for disadvantaged communities:** ACWA will take a leadership role to develop and advance solutions that are reasonable and effective and do not unjustly impact ACWA members.
- **Ensure Delta solutions are part of a comprehensive plan:** ACWA will continue to educate audiences on the role Delta solutions play in comprehensive statewide water reliability and why long-term Delta improvements are important to achieving the coequal goals.

Organizational-Related Priority Goals

Building on key organizational changes and refinements made in recent years, ACWA will pursue all opportunities in 2016 to meet member needs and ensure the long-term success and financial sustainability of the association.

- **Develop long-range plan for financial sustainability and staff resources:** ACWA will take an in-depth look at resource needs and options for meeting them.
- **Assist ACWA members with recruiting and engaging next generation:** ACWA will pursue strategies to assist members with this important priority.
- **Improve Involvement by ACWA's agricultural members:** ACWA will explore ways to increase involvement and engagement by agricultural members in the association.
- **Maximize the "Meet the President" initiative:** ACWA will pursue every opportunity to add value to members and enhance regional outreach and effectiveness through meetings and events as part of the initiative.
- **Implement the Integrated Marketing / Communications / Outreach Plan:** ACWA will implement actions to refresh and advance ACWA's brand and improve the way ACWA delivers services and communicates with members.

MEET ACWA'S PRESIDENT

Member Engagement Tour 2016-'17

ACWA POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

COLLABORATIVE APPROACH IS KEY TO CALIFORNIA'S FUTURE

California is facing a defining moment in water policy. A staff proposal under consideration by the State Water Resources Control Board presents a decision point about the future we want for California and its communities, farms, businesses and ecosystems. The State Water Board's staff proposal to base new water quality objectives on a "percentage of unimpaired flow" would have impacts that ripple far beyond water for fish.

The proposal could lead to widespread fallowing of agricultural land, undercut the state's groundwater sustainability goals, cripple implementation of the Brown Administration's California Water Action Plan, negatively affect water reliability for much of the state's population and impact access to surface water for some disadvantaged communities that do not have safe drinking water. These effects are not in the public's interest.

Local water managers overwhelmingly believe the proposal's singular focus on "unimpaired flow" is the wrong choice for the state's future. California's urban and agricultural water managers are united in their vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations. That vision is best achieved through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

On behalf of its more than 430 member public agencies serving urban and agricultural customers throughout the state, the Association of California Water Agencies (ACWA) adopts the following policy statement regarding the State Water Board's proposed approach to updating the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta.

LOCAL SUCCESS STORIES

Collaborative efforts have been successful on many rivers in the Bay-Delta watershed.

Lower Yuba River: A voluntary, collaborative settlement among Yuba County Water Agency, California Department of Fish and Wildlife, National Marine Fisheries Service, PG&E and conservation groups resolved 20 years of controversy and resulted in a continuing program to improve 24 miles of salmon and steelhead habitat while protecting water rights and the needs of local communities. State Water Board members have specifically recognized the value of the agreement, which was formally implemented in 2008.

Lower American River: A broad representation of water suppliers, environmental groups, local governments and others negotiated an historic agreement that led to a flow management standard that was successfully incorporated into a 2009 biological opinion issued by the National Marine Fisheries Service.

Feather River: Six years of negotiations among water users, fisheries agencies and environmental groups yielded a comprehensive agreement that includes a habitat improvement program with specific flow and temperature requirements to accommodate spawning salmon and steelhead. The State Water Board adopted the agreement, with some modification, in 2010 as a water quality certification under the federal Clean Water Act.

CHOOSING OUR VISION FOR CALIFORNIA'S WATER FUTURE

Since 2009, state law has required water resources to be managed in a way that achieves the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA and its public water agency members believe that policy requires a commitment from state agencies and stakeholders to advance both water supply and environmental goals together. ACWA and its members further believe that effective implementation of the coequal goals requires transparent, collaborative processes and comprehensive solutions.

In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water-use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Embedded in the plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management *by providing a more reliable water supply for our farms and communities*, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient."

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem.

ACWA and its members believe the unimpaired flow approach proposed by State Water Board staff undercuts and threatens that potential and cannot lead us to the future we want for California. Simply put, any strategy that would result in vast amounts of agricultural land going out of production and ultimately reduce water supply reliability for the majority of Californians is irreconcilable with a policy of coequal goals and blatantly inconsistent with the water policy objectives of the Brown Administration.

ACWA strongly supports the collaborative approach called for by Governor Jerry Brown to move these important decisions out of adversarial processes and into negotiated, comprehensive agreements. The following principles can assure success in that endeavor.

A BETTER PATH TO THE FUTURE

The State Water Board is responsible for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water (including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources) while considering past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (See California Water Code Section 13241.) It also has a responsibility to update the plan in a way that is consistent with the coequal goals and respects and implements the commitments made in the California Water Action Plan.

ACWA and its members urge the State Water Board to set aside the unimpaired flow approach and heed Governor Brown's call for negotiated agreements. ACWA believes that a successful flows policy must be consistent with the following principles:

- **Collaboration:** The governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that State Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the State Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced regulations have not yielded the same track record. The State Water Board should wholly embrace this approach and allow enough time for it to work.

- **Comprehensive Solutions:** A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the "percentage of unimpaired flow" approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.

- **Science:** The State Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The unimpaired flow approach, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science. As noted above, the updated plan needs to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, and incorporate relevant current scientific information. Science alone cannot identify the best policy choice, but it can inform us about the policy tradeoffs we confront and help structure integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.

FUNCTIONAL FLOWS: A BETTER APPROACH

Sacramento Valley: Sacramento Valley water users and conservation partners are working together to advance a new generation of innovative projects to promote salmon recovery.

Over the past two and a half years, 12 projects have been completed through the Sacramento Valley Salmon Recovery Program to address fish passage, improve the timing of flows and increase habitat for salmon and other species. Priority projects have included removal of structural barriers to fish passage, modifying riffles, eliminating predator habitat, restoring floodplains and creating side channel spawning and rearing areas.

In addition, program partners are exploring creative ways to reconnect water with the land in floodplains and agricultural areas to enhance habitat and food production and create rearing habitat in rice fields.

While each of these collaborative projects provides independent value, implementation of the entire comprehensive suite is generating unique benefits that can significantly improve ecological outcomes for salmon in the Sacramento Valley.

Merced River: Merced Irrigation District has spent millions of dollars and decades undertaking intense and in-depth scientific research on the Merced River. This research has included analysis of flows, temperatures, biological resources and habitat. MID is poised to put this research into action through its Merced S.A.F.E. Plan (Salmon, Agriculture, Flows, and Environment) to provide certainty for both the environment and local water supply in Eastern Merced County.

The plan would provide increased flows using science to dictate the amounts and timing, restore critical sections of habitat for spawning and rearing juvenile salmon, protect local drinking water quality, upgrade an existing salmon hatchery with state-of-the-art facilities and reduce predation.

Based on in-depth science and technologically advanced computer modeling, MID seeks to take immediate action and dramatically benefit salmon on the Merced River.

- **Functional Flows:** Science shows that functional flows have very promising benefits for fish as well agricultural and urban water users. Timed and tailored for specific purposes, functional flows can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include functional flows and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability.

- **Economic Considerations:** The State Water Board has a statutory obligation to consider economic impacts when establishing water quality objectives that reasonably protect all beneficial uses of water. Having a robust economic analysis is critical. The board also has a policy obligation under the coequal goals to ensure its actions related to a revised Bay-Delta Plan increase water supply reliability and thereby allow for a healthy, growing agricultural and urban economy in California.

- **Consistency with State Policy:** ACWA urges the State Water Board to heed the governor's direction and recognize that achieving the coequal goals will lead to a more reliable water supply and healthy ecosystem. Pursuing the coequal goals should be a guiding principle for the board's decisions related to adopting a revised Bay-Delta Plan. The State Water Board also should ensure that its decisions on the Bay-Delta Plan enable, rather than obstruct, the implementation of the California Water Action Plan.

- **Leadership:** The best policy choice will come through the give and take of the negotiating process and the enlightened leadership of the State Water Board members. Ultimately, the board must establish water quality objectives that ensure the reasonable protection of all beneficial uses of water as it implements negotiated solutions. The State Water Board should actively engage in this work and lead in a manner that is grounded in an awareness of how its actions can affect the implementation of the California Water Action Plan and the achievement of the coequal goals.

ACWA and its members have taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. We stand ready to work with the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' (ACWA) POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

WHEREAS, California is facing a defining moment in water policy that will be substantially impacted by the State Water Resources Control Board's approach to water quality objectives under the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta; and

WHEREAS, the State Water Board has the responsibility for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water in a way that is consistent with the coequal goals of improving water supply reliability and protecting, restoring and enhancing the Delta ecosystem and with respect to the commitments made in the California Water Action Plan; and

WHEREAS, the State Water Board staff's current proposal, which focuses singularly on an "unimpaired flow" approach, is irreconcilable with a policy of coequal goals of improving both water supply reliability and ecosystem health and is inconsistent with the broader water policy objectives of the Edmund Gerald Brown Jr. Administration; and

WHEREAS, the Association of California Water Agencies (ACWA) Board of Directors have unanimously adopted a strong policy statement calling for a better approach that can more effectively achieve ecological objectives while maintaining water supply reliability; and

WHEREAS, the ACWA statement calls on the State Water Board to set aside its "unimpaired flow" approach and heed Governor Jerry Brown's call for negotiated agreements, which have been successful on many rivers and tributaries in California; and

Res. No. _____

WHEREAS, the ACWA statement notes that to be successful, the state's flow policy must be consistent with the principles of collaboration, comprehensive solutions, science, functional flows, economic considerations, state policy, and leadership; and

WHEREAS, California's local urban and agricultural water managers are united in their vision for a future that includes a vibrant California economy as well as healthy ecosystems and fish populations, and believe that vision is best achieved through comprehensive and collaborative approaches.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa as follows**:**

The Board of Directors of DSRSD hereby supports ACWA's Policy Statement on Bay-Delta Flows and encourages the State Water Resources Control Board to embrace the approach articulated in ACWA's policy statement.

ADOPTED by the Board of Directors of the Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of June 2017, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary